

Staff Report

TO: Board of Directors

FROM: Chip Close, Water Operations Manager

DATE: May 25, 2022

SUBJECT: Resolution Implementing Drought Emergency Response to Stage 2 Drought Contingency Plan Levels

OPERATIONS

RECOMMENDATION:

Adopt Resolution No. 2022-29 - Implementing water conservation measures that achieve water use reduction associated with Stage 2 of the District's Drought Contingency Plan and in accordance with Governor Newsom's Executive Order N-7-22.

BACKGROUND:

On April 28, 2021, in response to continuing dry conditions experienced from July 1, 2020, through June 30, 2021, the NID Board made a declaration of drought conditions within the District and enacted conservation measures consistent with Stage 1 of the District's Drought Contingency Plan. The actions were intended to decrease water use by 10% when compared to 2013 water usage.

On July 1, 2021, the Board took further action and implemented Stage 2 of the Drought Contingency Plan in addition to other conservation measures as required by Governor Newsom's May 10, 2021 Proclamation of a State of Emergency due to drought. These actions were intended to decrease water use by 20%, and also included a drought surcharge rate.

On February 9, 2022, Resolution 2022-10 was adopted by the Board, reducing the District's drought declaration to Stage 1, reflecting the improved water conditions experienced by the District since the beginning of the water year, October 1st. This action reduced the conservation target to voluntary in nature and at the 10% reduction level and removed the requirement for the surcharge.

FINDINGS AND ANALYSIS:

On March 28, 2022, Governor Newsom enacted Executive Order N-7-22, which was issued in response to statewide conditions that resulted in January through March being the driest on record. The executive order instructs water agencies to perform actions to achieve twenty percent in conservation moving into the summer months.

The Governor's executive order mandates the following actions:

- Submission to the Department of Water Resources a preliminary annual water supply and demand assessment by June 1, 2022, and a final assessment by July
- Implement, by June 10, 2022, at a minimum, the reduction actions identified in the District's water shortage contingency plan, and demand reduction actions identified for a shortage level of up to twenty percent (Stage 2)
- Use of potable water for the irrigation of non-functional turf for commercial, industrial, and institutional sites is prohibited

Since the release of the Governor's executive order, the District has experienced multiple storm events that have greatly improved water supply conditions. Storage has increased to 109% of average for this time of year. The May 1 snow survey indicated improved water content, with levels rising from 55% in April to 66% in May. The expected carryover at the end of October has risen to 145,000acre-feet. When compared to the District's Water Supply Shortage Contingency Plan, the supply numbers listed above do not indicate a water shortage and instead show that the District is currently in a surplus water year.

Although supply is good, the District is still required to comply with the directives of the Governor's Executive order. As such, staff recommends the Board adopt Resolution No. 2022-29. The resolution will require the implementation of Stage II demand reduction measures that are intended to result in a 20% reduction in water use.

It should be noted that the proposed resolution modifies the requirements of the District's Water Supply Shortage Contingency Plan to address the conservation mandates that are required by the Governor's Executive Order that are currently not included, to remove the requirement for customers to pay the drought surcharge that is currently required by the District's Water Supply Shortage Contingency Plan, and to encourage greater raw water conservation by limiting watering of ornamental turf and landscaping for both urban and raw water users.

The outdoor water restrictions for urban water customers that limit outdoor water use to 3 days per week are also being applied to raw water customers that water ornamental turf or landscaping. This action is being proposed to mitigate the need to cut the irrigation season short for agricultural water users. Cutting the water season short for agricultural users can result in short- and long-term crop loss and unintended financial impacts. Customers who irrigate solely for ornamental landscape or turf are encouraged to reduce their purchase allotment for the

remainder of the season with the knowledge that their original purchase amount will be available once the drought resolution is rescinded by the Board.

Additional restrictions that are notable are summarized below:

- Customers shall not irrigate in a manner that creates runoff.
- New raw water customers will be limited new or increased water purchases of 1 miners inch or less.
- No fall water sales.
- Winter water sales will be limited to existing customers.

For a complete list of all proposed restrictions, please refer to the attached resolution. Please note that it is not recommended at this time to formally modify the District's Water Shortage Contingency Plans to be consistent with the requirements of the proposed resolution due to the often-changing nature of the state's conservation mandates, the need to address the drought surcharge in an updated water rate model, and to allow staff to evaluate whether or not the new raw water restriction related to outdoor watering of ornamental turf and landscaping is effective in reducing overall raw water use.

