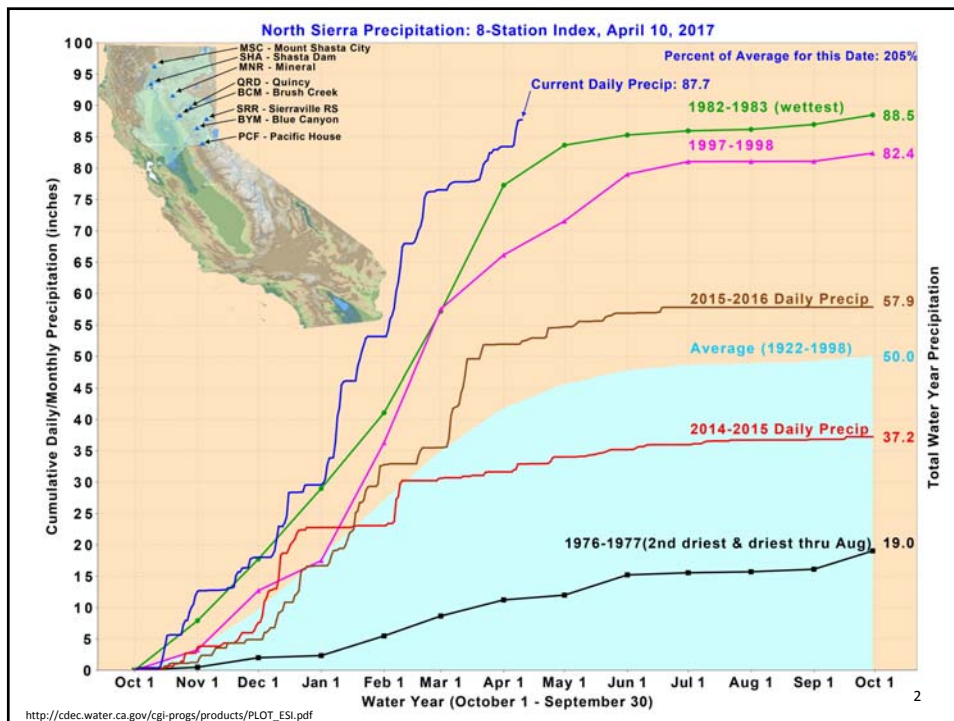


Focus on Conservation

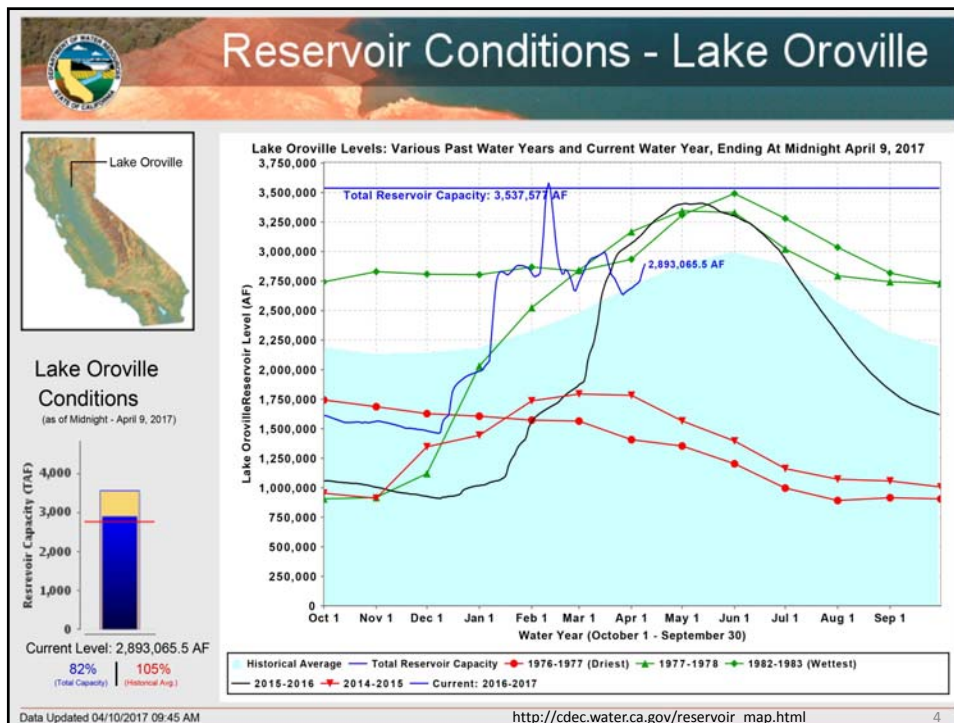
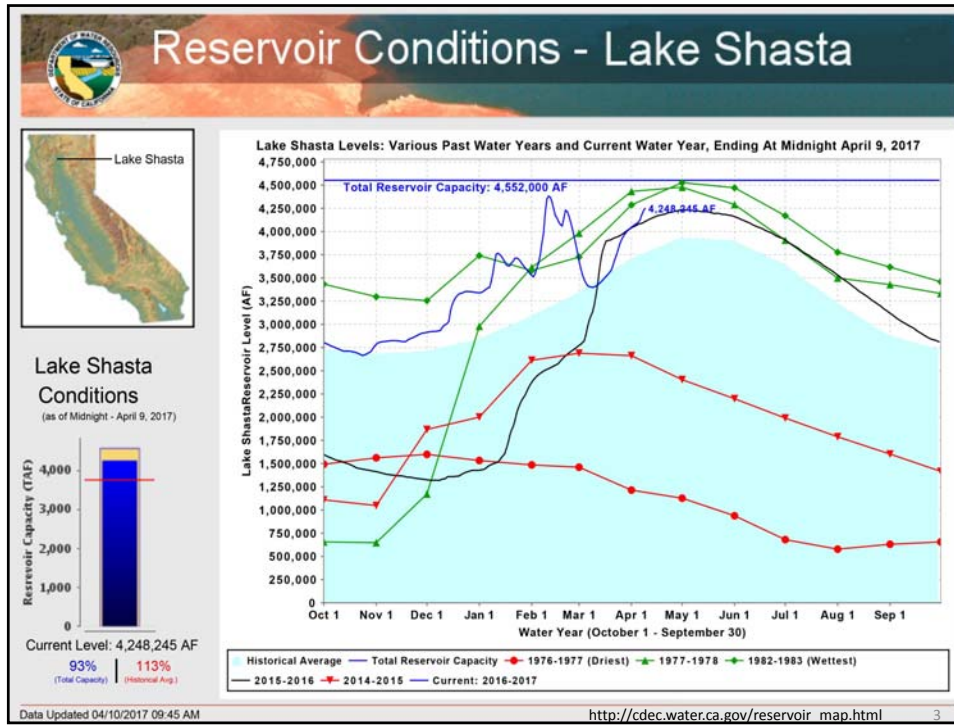
April 11, 2017



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Colorado River Conditions

Lower Colorado Water Supplies		
	Lake Mead*	Lake Powell
	Mar 2017	Mar 2017
Current Elevation	1,088.30'	3,594.35'
Current AF	10,711,000	11,405,000
Percent Full	41%	47% (↑ 1%)

Total System Content**		
March	Last Year	This Year
Percent Full	48%	50%
AF	28,728,000	29,932,000

Water year 2017 precipitation to date:
123% of normal (22.2")

Current basin snowpack:
122% of normal (19.2")

- * 1075 Feet is Water Shortage Declaration Level (BUREC)
- ** Includes Lakes Powell, Mead, Mohave, and Havasu.



<http://www.usbr.gov/lc/region/g4000/weekly.pdf>

Drought Monitor



Intensity:

Yellow: D0 Abnormally Dry	Dark Red: D3 Extreme Drought
Light Orange: D1 Moderate Drought	Red: D4 Exceptional Drought
Dark Orange: D2 Severe Drought	

The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.

