

for the water year ending in March of 2014 indicates well levels are approaching the levels experienced between 2007 and 2009. Evidence of seawater intrusion was found in near shore wells in 2009. This information supports staff's recommendation of a Stage 3 water shortage declaration.

A Stage 3 water shortage declaration will invoke certain **mandatory** water use **prohibitions**. These include:

- Use of potable water for street cleaning
- Unauthorized use of water from any fire hydrant
- Use of potable water to wash sidewalks or roadways where air-blowers or sweeping provides a reasonable alternative
- Use of potable water for construction purposes, such as consolidation of backfill unless no other source of water or method can be used
- Restaurant water service to patrons unless upon request
- Hydrant flushing except where required for public health and safety
- Refilling existing private pools except to maintain water levels
- Use of potable water for planting of turf and other new landscaping unless it consists of low water using, drought tolerant plants
- Use of water for washing cars, boats, sidewalks, driveways or other exterior surfaces without a quick-acting shut-off nozzle on the hose
- Operation of any ornamental fountain or car wash unless the water is re-circulated

Depending on the duration and severity of the water shortage, and at the discretion of the City Council, the above measures *could* include prohibiting water use for planting any new landscaping, limiting landscape watering to specific days of the week, and discontinuing operation of all fountains. In addition, the Contingency Plan indicates that the following measures and prohibitions become **mandatory** following a Stage 3 declaration:

- Notify all customers of the water shortage
- Mail information to all customers explaining the importance of water conservation
- Provide technical information to customers on means to promote water use efficiency
- Develop a media campaign to promote water conservation (incl. Channel 20)
- Develop or expand conservation programs such as low-flow toilet rebates
- Increase rates (requires City Council action and a proposition 218 hearing)
- Lower tiers (requires City Council action and a proposition 218 hearing)

Although the Contingency Plan indicates that increasing water rates and lowering water use tiers are mandatory measures, it is clear that to do either will require City Council action and would require a Proposition 218 rate hearing so Council discretion is implied. Staff is not recommending adjusting rates or tiers at this time.

According to the Contingency Plan violation of mandatory prohibitions will result in penalties. Furthermore, it states that a reduction in water use of 10% will be required during a Stage 3 water shortage. The Public Works Director is responsible for determining if individual accounts are meeting the required 10% water use reduction goal and to apply penalties for failure to comply with the prohibitions and reduction goals. Refer to the Water Shortage Contingency Plan for penalty amounts and steps for assessing penalties.

Staff is recommending the following additional steps to implement the declaration of a Stage 3 water shortage.

- Directly notify large water users of the pending reduction goals and penalties.
- Offer large water users direct assistance in complying with the mandatory prohibitions and water use reduction goal, including information on possible plumbing retrofits and other water saving measures.
- Measure water use reduction in comparison to water use during the same billing period of the previous year. For example, compare a customer's June 2014 water bill to their June 2013 water bill to calculate the consumption reduction.
- The City will be required to meet the same reduction goals by reducing water use in parks and other public facilities.
- Report to Council on the status of water use reduction and water supply conditions at regular intervals during the Stage 3 water shortage.
- Implement additional measures, including water rate or tier adjustments if other measures fail to meet the reduction goal.

In accordance with the Contingency Plan, a Public Hearing has been scheduled at which time consumers of the City's water supply shall have an opportunity to express their opinions regarding the declaration and to present their respective needs to the Council. It is the prerogative of the City Council to decide which Water Shortage Stage of Action to invoke for the current year.

Staff is working collaboratively with other agencies in the region to develop common actions in response to the drought. These actions include identifying common water use prohibitions, identifying ways to share water resources that might preserve the health of the groundwater basin and working together to identify emergency response plans should the drought continue. Staff is also working to identify an appropriate methodology for sharing costs relative to these efforts. Staff will provide an update to Council regarding these activities at a future date.

