



CITY OF GLENDALE, CALIFORNIA REPORT TO THE CITY COUNCIL

AGENDA ITEM

Report: Implementation of Phase II of Mandatory Water Conservation with the Applicable Drought Charge and Glendale Water & Power's Water Conservation Programs

1. Resolution implementing Phase II of Mandatory Water Conservation with the applicable Drought Charge.
2. Motion to Note and File Report on Glendale Water & Power's Water Conservation Programs.

COUNCIL ACTION

Item Type: Action Item

Approved for August 10, 2021 **calendar**

ADMINISTRATIVE ACTION

Submitted by:

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Approved by:

Roubik R. Golanian, P.E., City Manager

RECOMMENDATION

Glendale Water & Power (GWP) staff respectfully recommends that the City Council implement Phase II of Mandatory Water Conservation with the applicable Drought Charge. Staff also requests that the City Council note and file the report on GWP's Water Conservation Programs.

BACKGROUND/ANALYSIS

The City of Glendale utilizes four sources of water to meet the water supply demands of its businesses and residents, namely groundwater in the San Fernando Basin, groundwater in the Verdugo Basin, recycled water from the Los Angeles Glendale Water Reclamation Plant (LAGWRP), and purchased water from the Metropolitan Water District of Southern California (MWD).

Groundwater in the San Fernando Basin makes up about 28% of the City's water supply and is a constant supply that is treated through the LAGWRP as part of a U.S. Environmental Protection Agency Superfund clean-up project. Groundwater in the Verdugo basin makes up approximately 5% of the City's water supply and is limited due to declining groundwater levels in the basin. Recycled water makes up approximately 7% of the City's water supply and offsets the use of potable water primarily for irrigation and industrial uses.

The remaining 60% of water is purchased from MWD. This percentage varies depending on customer demands. When there is less of a demand, the percentage of MWD water purchased goes down, because the other sources are relatively constant.

MWD's sources of water are the State Water Project (SWP), and the Colorado River Aqueduct (CRA). These sources are supplemented by large volumes of surface water stored in the two systems and in MWD reservoirs like Diamond Valley Lake. The flexibility provided by the investments made by MWD and Glendale's customers in this regional water supply system allowed MWD to store enough water to last more than two years when there was an unprecedented volume of water available on the SWP in 2017. This stored water has allowed MWD to pump almost its entire supply of water from the CRA this year with a very low allocation of water from the SWP. The current SWP allocation is 5%, meaning a 95% cutback from the full amount of water MWD is entitled to.

Due to new information from the California Department of Water Resources, which operates the SWP, it appears that the models used to project runoff into Lake Oroville, which feeds the SWP, did not work this season because of a drier than normal watershed, preventing the runoff from reaching the reservoir as would normally occur. This lack of expected runoff has now made the initial projection of State Water Project deliveries for next year zero.

Fortunately, the investments Glendale and the region have made in storage and infrastructure has allowed the MWD to store and access water from multiple sources. Now that the projection from one of the sources, the SWP, is very low for next year,

Glendale has the ability, along with others in the region, to conserve water in storage and extend its availability through next year as well.

By implementing Phase II of the City's Mandatory Water Conservation Ordinance, all of the restrictions currently in place for Phase I of Mandatory Water Conservation remain in effect with the additional restrictions of limiting outdoor watering to Tuesdays, Thursdays, and Saturdays for no more than ten minutes per station, with additional restrictions noted in this section of the municipal code. The curtailment target for Phase II is a 20% reduction in potable water use, and this cutback will help save more water for next year. This curtailment target supports the Governor's July 8th Emergency Declaration requesting a voluntary conservation target of 15% for all areas of the State.

The City's investments in its recycled water system provides a "drought proof" water supply for non-potable uses and these restrictions do not apply to recycled water customers.

Along with implementation of mandatory conservation, the City's Drought Charge will also go into effect to ensure the financial stability of the City's water utility by collecting the portion of fixed expenses that are in the variable water rates. The City of Glendale has been a leader in forward thinking rate making. By having a Drought Charge in its rates during the 2015 water supply shortage, the City was able to maintain the financial health of its water utility without needing to implement severe rate increases the following year. Since then, the City Council adopted new water rates and drought charges following a Cost of Service Analysis (COSA) in 2018.

