

CITY OF NORCO WATER CONSERVATION 2015



Presentation Outline

1. Water Conservation

- Overview of Governor's Executive Order
- State Water Resources Board Regulatory Requirements
- Urgency Ordinance Overview

2. Impact to City of Norco Water System

- Overview of Water Sources
- Water Use Categories
- Potential Impacts to Water Rates
- Regional Partners
- Recycled Water

3. Pass Through Water Rate Component

State of California Drought Actions

- **January 17, 2014:** Governor Edmund G. Brown, Jr. declared a state of emergency and due to continuing dry conditions, a continued state of emergency was declared on April 1, 2015.
- **April 25, 2014:** a continued state of emergency was declared requesting additional conservation efforts (voluntary)
- **July 29, 2014:** State Water Resources Control Board (SWRCB) formally adopted additional emergency regulations for urban water suppliers due to continuing water shortage conditions (mandatory)
- **March 27, 2015:** SWRCB expands Emergency Water Conservation Regulations
- **April 1, 2015:** Governor's Executive Order mandating 25% statewide water conservation for all urban water agencies.

Governor's Executive Order B-29-15

(April 1, 2015)

- Statewide water conservation target reduction of 25%, based on July through September 2013 water use.
- Higher per capita to achieve greater reductions (City of Norco = 36%).
- Commercial, Industrial, and Institutional reduction targets remain consistent with water supplier reductions.
- Prohibit turf irrigation in public medians.
- Prohibit conventional irrigation in new construction.
- Direct suppliers to develop conservation rate structures.
- Monthly reporting of production, conservation, and enforcement effort.
- In effect **May 16, 2015 – February 2016** (270 days).

State Water Resources Control Board

- **April 7, 2015:** State Board releases initial regulatory framework to implement the Executive Order
- **April 28, 2015:** State Board releases an update to the framework incorporating the following:
 - Agencies will use a three-month July – September 2014 self-reported Gallon Per Capita per Day (GPCD).
 - All water agencies are assigned groups (tiers) ranging from 4% to 36% reduction targets (Norco 36%)
 - Failure to meet the reduction targets by **February 2016** can result in fines up to \$10,000 per day.

State Water Resources Control Board

Local Water Agencies Comment on Deficiencies in the Proposed Regulations:

- **No credit** is provided to agencies who achieved significant conservation savings prior to 2013.
- The GPCD data is **not adjusted for climate or housing density**.
- The base year/months are **arbitrary**.
- **No Credit** is provided for drought-proof supply development, including recycled water.
- **No Credit** is provided for water leaks or fire prevention.

“State Board rejected framework revision requests”

State Water Resources Control Board

- **May 5, 2015:** State Board adopts final regulatory framework to implement Executive Order.
- Regulations were sent to the Office of Administrative Law (OAL) for review.
- **May 16, 2015:** Regulation goes into effect.
- **June 1, 2015:** First monthly reporting period begins (report due on the 15th of the following month).
- **February 28, 2016:** Mandatory compliance date for water use reductions.

State Water Resources Control Board

End-User Requirements

- Irrigation with potable water of ornamental turf on public street medians is prohibited.
- Irrigation with potable water outside of newly constructed homes and buildings is prohibited.
- Using potable water to wash sidewalks and driveways is prohibited
- Allowing runoff when irrigating with potable water is prohibited.
- Using hoses with no shutoff nozzle to wash cars is prohibited.
- Irrigating outdoors during and within 48 hours following measurable rainfall is prohibited.
- Using potable water in decorative water features that do not recirculate the water.
- Restaurants will not serve water to their customers unless requested.

State Water Resources Control Board

End-User Requirements Continued

- Additionally, hotels and motels must offer their guests the option to not have their linens and towels laundered daily, and prominently display this option in each guest room.
- Violations of prohibited and restricted activities are considered infractions and are punishable by fines of up to \$500 by the City of Norco for each day in which the violation occurs. Any peace officer or employee of a public agency charged with enforcing laws and authorized to do so by ordinance may issue a citation to the violator. In many areas, local water suppliers have additional compliance and enforcement authorities that will continue to be used to address water waste.

