



Agenda Item No. \_\_\_\_\_  
File Code No. \_\_\_\_\_

# CITY OF SANTA BARBARA

## COUNCIL AGENDA REPORT

**AGENDA DATE:** December 16, 2014

**Item 10**

**TO:** Mayor and Councilmembers

**FROM:** Planning Division, Community Development Department  
Water Resources Division, Public Works Department

**SUBJECT:** Consideration Of Drought Related Restrictions And Regulations

**RECOMMENDATION:** That Council:

- A. Receive a report outlining possible water use and development restrictions to be considered in response to drought;
- B. Direct Planning Division staff to further develop options for development related regulations in consultation with the Planning Commission, and return to Council for action in 2015 pending persistent or worsening drought conditions; and
- C. Direct Water Resources staff to work with the Water Commission on further water use restrictions and return to Council for action in 2015 pending persistent or worsening drought conditions.

### **EXECUTIVE SUMMARY:**

Per the City's adopted Water Shortage Contingency Plan, Council should consider regulations of water use and suspension of permit approvals during Stage Two and Stage Three Drought Conditions. On May 20, 2014, a Stage Two Drought Condition was declared, which included restrictions on water use. On October 14, 2014, as part of the monthly Drought Update to Council, staff presented information on potential development restrictions. The Council asked that staff return for a more in-depth discussion at a future meeting.

An inter-departmental staff team has been considering a range of options for possible action by Council to manage water use should a Stage Three Drought Condition be declared. Primary considerations include understanding the context of the water demand associated with new development and the potential water savings that may be achieved through various actions.

Staff is seeking input and direction from Council to further develop possible restrictions and regulations while working with the Planning Commission and Water Commission. It is anticipated that we will have public participation in these meetings through additional outreach to landscape professionals, project developers, property owners, businesses and residents.

**DISCUSSION:**

Staff is planning for continued drought conditions and possible Stage Three declaration in 2015. Since July 2014, the community has been successful in meeting the 20 percent water demand reduction goal. However, since water usage doubles in the summer months due to increased demand for outdoor watering, the summer of 2015 offers a significant opportunity to conserve limited water supplies should conditions continue. If the 20 percent reduction in demand is not sustained through the winter, additional demand reductions will be necessary in Summer 2015 in order to meet the annual drought demand target. Additional demand reductions could also be required should the supply condition worsen.

Possible additional drought regulations under consideration include development restrictions, additional water use restrictions, and suspension of approvals of new private groundwater well permits. The development and water use restrictions should be considered within the context of potential demand reductions resulting from the action. Suspension of groundwater well permits is a preventative action for groundwater management purposes.

During the last prolonged drought event (approximately 1986-1992), significant time and effort was spent to determine, on a case by case basis, if a proposed project could be provided sufficient water supplies without significantly impacting the City's ability to provide adequate supplies to existing users. This process required a project specific water use analysis for each development proposal. One of the major differences today, in comparison to the last significant drought, is changes in technology and building code requirements with respect to water use efficiency. As a result, new projects have substantially lower water use due to required water efficient plumbing fixtures and landscaping. Additionally, the City's overall water consumption is less now than it was back then, and there are significantly fewer development proposals in the pipeline. Therefore, the need for development restrictions is not as critical now as it was during the last prolonged drought.

The following table includes a summary of various potential water use regulations and development restrictions, and an estimate as to when they might be considered for implementation. Refer to discussion below for additional information about these potential regulations and restrictions.

Regulation/Restriction	Level of Regulation		
	Status Quo (Stage 2)	Medium	High (Stage 3)
Stage 2 Water Use Regulations	X	X	X
Voluntary Landscape Deferral		X	
Alerting Applicants of potential future development restrictions (i.e. no vested right)		X	
Required Landscape Deferral			X
No new pools			X
No building permits for projects with net new water use, with specified exceptions (i.e. Affordable Housing, Health & Safety)			X
Work with County to apply City development restrictions to out-of-City water customers			X
No new out-of-City water customers			X
Additional Water Use Restrictions (e.g. no watering turf, with some exceptions)			X
Suspend approval of permits for new private groundwater wells			X

### Possible Development Restrictions

As noted in the October 14, 2014 Council Agenda Report, new development represents approximately 1% of the City's drought water supply projection (11,440 acre feet per year) for the next three years. As this represents a very small portion of the City's overall water system demands, it is important to balance the need for drought demand management with potential impacts to the local economy.