District staff will continue to encourage conservation and coordinate with Regional Water Authority to expand messaging opportunities. Staff will also reach out to other local water purveyors who may have a dire need for additional supplies for public health and safety needs.

BUDGETARY IMPACT:

Stage II Drought Contingency Plan normally requires implementation of drought pricing; however, Staff has incorporated a majority of the additional costs associated with drought, including the purchase of additional water supplies in the 2022 budget. Therefore, Staff is not recommending the implementation of drought contingency plan pricing.

A twenty percent reduction in treated water use would lead to a reduction in revenue. However, because treated water use is billed at a fixed cost and a consumptive rate, the overall reduction in revenue is expected to be less than twenty percent.

Attachments: (1)

- Resolution 2022-29



RESOLUTION NO. 2022-29
OF THE BOARD OF DIRECTORS OF THE NEVADA IRRIGATION DISTRICT
ENACTING DROUGHT CONTINGENCY PLAN STAGE II MEASURES AND
ENHANCING CONSERVATION MEASURES

WHEREAS, Nevada Irrigation District (District) provides water for residential, commercial, industrial, agricultural, municipal, environmental, recreation, hydroelectric generation, and fire protection and prevention purposes, as well as other beneficial uses of water; and

WHEREAS, article X, section 2 of the California Constitution declares that waters of the State are to be put to beneficial use, that waste, unreasonable use, or unreasonable method of use of water be prevented, and that water be conserved for the public welfare; and

WHEREAS, regulation of the time of certain water use, manner of certain water use, method of application of water for certain uses, and installation and use of water-saving devices provide an effective and immediately available means of conserving water; and

WHEREAS, careful water management that includes active water conservation measures, particularly in times of drought, is essential to ensure a reliable minimum supply of water to meet current and future water supply needs; and

WHEREAS, the 2019/2020 water year was the start of a multiyear dry cycle with precipitation at 70% of average, combined with earlier than normal precipitation runoff into the District's water storage facilities; and

WHEREAS, drought conditions continued in the 2020/2021 water year with precipitation being 49% or worse as compared to average and snowpack runoff efficiency being historically low, leading to a critical dry year classification; and

WHEREAS, on April 21, 2021, Governor Gavin Newsom issued a State of Emergency Proclamation, stating that "much of the West is experiencing severe to exceptional drought and California is in a second consecutive year of dry conditions, resulting in drought or near-drought throughout many portions of the State" and "drought

conditions vary across the State, and some watersheds are extremely dry and are facing substantial water supply and ecosystem challenge”; and

WHEREAS, on April 28, 2021, the Board of Directors of the District adopted Resolution No. 2021-11 Declaration of Drought, which imposed increased conservation measures, and requested a 10% voluntary reduction in water use from all District customers; and

WHEREAS, due to worsening drought conditions, including lack of snowpack runoff, the Board of Directors of the District on June 1, 2021, adopted Resolution No. 2021-21, escalating drought response and imposing conservation measures to achieve a 20% reduction in water use from all District customers; and

WHEREAS, the 2021/2022 water year began with record-breaking precipitation events in October and December, leading to precipitation totals in February above 100% of average, prompting the District’s Board of Directors to adopt Resolution 2022-10, Reducing the Severity of Emergency Response Due to Drought by Adopting Stage I Drought Contingency Plan Requirements; and

WHEREAS, the lack of appreciable precipitation for the months of January through March 2022 set the record for the driest in history for that time period, and enhanced already critical drought conditions throughout California; and

WHEREAS, on March 28, 2022, Governor Newsom issued Executive Order N-7-22 that requires the State Water Resources Control Board to adopt emergency regulations requiring all urban water suppliers implement water shortage contingency plans for a shortage level of up to twenty percent (Stage II); and

WHEREAS, on May 14, 2022, the State Water Resources Control Board released draft regulations that, among other requirements, mandate each urban water supplier, including the District, to “implement by June 10, 2022, at a minimum, the demand reduction actions identified in the supplier’s water shortage contingency plan...for a shortage level of ten to twenty percent”; and

WHEREAS, as required by Executive Order N-7-22, the State Water Resources Control Board has agendized and is expected to adopt the drought-related emergency regulation for water conservation at its meeting on May 24, 2022; and