http://droughtmonitor.unl.edu/data/pdf/20170404/20170404_CA_trd.pdf



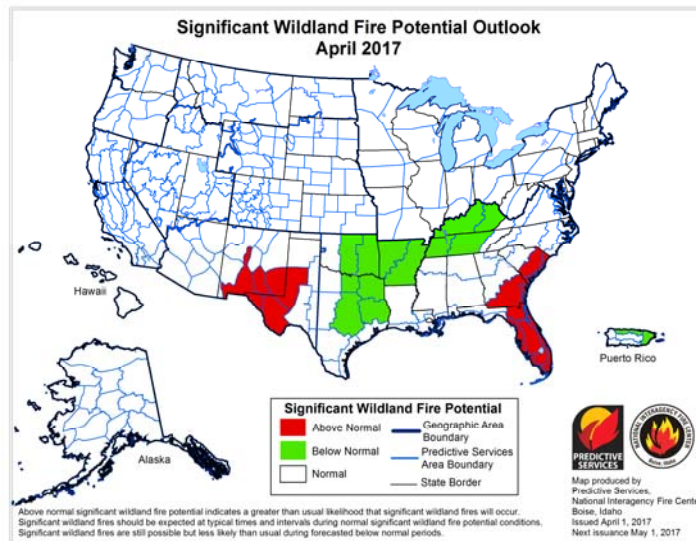
State Water Board Monitoring

Month	2013 Production	2016 /17 Production	Monthly Savings	Cumulative Savings (Since June 2015)
March 2016	446	322	27.8%	28.3%
April	580	373	35.6%	29.0%
May	654	419	35.9%	29.6%
June	706	516	27.0%	29.4%
July	773	513	33.6%	29.8%
August	783	601	23.2%	29.2%
September	723	517	28.4%	29.1%
October	612	510	16.7%	28.4%
November	461	401	13.0%	27.8%
December	420	262	37.6%	28.1%
January 2017	315	201	36.3%	28.3%
February	280	183	34.6%	28.5%
March	446	299	33.0%	28.8%

Note: Mandated conservation standard: **Residential GPCD: 72**
 March 2016 was 32%;
 April through May was 24%.
 June and forward is 10% (voluntary)



Significant Wildland Fire Potential



http://predictiveservices.nifc.gov/outlooks/month1_outlook.png

Emergency Drought Update

- Governor issues **EO B-40-17**, effective **April 7, 2017**, rescinding majority of emergency drought for California
 - Recognizes more than 22% conservation
 - Rescinds orders and provisions of EO B-26-14, B-28-14, B-29-15 and B-36-15.
 - Orders and provisions of EO B-37-16 remain in force, except for:
 - Water Board rescind portions of existing emergency regulations that require water stress test or mandatory conservation for urban agencies
 - Continued drought response in Fresno, Tulare, Kings, Tuolumne Counties



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Emergency Drought Update

- EO B-40-17 further stipulates:
 - State Water Board to continue development of permanent prohibitions on wasteful water use and requirements for reporting water use by urban water agencies, and shall maintain existing emergency regulations until they expire (November 2017)
 - Permanent restrictions include:
 - Hosing off sidewalks, driveways and hardscapes;
 - Watering lawns that causes runoff or within 48 hours of rain event;
 - Washing automobiles without shut-off nozzle on hose
 - DWR to work with Water Board to develop standards for new urban water use efficiency targets
 - With enactment of legislation, standards for indoor, outdoor, leaks, and performance measures for CII



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Emergency Drought Update

- EO B-40-17 further stipulates:
 - Continue to direct actions to minimize water system leaks that waste large amounts of water
 - Water Board and DWR to take actions to direct urban and agricultural water suppliers to accelerate their data collection, improve water system management, and prioritize projects to reduce water waste
 - Water Board to work with state agencies and water suppliers to identify mechanisms that would encourage and facilitate adoption of rate structures and other pricing mechanisms that promote water conservation
 - All state agencies continue response activities to manage lingering drought impacts, increase efforts to build drought resiliency, evaluate lessons learned, modernize infrastructure for drought and water supply reliability



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Emergency Drought Update

- Long term framework report "[Making Water Conservation a California Way of Life](#)" released April 7, 2017
- In response to EO B-37-16, and has four objectives:
 - Use water more wisely
 - Eliminate water waste
 - Strengthen local drought resiliency
 - Improve agricultural water use efficiency and drought planning
- Report provides basis for future legislation, regulations, rulemaking, implementation, and technical assistance



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State Long-Term Framework on Conservation and Drought Planning Overview



April 2017 Report

Chapter 1: Introduction

Chapter 2: Directives implemented within existing authorities

1. 2017 Water Conservation Regulation
2. Monthly reporting and permanent prohibition of wasteful practices
3. Reduce water supplier leaks and water system losses
4. Certification of innovative technologies for water conservation and energy conservation

Chapter 3: Recommendations that require **new and expanded authorities** to implement

1. New water use targets based on strengthened standards
2. Water shortage contingency plans
3. Drought planning for small water suppliers and rural communities
4. Agricultural water management plans