Staff is proposing a phased approach to restrictions aimed at new development. The first phase would include a voluntary landscape deferral program for aesthetic landscape purposes. Certain landscape features would continue to be required to be installed if they are necessary for compliance with the City's Storm Water Management Program, or were otherwise related to a special condition of approval, or to address a health and safety concern such as significant erosion or landslide threat.

Staff had originally proposed this as a mandatory program; however, in hearing feedback from the Council at the October 14, 2104 meeting, it was determined that this would require a significant amount of effort and would likely result in relatively little water

savings overall. Staff has received requests from applicants to defer landscape installation and we believe it would be helpful to allow that flexibility although little water savings would be expected. Development projects that require design review and include new or altered landscaping are required to comply with the City's adopted Landscape Design Standards for Water Conservation (refer to Attachment 1), so any new/altered landscaping would be water efficient. Generally, outdoor water use is estimated at approximately 50% of total water use, so if all new development postponed landscape and irrigations, it would represent approximately 0.5% of the City's drought water supply projection for the next three years. Staff is seeking Council direction to pursue this approach at present by returning to Council with an amendment to the Stage 2 Drought Resolution.

The next phase would include mandatory landscape deferral (of aesthetic features), suspension of building permits for new pools, and suspension of building permits for projects that result in net new water use (generally, an increase in number of units or commercial floor area). These actions could be implemented as part of a Stage Three Drought declaration, or could be further phased, depending on the drought condition at that time. Suspending building permits for projects that cause net new water use would be a major restriction on the development community, and it is anticipated that there would be exceptions to this suspension, such as for priority projects (e.g. essential services and affordable housing). Staff is seeking initial direction from Council on the parameters of such a permit suspension, and public outreach including the Planning Commission. Any new development restriction regulations would be incorporated into a Council Resolution or Ordinance.

### **Possible Water Use Regulations**

Santa Barbara Municipal Code (SBMC) Chapter 14.20 specifies regulations related to the use of water supplied by the City's water distribution system. Section 14.20.215 establishes water use regulations that become effective upon Council's adoption of a resolution declaring a Stage Two or Stage Three Drought Condition. On May 20, 2014, Council adopted Resolution 14-027 declaring a Stage Two Drought Condition and establishing those water use regulations currently in effect (refer to Attachment 2).

Staff will discuss potential additional water use regulations should they be necessary, including restrictions on: 1) methods of irrigation, and 2) irrigation of certain types of landscaping (e.g. no watering of turf, with some exceptions).

### **Possible Groundwater Well Regulations**

Council may wish to consider imposing groundwater well regulations that might limit or restrict altogether the use of wells in the City during a Stage Three Drought. Many agencies have so-called "anti-paralleling" laws which forbid customers from having both

City water supply connections and their own wells. The City could also prevent drilling new wells during a defined drought period.

**BUDGET/FINANCIAL INFORMATION:**

Additional information on potential impacts to the City budget would be provided prior to implementation of any development restrictions. In general, restricting issuance of building permits would reduce revenue to the Building Division and would require additional staff time to monitor. Implementing a temporary deferral on landscape plans would have minimal financial impact; however, it would require increased staff time to manage the deferrals.

The City's adopted water rates assume a 20 percent reduction in demands during drought. If additional measures are taken to reduce demands beyond 20 percent, there could be financial implications due to reduced revenue to the Water Fund, which is required for cost of service. Loss of revenue can be addressed through use of Water Fund reserves or changes to water rates.

Additional water use restrictions may require additional Water Conservation staffing for enforcement of regulations in a timely and equitable manner.

**SUSTAINABILITY IMPACT:**

All of the options discussed herein would be in response to water supply shortages associated with the drought. The goal is to minimize additional demands on the City's water supply in order to maintain supplies to existing water customers, while balancing overall impact on the community.

**ATTACHMENT(S):**

1. Resolution No. 08-083 (Landscape)
2. Resolution No. 14-027 (Stage 2 Drought Declaration and Regulations)

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**SUBMITTED BY:** George Buell, Community Development Director  
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**APPROVED BY:** City Administrator's Office