ALTERNATIVES

The City Council has the following alternatives to consider:

1. The City Council could continue the Stage 2 Water Shortage (Moderate-Voluntary) and direct staff to continue those measures as noted in the Water Shortage Stages of Action and to continue Consumption Reduction Methods.
2. The City Council could declare a Stage 3 Water Shortage (Severe, Mandatory) and direct staff to implement the consumption reduction goals, mandatory prohibitions and penalties as identified in the report.
3. Provide further direction to staff.

RECOMMENDED ACTION

It is recommended that the City Council conduct the Public Hearing, receive public testimony, and adopt the Resolution declaring a Stage 3 Water Shortage Condition.

FISCAL IMPACT

A Stage 3 Water Shortage Declaration will require significant amounts of staff time to

implement. Staff is recommending hiring a temporary employee to administer the program during the Stage 3 Water Shortage. In addition, mailing notices to all water customers will cost approximately \$5,000. It is unlikely that penalties will offset the additional costs to implement the Stage 3 Water Shortage. Water revenues will also decrease in direct proportion to consumption reductions. It may become necessary to implement a rate adjustment at some future time in order to offset the deficit to the Water Enterprise Fund.

There will be costs associated with reducing the City's water consumption. Many of these costs can be paid using funds from the Water Conservation Fund. Estimated costs are in the range of \$5,000 to \$15,000 for irrigation system improvements, reduction of turf areas and fixture retrofits.

PUBLIC NOTIFICATION

The agenda was posted in accordance with the Brown Act. A one-eighth page Public Hearing notice was published in *The Tribune* on Friday, June 6, 2014. Public Hearing notices were also posted at City Hall, the Post Office, and the City bulletin board at the Train Station.

ATTACHMENTS

1. Resolution Adopting a Stage 3 Water Shortage Condition

RESOLUTION NO. 14-**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH, CALIFORNIA, DECLARING A STAGE 3 WATER SHORTAGE CONDITION IN ACCORDANCE WITH THE ADOPTED WATER SHORTAGE CONTINGENCY PLAN**

WHEREAS, Resolution No. 11-39 adopting a Water Shortage Contingency Plan was passed, approved and adopted at a regular meeting of the City Council of the City of Grover Beach on the 20th day of June, 2011; and

WHEREAS, said plan contains definitions of five stages of water shortage actions, including Consumption Reduction Methods, Goals, Prohibitions and Penalties required for each Stage of Action; and

WHEREAS, the criteria for adopting a Stage 3 Water Shortage Condition have occurred; and

WHEREAS, certain water uses identified in the Water Shortage Contingency Plan are *prohibited* during a Stage 3 Water Shortage; and

WHEREAS, the Council has determined to implement the following measures in accordance with the Water Shortage Contingency Plan (refer to Exhibit A):

- Notify all customers of the water shortage
- Mail information to all customers explaining the importance of water conservation
- Provide technical information to customers on means to promote water use efficiency
- Develop a media campaign to promote water conservation (incl. Channel 20)
- Develop or expand conservation programs such as low-flow toilet rebates
- Penalties for violation of mandatory prohibitions.
- Require a reduction in water use of 10% during a Stage 3 water shortage.

and **WHEREAS**, the Council has determined to implement the following additional measures as recommended by staff:

- Directly notify large water users of the pending reduction goals and penalties.
- Offer large water users direct assistance in meeting the goals including information on possible plumbing retrofits and other water saving measures.
- Measure water use reduction in comparison to water use during the same billing period of the previous year. For example, compare a customer's June 2014 water bill to their June 2013 water bill to calculate the consumption reduction.
- Require the City to meet the same reduction goals by reducing water use in parks and other public facilities.
- Report to Council on the status of water use reduction and water supply conditions at regular intervals during the Stage 3 water shortage.
- Implement additional measures, including water rate or tier adjustments, if other measures fail to meet the reduction goal.

and **WHEREAS**, the Council has determined to implement the penalties in amounts and manner described in the Water Shortage Contingency Plan.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Grover Beach does hereby declare a Stage 3 Water Shortage Condition, which includes ***mandatory water consumption reduction methods, goals, prohibitions and penalties*** against certain water uses, all listed above and in accordance with the Water Shortage Contingency Plan.

