



## CITY COUNCIL STAFF REPORT

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**TO:** Honorable Mayor and City Council      **DATE:** April 26, 2021  
**FROM:** Matthew Bronson City Manager  
**PREPARED BY:** Greg Ray, Public Works Director/City Engineer  
**SUBJECT:** Water Supply Update

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### **RECOMMENDATION**

Receive information on the status of City water supplies and provide direction on enacting a Stage 1 water shortage condition in accordance with the Water Shortage Contingency Plan and other related items as warranted.

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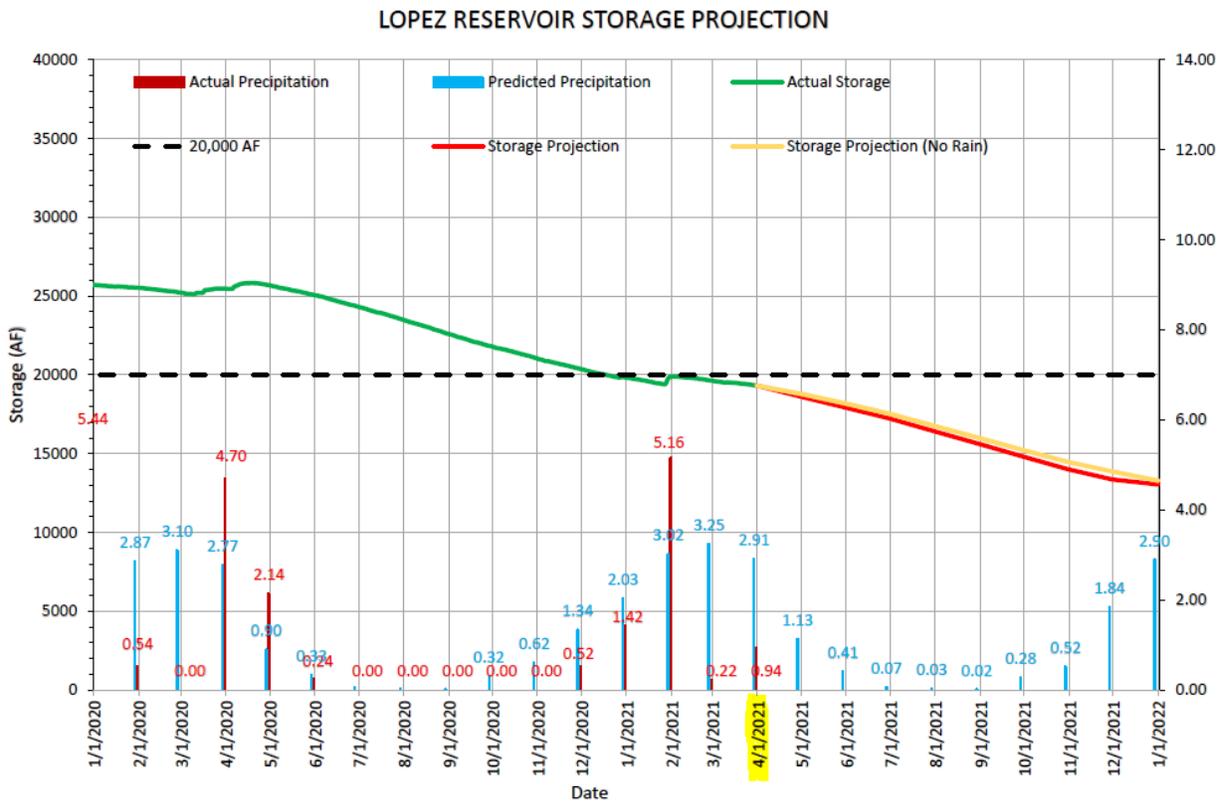
### **BACKGROUND**

The City has two principal water sources: Lopez Lake and the Santa Maria Groundwater Basin. At present, the total amount of water legally or contractually available to the City is 2,207 acre-feet per year comprised of 800 acre-feet of Lopez water and 1,407 acre-feet from groundwater. Below average rainfall this year has impacted both water sources and it is unlikely the central coast will see significant rainfall before winter. Given the dry winter experienced in 2020-2021 and without significant and above average rainfall in the coming winter, it is likely the city will be faced with a water shortage condition that requires action to preserve future water supplies. The purpose of this agenda item to update the Council on these conditions at this time and provide recommendations based on the City's adopted Water Shortage Contingency Plan for Council direction. The report closes with a summary of efforts to secure additional water supply including the Central Coast Blue recycled water project.

