
File No.: 16-0294

Agenda Date: 6/14/2016
Item No.: 2.3.

BOARD AGENDA MEMORANDUM

SUBJECT:

Update on 2016 Water Supply and Drought Response.

RECOMMENDATION:

Receive, review, and discuss updated information on 2016 water supply and drought response efforts, and provide direction to staff as necessary.

SUMMARY:

Staff will present up-to-date information on District and retailer actions, estimated 2016 water savings, 2016 water outlook, and the status of other efforts towards the current call for 30% water use reduction. Additional information on these topics, latest retailer water use data, and the fifteen strategies listed below will be presented in the supplemental agenda memorandum available June 10, 2016.

Overview of District Drought Response

The District's comprehensive drought response is being implemented through fifteen strategies grouped into four general categories: (A) water supply and operations; (B) water use reduction; (C) drought response opportunities; and (D) administrative and financial management.

A. Water Supply and Operations

1. Secure imported water supplies

Background:

This strategy includes working with state and federal project operators: California Department of Water Resources (DWR) and U.S. Bureau of Reclamation (Reclamation), and contractors of the State Water Project (SWP) and Central Valley Project (CVP), to secure the District's 2015 contract carryover supplies and 2016 contract allocations. It also includes supporting initiatives to control Delta salinity; providing for return of water from the Semitropic Water Bank; determining the availability of supplemental water transfers and imported water carryover for 2016; and coordinating

with San Francisco Public Utilities Commission (SFPUC) on drought impacts to the Hetch-Hetchy Project.

2. Manage surface water and groundwater supplies

Background:

To maximize water supply reliability and protect groundwater, this strategy optimizes distribution of limited local and imported supplies, including deliveries to the three water treatment plants, operation of District reservoirs and the groundwater recharge system, and deliveries to untreated surface water users. Given current water supply conditions, ongoing communication is required with regulatory agencies and other stakeholders regarding changing conditions in reservoirs, creeks and recharge ponds, as well as working with untreated surface water customers to establish alternate sources of supply.

3. Optimize treated water quality and availability.

Background:

This strategy focuses on optimizing treatment plant operations and source water supplies to meet drinking water quality and reliability objectives, in coordination with the District's retail treated water contractors. It includes continuing to meet treated water quality objectives despite drought-induced water quality conditions in the Delta this year. This strategy also includes working with SFPUC to use the Hetch-Hetchy Intertie when necessary to meet treated water schedules.

B. Water Use Reduction

4. Reduce 2016 water use through June 30, 2016, by 30% compared to 2013 water use.

Background:

This strategy includes promoting short-term and long-term actions to meet the 30% water use reduction target called for by the Board on March 24, 2015 and extended on November 24, 2015, as well as tracking progress towards meeting that target. Activities include promoting the District's water conservation programs; coordinating with retail water agencies, municipalities and the County of Santa Clara on drought response ordinances and programs; and implementing a public outreach and education campaign.

5. Ensure that District facilities set a model for water conservation.

Background:

Many water conservation measures have been implemented at District facilities in past years, including low flow toilets, dual flush valves in high use areas, low flow aerators on faucets in restrooms and break areas, low flow devices in showers, drought tolerant landscaping and/or native vegetation, and Calsense intelligent irrigation controllers for landscaping. In 2013, the District reduced water use by 11% (10.8 million gallons) compared to 2012 (12.1 million gallons).

6. Support customers and key stakeholders to minimize adverse drought impacts.

Background:

This strategy includes providing assistance to retail water agencies for their outreach, operations, and conservation programs. The District meets regularly with the Water Retailers and subcommittees (Water Supply, Treated Water, Water Quality, Groundwater, Conservation, Communication and Ad Hoc Drought Response Subcommittees). Assistance is also being provided to surface water customers, agricultural water users, municipalities, and others as they implement drought response. The Landscape Committee is convened to discuss drought response as it affects landscape businesses. This strategy includes tracking and reporting customer and stakeholder requests.

C. Drought Response Opportunities

7. Leverage community awareness to advance long-term conservation measures.

Background:

This strategy includes measures to increase participation in the District's long-term water conservation programs. It also identifies, evaluates and supports new innovative conservation measures, including Safe Clean Water (SCW) Water Conservation Research Grant efforts, which are expected to be implemented in calendar year 2016. Staff is also investigating opportunities for advancing sustainable, long-term savings through land use initiatives, where feasible.

8. Accelerate recycled water program development and implementation.

Background:

The current drought has raised interest in expediting implementation of both non-potable and potable reuse components of the District's long-term water supply plans by existing and potential recycled water partners, legislators, water users and others. Staff is identifying and preparing plans for high-priority recycled/purified water projects (up to 45,000 acre-feet per year) to help alleviate water supply shortages if the current drought continues; pursuing regulatory proposals to provide for safe implementation of indirect and direct potable reuse projects; and completing master planning of all recycled water efforts. Other aspects of this strategy include support and pursuit of legislative proposals to streamline the implementation of recycled water projects and provide potential funding.