On motion by Council Member _____, seconded by Council Member _____ and on the following roll-call vote, to wit:

AYES: Council Members -
NOES: Council Members -
ABSENT: Council Members -
ABSTAIN: Council Members -

the foregoing Resolution was **PASSED, APPROVED, and ADOPTED** at a regular meeting by the City Council of the City of Grover Beach, California this 16th day of June, 2014.

DRAFT

DEBBIE PETERSON, MAYOR

Attest:

DONNA L. McMAHON, CITY CLERK

WATER SHORTAGE CONTINGENCY PLAN 2010

WATER SHORTAGE CONTINGENCY PLAN ELEMENTS

The City of Grover Beach shall implement an updated Water Shortage Contingency Plan for 2010 using the following as adapted from the seven steps recommended in the Urban Drought Guidebook 2008 Updated Edition:

- DEFINITION OF WATER SHORTAGE, STAGES OF ACTION
- PROVISION OF CONSUMPTION REDUCTION METHODS
- DEFINITION OF PROHIBITIONS AND PENALTIES
- METHODS FOR THE ANALYSIS OF IMPACT ON REVENUES AND EXPENDITURES AS WELL AS MEASURES TO OVERCOME THESE IMPACTS
- MECHANISMS TO DOCUMENT ACTUAL REDUCTIONS IN WATER USE RESULTING FROM IMPLEMENTATION OF THE WATER SHORTAGE CONTINGENCY PLAN

DEFINITION OF WATER SHORTAGE

The amount of rainfall in a given year or series of years is recommended as the basis for definition for stages of action. Rainfall, the ultimate source of recharge to the groundwater basin and surface water supplies, is readily monitored, and is recognized as the basis for defining drought. Rainfall is cumulated daily and summarized on an annual basis. City of Grover Beach rainfall averages approximately 16 inches per year. Rainfall at Lopez Recreation Area averages approximately 24 inches per year. A blended average of 20 inches of rainfall during a rainfall season (July 1 through June 30) will be the "**Benchmark**" amount used to determine what stage of action is necessary to be implemented.

San Luis Obispo County Division of Public Works maintains online rainfall sensors and Lopez Reservoir levels. Lopez Recreation Center (707) will be used in determining the annual rainfall amount in the Lopez Reservoir area. The City of Grover Beach Public Works Department maintains rainfall records from manual recordings taken daily at the City Yard. These recordings will be used in determining the annual rainfall amount in the City of Grover Beach.

Alternate (backup) sites Lopez Dam (737) and Oceano (795) located at 4th Street and Hwy 1 overcrossing will be used as a comparison to validate the rainfall amounts recorded at the official stations.

Ongoing groundwater monitoring of sentry wells along the coast in the Northern Cities Management Area is conducted on a quarterly basis. Any abnormal

quarterly "Monitoring Report" shall be considered in determining the Stage of Action of a Water Shortage Declaration.

Yearly "**Blended Average Rainfall Amount**" is the average of "yearly" measured rainfall at the two official locations.

When the measured yearly "**Blended Average Rainfall Amount**" falls substantially below "**Benchmark**" for a given time and in the amounts defined in the following "Water Shortage Stages of Action", a water shortage occurs.

WATER SHORTAGE STAGES OF ACTION

Water Shortage Stages of Action shall be directly related to the defined "Benchmark".

STAGE I - MINOR - VOLUNTARY

Rainfall Condition is 65% of "Benchmark" rainfall or a quarterly "Monitoring Report" raises the concern of potential seawater intrusion.