### **Status of City Water Supplies**

The following is an update on the City's two primary water supplies and water conservation efforts:

Lopez Lake. As of March 31, 2021, the end of the "Water Year", the Lopez reservoir storage level was 19,297 acre-feet, or 39% of the total reservoir capacity. The chart on the following page shows reservoir storage, actual monthly rainfall and projected monthly rainfall with the current date highlighted. By the end of 2021, the estimated lake level will approach 13,000 acre-feet. In December 2014, the County Board of Supervisors adopted the Low Reservoir Response Plan (LRRP) to identify an adaptive management plan that reduces water deliveries in response to various reservoir storage levels. Previously the LRRP identified a 10% reduction when water levels dropped below 20,000 acre-feet and up to a 35% reduction if the levels dropped to 5,000 acre-feet. The LRRP is not currently enacted but continuing drought conditions and anticipated lake levels will likely result in delivery reductions later in 2021.



**Groundwater Supply.** On behalf of the City, and as required by the Santa Maria Groundwater Basin Adjudication, consultants have completed extensive monitoring of the groundwater basin and prepared the Northern Cities Management Area (NCMA) Annual Report that is filed with the Court. The monitoring is conducted to document how the groundwater system is responding to annual rainfall and the extraction of water by urban and agricultural entities. The monitoring specifically includes the study of four wells situated in such a location as to provide early warning of impending deterioration of water quality and, in particular, seawater intrusion. More detail is provided in the 2019 NCMA Annual Report which is available for public review on the City’s website at <http://www.grover.org/DocumentCenter/Home/View/1893>. The 2020 NCMA Annual Report should be available in May. Compared to April 2020, groundwater levels in all wells are currently lower, down an average of 2.4 feet and are currently 1.6 feet above the deep well index of 7.5 feet which is the action level for concern of seawater intrusion.

**Water Conservation Program.** Water conservation is currently the only means available to the City to address the pending water shortage. Grover Beach customers used an average of 86 gallons per person each day in 2020 (1,298 acre-feet total). In comparison, customers used approximately 120 gallons per day in 2013 (1,803 acre-feet total) just before the previous drought and reached a low of 79 gallons per day in 2019 (1,187 acre-feet total). This low usage was in response to five years of water conservation actions by the City including a series of water shortage declarations, a robust public information campaign, and citations.

**Water Shortage Contingency Plan**

In April 2020, the Council adopted the Urban Water Management Plan and Water Shortage Contingency Plan (WSCP). The WSCP outlines stages of action based on observed water supply conditions (called “Triggering Conditions”) and identifies actions the Council could enact in response. As in the past, staff continues to monitor water supply and availability and if one or

more set of Triggering Conditions have been met, the Public Works Director notifies the Council and recommends the Council declare the appropriate stage of water shortage. Based on current conditions, staff is recommending the Council provide direction to enact a Stage 1 water supply shortage condition as identified further in the table below.

The WSCP include six stages of action tied to actual water shortage conditions in 10% increments. Each stage relates a supply reduction range to an associated demand reduction target, which may vary based on the nature of “Triggering Conditions” dependent on the cause, severity, and anticipated duration of the water supply shortage. The table below identifies the Triggering Conditions associated with each of the six stages of action and the range of supply reduction expected when one or more of the conditions are observed:

Stage of Action	Supply Triggering Conditions	% Supply Reduction Range
<b>1</b>	- Lopez Reservoir < 25,000 AF in storage	0%
	- Quarterly sentry well level reading below the deep well index	
	- Below average rainfall for 1 year	
<b>2</b>	- Lopez Reservoir <20,000 AF in storage	0-10%
	- 4 quarterly sentry well level readings below the deep well index	
	- State mandated water use reductions	
	- Below average rainfall for 2 years	
<b>3</b>	- Lopez Reservoir <15,000 AF in storage	10-20%
	- 4 quarterly sentry well level readings below the deep well index	
	- State mandated water use reductions	
	- Below average rainfall for 3 years	
<b>4</b>	- Lopez Reservoir <10,000 AF in storage	20-30%
	- 5 quarterly sentry well level readings below the deep well index	
	- State mandated water use reductions	
	- Rainfall below average for 4 years	
<b>5</b>	- Lopez Reservoir <5,000 AF in storage	30-40%
	- 6 quarterly sentry well level readings below the deep well index	
	- State mandated water use reductions	
	- Rainfall below average for 4 years	

