



August 25, 2014

**TO:** LOCSO Board of Directors  
**FROM:** Robert Miller, District Engineer  
**SUBJECT:** **Agenda Item 7A – 9/4/2014 Board Meeting**  
Public Hearing to Consider Adopting a Water Shortage  
Contingency Plan Pursuant to Water Code § 375

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### DESCRIPTION

The purpose of this agenda item is to consider the adoption of a resolution establishing a Water Shortage Contingency Plan for the District's water service area.

### STAFF RECOMMENDATION

Staff recommends that the Board adopt the following motion:

***Motion: I move that the Board adopt Resolution 2014-18 establishing a Water Shortage Contingency Plan.***

### BACKGROUND

In 2013, the Board requested that the Utilities Advisory Committee (UAC) consider revisions to Title 2 of the District's Code, specifically the subsection that addresses water shortage planning. The UAC developed a set of triggers based on water quality and climate, along with corresponding responses. These responses included both voluntary and mandatory customer actions. In May 2014, the Board directed staff to retain a qualified rate study consultant to further explore the financial ramifications of adopting the Water Shortage Contingency Plan. An initial budget of \$5,000 was established, along with a limited scope. Staff is currently working with the rate study consultant (Bartle Wells Associates) to conduct a joint meeting of the Financial Advisory Committee (FAC) and UAC on September 10, 2014.

Subsequent to the Board's direction in May 2014, the State Water Resources Control Board adopted Resolution 2014-0038, which established emergency water regulations throughout California, including mandatory irrigation restrictions. The District responded by adopting a resolution in August 2014 as an interim measure to comply with the State's mandate. During the meeting, Staff was directed to bring back a more comprehensive Water Shortage Contingency Plan that complied with the State's mandate while also considering conditions more relevant to the Los Osos Groundwater Basin. The Water Shortage Contingency Plan contemplated herein provides for water demand reductions greater than or equal to the State resolution.

## **DISCUSSION**

The provisions of the Water Shortage Contingency Plan are contained within Exhibit A attached to the proposed resolution. The contents of the Plan substantially conform to the draft presented to the Board in May 2014, with the following notable modifications:

1. The current drought would result in a Stage V determination if the climate triggers were adopted as presented to the Board in May 2014. The actual rainfall data since 2009 is compared with the climate triggers in the table below. The proposed triggers now include time-based criteria that prevent entry into Stage III before April 2015 and Stages IV and V before April 2016.

<b>Time Period</b>	<b>Actual rainfall totals from Los Osos landfill (inches)</b>	<b>Drought stages based on draft plan</b>
April 2009 to March 2010	18.74	None
April 2010 to March 2011	31.77	None
April 2011 to March 2012	10.79	Stage 1 would have been declared in April 2012 (less than 17" of rain over 1 year)
April 2012 to March 2013	9.88	Stage IV would have been declared in April 2013 (less than 26" of rain over two years)
April 2013 to March 2014	6.57	Stage V would have been declared in April 2014 (less than 17" of rain over two years)

2. The revised plan includes specific provisions for exiting the various water shortage stages.
3. The stage prohibitions were modified to conform to the Board's recent action in August, 2014. Specifically, Stage II irrigation restrictions conform to the Board's August action, while Stages III and IV add irrigation prohibitions for crops and community recreational facilities.
4. Provisions were added to reduce commercial use below a baseline value. Commercial Laundromats were exempted from this provision.
5. Clarifications were added for residential and multi-family allocations. Specifically, the volume of additional water provided per person for households with more than 3 occupants was clarified for the various stages (See Table 2, footnote 1).

## **FINANCIAL IMPACT**

The State's recent action advanced the timeframe for the adoption of this Water Shortage Contingency Plan. The penalties contemplated in the Plan may serve to partially or fully offset the loss of revenue resulting from reduced water sales. Additional information will be presented to the Board as it is developed by the District's retained rate study consultant. The modified climate triggers now have built-in time criteria that will provide the District with additional time to consider financial impacts and take appropriate actions.