State Water Resources Control Board

Urban Water Supplier Requirements

The Proposed Emergency Regulation includes new reporting requirements for water suppliers to assess the contributions of all sectors towards reducing water use. Under the existing regulations, urban water suppliers must report on:

- Monthly potable water production;
- Residential gallons per capita per day (R-GPCD); and
- Compliance and enforcement efforts.

State Water Resources Control Board

What is Residential Gallons Per Capita per Day (R-GPCD) and how is it calculated?

R-GPCD is the number of gallons of water per person per day used by the residential customers a supplier serves. R-GPCD is calculated using the following equation:

$$\frac{[(\text{TMP} * \text{PRU}) / \text{TPS}] / \text{number of days in the month}}$$

Where:

TMP is the Total Monthly Potable Water Production

PRU is the Percent Residential Use

TPS is the Total Population Served

State Water Resources Control Board

Enforcement

The State Water Board is primarily responsible for enforcing the required reduction in water use. The Proposed Emergency Regulation includes two additional enforcement tools that could be used alone, or in combination with other tools, to address the following compliance problems:

- Failure of water suppliers to file reports as required by the regulation;
- Failure to implement prohibitions and restrictions as described in the Governor's Executive Orders and the emergency regulation; and
- Failure of water suppliers to meet the assigned water use reduction target.

Urgency Water Conservation Ordinance Overview

The proposed Ordinance establishes five (5) Water Shortage Response Levels;

Level 1 – Water Shortage Watch. Use restrictions are based on Ordinance 397, Water Conservation, Chapter XXI, Section 14.04.650 of the Norco Municipal Code.

Level 2 – Water Shortage Caution. Use restrictions are mandatory with a conservation target of up to 20%.

Level 3 – Water Shortage Alert. Use restrictions are mandatory with a conservation target of up to 30%.

Level 4 – Water Shortage Critical. Use restrictions are mandatory with a conservation target of up to 40%.

Level 5 – Water Shortage Emergency. Use restrictions are mandatory with a conservation target of more than 50%.

Staff will be recommending City Council adopt “Level 3”

Urgency Water Conservation Ordinance Overview

The proposed regulations shall apply to all customers, water users, and premises served by the City of Norco, wherever situated, and shall also apply to all premises and facilities owned, maintained, operated, administered, or under the jurisdiction of the City.

It shall be unlawful at any time for any Person to waste water or to use it unreasonably.

Water Shortage Response Level shall be determined by the City Council in accordance with the provisions of the Water Conservation Program. A Water Shortage Response Level shall remain in full force and effect until otherwise determined or discontinued by resolution of the City Council.

The City may declare a Water Shortage Emergency (Level 5) during any Water Shortage Response Level.

During Water Shortage Response Levels Two (2) through Five (5), the water conservation and supply shortage response measures are mandatory, and violations are subject to administrative, civil, and criminal, penalties and remedies as specified in this resolution and by State law.

Urgency Water Conservation Overview

Civil Penalties

Civil penalties shall be imposed for each violation including both water use restrictions specifically cited in this Program in Water Shortage Levels 2-5 and Water Allocation Target violations as listed in Water Shortage Levels 4-5 as follows:

1. Twenty five dollars (\$25.00) for a first violation. Water usage between 1-20 units in excess of the Water Allocation Target during a single billing cycle shall also constitute a first violation.
2. Fifty dollars (\$50.00) for a second violation of any provision of this resolution within one year of the date of the first violation. Water usage between 21-50 units in excess of the Water Allocation Target during a single billing cycle shall also constitute a second violation.
3. One hundred dollars (\$100.00) for a third violation of this resolution within one year of the date of the first violation. Water usage between 51-100 units in excess of the Water Allocation Target during a single billing cycle shall also constitute a third violation.
4. Two hundred dollars (\$200.00) for a fourth violation of this resolution within one year of the first violation. Water usage between 101-300 units in excess of the Water Allocation Target during a single billing cycle shall also constitute a fourth violation.
5. Five hundred dollars (\$500.00) for a fifth violation of this resolution within one year of the first violation. Water usage over 300 units in excess of the Water Allocation Target during a single billing cycle shall also constitute an additional violation, in excess of four.

