

Agenda Item #7.1
For Board of Public Utilities Meeting of: November 18, 2021

CITY OF SANTA ROSA
BOARD OF PUBLIC UTILITIES

TO: BOARD OF PUBLIC UTILITIES
FROM: COLIN CLOSE, SENIOR WATER RESOURCES PLANNER,
SANTA ROSA WATER
SUBJECT: AMENDED 2020 WATER SHORTAGE CONTINGENCY PLAN

AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by Santa Rosa Water that the Board of Public Utilities, by resolution, recommend that the City Council adopt the Amended 2020 Water Shortage Contingency Plan and introduce an ordinance approving revisions to the Excess Use Penalty structure set forth in Section 14-04.015 of the City Code.

EXECUTIVE SUMMARY

In conformance with the Urban Water Management Planning Act (Act), the City of Santa Rosa prepared its 2020 Urban Water Management Plan (UWMP) and its 2020 Water Shortage Contingency Plan (Shortage Plan). Both documents were adopted by the City Council on June 8, 2021 and submitted to the State Department of Water Resources on June 30, 2021 in accordance with the statutory requirements. State law allows each water supplier to amend its Shortage Plan independent of the UWMP. The City wishes to amend the 2020 Shortage Plan to revise the Excess Use Penalty structure and water demand offsets for new construction. The Board will be considering a recommendation to Council to adopt the Amended 2020 Water Shortage Contingency Plan and introduce an ordinance revising the Excess Use Penalty structure in Section 14-04.015.

BACKGROUND

The Urban Water Management Planning Act (Act) requires every urban water supplier that provides water for municipal purposes to more than 3,000 connections or supplies more than 3,000 acre-feet per year (AFY) of water to adopt and submit an Urban Water Management Plan (UWMP) to the California Department of Water Resources (DWR) every five years. The Act includes a requirement to prepare a Shortage Plan, which details the measures a water supplier plans to undertake to respond to water shortage levels ranging from up to 10 percent to over 50 percent. The City's 2020 UWMP and its 2020 Shortage Plan were adopted by the City Council on June 8, 2021.

The current Shortage Plan includes eight water shortage emergency stages (Table 1).

Table 1 – Water Shortage Stages

Supply Shortage	Shortage Stage	Reduction Target	Program Type
Up to 10%	Stage 1	10%	Voluntary
11 – 15%	Stage 2	15%	Mandatory
16 – 20%	Stage 3	20%	Mandatory
21 – 25%	Stage 4	25%	Mandatory
26 – 30%	Stage 5	30%	Mandatory
31 – 40%	Stage 6	40%	Mandatory
41 – 50%	Stage 7	50%	Mandatory
Over 50%	Stage 8	Over 50%	Mandatory

PRIOR BOARD OF PUBLIC UTILITIES REVIEW

On May 20, 2021, the Board of Public Utilities reviewed the current Shortage Plan and recommended adoption by the City Council.

ANALYSIS

The current Shortage Plan provides an implementation plan for responding to water shortages, including specified actions, restrictions, and prohibitions for each shortage stage. To improve the City’s ability to implement the measures and achieve the intended results, the following revisions to the current adopted Shortage Plan are proposed in the Amended Shortage Plan.

Excess Use Penalties

As described in Section 5.2.8 of the current Shortage Plan, customers that use more than their allocation are subject to Excess Use Penalties (EUP). The EUP is also shown in Table 5-2, Table 9-3, Table 9-5, Appendix B, and Appendix C of the current Shortage Plan.

The EUP is not subject to Proposition 218 or Proposition 26, because it is a penalty imposed for exceeding the established allocations. However, for informational purposes, the EUP was included in the Proposition 218 notice and City Council public hearing for the four-year water rate schedule and proposed water shortage charges (“drought rates”) adopted by the City Council on May 25, 2021, prior to the adoption of the current Shortage Plan on June 8, 2021. The EUP was also included in Ordinance No. ORD-2021-004, which was first introduced by the City Council on May 25, 2021 and then adopted on June 8, 2021.

