An addendum was issued to modify the DRAFT Ordinance: 2015_cc_agd_05-05A.pdf

TO: James L. App, City Manager

FROM: Dick McKinley, Public Works Director

SUBJECT: Drought Response

DATE: May 5, 2015

NEEDS: For the City Council to consider drought response measures to comply with Governor Brown's mandatory water reductions.

FACTS:

1. On April 1, 2015, Governor Brown issued an executive order calling for further mandatory reductions in urban water use.

2. The City of Paso Robles is required to reduce water use by 28% compared to 2013 usage.

3. To achieve this, the City must reduce usage by 19% from last year's levels. This equates to an average of 1.4 million gallons less per day in the summer months, and 0.5 million gallons daily in the winter months. For typical residential water consumption, that means using at least 30 fewer gallons of water per person each day in the summer.

4. The critical period of usage is June 2015 thru February 2016.

5. While "Level 2" watering restrictions have been in effect since February 2012, including a 3 day/week landscape watering schedule and other use prohibitions, additional measures are needed to achieve the mandated reductions.

ANALYSIS & CONCLUSION:

California is experiencing the fourth year of drought, posing serious concerns about water supply. Local reservoirs are low (for example, Lake Nacimiento is at 28% of capacity; San Antonio Lake is at 5%) and Paso Robles Groundwater Basin levels have declined in recent years.

The City joins the Governor and others in recognizing the severity of the current drought. In response to the Governor's 2014 call to reduce urban demand, the City maintained Level 2 usage restrictions even though the City had adequate supplies. The Governor's latest order will require restrictions beyond the City's current Level 2 requirement, including:

- Landscape watering prohibited during and within 48 hours of rain
- Public median turf irrigation to cease
- Irrigation for new development limited to drip or micro-spray systems

These measures are to be part of the City's conservation plan for the June 2015 through Feb 2016 period to achieve the required 28% reduction in water usage.

The City currently offers rebates for turf landscape conversions and for high efficiency toilet installations. The City also adopted Ordinance No. 1000 N.S. in 2014 disallowing permits for the construction of new private wells within the City limits. Even with these measures in place, summertime water demands can be triple that in the winter, and a large portion of this increase is associated with discretionary landscape irrigation.

Enacting additional conservation measures is necessary to satisfy the state-mandated prohibitions and reductions.

Response to Governor's Water Conservation Order

Considering the City's own Water Conservation and Water Shortage Contingency Plan, the status of City water supplies, and recent customer success in conserving water, the following steps are recommended to be put in effect beginning immediately:

1. Adopt an urgency ordinance to amend Section 14.02.060 to add the mandatory conservation measures required by the Governor and limit watering to two days per week.

2. Adopt a resolution that (i) reaffirms the Level 2 Water Supply Shortage conditions, (ii) establishes water allowances for residential uses and customers with landscape water meters, and (iii) directs the City to take certain measures for City-managed irrigation systems, including:

    a) Cease irrigation of street median and parkway turf;
    b) Cease watering ornamental turf at other City facilities such as City Hall, Public Safety Center, etc.;
    c) Erect signage alerting the public to the reason for watering restrictions;
    d) Cease irrigation within landscape and lighting districts as above.

3. Schedule consideration of an ordinance in July that would enact additional penalties that can be imposed for failure to comply with water conservation measures and/or for exceeding water allowances.

4. Direct staff to report to City Council in August on results of water conservation measures through July 2015 and if conservation is not achieving State-mandated levels, implement penalties.

5. Allocate $102,000 to encourage and implement water conservation measures, as follows:

    a) $27,000 to hire two part-time water conservation staff to enforce water use restrictions, assist with outreach and other program needs;

    b) $50,000 to expand the rebate programs for turf conversion and water-efficient toilet installations; and

c) $25,000 to make billing equipment change to enable the levy of penalties, if implemented.

These measures, particularly the shift to a 2-day per week watering schedule, would be announced in the press, water bill inserts, special mailers, on the City web site, signage throughout town, and on public agendas.

In the event that usage reductions indicate that water usage is falling short of the mandated reductions, penalties for water usage that exceeds the established allowances will be implemented in September.

An analysis of summertime water usage for 2014 demonstrates that approximately 78% of all residences use 25 units of water or less per month[1]. This volume of water, for example, is sufficient to meet interior water needs for larger households along with a reasonable allowance for outdoor usage. Households that maintain water usage below 25 units per month would not incur penalties.