Once a civil penalty is to be imposed, the customer will be given written notice of the penalty to be imposed. Within seven (7) days after delivery of such notice, the customer may submit a written request to the City requesting a hearing by the City Manager or designee and an opportunity to present evidence that a violation has not occurred

Urgency Water Conservation Overview

Next Steps

- **Notify Residents and Businesses of New Regulation**
- **Develop potential water saving programs**
- **Develop an internal audit program**
- **Modify water conservation requirements for new development**
- **Expand recycled water facilities for irrigation/landscape**

Example of Billing Insert



The City of Norco requests all residents continue to save water.....

PLEASE REDUCE YOUR USAGE BY 25%

Mandatory Restrictions and Requirements:

- Irrigation is limited to three (3) days per week for no more than ten (10) minutes per station. Odd addresses may irrigate on Monday, Wednesday, and Friday. Even addresses may irrigate on Tuesday, Thursday, and Saturday. No Irrigation from 10:00 am to 4:00 pm. No irrigation on Sundays.
- No washing down sidewalks, driveways, or parking areas.
- No automobile washing without a shutoff nozzle.
- Eating establishments will not serve drinking water unless requested.
- Hotels and Motels must offer their guests the option to have linens laundered.
- Please repair all leaks and adjust sprinklers.
- No irrigating within 48 hours following a measurable rainfall.

Water Sources Minimum Annual Purchase Requirements (Take or Pay)

Local Groundwater (30.5%)	N/A
Arlington Desalter (54.5%)	4,400 Aft.
Chino Desalter Authority (12.5%)	1,000 Aft.
<u>MWD (WMWD/Corona) (2.5%)</u>	<u>N/A</u>
Total:	5,400 Aft.

Water Sources Average Cost per Acre Foot (Aft.)

Local Groundwater (wells)	\$ 200.00
Arlington Desalter	\$ 889.00
Chino Desalter Authority (CDA)	\$1,012.00
MWD (WMWD/Corona)	\$1,012.00

Average Production cost based on 8,700 Aft. = \$638.31

Current Water Rate \$2.02 per HCFT = \$880.00 Aft.

25% Proposed Reduction In Water Production (based on 8,700 Aft.)

	<u>2013/14</u>	<u>25% Target</u>
Local Groundwater (wells)	3,150 Aft.	925 Aft.
Arlington Desalter	4,500 Aft.	4,400 Aft.
Chino Desalter Authority (CDA)	1,000 Aft.	1,000 Aft.
MWD (WMWD/Corona)	<u>200 Aft.</u>	<u>200 Aft.</u>
	8,850 Aft.	6,525 Aft.

Projected Average Production Cost per Acre Foot = \$ 638.31
25% Target Average Production Cost per Acre Foot = \$ 773.77

Annual Water Use by Category In Acre Feet

	<u>2013</u>	<u>2014</u>
Residential (67%)	5,270	5,195
Multi-Family (1%)	104	100
Commercial/ Industrial (14%)	1,173	970
Landscape/Irrigation (18%)	<u>1,434</u>	<u>1,487</u>
Total:	7,981	7,752

Average billed cost per acre foot = \$706.00

Current revenue per acre foot = \$880.00

Annual Water Use by Category 25% Reduction Target In Acre Feet

	<u>2013</u>	<u>2014</u>	<u>25%</u>
Residential (67%)	5,270	5,195	1,308
Multi-Family (1%)	104	100	25
Commercial/Industrial (14%)	1,173	970	268
Landscape/Irrigation (18%)	<u>1,434</u>	<u>1,487</u>	<u>365</u>
	7,981	7,752	1,966

25% reduction based on average of 2013/2014 = 5,900 Aft.