The drought charge for Phase II of mandatory conservation is \$0.30/HCF, which equates to \$.0004/gallon, or 40 cents for 1,000 gallons of water. This charge is intended to recover the portion of fixed expenses that is collected in the variable water rate. Approximately 60% of the City's fixed expenses for operating its water system are collected in the variable or commodity rate and this charge is applied to the amount of water purchased by customers. Customers who reduce water use will either have their bills stay the same, or have their bills go down depending on how much water they conserve. These charges were calculated in the COSA taking into consideration the resulting 28% to 30% reduction of purchased water from MWD because City staff will continue to operate its other potable supplies that are current levels, and make all cut backs from purchased water.

Water use in the City increases significantly during the summer months due to outdoor irrigation, and decreases in the winter months to a baseline use that is primarily for indoor drinking and sanitary purposes. 77% of the City's water use is for residential customers. 39% is used by multi-family residences and 38% is used by single-family residences. There are 48,900 units associated with the multi-family accounts, and 22,100 units associated with the single-family accounts. During the summer, single-family water use increases by 70%, and multi-family water use by 12% as compared to baseline winter use that is primarily indoors. There has been an increase of approximately 3,300 multi-family dwelling units since 2012, while at the same time, a

sustained 18% decrease in total water use in the City. This increase in water use efficiency has been driven by better management and maintenance of irrigation systems by residents and transformation of landscapes with native and drought tolerant plants that are more appropriate for Glendale's climate.

GWP's WATER CONSERVATION PROGRAMS:

GWP and its customers have been leaders in water use efficiency and water conservation. During the water supply shortage of 2015, 407 customers took advantage of the turf-removal rebate program and removed nearly 2.3 million square feet of turf, saving nearly 73 million gallons of water every year. Currently, there are multiple rebate and conservation programs available on GWP's website as well as several educational resources on how to transform landscaping with a few of highlighted below:

- Turf Removal Rebates - \$2 per square foot
- \$500 rebate after installing a non-permit gray-water system
- Smart Home Upgrades - Faucet aerators, Shower heads, Sprinkler head replacements, Irrigation controller programming
- WaterInsight - Home Water Reports with e-mail alerts for potential leaks
- Clothes Washer - \$80 rebate (purchased in Glendale)
- Dishwasher - \$40 rebate (purchased in Glendale)
- High Efficiency Toilet - \$125 rebate (purchased in Glendale)
- MySmartGarden.com/GlendaleCA
- Plant A Beautiful Water-Wise Garden
- Rain Barrel Information
- How to Program Your Irrigation Controller
- SaveOurWater.com
- Bewaterwise.com Watering Calculator
- No Water Waste Policy
- Water Saving Tips
- Rebates and Incentives from the Metropolitan Water District of Southern California (MWD)

FISCAL IMPACT

As noted above, along with implementation of mandatory conservation, the City's Drought Charge will also go into effect to ensure the financial stability of the City's water utility by collecting the portion of fixed expenses that are in the variable water rates.

The drought charge for Phase II of mandatory conservation of \$.0004/gallon or 40 cents for 1,000 gallons of water, is intended to recover the portion of fixed expenses that is collected in the variable water rate. Approximately 60% of the City's fixed expenses for operating its water system are collected in the variable or commodity rate and this charge is applied to the amount of water purchased by customers. These charges were calculated in the COSA taking into consideration the resulting 28% to 30% reduction of purchased water from MWD because City staff will continue to operate its other potable supplies that are current levels and make all cut backs from purchased water.

ALTERNATIVES

Alternative 1: The City Council may choose to adopt a resolution implementing Phase II of Mandatory Water Conservation with the applicable Drought Charge, and note and file the report on Glendale Water & Power's Water Conservation Programs.

Alternative 2: The City Council may choose to not implement Phase II of Mandatory Water Conservation which may lead to reduced availability of water in 2022, requiring implementation of a more severe phase of Mandatory Water Conservation.

Alternative 3: The City Council may consider another alternative not proposed by staff.

CAMPAIGN DISCLOSURE

Not applicable.

EXHIBIT(S)

None.