Staff will prepare a revision to the Paso Robles Municipal Code to allow for additional penalties. A proposed penalty could apply to households using more than 25 and up to 50 units (HCFs) per month. Approximately 20% of single family residential accounts fall into this category. Households using more than 50 units per month would be subject to a higher penalty. Approximately 2% of all single family residential accounts fall into this category.

Non-residential customers would be subject to penalties if their average monthly usage for irrigation has not been reduced by 19% from the average monthly usage between July through September 2014. The 19% threshold was chosen to align with the Governor's order. In other words, conserving an additional 19% as compared to last year is what is needed to meet the State-mandated conservation target.

The proposed penalties are listed below. The penalties are separate from and are in addition to the water rates (currently $4.10 per unit).

Proposed Excessive Water Use Penalty	
Water Usage/Month (hundred cubic feet)	Proposed Penalty
For Residential Customers	
Up to 25 HCF	$0/HCF
25 to 50 HCF	$10/HCF over 25

[1] A "unit" is one hundred cubic feet (HCF), or 748 gallons. 25 units/month = 18,700 gallons/month, or 620 gallons per day.

>50 HCF	$10/HCF up to and including 50 HCF; thereafter $20/HCF
For Landscape Meter Customers	
Average Monthy Usage in Jul-Sep 2014 Baseline Period	Penalty to be assessed for usage above 2014 Baseline Period - $25/HCF

Illustrative examples of proposed penalties:

Monthly Usage (hundred cubic feet)	**Water Charge** at current $4.10/HCF	**Additional Penalty**	**Total Charge**
Example Residential Customer			
17 units (425 gals/day)	$69.70	None	$69.70
32 units (800 gals/day)	$131.20	$70	$201.20
55 units (1,370 gals/day)	$225.50	(25 x $10) + (5 x $20) = $350	$575.50

Example Landscape Meter Customer				
Average Monthly Usage Jul-Sep 2014	**Sept '15 Use**	**Water Charge** at current $4.10/HCF	**Additional Penalty**	**Total Charge**
78 units	86 units	$352.60	(86 – 78) x $25/unit = $200	$552.60
82 units	111 units	$455.10	(111 – 82) x $25/unit = $725	$1,180.10

This response plan, i.e. the 2-day per week watering restrictions and potential imposition of penalties, would remain in effect so long as the Executive Order so requires, or until the City Council determines that these local measures may be suspended or repealed.

POLICY REFERENCE: State of California Governor's Executive Order B-29-15, Water Conservation and Water Shortage Contingency Plan, Integrated Water Resource Plan

FISCAL IMPACT:

Action	Estimated Cost
Additional funding for water efficiency rebates	$50,000
Two additional part-time water conservation staff for summer/fall	$27,000
Billing system changes to assess penalties	$25,000
Total =	**$102,000**

Funding would come from Water Fund No. 600.

Various City facility funds are expected to see a slight reduction in monthly water costs as well as effort directed toward mowing and other landscape maintenance costs.

Anticipated reduced water sales resulting from the 2-day watering schedule are expected to reduce revenue to the Water Fund No. 600 by as much as an estimated $1.1 million per year. Resulting operating deficits will be covered by retained earnings (a.k.a., reserves).

OPTIONS:

a. (1) Introduce and adopt Ordinance No.XXX as an urgency ordinance to amend Section 14.02.060 of the Paso Robles Municipal Code to add certain additional mandatory watering restrictions; and

(2) Adopt Resolution No. 15-xx reaffirming the existence of a Level 2 Water Supply Shortage, implementing specified Level 2 watering restrictions, establishing water usage allowances, and authorizing additional funds to implement additional water conservation measures; and

(3) Direct the City Attorney to draft an ordinance for Council consideration in July to establish penalties for excessive water usage above the established water usage allowances; or

b. Amend, modify, or reject the above option.