Stage of Action	Supply Triggering Conditions	% Supply Reduction Range
6	<ul style="list-style-type: none"> <li>- Lopez Reservoir &lt;4,000 AF in storage</li> <li>- Seawater intrusion into groundwater basin</li> <li>- Catastrophic or emergency supply interruption</li> <li>- Rainfall below average for 5 or more years</li> </ul>	40-50%

Upon declaration of a water shortage, the Council will be asked to enact certain actions and water use restrictions with staff recommendations as follows:

*Stage 1 Water Shortage Condition.* A Stage 1 water shortage condition as recommended in this agenda item primarily involves public education including posting information on the City’s website and sending information to all City water customers about the impacts of drought and how to conserve water. This will also include notifying customers of the following permanent water waste prohibitions adopted by Council in 2020 which include prohibitions on:

- All use of water which results in excessive gutter runoff and use of water for cleaning driveways, patios, parking lots, sidewalks, streets, or other such uses except as necessary to protect public health or safety.
- Outdoor irrigation between the hours of 10 a.m. and 4 p.m. and outdoor water use for washing vehicles unless it is attended with use of hand-held automatic shut-off watering devices.
- Use of potable water for compaction or dust control purposes in construction activities unless no other source of water is available or upon approval by staff.
- Hotel, motel or other commercial lodging establishment shall offer their patrons the option to forego the daily laundering of towels, sheets and linens.
- Emptying and refilling of swimming pools and commercial spas is prohibited except to prevent structural damage and/or to protect public health or safety.
- Restaurants or other commercial food service establishments shall not serve water except upon the request of a patron.

Except in the case of an emergency, the California Water Code requires the City to hold a public hearing to allow protests against a declared water shortage. If the Council provides direction to enact a Stage 1 condition, staff will schedule a public hearing at a subsequent Council meeting to adopt a resolution declaring the water shortage. Upon adoption of a Stage 1 Water Shortage resolution, all residential customers will be assigned a monthly baseline amount of water based upon the amount of water used during the same billing period of the previous year prior to the adoption of the resolution but there will be no mandatory water use reductions.

During a Water Shortage declared by the Council, the Public Works Director is authorized to modify the allocation or percentage of water consumption reduction that is required by the customer provided the customer submits evidence demonstrating the existence of unusual circumstances including but not limited to the household having been vacant during a portion of the comparison year billing period or substantial changes in the number of persons residing in the residence. The percentage of reduction in water consumption may also be adjusted if failure to approve the requested exception would have an adverse effect on the health, sanitation, fire protection, or safety of the customer. The Director may also consider alternative restrictions to

which the customer is willing to adhere that would achieve the same level of demand reduction as the restriction for which an exception is being sought. In order to qualify for an exception, a customer may be required to first complete a self-water audit. This audit shall be made part of the customer's exception application and water conservation measures indicated by the audit may be incorporated as conditions of approval to an exception.

During a Water Shortage condition, the Public Works Director and Administrative Services Director serve as an Appeals Board to act on customer appeals of reduction targets or consumption allocations. Any customer who considers an action taken by the Public Works Director to have been erroneously taken or issued may appeal that action in writing. Appeals must be received by the Public Works Director not later than ten business days following the date that the Director took the action which is the subject of the appeal. Within 15 calendar days of the receipt of an appeal, the Appeals Board would hold a hearing to consider the appeal and then issue its decision within 15 calendar days of the date of the hearing. Decisions of the Appeals Board may be appealed to the City Manager.

Unless the Central Coast sees significant rainfall in winter 2021-2022, it is likely staff will be recommending additional stages of action. The following actions are identified in the WSCP for these additional stages:

*Stages 2 through 6 Water Shortage Conditions.* After holding a noticed public hearing declaring a water shortage, the Council may by resolution find and determine that failure to adopt and impose additional restrictions on water use would place the community in a condition that is dangerous to the health, safety and welfare of its citizens due to the anticipated severity of impacts on the City's water supply resulting from observed Triggering Conditions. Based upon such a determination, the Council may declare a Stage 2 through 6 Water Shortage. The resolution may provide that the immediate imposition of additional regulations and restrictions on the use of water are necessary to provide for the protection of the public's health, safety and welfare.

If Triggering Conditions exist to support a Stage 4 or higher water shortage, it is recommended that all residential customers be allocated the minimum units of water deemed necessary for an average household size. Based on existing average usage documented in the City, it is recommended that each household be allowed 12 units of water per two-month billing period, which is equivalent to 150 gallons per household per day (1 unit of water is equal to 100 cubic feet or 748 gallons). Households with over 5 people will be allowed 20 units of water per two-month billing period (250 gallons per day). Households with over 7 people will be allowed 28 units of water per two-month billing period (350 gallons per day). The allocations recommended above may be adjusted by Council resolution.

