



Agenda Item No. _____
File Code No.

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

(DRAFT)

ITEM 6-C

AGENDA DATE: November 17, 2015
TO: Mayor and Councilmembers
FROM: Water Resources Division, Public Works Department
SUBJECT: Stage Three Drought Update

RECOMMENDATION:

That Council receive an update on the status of the current drought, drought-response capital projects, and continuing conservation efforts.

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 the critical need to achieve a 20 percent reduction in water usage. On May 5, 2015, in response to the driest consecutive four-year period on record, Council declared a Stage Three Drought Emergency, increased the community's water conservation target to 25 percent, and adopted additional water use regulations by resolution on May 12, 2015.

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. Consistent with the City's Long Term Water Supply Plan, depleted surface water supplies have been replaced with increased groundwater production and purchases of supplemental water. This strategy has been successful in securing supplies sufficient to meet demand through 2016, assuming there is a 25 percent reduction in customer water use. In order to ensure adequate supplies to meet demand, supply projections must

recognize the potential for the current dry weather pattern to continue. Accordingly, staff's supply projections through 2016 assume no significant deliveries from Gibraltar Reservoir, no additional Lake Cachuma entitlement, and insufficient rainfall in Northern California to allow for dependable supplemental water purchases or State water deliveries. By 2017, the primary remaining potable supply would be groundwater, which has a limited production capacity, and the City's Charles E. Meyer Desalination Plant (Desalination Plant), which is scheduled to be reactivated by fall 2016.

Recent weather forecasts support an increased potential for strong El Niño conditions this winter. 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 City's water supply, and the City is planning for continued dry conditions.

Drought Response Capital Projects

The City successfully completed a seven-day test of the newly rehabilitated Recycled Water Treatment Plant and, with the State's approval, began distributing recycled water on November 2, 2015. All recycled water customers have been notified, letting them know the facility is back online, and restrictions on recycled water use are no longer necessary.

Work continues to move forward on the reactivation of the Desalination Plant. There are no significant issues or milestones to report this month. As a recap, the current plant reactivation will produce 3,125 acre feet annually for City water customers, and startup is scheduled for late September 2016, with a contract completion date of October 7, 2016. Negotiations continue with the Montecito Water District on an arrangement to assist them with their current and long-term water needs. In accordance with the MOU initiating negotiations, the goal is to develop a draft agreement by January 2016.

Conservation Efforts

The City's water customers continue to meet and exceed both the City's and the State's conservation targets with extraordinary conservation measures. Under the State's current regulations, adopted in May 2015, mandated water use reductions for urban water suppliers range from 4 to 36 percent, depending on residential per-capita water use. For Santa Barbara, the State-mandated water use reduction is 12 percent below 2013 water usage, based on our summer 2014 residential water use of 79.6 gallons per person per day. However, the severity of the drought's impact on local water supplies requires a citywide 25 percent reduction target to ensure the City has adequate supplies through 2016.

The City's water conservation numbers for October 2015 show a reduction of XX percent, compared to 2013 water demands. The community's success at conserving water has been critical to minimizing the need for additional regulations and allowing for greater flexibility if drought conditions continue or worsen.

With the Stage Three Drought Emergency declaration and the need for a 25 percent reduction, the Water Conservation 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 throughout the City; and
- additional training and workshops.

Revenues

Water revenues for Fiscal Year 2016, which includes August through October revenues, shows revenues are down X% from projected. Given the revenue shortfall, staff has been looking at opportunities to temporarily reduce expenditures without compromising service. A contract to study water rates for Fiscal Year 2017 is tentatively scheduled for Council consideration on November 24. Staff will continue to monitor revenues and update Council on changes.

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