For Council Meeting of: March 14, 2023

CITY OF SANTA ROSA CITY COUNCIL

TO: MAYOR AND CITY COUNCIL

FROM: JENNIFER BURKE, SANTA ROSA WATER DIRECTOR

PETER MARTIN, DEPUTY DIRECTOR WATER RESOURCES,

SANTA ROSA WATER

SUBJECT: RECOMMENDATION TO RESCIND JUNE 29, 2021 DROUGHT

EMERGENCY DECLARATION, RESCIND STAGE 3 OF THE CITY OF SANTA ROSA'S WATER SHORTAGE CONTINGENCY PLAN, REMOVE AUTHORIZATION TO UTILIZE WATER ENTERPRISE

FUND CATASTROPHIC RESERVES, AND IMPLEMENT DEMAND REDUCTION ACTIONS CONSISTENT WITH THE REQUIREMENTS OF TITLE 23, SECTION 996(c)(1) OF THE CALIFORNIA CODE OF REGULATIONS FOR THE DURATION

THIS EMERGENCY REGULATION IS IN EFFECT

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Board of Public Utilities and Santa Rosa Water that the City Council, by resolution: 1) rescind the June 29, 2021 drought emergency declaration, 2) rescind the implementation of Stage 3 of the City of Santa Rosa Water Shortage Contingency Plan, 3) remove the authorization for the Water Department to utilize Water Enterprise Fund Catastrophic Reserves, and 4) direct staff to implement demand reduction actions consistent with Title 23, Section 996(c)(1) of the California Code of Regulations for the duration this emergency regulation is in effect.

EXECUTIVE SUMMARY

On June 29, 2021, in response to local water shortage emergency conditions, the City Council of Santa Rosa (City Council) adopted Resolution No. RES-2021-125, thereby declaring a drought emergency, adopting Stage 3 of the City of Santa Rosa's Water Shortage Contingency Plan, directing staff to implement the water conservation program as defined by Stage 3 to reduce community-wide water use by up to 20%, and authorizing the Water Department to utilize the Water Enterprise Fund Catastrophic Reserves. The water supply outlook for the region has now significantly improved such that the City Council may rescind the drought emergency declaration and Stage 3 of the Water Shortage Contingency Plan and remove authorization to utilize Water Enterprise Fund Catastrophic Reserves. However, the City must implement demand reduction actions

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consistent with Title 23, Section 996 of the California Code of Regulations, which is an emergency regulation promulgated by the State Water Resources Control Board (State Water Board).

BACKGROUND

The region has experienced three consecutive years of drought conditions dating back to 2020. On April 21, 2021, the Governor of California declared a local drought emergency for Sonoma and Mendocino Counties. On April 27, 2021, the County of Sonoma declared a local drought emergency. Sonoma Water, the region's water supply wholesaler, operates Lake Sonoma for the purposes of flood control and securing the water supply needs of the City of Santa Rosa and several other contractors. On average, the City of Santa Rosa's Water Department (Santa Rosa Water) purchases 95% of its municipal water deliveries from Sonoma Water.

Since May 2021, Sonoma Water has filed four different Temporary Urgency Change Petitions with the State Water Resources Control Board (State Water Board) requesting a reduction of releases from Lake Mendocino and Lake Sonoma to preserve critical water supply storage and seek relief from requirements of their water rights regarding minimum instream flows in the Russian River. The State Water Board issued four consecutive Temporary Urgency Change Orders (TUCOs), each lasting 180 days, which granted the requested changes to Sonoma Water's operations. However, the TUCOs included a requirement that Sonoma Water reduce its diversions from the Russian River by 20% over 2020 levels from July to December 2021 and July to October 2022. Pursuant to the Restructured Agreement for Water Supply, Sonoma Water allocated water in accordance with the requirements of the TUCOs and the water shortage allocation methodology.

On June 29, 2021, the City Council adopted Resolution No. RES-2021-125, which declared a water shortage emergency, adopted Stage 3 of the City's Water Shortage Contingency Plan and directed staff to implement the water conservation program as defined by Stage 3 to realize community-wide water use reduction of 20%, and authorized Santa Rosa Water to utilize the Water Enterprise Fund Catastrophic Reserves, if necessary. Santa Rosa Water has continued to implement Stage 3 since July 2021 and customers have reduced city-wide water use by over 18%, when compared to 2020.

On March 28, 2022, Governor Newsom issued Executive Order N-7-22, thereby ordering the State Water Board to consider adopting emergency regulations including a requirement that each urban water supplier that has submitted a water shortage contingency plan to the Department of Water Resources implement, at minimum, the shortage response actions adopted under section 10632 of the Water Code for a shortage level of up to twenty percent (Level 2). In response to Executive Order N-7-22, on May 24, 2022, the State Water Board adopted an emergency regulation via Resolution No. 2022-018, which added Section 996 to Title 23 of the California Code of Regulations (C.C.R.). Title 23 C.C.R. Section 996(c)(1) requires urban water suppliers such as the

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City to implement all demand reduction actions identified in the Water Shortage Contingency Plan for a shortage level of 10% up to 20% (Level 2).