In addition, the Council may consider other actions in addition to the restrictions imposed in the Stages 2 through 6 Water Shortages. These actions could include reducing irrigation of City-owned non-sports field turf areas by the appropriate percentage as indicated in the table above, completely eliminating park and City landscape irrigation, restricting water system flushing, and restricting private construction activities requiring substantial amounts of water. The Council may also enact penalties for violations of mandatory prohibitions on water wasting and/or water use reduction requirements which could include monetary penalties and ultimately could include termination of water service until the violation is corrected, and until all appropriate penalties are paid in full to the extent allowable by State law. Below are penalties included in the WSCP that would be enacted under each stage if enacted by the Council:

Penalty/Charge <sup>1</sup>	Stage When Penalty Takes Effect
<p>Any water customer who fails to comply with mandatory water conservation reduction targets or mandatory water waste prohibitions will be issued a warning notice for the first violation. The City will monitor the customer’s water activities on a monthly basis beginning with the first violation. A second violation within this period will result in the issuance of an Administrative Citation and Penalty as identified in the City’s adopted Master Fee Schedule which is currently one hundred dollars (\$100.00) for a first violation; two hundred dollars (\$200.00) for a second violation of the same provision within a rolling 12-month period; five hundred dollars (\$500.00) for a third or subsequent violation within a rolling 12 month period.</p>	<p>2-6</p>
<p>In addition to the Administrative Citation and Penalties identified above, continued and willful failure to comply with mandatory water conservation reduction targets or mandatory water waste prohibitions may result in the installation of a flow restriction device or disconnection of the customer’s property from the City’s water service system at the customer’s cost. In addition to any penalties assessed, pursuant to the Municipal Code any water customer who willfully and/or continually fails to comply with mandatory water conservation reduction targets or mandatory water waste prohibitions may be found guilty of an infraction and may be charged with a misdemeanor as identified Article 1, Chapter 2, Penal Provisions, of the City Municipal Code.</p>	<p>4-6</p>
<p>Any water customer who fails to comply with mandatory water conservation reduction targets or mandatory water waste prohibitions and, as a result, has a flow restrictor installed or water service disconnected is responsible for payment of charges for installing and/or removing the flow-restricting device and for disconnecting and/or reconnecting service in accordance with the City’s fee schedule then in effect. The charge for installing and/or removing any flow restricting device must be paid before the device is removed. Nonpayment will be subject to the same remedies as nonpayment of basic water rates.</p>	<p>4-6</p>
<p><sup>1</sup>The foregoing penalties may also be modified or amended by the City Council as deemed necessary and appropriate based upon a determination of the severity of the Water Shortage Emergency.</p>	

## **Water Supply Options**

Lastly, over the past 15 years, City staff has considered a number of possible supplemental water supply sources to protect the city against the effects of drought. Of these, recycled wastewater has been identified as the most feasible which led the City to develop a partnership with Pismo Beach, Arroyo Grande, and the Oceano Community Services District for the Central Coast Blue recycled water project. The project will bring a sufficient supply of recycled water to the region to provide supply reliability during extended drought and minimize the risk of seawater intrusion into the groundwater supply. The cities of Grover Beach and Pismo Beach have recently approved an operating agreement that defines project management and oversight along with defined costs and benefits to project participants with additional discussions underway with the City of Arroyo Grande regarding their final approval of the project including the level of public participation and decision-making authority involved with the project.

The Council's actions have provided direction to staff to continue developing the project which has recently completed the environmental permitting phase and is now entering the agency permitting phase along with applications for grant funding that will reduce the cost of the project paid by ratepayers in the partner jurisdictions. The Council will consider an updated utility rate structure on May 10, 2021 that reflects the City's estimated costs for the project over the next five years. Once complete and operational, the Central Coast Blue project may eliminate the need for future water shortage declarations and actions by the Council by providing additional long-term water supply for the city.

## **FISCAL IMPACT**

The current action has no fiscal impact but if the Council provides direction to enact a Stage 1 water shortage condition, there would be costs and staff time associated with the public information campaign and assigning water budgets to all customers.

## **ALTERNATIVES**

The Council has the following alternatives to consider:

1. Receive information on the status of City water supplies and provide direction on enacting a Stage 1 water shortage condition in accordance with the Water Shortage Contingency Plan and other related items as warranted; or
2. Provide additional direction to staff.

## **PUBLIC NOTIFICATION**

The agenda was posted in accordance with the Brown Act.