



PUBLIC WORKS DEPARTMENT

CITY HALL

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CITY COUNCIL STAFF REPORT

Meeting: July 5, 2016

Subject

Update on regional drought response, proposed regulations restricting water use and authorize negotiation and execution of a Memorandum of Understanding (MOU) with the Santa Clara Valley Water District (District) for a landscape conversion rebate program.

Recommended Action

Staff recommends that Council take the following actions:

- 1) Receive staff report on current regional drought actions; and
- 2) Adopt Resolution No. 16-___ with 2016-2017 Regulations Restricting Water Use; and
- 3) Adopt Resolution No.16-___ authorizing the City Manager to negotiate and execute a Memorandum of Understanding (MOU) with the District in an amount up to \$115,000 for a landscape conversion rebate program.

Description

Despite near average rainfall in much of Northern California this past winter, 60 percent of California remains in severe drought. Groundwater basins and many reservoirs are badly depleted as the state's drought continues into a fifth year. The June 2016 U.S. Drought Monitor reports that the long term drought remains in California, with Santa Clara County considered *abnormally* dry. However, this is an improvement compared to prior reports when it was noted that several areas within the county were *exceptionally* dry.

In May, local county reservoir storage was at 91 percent of the 20 year average and 86 percent of restricted storage capacity. Compared to recent prior years, overall water supplies are less constrained and the District has been able to increase groundwater recharge operations. Year to date managed groundwater recharge for the District was about 177 percent of the five year average, and there has been some improvement in groundwater storage as compared to last year. However, the end of 2016 groundwater storage is predicted to fall within *District Stage 2 - Alert* if water supplies continue to be

low and no water use reduction measures are implemented. Even with average rainfall conditions, it is unlikely that groundwater storage will return to *District Stage 1 - Normal* in a single year.

In March 2015 the District issued a call to reduce potable water use by 30 percent and restrict outdoor watering of ornamental landscapes or lawns with potable water to no more than two days a week through the end of 2015. Local water retailers (San Jose Water Company (SJWC) and California Water Service Company (CWSC)) and the City of Cupertino (June 2, 2015 Council Meeting) responded to the 30 percent reduction call by coordinating regulations and implementing conservation measures for the use of water for City operations. Reductions in water used in 2015, as compared to the same period in 2013, yielded a 30 percent savings for City operations and a 27 percent savings countywide.

State and Regional Drought Response 2014 to Present

- January 17, 2014 - Governor Brown proclaims a state of emergency, following driest year in recorded state history. Called on all Californians to reduce water use by 20 percent.
- April 1, 2015 - Governor Brown issues executive order increasing water reductions from 20 percent to 25 percent, from a 2013 baseline.
- May 9, 2016 – Governor Brown issues executive order making water conservation a California way of life.
 - Requires the State Water Board to permanently prohibit practices that waste potable water.
 - Requires the Department of Water Resources and the State Water Board to consult with local water suppliers, retailers and cities to develop water use targets.
- June 14, 2016 – District establishes 20% water use reduction goal and three times a week watering schedule (Attachment A).
- July 2016 – SJWC and CWSC submit to California Public Utilities Commission 20% water use conservation tiers/tariffs

2016 Prohibited Potable Water Use Practices

The 2016 prohibited potable water use practices are below:

1. Using potable water to wash sidewalks and driveways;
2. Allowing runoff when irrigating with potable water;
3. Using hoses with no shutoff nozzles to wash cars, trailers, boats;
4. Using potable water in decorative water features that do not re-circulate the water;

5. Irrigating outdoors during and within 48 hours following measurable rainfall;
6. Irrigating ornamental turf on public street medians
7. Restaurants are prohibited from serving water to their customers unless requested;
8. Hotels and motels must offer guests the option not to have linens and towels laundered daily, prominently displaying this option in each guest room.

Cupertino Municipal Code Chapter 15.32 Water Conservation prohibits many of the above practices. For the prohibited practices not specified by ordinance, a resolution titled “2015-2016 Regulations Restricting Water Use” was adopted by the City Council in June 2015. These regulations expired March 1, 2016 and need to be revised to insure consistency with updated regional water conservation practices.

Proposed 2016-2017 Regulations Restricting Water Use

With the District setting the 2016 water conservation goal at 20 percent, as compared to the 30 percent goal established in 2015, the proposed 2016-2017 Regulations Restricting Water Use are less restrictive than last year.

The recommended 2016-17 regulations/prohibited practices are below:

- Using outdoor irrigation during and 48 hours after rain.
- Limit outdoor irrigation of ornamental landscapes or turf with potable water to no more than three days per week. Irrigation will be allowed on Monday, Thursday & Saturday for odd number addresses and numberless addresses; and Tuesday, Friday & Sunday for even number addresses. This replaces the 2015-16 regulation of two day per week irrigation.
- The irrigation with potable water of ornamental turf on public street medians;
- Using potable water in decorative water features that do not re-circulate the water
- Other restrictions on use of potable water as prescribed from time to time by the Water Board or other governing body or agency.
- The irrigation with potable water of landscapes outside of newly constructed homes and buildings in a manner inconsistent with regulations or other requirements established by the California Building Standards Commission and the Department of Housing and Community Development.
- None of the restrictions apply to the use of recycled or grey water. These restrictions also shall not apply to commercial nurseries, golf courses, or other water-dependent businesses, unless specifically included by the Water Board or other governing body or agency.