Chapter 4: Implementing the Conservation Framework

Comparing April report to draft report for changes

Making Water Conservation a California Way of Life

Summary of Proposed Legislation

- Water Conservation Standards and Use Reporting
 - Establish authorities and deadlines for setting new long-term standards for efficient urban water use:
 - Water Board and DWR to set long-term urban water use efficiency standards by May 20, 2021
 - Allow Water Board to set interim standards to ensure progress begins before long-term standards are adopted in 2021 (in 2018)
 - To include robust public participation
 - Budget based water targets; no percentage reduction
 - Allow Water Board **One year** versus 270 days for emergency regulations
 - Develop revised UWMP and AWMPs



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Legislation Update

- State Water Board drafted proposed long term conservation legislation based on report (*under review*)
- 13 bills introduced on long-term water use efficiency (key ones):
 - **AB1323** (Weber): Stakeholder workgroup and coalition for LT WUE regs – SDCWA sponsored; *back-up legislation*
 - **AB 1654** (Rubio): ACWA State Leg effort – sponsored by RWA
 - **AB869** (Rubio): Exclude recycled water and potable reuse from conservation mandates and quantities
 - **AB574** (Quirk): New definitions on potable reuse
 - **AB1667, 1668, 1669** (Friedman): Landscape meters, water measures and efficiencies standards – opposed by ACWA – too draconian
 - **TRAILER BILL 810**: Administration supported bill to address long-term water use efficiency – Water Board proposals



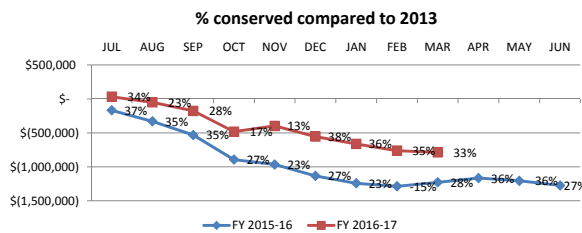
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Legislation Update

- Other Items of note (of more than 2600 bills introduced):
 - AB18 (Garcia) or SB5 (De Leon), now add SB701 (Hueso): \$3-4B bond for water, parks, ocean access, Salton Sea restoration
 - AB313: Restructure DWR to take water rights admin from SWRCB; change enforcement and review agency; create SWP authority
 - SCA4 (Hertzberg): amend CA constitution and Prop 218
 - SB231 (Hertzberg): set stormwater rate as with water/sewer
 - SB623 (Monning) and SB778 (Hertzberg): Public goods charge
 - AB885, AB427, AB305 plus 3 others – Lead testing in schools
 - AB554 (Cunningham) – Desalination, statewide goal

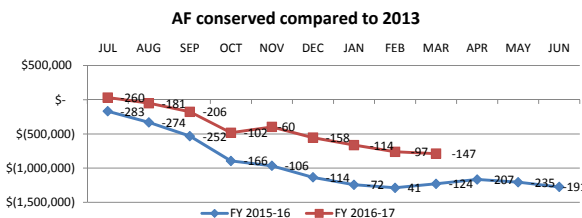


Drought Impact on Financials



Assumptions

- Dollar amounts shown represent the net revenues and expenses associated with volumetric potable water sales and costs, as compared to budgeted amounts
- Only those accounts based on volume of water are included:
 - Volumetric water sales
 - Volumetric water expense
- Fiscal year budgeted revenues and expenses are allocated to each month based on a 5-year historic average (FY11 – FY15)
- Data labels represent conservation levels compared to 2013, either as percentage (%) or as volume (AF)



QUESTIONS

State Water Board - Update



- 22.6% Statewide cumulative savings (Jun 15 to Nov 16)
- Improved hydrologic conditions in many parts of CA
- Pockets in some areas with depleted groundwater and other shortfalls

- 2/08/17 - SWRCB voted to extend existing emergency conservation regulations another 270 days
 - Prohibition of wasteful practices
 - Update of stress tests if necessary
 - Consider rescinding regulation in May
 - No mandatory conservation if no shortfall
 - Continued **monthly reporting** of water use
 - Continued prohibition on HOAs penalizing residents for implementing conservation in landscape

Emergency Water Conservation Regulation for 2017

- Existing Regulation expires February 28, 2017
- **January 18, 2017** - SWRCB to hold public workshop to review options for extended regulation
- February 7, 2017 – SWRCB considers approval
- SWRCB may consider keeping current regulation and revising in April 2017

Comments

1. SWRCB should rescind the emergency regulations based on above normal hydrologic conditions.
2. If continued, SWRCB must retain the current regulation (**stress test**), which takes into account local supply conditions