WHEREAS, the District is unique in that it is both an urban retail water supplier providing treated water for potable consumption and agricultural water supplier providing untreated water for irrigation and other beneficial uses; and

WHEREAS, the Executive Order N-7-22 and emergency regulations focus solely on treated water conservation, while the District, given its unique characteristics, can implement conservation measures on both irrigation and treated water customers to achieve the required water conservation targets; and

WHEREAS, both treated and raw water conservation by the District's customers result in increased carryover storage in the District's reservoirs and available for use by District customers in future years; and

WHEREAS, April 2022 storms improved the District's water supplies with storage at 108% of average, May 1 snow survey improving from 55% of average in April to 66% of average in May, and a carryover forecast of 144,000 acre-feet, which when combined results in surplus water conditions for District water service needs; and

WHEREAS, given the District's current water supply, in the absence of Governor Newsom's Executive Order N-7-22, the District's urban and agricultural water management plans would not require implementation of any drought stage; and

WHEREAS, the District intends to comply with Executive Order N-7-22 and the emergency regulations through a modified implementation of Stage II of the Drought Contingency Plan (last adopted on June 30, 2021, under the Urban Water Management Plan) that applies to both treated and raw/irrigation water District customers, and

WHEREAS, state-mandated conservation regulations, when not necessitated at the local level, have in prior years negatively impacted the District's operation of powerhouses that generate hydroelectric power and recreational facilities resulting in a decline in usage and resultant revenues; and

WHEREAS, the District seeks to comply with the conservation mandates in a way that equitably allocates responsibility for conservation across all District customers (treated and irrigation, etc.) and in a way that minimizes revenue impacts on District operations; and

WHEREAS, water conserved by the District's customers in 2022 will be carried over in storage for the beneficial use of the District's customers, including possible public health and safety uses of District customers in future years; and

WHEREAS, the District's enabling legislation (Division 11 of the California Water Code), the District's rules and regulations, and other applicable laws, including California Water Code sections 375 through 378 empower the District to adopt and enforce a water conservation program and to adopt and impose regulations and restrictions on water delivery to conserve water supply after holding a public hearing and making appropriate findings of necessity for the program; and

WHEREAS, to ensure compliance with Executive Order N-7-22 and the State Water Resources Control Board's emergency drought regulations, it is necessary to impose enhanced water conservation measures and water use restrictions on the District's customers (treated and irrigation) and all other recipients of District water, including surplus water purchasers Nevada City and the City of Grass Valley; and

NOW, THEREFORE, BE IT RESOLVED AND PROCLAIMED by the Board of Directors of the Nevada Irrigation District that the above recitals are true and correct and are incorporated by this reference as findings.

BE IT FURTHER RESOLVED that under authority of applicable law, including California Water Code sections 375 through 378, Nevada Irrigation District hereby adopts this Resolution in order to implement demand reduction actions to achieve a 10% to 20% reduction in total District water use, resulting in a projected increase in carryover storage of approximately 10,000 acre-feet.

BE IT FURTHER RESOLVED that the District's carryover storage target for the upcoming 2022/2023 water year shall be at least 120,000 acre-feet total District storage at the end of October 2022.

BE IT FURTHER RESOLVED given the District's fortunate water supply position in the midst of statewide critical drought conditions, and the critical need for water from neighboring out-of-District municipalities and private water users, the District declares a surplus and authorizes local water sales, at the discretion of the General Manager, to traditional surplus water purchasers. The District's General Manager is authorized and delegated responsibility to establish rules and regulations for such surplus water sales, including eligibility for surplus water, price, terms, limitations on volume and delivery season, and other requirements in the discretion of the General Manager.

BE IT FURTHER RESOLVED, that Nevada Irrigation District imposes wise water use practices by restricting the following, except where necessary, to address immediate health and safety needs:

- A. The application of irrigation or potable water to outdoor landscapes in a manner that causes runoff such that water flows onto adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots, or structures.
- B. The use of a hose that dispenses irrigation or potable water to wash a motor vehicle except where the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use.
- C. The application of irrigation or potable water to driveways and sidewalks, unless the use is related to health and safety purposes.
- D. The use of irrigation or potable water in a fountain or other decorative water feature, except where the water is part of a recirculating system.
- E. The application of irrigation or potable water to outdoor landscapes during and within 48 hours after measurable rainfall.
- F. 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.
- G. Irrigating ornamental turf on public street medians with irrigation or potable water.
- H. Irrigating landscapes outside of newly constructed homes and buildings with irrigation or potable water in a manner inconsistent with regulations or other requirements established by the California Building Standards Commission and the Department of Housing and Community Development.