STAGE II - MODERATE - VOLUNTARY

Rainfall Condition is an average of 65% of "Benchmark" rainfall for two years in a row. Average will be determined beginning at the first year rainfall was 65% of "Benchmark." If a quarterly "Monitoring Report" raises the concern of potential seawater intrusion, this condition shall be considered in making a Stage II determination.

STAGE III - SEVERE – MANDATORY*

Rainfall Condition is an average of 65% of "Benchmark" rainfall for three years in a row. Average will be determined beginning at the first year rainfall was 65% of "Benchmark." Other factors, including any report of seawater intrusion, will also be considered before making a Stage III determination.

STAGE IV - CRITICAL – MANDATORY*

Rainfall Condition is an average of 65% of "Benchmark" rainfall for four years in a row. Average will be determined beginning at the first year rainfall was 65% of "Benchmark." Other factors, including any report of seawater intrusion, will also be considered before making a Stage IV determination.

STAGE V – TERMINATES THE EMERGENCY RESPONSE

Could be declared by the City Council when rainfall has returned to normal levels, Lopez Reservoir has returned to normal levels, monitoring reports are satisfactory and the City Council is convinced it is safe to do so. Remove all mandatory conservation measures.

* Before declaring a Severe or Critical Water Shortage except in the case of a sudden or catastrophic event, a public hearing will be held at which consumers of

such water supply shall have an opportunity to be heard to protest against the declaration and to present their respective needs to said governing board.¹

The City Engineer will monitor the actual "Blended Rainfall Amount" and all monitoring reports at least on a seasonal basis. If the seasonal analysis indicates the first stage of action criteria may have been met, the City Engineer will notify the City Council and recommend the Council declare a "Stage I" water shortage. If the City Council declares a "Stage I" water shortage, the Director of Public Works/City Engineer of the City of Grover Beach will implement "Consumption Reduction Methods" (see next section).

The same procedure for monitoring and City Council notification will be followed for Stages II, III, IV, and V.

During any water shortage "Stage of Action" declared by the City Council, City Staff will closely monitor water consumption and make recommendations as appropriate to the City Council. When a "Stage V" condition is declared by the City Council, staff will return to monitoring seasonal rainfall and monitoring reports on at least an annual basis.

CONSUMPTION REDUCTION METHODS

Once the City Council has declared a water shortage stage, measures will be implemented to meet water conservation goals. This section describes consumption reduction methods that will be implemented by the Director of Public Works in response to City Council declared water shortage "Stages of Action". These measures range from public education to mandatory watering days.

The following measures and prohibitions shall be VOLUNTARY during a Stage I or Stage II water shortage and become MANDATORY during a Stage III or Stage IV water shortage.

- Notify all customers of the water shortage
- Mail information to all customers explaining the importance of water conservation
- Provide technical information to customers on means to promote water use efficiency
- Develop a media campaign to promote water conservation (incl. Channel 20)
- Develop or expand conservation programs such as low-flow toilet rebates
- Increase rates (Requires City Council action)
- Lower tiers (Requires City Council action)

¹ Excerpt from Urban Drought Guidebook 2008 Updated Edition, Appendix A, Water Code Section 350-359

Prohibitions:

The Urban Water Management Planning Act requires prohibitions against specific water use practices during water shortages. The prohibitions include:

- Use of potable water for street cleaning
- Unauthorized use of water from any fire hydrant
- Use of potable water to wash sidewalks or roadways where air-blowers or sweeping provides a reasonable alternative
- Use of potable water for construction purposes, such as consolidation of backfill unless no other source of water or method can be used
- Restaurant water service to patrons unless upon request
- Hydrant flushing except where required for public health and safety
- Refilling existing private pools except to maintain water levels
- Use of potable water for planting of turf and other new landscaping unless it consists of low water using, drought tolerant plants
- Use of water for washing cars, boats, sidewalks, driveways or other exterior surfaces without a quick-acting shut-off nozzle on the hose
- Operation of any ornamental fountain or car wash unless the water is re-circulated

Depending on the duration and severity of the water shortage and at the discretion of the City Council, the above measures can include prohibiting water use for planting any new landscaping, limiting landscape watering to specific days of the week, and discontinuing operation of all fountains.