Attachments

**RESOLUTION NO. 2014-18**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
LOS OSOS COMMUNITY SERVICES DISTRICT  
ADOPTING WATER SHORTAGE CONTINGENCY PLAN**

**PURSUANT TO WATER CODE § 375** WHEREAS, the LOS OSOS COMMUNITY SERVICES DISTRICT ("District") provides water service within the District's water service area pursuant to § 61100 (a) of the Community Services District Law which provides:

"(a) Supply water for any beneficial uses, in the same manner as a municipal water district, formed pursuant to the Municipal Water District Law of 1911, Division 20 (commencing with Section 71000) of the Water Code. In the case of any conflict between that division and this division, the provisions of this division shall prevail"; and

**WHEREAS**, § 61060 (b) of the Community Services District Law provides in relevant part:

"A district shall have and may exercise all rights and powers, expressed and implied, necessary to carry out the purposes and intent of this division, including, but not limited to, the following powers:

(b) To adopt, by ordinance, and enforce rules and regulations for the administration, operation, and use and maintenance of the facilities and services listed in Part 3 (commencing with Section 61100)"; and

**WHEREAS**, California Water Code Section 375 States in pertinent part:

(a) Notwithstanding any other provision of the law, any public entity which supplies water at retail or wholesale for the benefit of persons within the service area or area of jurisdiction of the public entity may, by ordinance or **resolution** adopted by a majority of the members of the governing body after holding a public hearing upon notice and making appropriate findings of necessity for the adoption of a water conservation program, adopt and enforce a water conservation program to reduce the quantity of water used by those persons for the purpose of conserving the water supplies of the public entity; and

**WHEREAS**, it is essential for the protection of the health, welfare, and safety of the residents of the District and the public benefit of the State of California ("State"), that the groundwater resources of the Los Osos Groundwater Basin be conserved; and

**WHEREAS**, Governor Jerry Brown on January 17, 2014, proclaimed that the entire State of California to be in a drought state of emergency and the State Water Board has issued Emergency Water Shortage Regulations; and

**WHEREAS**, the District has adopted regulations in compliance with the State Water Board regulations; and

**WHEREAS**, the Board of Supervisors has amended the Health and Sanitation Ordinance, Title 8 of the San Luis Obispo County Code as follows (in part):

The Board of Supervisors determined that overall water use in the Los Osos Groundwater Basin has surpassed a sustainable capacity:

1. The consumption of water in the Los Osos Groundwater Basin has resulted in seawater intrusion into the Los Osos Groundwater Basin. In response to this threat to groundwater, the community's only fresh potable water source, the Board of Supervisors has certified a Level of Severity III for the Los Osos Groundwater Basin; this is the highest severity level in the County General Plan's Resource Management System.

**WHEREAS**, the District is a party to groundwater adjudication, *Los Osos Community Services District v. Golden State Water, et al.*, Case No. GIN 040126 ("Groundwater Litigation"); and

**WHEREAS**, the committee formed as a result of the ISJ has promulgated a draft Basin Plan which was made publicly known in August 2013; and

**WHEREAS**, that draft Basin Plan has found that there is salt water intrusion within the basin; and

**WHEREAS**, Water Code § 71640 of the Municipal Water Service District Law provides:

"A district may restrict the use of district water during any emergency caused by drought, or other threatened or existing water shortage, and may prohibit the wastage of district water or the use of district water during such periods for any purpose other than household uses or such other restricted uses as the district determines to be necessary. A district may also prohibit use of district water during such periods for specific uses which it finds to be nonessential"; and

**WHEREAS**, the District Board of Directors has noticed this public meeting pursuant to Water Code § 375 and has considered the Staff Report and public testimony regarding the adoption of this Resolution; and

**WHEREAS**, the District Board of Directors wishes to set forth a Water Shortage Contingency Plan that provides a range of alternative actions that allows for flexibility in responding to a water shortage and drought emergency; and

**WHEREAS**, based on the Staff Report, staff presentation, the reports and studies referenced in this Resolution and public comment, the District Board of Directors find that:

- (a) It is necessary for the District to adopt a Water Shortage Contingency Plan to be able to respond to the lack of available groundwater for the purpose of serving District residents.
- (b) While current per capita use in the community is substantially below the State-wide average, additional measures are necessary to protect the community's water supply from the threat of seawater intrusion.
- (c) The allocated residential indoor water demand is equal to or less than 50 gallons per person per day, consistent with the San Luis Obispo County Water Conservation Program for Los Osos.
- (d) The median household size referenced from the 2010 census of Los Osos is 2.61 persons per dwelling unit, and the proposed water allocations in the Water Shortage Contingency Plan are based on a household size of 3.0 persons per dwelling unit.
- (e) The residential water allocation per person in the most severe water shortage stage (Stage V) is 42 gal/person/day, consistent with minimum health and safety requirements.