9. Leverage opportunity to maintain uniquely accessible District facilities.

Background:

Many District facilities are currently more accessible than normal for inspections and maintenance, given the limited surface water in District reservoirs and limited raw water operations. For example, some groundwater recharge ponds that have been in continuous service for decades have been drained, providing opportunity for cleaning and refurbishment. This strategy took advantage of unique conditions in 2014 and 2015 to expedite work and advance District asset management.

10. Leverage opportunity to further develop the District's workforce.

Background:

Effective drought response requires reassignment of staff resources to meet current needs, and this reassignment also creates opportunity for staff to gain new knowledge, skills and abilities. This strategy includes establishing processes for fair and expedited reassignment of staff resources to assist with implementation of drought response so that the District is better able to serve the public this year and in future years through workforce development.

11. Advance community knowledge, awareness, and understanding of the water supply system and services provided by the District.

Background:

This strategy includes efforts to expand outreach communication and engagement with the general public and working even more closely with media to convey drought and water conservation messages. This also provides an opportunity to expand outreach to key stakeholders (e.g., city

councils) and regional groups.

D. Administrative and Financial Management

12. Secure Federal and State legislative support to offset drought impacts and accelerate conservation and recycling programs.

Background:

Staff is tracking a number of State and federal legislative initiatives aimed at providing drought relief and funding to offset costs of drought response and accelerate water supply and water use efficiency projects. This strategy focuses on providing input to legislators and implementing agencies on drought impacts and needs, as well as grant application requirements to maximize funding opportunities for District and customer projects and programs. The strategy also includes pursuing funding and reimbursements for District projects and programs and for collaborative opportunities that assist customers with offsetting financial impacts of the drought.

13. Leverage Emergency Operations Center (EOC) to assist in supporting drought efforts.

Background:

Soon after the Governor's January 17, 2014, Declaration of Drought Emergency, the District activated its EOC at Level 1 to facilitate response to drought-status inquiries from the State Operations Center (SOC), Coastal Regional Operations Center (REOC) and the local Santa Clara County Operational Area (OA). Emergency resource requests may be requested through the EOC, as determined by the District's EOC Director, and the EOC also helps track drought-related costs for potential reimbursement. The EOC communication structure provides opportunity for additional outreach to policy and staff representatives of local municipalities, the county and emergency response providers about the need to achieve the 30% water use reduction target and to promote water conservation.

14. Adjust District resource allocations necessary to respond to drought and provide development of staff.

Background:

This strategy includes identifying, tracking and processing budget adjustments and other adjustments of resources as needed to support overall implementation of drought response. In addition to staff resource adjustments discussed in Strategy #10, drought response is expected to include

increased/adjusted budgets for an effective water use reduction campaign, additional pumping and water treatment costs, extraordinary maintenance projects, and supplemental imported water. The strategy includes clearly identifying the schedule impacts and other impacts of these resource adjustments as non-drought-related work is delayed or removed from project work plans.

15. Support the Board of Directors.

Background:

This strategy includes ensuring that the Board is provided timely and accurate information on current water supply conditions and drought response to support their efforts and linkages to the community. This strategy includes support for the Board's Ad Hoc Water Conservation Committee and Ad Hoc Recycled Water Committee to discuss drought-related opportunities to advance these important programs. It also includes ensuring that Board advisory committees are informed of current water supply, drought response measures, and implementation of the 2016 water use reduction campaign. Board updates are provided monthly on current water supply and drought response, including progress toward achieving the 30% water use reduction target.

FINANCIAL IMPACT:

There is no impact to any of the fund reserves. For the Board's information, since February 2014, the drought emergency has incurred costs totaling approximately \$44.9 million detailed in the table that follows:

District Labor	\$5. 6 million
District Services and Supplies	\$12 million (includes percolation pond clean-up and mercury removal)
Board and CEO approval budget adjustments	\$27.3 million. The breakdown is as follows: • Conservation - \$16.4 million (which includes the \$4.0 million funded by anticipated incremental FY 16 Ad Valorem tax revenue and \$0.9 million from Water Utility operations cost savings as approved by the Board at its October 27, 2015 meeting) • Outreach - \$2.4 million • Imported Water - \$8.5 million for purchased water and reverse flow consultant.

CEQA:

File No.: 16-0294

Agenda Date: 6/14/2016
Item No.: 2.3.

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect change in the physical environment.

ATTACHMENTS:

None.

UNCLASSIFIED MANAGER:

Garth Hall, 408-630-2750