- The serving of drinking water other than upon request in eating or drinking establishments, including but not limited to restaurants, hotels, cafes, cafeterias, bars, or other public places where food or drink are served and/or purchased.
- Operators of hotels and motels shall provide guests with the option of choosing not to have towels and linens laundered daily. The hotel or motel shall prominently display notice of this option in each guestroom using clear and easily understood language.

Enforcement of 2016-2017 Regulations Restricting Water Use

Enforcement of potable water use regulations is the primary responsibility of the Water District, SJWC and CWSC. Upon adoption of 2016-17 regulations, the City may assist SJWC and CWSC with enforcement by fining violators up to \$100 for a first violation; \$200 for a second violation and up to \$500 for a third violation. SJWC and CWSC will perform the following actions when either water waste or violations of conservation measures are observed:

- First offense – door hanger
- Second offense – door hanger and letter
- Third offense – door hanger, certified letter, and personal contact
- Fourth offense - Water waste must be observed by water retailer staff and photos taken documenting waste. If observed and photographed then low-flow restrictions and/or penalties as authorized by City ordinance will occur. If the offense is not observed, then third offense contact will continue.

Residents may also directly contact the District, SJWC or CWSC if they observe water waste or violation of water conservation regulations. The District also has created a variety of options for individuals to report actions that violate regulations by any one of these three methods:

- Call (408) 630– 2000
- Email drought@valleywater.org
- Report through downloadable [Access Valley Water App](#)

Further, the State Water Board can issue a cease and desist order against water agencies that do not impose mandatory outdoor restrictions upon retail customers, subject to civil liability of up to \$10,000 per day. Specifically SJWC and CWSC must:

- Impose restrictions on outdoor irrigation;
- Notify customers about leaks that are within the customer's control;
- Report on water use monthly; and

- Report on compliance and enforcement.

The Notice of Intent to Adopt the 2016/17 Regulations Restricting Water Use was published in the Cupertino Courier on June 24th (Attachment B). Staff now recommends that Council adopt the regulations in the form contained within Attachment C.

Lawn Conversion Rebate Program (Program)

At its June 16, 2015 meeting, the City Council directed staff to amend the FY15/16 budget by making available up to \$75,000 for Cupertino residents and businesses who participates in the District's Program. At its November 17, 2015 meeting, the City Council amended the approved FY15/16 operating budget a second time by adding an additional \$40,000 funding. The goal of both of these Council actions was to leverage available District funding with up to \$115,000 of additional City funding to support the growing interest of our community to save water.

The Program is designed to assist homeowners and commercial, industrial and institutional property owners to increase efficiency in outdoor water use by offering \$1.00 per square foot for converting water intensive landscaping to qualifying low-water landscaping. City funding has allowed an additional \$1 per square foot to be added to the District's incentive for the first 1,000 square feet for residential sites and for the first 10,000 square feet for non-residential sites.

At the beginning of the five-year drought in 2011, the District funded its Program at \$700,000. Interest was high, with the District supporting the replacement of 160,000 square feet and 1.1M square feet of turf, respectively, in 2013 and 2014. Due to unprecedented interest, funding was increased in 2015 to \$11.1 million. All FY15/16 funds by both the District and City have been allocated. For the Districts total Program, approximately 5 million square feet of turf was replaced in FY15/16, with 111 Cupertino property owners participating in the augmented Program (approximately 140,000 square feet of turf replaced). The average 2015 City contribution per rebate was \$894.57. The District approved \$2.4 million of Program funding at their June 14, 2016 Board meeting. Attachment D is the District provided information regarding the Program.

Other agencies that have collaborated with the District for similar Programs include:

- City of Palo Alto
- City of Morgan Hill
- City of Santa Clara
- City of Sunnyvale
- City of San Jose

Next Steps

Staff will work with District, SJWC & CWSC to outreach to community members, notifying them of updated drought regulations and associated tiers/tariffs.

Sustainability Impact

Actions taken to conserve water across the City's municipal portfolio directly implement Cupertino's Climate Action Plan Measure M-F-7: Conserve Water through Efficient Landscaping and enable the City to advance its emissions reduction goals arising from onsite water use. Further, these visible actions showcase the City's commitment to protecting this diminishing non-renewable resource with the goal of spurring similar water conservation action across the community.

Fiscal Impact

Potable water use reduction mandates by the State and District are anticipated to decrease utility expenses. Staff will monitor water use and expenses and will report use and expenses in future drought updates. The costs to later restore areas to a pre-drought state (e.g. filling ponds, increasing landscaping and associated irrigation) are likely to be significant. These costs and areas will be revisited when future water use reductions are revised.

Resolution No. 16-____ (Attachment E) will provide for up to \$115,000 of funding for qualified Cupertino property owners who timely submit application to the District administered Landscape Conversion Rebate Program. The FY16/17 Operating Budget 100-80-800 900.990 (Public Works Administration) was approved June 21, 2016 by the City Council with the amount of \$115,000 for this Program. No additional allocation is needed.

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Reviewed by: Timm Borden, Director of Public Works

Approved for Submission by: David Brandt, City Manager

Attachments:

- A. District June 13, 2016 Water Conservation Goals press release
- B. Notice of Intent to Adopt the 2016-17 Regulations Restricting Water Use
- C. Draft Resolution 16-____ with 2016-17 Regulations Restricting Water Use and Governor Brown May 9, 2016 Executive Order
- D. District Landscape Conversion Rebate Program

E. Draft Resolution 16-___with Memorandum of Understanding with the Santa Clara Valley Water District for a Landscape Rebate Program