The EUP structure adopted by City Council on June 8, 2021 is shown in Table 2.

Table 2 – Current Excess Use Penalty Structure

Shortage Stage	Demand Reduction Goal	EUP 101 – 150 percent over consumption limit	EUP Over 150 percent of consumption limit
Stage 5	30 percent	10 percent	20 percent
Stage 6	40 percent	25 percent	50 percent
Stage 7	50 percent	40 percent	80 percent
Stage 8	Over 50 percent	50 percent	100 percent

Staff from Santa Rosa Water and Finance have been working with the utility billing system contractor to implement the current EUP structure. After significant discussion and consideration, staff has determined that the EUP structure must be simplified in order to be implemented and that the calculations based on percentages should be eliminated.

The proposed EUP structure summarized in Table 3 can be quickly and effectively implemented and readily explained to customers. Furthermore, the proposed structure provides a progressive approach to address severe cases of excessive use of water. Therefore, Santa Rosa Water is recommending that the current Shortage Plan be amended to revise the EUP structure as shown in Table 3.

Table 3 – Proposed Excess Use Penalty Structure

Excess Use Over Allocation in thousand-gallon units (TGALs)			Penalty per TGAL			
			Stage 5	Stage 6	Stage 7	Stage 8
2	to	10	\$ 5.00	\$10.00	\$20.00	\$40.00
Over		10	\$10.00	\$20.00	\$40.00	\$80.00

Water Demand Offsets

The Shortage Plan adopted by the City Council on June 8, 2021 states in Section 5.2.3.3 that new construction must offset new water demand in Stages 5 through 8, when existing customers must comply with restrictive water allocations (water rationing). The offset requirement is also set forth in Table 5-3, Table 5-4, Appendix B, and Appendix C of the current Shortage Plan. The offset requirements adopted by the City Council on June 8, 2021 are shown in Table 4.

Table 4 – Current Water Demand Offset Requirement for New Construction

Shortage Stage	Offset Required
Stage 5	100% offset
Stage 6	200% offset
Stage 7	300% offset
Stage 8	400% offset

An interdepartmental team of staff members have been working to develop a Water Demand Offset Policy to detail how the City will implement the offset requirement in the current Shortage Plan when the City has declared more restrictive shortage stages. After significant discussion and consideration, the policy development team determined that the current offset requirements for Stages 6 through 8, which require increasingly greater ratios of offset, exceed the offsets needed to achieve a net zero impact for projects creating new water demand during severe water shortage emergencies. Therefore, Santa Rosa Water is proposing that the current Shortage Plan be amended to establish a consistent 1:1 offset requirement for Stages 5 through 8 as shown in Table 5.

Table 5 – Proposed Water Demand Offset for New Construction

Shortage Stage	Offset Required
Stages 5 - 8	100% offset

FISCAL IMPACT

Funds for the preparation of the Amended Shortage plan were included in the Water Department budget for Fiscal Year 2020-2021 and 2021-2022.

ENVIRONMENTAL IMPACT

This action amends the previously adopted 2020 Water Shortage Contingency Plan that is required by the UWMP Act. Water Code Section 10652 states that CEQA does not apply to the preparation and adoption of plans developed to comply with the UWMP Act or to the implementation of actions to accomplish the requirements to reduce consumption during shortages consistent with the terms of a Shortage Plan. Therefore, this Amended 2020 Water Shortage Contingency Plan is not subject to environmental review under CEQA.

BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable

NOTIFICATION

Public notice related to the amendment of the current Shortage Plan and the November 30, 2021 public hearing will be published in the Press Democrat on November 18, 2021.

ATTACHMENTS

- Attachment 1 – Amended 2020 Water Shortage Contingency Plan (redline)
- Attachment 2 – Draft Ordinance
- Attachment 3 – Draft Ordinance (redline)
- Resolution

CONTACT

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