Average cost per acre foot = \$855.00

Current revenue per acre foot (2.02 per HCFT) = \$880.00

Potential water rate impact = 21% or \$0.42

Recycled Water

Recycled/Reclaimed Water Next Steps

- **October 1, 2015;** “Petition of Change” expect approval to divert water from the Santa Ana River for recycled use.
- Options for recycled water supply if “Petition of Change” not approved
- Approval of Recycled Water Permit from SWRCB to deliver recycled water to end-users. (Draft to SWRCB July 2015)
- Retro-fit City Parks for recycled water use. (Begin July 2015)
- Train staff for recycled water certification (Begin July 2015)
- Upgrade existing pumps and electrical panel at WRCRWA to increase recycled water deliveries. (September 2015)
- City of Corona recycled water purchase agreement (approved)
- Establish recycled water rate (January 2015)

Potential Recycled Water Customers

Historical Annual Water Use (in AFT)

	<u>Normal</u>	<u>30%</u>
Municipal Parks	226.5	158.5
Corona/Norco School District	208.6	146.0
Crestlawn Cemetery	187.8	131.5
Norco College	38.3	26.8
Caltrans	45.4	31.7
Street Medians	1.0	0.7
LMD #1	1.2	0.8
LMD #2	32.9	22.9
LMD #3	29.9	20.9
LMD #4	57.3	40.1
LMD #5	<u>6.0</u>	<u>4.2</u>
Total:	834.9	584.1

Regional Partners

- **Western Municipal Water District**
- **City of Corona**
- **Jurupa Community Services District**

CITY OF NORCO

PASS – THROUGH WATER RATE COMPONENT

PROPOSED PROCESS

- Initial approval would require a **Proposition 218** Hearing to establish approval criteria.
- Time period, suggested five (5) years, through June 30, 2020.
- Establish a required “Cap” (maximum 10%)
- Determination of annual increase would be calculated based upon adopted purchased water rate increases by others.
- Rate would only apply to “commodity” portion of water rate
- Annual increase approved by City Council as part of the budget process
- Most retail water agencies have adopted “Pass-Through” rate structures.

PURCHASED WATER AGENCIES

Western Municipal Water District approves purchase water costs for;

- Arlington Desalter
- Emergency Mills Treatment Water (City of Corona connection)

Chino Desalter Authority, Joint Powers Authority, members include Jurupa Community Services District, Western Municipal Water District, Santa Ana River Water, and the cities of Chino Hills, Chino, Ontario, and Norco (seven (7) voting members) approve purchased water costs for;

- Chino Desalter Authority

HISTORICAL PURCHASED WATER COSTS

YEAR	CDA RATE PER AFT	PERCENT CHANGE	ARLINGTON RATE PER AFT	PERCENT CHANGE	WMWD RATE PER AFT	PERCENT CHANGE
2010/11	\$836.00	9%	\$665.00	11%		
2011/12	\$820.00	-2%	\$765.00	13%	\$794.00	
2012/13	\$858.00	5%	\$810.00	6%	\$847.00	6%
Rate Increase						
2013/14	\$826.00	-4%	\$820.00	1%	\$890.00	5%
2014/15	\$902.00	8%	\$889.00	9%	\$923.00	4%
2015/16	<u>\$917.00</u>	<u>2%</u>	<u>\$889.00</u>	<u>0%</u>	<u>\$942.00</u>	<u>2%</u>
Cumulative Total:		6%		10%		11%

- **Cumulative total from rate increase = 9.0%**
- **Recommendation: Proceed with Prop. 218 process that would increase commodity rate by 9.0% following Prop. 218 Public Hearing.**
- **Subsequent increases based on pass-through increase with a cap of 10%**
- **Estimated annual revenue impact = \$450,000**