**WHEREAS**, based on the Staff Report, staff presentation and public comment, the Board further finds:

- A. That adoption of the Water Shortage Contingency Plan will provide greater assurances that there will be adequate groundwater to meet the present needs of District residents consistent with District Code §3.28.020 and the resource protection goals of the San Luis Obispo County Estero Area Plan; and
- B. That adopting this Resolution will further conserve the water supply for the greater public benefit, with particular regards to domestic use, sanitation and fire protection; and
- C. That this Resolution adopts Rules and Regulations for the administration, operation and use of District services; and
- D. The Board of Directors of the District finds that the policies and procedures adopted by this Resolution are exempt from the California Environmental Quality Act pursuant to CEQA Guidelines Section 15378 (b) (2) because such policies and procedures constitute general policy and procedure making. The Board of Directors further finds that the adoption of the policies and potential actions established by this Resolution is not a project as defined in CEQA Guideline Section 15378, because it can be seen that the adoption of a Water Shortage Contingency Plan will not result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The District incorporates by reference the CEQA findings in support of San Luis Obispo County Ordinance 3090, the County of San Luis Obispo Board of Supervisor's certification of a Severity Level III for the Los Osos Groundwater Basin, the San Luis Obispo County Water Conservation Ordinance, Title 8 and the Promulgated Draft of the Basin Plan For The Los Osos Groundwater Basin released on August 1, 2013.

**WHEREAS**, based on the Staff Report, staff presentation and public comment, the District Board of Directors further finds this Resolution is adopted for the protection of the health, safety and welfare of District water customers who depend on the underlying groundwater basin as their source of water supply.

**NOW, THEREFORE BE IT RESOLVED, DETERMINED AND ORDERED** by the Board of Directors of the LOS OSOS COMMUNITY SERVICES DISTRICT, as follows:

1. That the above recitals are true and correct.
2. The Board adopts the Water Shortage Contingency Plan attached as Exhibit "A" to this Resolution.
3. The General Manager is directed to prepare and file an appropriate notice of exemption.
4. The General Manager is directed to publish this Resolution in its entirety in a newspaper of general circulation in the District within ten (10) days.

Upon motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_ and on the following roll call vote, to wit:

AYES: \_\_\_\_\_  
NOES: \_\_\_\_\_  
ABSENT: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_

The foregoing resolution is hereby passed and adopted this 4<sup>th</sup> day of September, 2014.

\_\_\_\_\_  
Craig V. Baltimore  
President of the Board of Directors  
Los Osos Community Services District

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Kathy A. Kivley  
General Manager and Secretary to the Board

\_\_\_\_\_  
Michael W. Seitz  
District Legal Counsel

Exhibit A, Table 1: Summary of Climate and Water Quality Triggers

Stage	Reduction Target	Climate Trigger	Chloride Trigger (8th or 10th Street Wells - Zone D)	TDS Trigger (8th or 10th Street Wells - Zone D)	Climate and Water Quality Requirements to Exit Water Shortage Stages (De-Trigger)
Stage I Alert	5%	Rainfall total as March 31: < than median (17 in.) for current year	N/A	N/A	Receive rainfall equal to or greater than median (17") by March 31
Stage II Warning	10%	Stage 1 plus rainfall total as of March 31: <= 32 in. for over two yrs or <= 48 in. over three yrs. or 65 in. over four yrs. or 81 in. over five years	N/A	N/A	Receive rainfall equal to or greater than median (17") by March 31
Stage III Emergency	20%	Stage 1 plus rainfall total as of March 31: <= 29 in. for over two yrs or <= 43 in. over three yrs. or 58 in. over four yrs. or 72 in. over five years. In the absence of water quality triggers, Stage III shall be enacted no earlier than April, 2015.	150 mg/l	700 mg/l	Receive rainfall equal to or greater than median (17") by March 31. If in Stage III due to water quality, two consecutive semi-annual samples must be below trigger concentrations to exit Stage III.
Stage IV Severe	30%	Stage 1 plus rainfall total as of March 31: <= 26 in. for over two yrs or <= 38 in. over three yrs. or 51 in. over four yrs. or 64 in. over five years. In the absence of water quality triggers, Stage IV shall be enacted no earlier than April, 2016.	250 mg/l	850 mg/l	If rainfall equal to or greater than the median (17") is received by March 31, transition to Stage II for current year. If in Stage IV due to water quality, two consecutive semi-annual samples must be below trigger concentrations to exit Stage IV.
Stage V Critical	35%	Stage 1 plus rainfall total as of March 31: <= 17 in. for over two yrs or <= 26 in. over three yrs. or 34 in. over four yrs. or 43 in. over five years. In the absence of water quality triggers, Stage V shall be enacted no earlier than April, 2016.	500 mg/l	1,000 mg/l	If rainfall equal to or greater than the median (17") is received by March 31, transition to Stage II for current year. If in Stage V due to water quality, two consecutive semi-annual samples must be below trigger concentrations to exit Stage V.