BE IT FURTHER RESOLVED that the District's treated water customers shall be subject to the following measures as determined by the District and established in the District's Drought Contingency Plan Stage II:

- A. All District treated water customers will be required to reduce water use by 20% compared to 2013 usage.
- B. Outdoor irrigation shall be limited to the following:
 - a. Watering shall be limited to three days per week;
 - i. Odd address number can irrigate outdoors on Tuesday, Thursday, and Saturday
 - ii. Even address number can irrigate outdoors on Wednesday, Friday, and Sunday
 - b. Outdoor watering shall be limited to early morning (before 10 AM) and late evening (after 6 PM); and
- C. Under no circumstance shall customers irrigate in a manner that creates runoff.
- D. Consistent with the State Water Resources Control Board's emergency drought regulation, the District will notify all commercial, industrial, and institutional water users that the use of potable water is prohibited for the irrigation of non-functional turf except as required for trees and other perennial non-turf plantings

BE IT FURTHER RESOLVED that the District's irrigation water customers shall be subject to the following measures as determined by the District and established in the District's Drought Contingency Plan Stage II:

- A. All District irrigation water customers are strongly encouraged to implement irrigation efficiency practices.
 - a. Flood irrigation is strongly discouraged
 - b. Under no circumstance shall customers irrigate in a manner that creates runoff
- B. Outdoor irrigation of ornamental landscape and turf shall be limited to the following:
 - a. Watering shall be limited to three days per week;
 - i. Odd address number can irrigate outdoors on Tuesday, Thursday, and Saturday
 - ii. Even address number can irrigate outdoors on Wednesday, Friday, and Sunday
 - b. Water shall be limited to early morning (before 10 AM) and late evening (after 6 PM)
- C. Customers who request a reduction, or who voluntarily forego water delivery

during the 2021 & 2022 irrigation season, will not lose their priority of service once the drought conservation measures have been lifted by the Board of Directors.

- D. New or increased irrigation sales will be limited to 1 miners inch until the drought conservation measures have been lifted by the Board of Directors.
- E. Fall water sales will not be available until drought emergency has been lifted by the Board of Directors
- F. Winter water sales will be limited to existing customers at existing purchase volumes until drought emergency is lifted by the Board of Directors

BE IT FURTHER RESOLVED that any violation of this Resolution shall entitle the District to all available legal remedies, including those set forth in the District's enabling legislation, its rules and regulations, and as set forth in Water Code section 377.

BE IT FURTHER RESOLVED that in order to conserve supplies for various beneficial uses statewide, and to preserve the health and safety of the customers of the District, there is hereby declared a condition of drought necessitating the implementation of measures within the District's Drought Contingency Plan. The General Manager is authorized to identify additional operational actions and request additional conservation measures or water use limitations as determined necessary to meet the needs of public health and safety, including the need to adjust to meet or exceed the District's carryover storage target. Additional conservation measures, as imposed, shall be specifically described and communicated to all customers through one or more of the following: newspaper, public posting, and website and reported to the Board of Directors at the next available board meeting.

BE IT FURTHER RESOLVED that District staff under the direction of the General Manager are authorized and directed to implement water conservation messaging as appropriate and necessary to inform customers of emergency drought conditions, the need to immediately implement the terms of this Resolution, and to communicate other water conservation messaging.

BE IT FURTHER RESOLVED that this Resolution shall be published in compliance with section 376 of the California Water Code.

BE IT FURTHER RESOLVED this Resolution shall become effective immediately upon adoption by the Board of Directors.

BE IT FURTHER RESOLVED this Resolution supersedes Resolution No. 2022-10.

PASSED AND ADOPTED by the Board of Directors of Nevada Irrigation District at a meeting duly called and held within the District on the 25th day of May 2022, by the following roll call vote:

AYES: Directors:
NOES: Directors:
ABSENT: Directors:
ABSTAINS: Directors:

President of the Board of Directors

Attest:

Secretary to the Board of Directors