PENALTIES

The Water Shortage Contingency Plan imposes penalties at various shortage stages including house call warnings, double and triple water rates and disconnection. Any fines or penalties assessed under this Plan are subject to the provisions of Grover Beach Municipal Code.

When the City Council declares water shortage Stage III or IV, prohibitions become **MANDATORY**.

- Violation of mandatory prohibitions will result in penalties.
- A reduction in water use of 10% will be required during a Stage III water shortage.
- A reduction in water use of 25% will be required during a Stage IV water shortage.
- Customers will be responsible for achieving these goals.

During Stage III or IV Water Shortage Conditions, the Director of Public Works will be responsible for determining if any water account is in violation of the Consumption Reduction goal.

Any account found in violation of the Consumption Reduction goal will be monitored and managed on a monthly basis until the Consumption Reduction goal is achieved.

Step 1. The Director of Public Works will notify any account not meeting the goal and remind the account of the mandatory prohibitions and consumption reduction requirement. Penalties for non-compliance will also be described.

Step 2. The Director of Public Works will notify any account still not meeting the goal and make a house call to remind the account of the mandatory prohibitions and consumption reduction requirement. A written warning will be given that penalties for non-compliance will be exacted if compliance is not achieved within the next billing cycle after notice is given.

Step 3. The Director of Public Works will notify any account still not meeting the goal and remind the account of the mandatory prohibitions and consumption reduction requirement. Step 3 penalty is now invoked and consists of 100% increase of each tier of water rates for the billing cycle after this notice is given.

Step 4. The Director of Public Works will notify any account still not meeting the goal and remind the account of the mandatory prohibitions and consumption reduction requirement. Step 3 penalty is now increased and consists of 200% increase of each tier of water rates for the billing cycle after this notice is given.

Step 5. The Director of Public Works will notify any account still not meeting the goal and remind the account of the mandatory prohibitions and consumption reduction requirement. Step 3 penalty is now increased and consists of 300% increase of each tier of water rates for the billing cycle after this notice is given.

- Increased water rates will remain in effect until the first billing period after water use meets the consumption reduction goal set for the stage of water shortfall declared by the City Council.
- In the event an account becomes delinquent, standard non-payment and disconnection rules shall apply.
- Before a disconnected account may be reconnected, all outstanding billings and a standard reconnection fee shall be paid.

METHODS FOR THE ANALYSIS OF IMPACT ON REVENUES AND EXPENDITURES

For the City of Grover Beach, effective implementation of the Water Shortage Contingency Plan would result in a decline in potable water sales.

Revenues derived from penalties for excessive water use or water wasting during the water shortage would not effectively offset lost revenues.

This penalty related revenue will be applied toward administration of the Water Shortage Contingency Plan. Declining water demands will be offset to a small degree by a decline in operating expenses related to the amount of water provided, such as pumping (energy) and water treatment costs.

During a Stage III or Stage IV Water Shortage, City Staff will analyze water production, consumption, and projected revenue compared to the normally expected revenue. Revenue shortfalls, if any, will be determined and any need for temporary water rate increases will be reported as appropriate to the City Council.

Any temporary water rate increases will apply to all water accounts and are **IN ADDITION** or cumulative to any water rate increases invoked under the **PENALTIES** section.

MECHANISIMS TO DOCUMENT ACTUAL REDUCTIONS IN WATER CONSUMPTION

During a Stage III or Stage IV Water Shortage, City Staff will analyze water production, consumption, and projected revenue compared to goals set by the City Council. Reports will be prepared as appropriate and will contain enough information to fully document decreased consumption in comparison to goals set based upon the Water Shortage Stage of Action declared by the City Council.