Exhibit A, Table 2: Summary of Prohibitions and Mandatory Reductions

Stage	Prohibitions	Residential and Multifamily Household Allocation (gal/day) - See Note 1	Commercial use reductions	Penalties
Stage I Alert	<ol style="list-style-type: none"> <li>All outdoor irrigation of vegetation shall occur only between the hours of 8 p.m. and 7 a.m.</li> <li>The use of potable water to wash sidewalks, walkways, driveways, parking lots, open ground and other hard-surface areas by direct application shall be prohibited.</li> <li>The use of non-drinking-water fountains, except for those using recirculated water, shall be prohibited.</li> <li>Use of water which results in flooding or run-off in gutters or streets shall be prohibited.</li> </ol>	183 gal/day (based on three occupants per dwelling unit)	Voluntary	No penalties
Stage II Warning	<p>In addition to Stage I conservation measures:</p> <ol style="list-style-type: none"> <li>Use of water from fire hydrants shall be limited to fire suppression and/or other activities immediately necessary to maintain health, safety and welfare of residents within the boundaries of the Los Osos Community Services District.</li> <li>The use of District potable water for construction projects shall be prohibited.</li> <li>The washing of automobiles, trucks, trailers, boats and other types of mobile equipment not occurring upon the immediate premises of a commercial car wash and/or commercial service station shall be prohibited.</li> <li>The use of potable water to irrigate lawns, landscape plantings, groundcovers, and shrubs shall be limited to 15 minutes per irrigation station or yard. Irrigation shall only occur during dark/nighttime hours, and shall only occur on Wednesday and Sunday for even numbered addresses, and Tuesday and Saturday for odd numbered addresses. Community recreational facilities and edible crops shall be exempt from this prohibition.</li> <li>Water main flushing shall only occur in emergency situations as declared by the General Manager.</li> </ol>	174 gal/day (based on three occupants per dwelling unit)	Voluntary	No penalties
Stage III Emergency	<p>In addition to Stage I &amp; II conservation measures:</p> <ol style="list-style-type: none"> <li>The use of potable water to irrigate lawns, landscape plantings, groundcovers, shrubs, and crops shall be prohibited. Community recreational facilities shall be exempt from this prohibition.</li> </ol>	150 gal/day (based on three occupants, an addition of 50 gal/day/person may be made for additional occupants as stated in Note 1)	5% below baseline usage, laundromats exempted	Double the rate for all use over the allocation
Stage IV Severe	<p>In addition to Stage I, II, and III conservation measures:</p> <ol style="list-style-type: none"> <li>New water connections to the District water system shall be prohibited.</li> <li>In addition to the irrigation prohibitions of Stages I, II, and III, the use of potable water to irrigate lawns, landscape plantings, groundcovers, shrubs, and crops shall be prohibited on community recreational facilities.</li> </ol>	135 gal/day (based on three occupants, an addition of 45 gal/day/person may be made for additional occupants as stated in Note 1)	10% below baseline usage, laundromats exempted	Four times the rate for all use over the allocation
Stage V Critical	No additional prohibitions	125 gal/day (based on three occupants, an addition of 42 gal/day/person may be made for additional occupants as stated in Note 1)	15% below baseline usage, laundromats exempted	Four times the rate for all use over the allocation

Notes:

1. The allocations were developed based on 3 or fewer occupants. For single family residences or multi family units with more than 3 occupants, an additional allocation may be granted for each additional occupant depending on the drought Stage as follows: Stages I through III: 50 gal/day/person, Stages IV and V: 45 gal/day/person and 42 gal/day/person, respectively.

2. Allocations are based on a 2011/2012 baseline of 193 gal/household/day