Attachments:

1) Ordinance No. _____

2) Resolution 15-XX

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ORDINANCE NO. _____

AN URGENCY ORDINANCE OF THE CITY OF EL PASO DE ROBLES UPDATING SECTION 14.02.060 OF THE PASO ROBLES MUNICIPAL CODE RELATED TO WATER CONSERVATION

WHEREAS, California has entered the fourth year of a severe drought; and

WHEREAS, on April 1, 2015, Governor Brown issued Executive Order No. B-29-15 imposing mandatory reductions on the City of Paso Robles and other cities and communities; and

WHEREAS, the Governor's Executive Order calls for the City of Paso Robles to reduce water usage an additional 28% as compared to 2013 usage; and

WHEREAS, the Governor's order prohibits irrigation with potable water of ornamental turf on public street medians, landscape watering during and within 48 hours of rain, and limits new construction irrigation; and

WHEREAS, "Level 2" watering restrictions set forth in Ordinance No. 957 N.S. have been in effect in Paso Robles since May 2012, including outdoor watering restrictions of 3 days per week, however, water usage fell only 11% since that time; and

WHEREAS, the City desires to achieve the required reduction in water usage by adding additional mandatory water conservation measures to the Level 2 watering restrictions in order to achieve the required water usage reduction as quickly as possible;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES HEREBY ORDAIN AS FOLLOWS:

Section 1. The City Council hereby finds and declares that all of the Recitals above are true and correct. The adoption of this Ordinance is necessdary to allow for the immediate preservation of the public peace, health and safety by conserving water during the ongoing historic drought and to comply with the Governor's directive to the City of El Paso de Robles.

Section 2. Section 14.02.060 of the Paso Robles Municipal Code is hereby amended to read as follows:

- **14.02.060 - Level 2 water supply shortage—Mandatory reductions.**
  A. The city council, or in the event prompt action is necessary, the city manager, may recommend and declare a Level 2 water supply shortage condition (a "Level 2 Condition") when there is a reasonable probability, due to a projected imbalance in available water supply and projected peak demand, that there will be a supply shortage and that a consumer demand reduction of up to twenty percent is required in order to ensure that sufficient supplies will be available to meet anticipated demands. Upon the declaration of a Level 2 condition, the city manager or his designee shall take the necessary actions to notify the public and implement the mandatory Level 2 condition conservation practices identified in this chapter. In the event a Level 2 condition has been declared by the city manager, the city council

shall consider the ratification of such declaration at its next regularly scheduled meeting or at a special meeting called for such purpose.

B. During the period of a declared Level 2 condition, all water customers shall be required to comply with all Level 1 condition measures, set forth in Section 14.020.050, and also shall comply with the following conservation measure:

1. The city shall establish and post a schedule for the months in which all landscape irrigation shall be limited to no more than two (2) assigned days per week. Such schedule shall also specify any limited exceptions to such restrictions.

2. Watering of landscaping shall be prohibited during and within 48 hours of rainfall.

3. All irrigation of street median and parkway turf shall cease.

4. All new development and construction shall be required to install drip or micro-spray irrigation systems.

C. At its discretion, the city may suspend the issuance of new hydrant meters and/or recall all outstanding meters in accordance with the city's existing hydrant meter rental agreement.

D. The city manager may recommend and, upon resolution of the city council, implement a water allocation per customer account served by the City of El Paso de Robles, and a schedule of per unit penalties for use exceeding the water allocation. If the city council adopts or modifies water allocations, the city manager will post notice of the water allocation prior to the effective date(s). Following the effective date(s) of the water allocation as established by the city council, any customer that uses water in excess of the allocation will be subject to a penalty for each billing unit of water in excess of the allocation. The per unit penalty for excess water usage will be in addition to any other remedy, penalty, or fine that may be imposed for violation of this chapter. At the city's discretion, the water conservation measures required under Level 1 and Level 2 conditions may be suspended during the period a water allocation is in effect.

Section 3. This Ordinance is exempt from the California Environmental Quality Act ("Public Resources Code section 21000 *et seq*.) ("CEQA") because there is no possibility that it will have a significant impact upon the environment as it will help conserve water resources and comply with the directive to the City to reduce water usage.

Section 4. Effective Date. This Ordinance shall take effect immediately upon adoption.

Section 5. Publication. The City Clerk will certify to the passage of this Ordinance by the City Council of the City of El Paso de Robles, California and cause the same to be published once within fifteen (15) days after its passage in a newspaper of general circulation, printed, published and circulated in the City in accordance with Government Code Section 36933.