Beginning December 26, 2022, the region received substantial rainfall via a series of atmospheric rivers lasting through the month of January. These powerful storms ultimately shifted the water supply outlook for the upcoming water year. Lake Sonoma gained more than 145,000 acre-feet of supply since reaching historic operational lows in early December 2022 such that the dedicated water supply pool has reached full capacity.

At the February 6, 2023 Water Advisory Committee (WAC) meeting, Sonoma Water staff announced they are operating their reservoirs (Lake Mendocino and Lake Sonoma) under normal water year classifications and conditions in accordance with the existing TUCO. Sonoma Water staff stated that their reservoirs are above or nearing full capacity and are expecting no water shortage conditions for their contractors this year. Prior analysis has shown that Lake Sonoma holds approximately 3-4 years of regional water supply for Sonoma Water's contractors. As of March 1, 2023, the Lake Sonoma water supply storage pool is at 101% and the target water supply curve for Lake Mendocino is at 117%. Based on this information, and the fact that Sonoma Water has more than adequate supply for the upcoming water year there is no need for the water contractors to continue implementing mandatory 20% reductions in water use to protect water supplies.

Given the regional water supply outlook, the Board of Public Utilities and Santa Rosa Water staff are recommending that the Council of the City of Santa Rosa: 1) rescind the June 29, 2021 drought emergency declaration; 2) rescind implementation of Stage 3 of the City's Water Shortage Contingency Plan; 3) remove authorization for Santa Rosa Water to utilize the Water Enterprise Fund Catastrophic Reserves; and 4) implement demand reduction actions consistent with Title 23, Section 996(c)(1) of the California Code of Regulations for the duration this emergency regulation is in effect.

PRIOR CITY COUNCIL REVIEW

On June 29, 2021 the City Council, by Resolution No. RES-2021-125, declared a drought emergency, adopted stage 3 of the City's Water Shortage Contingency Plan, directed staff to implement a water conservation program requiring customers to reduce community-wide water use by 20% and authorized the use of Water Enterprise Fund Catastrophic Reserves.

On August 31, 2021, the City Council conducted a study session with Santa Rosa Water staff to review water supply conditions and the implementation of drought response programs and efforts.

On August 9, 2022, the City Council received a briefing from Santa Rosa Water staff regarding water supply conditions and the implementation of the on-going drought response.

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ANALYSIS

Since July 2021, customers have reduced community-wide water use by 18% when compared to 2020. Water supply conditions in Lake Sonoma have improved over the past three months such that implementation of Stage 3 of the City's Water Shortage Contingency Plan is no longer required.

The Board of Public Utilities and Santa Rosa Water staff recommend that the City Council rescind the drought declaration and implementation of Stage 3 of the City's Water Shortage Contingency Plan and remove authorization to utilize the Water Enterprise Fund Catastrophic Reserves. However, the City must implement demand reduction actions consistent with Title 23, Section 996(c)(1) of the California Code of Regulations, which is in effect until June 2023 unless/until the State Water Board modifies that emergency regulation.

The demand reduction actions are as follows:

- Implement Customer Communication Protocols
- Provide customer service and assistance
- Make operational changes as needed
- Launch Water Waste Patrols
- Conduct compliance and enforcement as needed
- Institute prohibitions and restrictions
 - Water Waste Ordinance (always in effect)
 - Hose-end shut-off nozzles required
 - Prohibit washing hard surfaces with hose
 - Restaurants may only serve water upon request
 - Hotel and lodging industry must incorporate appropriate signage and/or messaging regarding washing of linens only upon request

FISCAL IMPACT

If the City rescinds implementation of Stage 3 of the City of Santa Rosa Water Shortage Contingency Plan, it is expected that Water Enterprise Fund sales revenue will gradually rebound to levels consistent with those forecasted in the existing four-year rate study. There is no impact to the General Fund.

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guidelines Section 15378.

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BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

On May 6, 2021, the Board of Public Utilities passed Resolution No. 1255 recommending that the City Council adopt a resolution requesting a 20% community-wide reduction in water use through voluntary conservation measures.

On March 2, 2023, the Board of Public Utilities adopted a Resolution recommending that the City Council: 1) rescind the June 29, 2021 drought emergency declaration, 2) rescind implementation of Stage 3 of the City's Water Shortage Contingency Plan, 3) remove authorization for Santa Rosa Water to utilize the Water Enterprise Fund Catastrophic Reserves, and 4) implement demand reduction actions consistent with Title 23, Section 996(c)(1) of the California Code of Regulations for the duration this emergency regulation is in effect.

NOTIFICATION

Not Applicable.

ATTACHMENTS

- Attachment 1 Board of Public Utilities Resolution No. 1255
- Attachment 2 City Council Resolution No. RES-2021-125
- Attachment 3 Board of Public Utilities Resolution No. 1312
- Resolution
- Exhibit A to Resolution

PRESENTER

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