



Agenda Item No.

File Code No.

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

Item 8

AGENDA DATE: June 16, 2015

TO: Mayor and Councilmembers

FROM: Water Resources Division, Public Works Department

SUBJECT: Stage Three Drought Update

RECOMMENDATION: That Council:

- A. Receive an update on the status of the current drought and related efforts;
- B. Authorize the extension of three Limited Term Water Resource Specialist positions through June 30, 2016;
- C. Authorize the increase of two regular Water Resource Specialist positions from half-time to three-quarter time through June 30, 2016; and
- D. Authorize staff to make the changes to the Fiscal Year 2016 Position Control Resolution

DISCUSSION:

On February 11, 2014, Council declared a Stage One Drought Condition, and set a goal to reduce customer water use by 20 percent. Council requested that staff provide a monthly status update on the City's water supplies, conservation efforts, and current work efforts. On May 20, 2014, Council declared a Stage Two Drought Condition in response to a third consecutive year of below average rainfall and water conservation, falling short of the 20 percent target. On May 5, 2015, in response to what has now become the driest four-year period on record, Council declared a Stage Three Drought Emergency, increased the community's water conservation target to 25 percent, and provided direction to staff on final wording of a resolution to adopt Stage Three regulations, which was adopted on May 12, 2015, as Resolution No. 15-036.

This report will cover the following items:

- Water Supply Outlook/Weather Forecast
- Drought Response Capital Projects
- Conservation Efforts

Water Supply Outlook

Rainfall for the last four years has averaged less than half of the long-term average and, supply projections must recognize the potential for the current dry pattern to continue. Accordingly, staff's supply projections assume no significant deliveries from Gibraltar Reservoir, no additional Cachuma entitlement, and no significant rainfall in Northern California to allow for dependable supplemental water purchases or State water deliveries. Consistent with the City's Long-Term Water Supply Plan (LTWSP), there is a shift to increased groundwater production and purchases of supplemental water, when available. This strategy has been successful in providing secured supplies sufficient to meet demand for the current 2015 and 2016 water years, assuming there is a 25 percent reduction in customer water use. Beyond 2016, the ability to purchase and receive supplemental water is uncertain. The primary remaining potable supply would be our groundwater, which has a limited production capacity, and by 2017, the groundwater basins will have been significantly depleted. Consistent with the LTWSP, the remaining supply option is reactivation of the City's Charles Meyer Desalination Plant (Plant).

There have been recent media reports about an increased potential for strong El Niño conditions in water year 2016. Such conditions are often associated with significant rainfall. However, there have also been years with strong El Niño conditions that have produced drier than average years. Given the unpredictable nature of El Niño events, this phenomenon cannot be counted on to improve the water supply situation.

Drought Response Capital Projects

Staff continues to work on drought-related capital projects, including completion of the new Alameda Park Well, which is anticipated to be online in fall 2015. Preliminary test results suggest the well will have a greater production rate than what was originally predicted. Efforts are also continuing to put the High School Well into service before spring 2016.

The rehabilitation of the City's Recycled Water Treatment Plant has suffered delays associated with the membrane design. Completion of this project is now anticipated for fall 2015. Conservative estimates were used for water supply planning related to the Plant coming online, so the delayed start should not cause a significant impact to the City's water supplies. Recycled water customers will continue to be asked to reduce their water usage by the targeted 25 percent until the plant is in service. Engineering staff is working closely with the project's contractor and design firm to resolve the design issues.

Most important, staff has completed a year-long process of preliminary design and solicitation of proposals to reactivate and operate the Charles E. Meyer Desalination Plant (Plant). In March 2015, staff conducted interviews with potential design/build/operate contractors. Staff has just completed negotiations with the top firm, IDE/Kiewit. This matter is discussed in detail in a companion Council report. If Council decides to move forward with reactivating the Plant, it could be made operational by fall 2016.

Position Changes

Workload for the Water Conservation Program has increased significantly during the drought. To support program needs, staffing for the Water Conservation Program increased in Fiscal Year (FY) 2015. Initially, three hourly staff were hired to work full time, with an annual limit of 1000 hours. In order to allow trained hourly staff to continue working full-time during FY 2015, Council adopted Resolution 14-078, amending the Position Control and Salary Resolution to include three limited-term Water Resources Specialist positions that expire on June 30, 2015. Given continued and worsening drought conditions, the contract term for these positions is requested to be extended to June 30, 2016. The FY 2016 budget is submitted with funding for the continuation of these limited-term positions for one more year. Depending on drought conditions, extension of the positions will be evaluated in Spring 2016 for Fiscal Year 2017.

In addition, two regular 0.5 Water Resources Specialists have been working full time during drought. For Fiscal Year 2016, staff is requesting that these positions be increased to 0.75, along with a budget that allows up to full-time support. This will allow current staff to continue working up to full time and accrue benefits for 0.75 that correspond with their respective hiring date. The FY 2016 budget is submitted with funding for this request. These positions will be re-assessed after the drought is over and will be adjusted depending on workload and program needs.

Conservation Efforts

The City's most recent water conservation numbers for April 2015, show a 27 percent reduction in water use based on 2013 water demands. The 2013 reference is the State's baseline for comparison and reporting on statewide water conservation efforts. Since June 2014, following Council's Stage Two Drought declaration, City water customers have achieved a cumulative reduction of over 20 percent. Santa Barbara has been one of the few water agencies statewide that have consistently met the State's water use reduction targets.

Under the State's current regulations, adopted in May 2015, mandated water use reductions for each water agency range from 4 to 36 percent, based on residential per capita water use. For Santa Barbara, the state-mandated water use reduction is 12

percent, which is a result of the low per capita residential water use of 80 gallons per day. In earlier drought updates, the City's state-mandated water use reduction was reported as 16 percent based results of state reporting at that time; however, City staff recently updated the City's monthly conservation reports to the state to include potable water used as blend water in the recycled water system in response to clarified State guidelines. This adjustment reduced the City's baseline June 2014 through September 2015 residential per capita water use (since blend water use is not residential), and pushed the City into a lower conservation tier, thus reducing the City's state-mandated reduction from 16 to 12 percent. However, the severity of the drought on local water supplies necessitates a City-wide 25 percent reduction target to ensure the City has adequate supplies for the 2016 water year.

With the Stage Three Drought Declaration and the need for a 25 percent reduction, the Water Conservation Outreach Program has continued its enhanced public information campaign of targeted outreach to specific user types, including:

- Increased weekly messaging through social media, online news outlets, and industry contacts;
- Presentations to community and industry groups;
- Additional printed materials with drought messaging;
- Targeted utility bill messaging;
- Drought signage at City facilities; and
- Additional training and workshops.

Stage Three water rates will be effective July 2015, and will help meet the 25 percent water use reduction target. During the coming months, staff will monitor conservation efforts and consider possible recommendations for further water use regulations or development restrictions in fall 2015, if necessary.

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APPROVED BY: City Administrator's Office