Introduced and passed and adopted at a regular meeting of the City Council of the City of El Paso de Robles held on May 5, 2015 by the following roll call vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Steven W. Martin, Mayor

ATTEST:

Dennis Fansler, City Clerk

RESOLUTION NO. 15-XXX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES REAFFIRMING THE EXISTENCE OF A LEVEL 2 WATER SUPPLY SHORTAGE, ESTABLISHING WATER USAGE ALLOWANCES, IMPLEMENTING SPECIFIED LEVEL 2 WATERING RESTRICTIONS, AND AUTHORIZING ADDITIONAL FUNDS TO IMPLEMENT ADDITIONAL WATER-CONSERVATION MEASURES

WHEREAS, California has entered the fourth year of a severe drought; and

WHEREAS, on April 1, 2015, Governor Brown issued Executive Order No. B-29-15 imposing mandatory reductions on the City of Paso Robles and other cities and communities; and

WHEREAS, the Governor's Executive Order calls for the City of Paso Robles to reduce water usage an additional 28% as compared to 2013 usage; and

WHEREAS, the Governor's order prohibits irrigation with potable water of ornamental turf on public street medians, landscape watering during and within 48 hours of rain, and limits new construction irrigation; and

WHEREAS, the City of El Paso de Robles is granted the authority by California Water Code sections 350 *et seq.* and by Chapter 14.02 to declare a water supply shortage and to adopt regulations and restrictions on the delivery and consumption of water; and

WHEREAS, "Level 2" watering restrictions identified in Ordinance No. 957 N.S. have been in effect in Paso Robles most recently since May 2012 including 3 days/week outdoor watering restrictions, however, water usage fell only 11% since that time instead of the desired 20%; and

WHEREAS, Section 14.020.060 of the Paso Robles Municipal Code, as amended by Ordinance No. ___, adopted as an urgency ordinance on May 5, 2015, added additional mandatory water use restrictions in order to help achieve the desired additional water conservation; and

WHEREAS, Section 14.02.060 of the Paso Robles Municipal Code, as referenced in the previous recital, also provides that the City Council may adopt a resolution to implement a water allocation per customer account; and

WHEREAS, an analysis of summertime water usage in 2014 shows that approximately 78% of residential households use 25 units of water or less per month, which includes a reasonable amount of water for outrdoor usage; and

WHEREAS, the City previously authorized funding for a water conservation program including rebates for turf and toilet replacement per Resolution No. 10-019 and subsequent City budget approvals; and

WHEREAS, applications for turf and toilet rebates are expected to exceed program funding during the current fiscal year; and

WHEREAS, additional measures are needed to comply with the Governor's mandated water use reduction.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES HEREBY RESOLVES AS FOLLOWS:

SECTION 1 The City Council hereby finds and declares that all of the above recitals are true and correct and are hereby incorporated into this Resolution.

SECTION 2. The City Council hereby declares and reaffirms that a Level 2 Water Supply Shortage Condition exists in the City of the City of El Paso de Robles. All water customers must comply with all Level 1 Condition and Level 2 Condition water conservation measures, including the mandatory conservation measures added by Ordinance No. __. The City Water Manager shall establish, publicize and post the water conservation measures, including the schedule showing water customers their assigned two days per week for landscape irrigation.

SECTION 3. Pursuant to Section 14.02.060, and based on the analysis by staff regarding water usage in 2014, the City Council hereby establishes the following water usage allowances, effectively immediately:

Residential: 25 hundred cubic feet (HCF) per month

Customers with landscape water meters: reduction of monthly water usage by 19% compared to the average monthly water usage on that account between July through September, 2014.

SECTION 4. In addition, the City Council of the City of El Paso de Robles does hereby direct that the following measures be taken with respect to City-managed irrigation systems:

a) Cease irrigation of street median and parkway turf;
b) Cease watering ornamental turf at other City facilities such as City Hall, Public Safety Center, etc.;
c) Cease irrigation of ornamental turf within landscape and lighting districts;
d) Erect signage alerting the public to the reason for restricted watering.

SECTION 5. The City Council does hereby allocate $102,000 from Water Fund 600 for the following measures to encourage and implement the proposed water conservation measures, as follows:

$50,000	rebates for turf landscape conversion and installation of high-efficiency toilets;
$27,000	two (2) part-time water conservation employees to assist in implementation of conservation measures; and
$25,000	billing system changes to allow for levy of penalties, if necessary

SECTION 6. The City Council hereby directs staff to report back on the results of the City's water conservation measures through July 2015 and in the event that usage reductions appear to fall short of target use reductions stipulated in the Governor's order, determine whether penalties shall be assessed if conservation measures are not followed and/or water usage exceeds the water usage allowances set forth in Section 3, above.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 5th day of May 2015 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Steven W. Martin, Mayor

ATTEST:

Caryn Jackson, Deputy City Clerk