



DATE: January 19, 2017
TO: Tammy Rudock, General Manager
FROM: Jeanette Kalabolas, Water Conservation Administrative Specialist

SUBJECT: 2016 FOURTH QUARTER WATER CONSERVATION STAFF REPORT

SUBJECT #1: 2016 Water Awareness Calendar Award Ceremony

BACKGROUND: Each year MPWD sponsors a community school contest grades 3-5 to increase student's water savings awareness. Rain or shine, key conservation practices are necessary to assure enough water for the health and well-being of our youth and planet

DISCUSSION: The deadline to submit entries was October 28, 2016. Three schools participated in this year's contest - Cipriani, Immaculate Heart of Mary and Nesbit Elementary School for a total of 84 drawings. As done in years past twelve winning entries were chosen. Gift awards will be issued as follows: Grand-Prize \$50 plus two Runner-ups at \$25. A small token of appreciation in the amount of \$100.00 will also be presented to the teacher with the most student participation. Certificates of Recognition and copies of the finished calendar will be provided to nine honorable mention entries, as well. A ceremony acknowledging all students whose artwork was chosen for feature will take place at this month's board meeting on Thursday, January 26, 2017 at 6:30PM. A brief reception will follow.

SUBJECT #2: Winter 2016-2017 Waterline Newsletter Update

BACKGROUND: The District's annual newsletter is used as an education tool to communicate relevant public information to its customers

DISCUSSION: We are in the final editing stages of the winter 2016-2017 edition of the Waterline. Topics to date include: The State of the Union Address, Earth Day, green vehicles in fleet, capital improvement projects, District awards, Boy Scouts demo garden, employee spotlight (Tava's 10-Year Anniversary), conservation corner, as well as a section highlighting "What to Expect in 2017". The newsletter is expected to drop to all 8,000+ customers early February 2017.

SUBJECT #3: Early Winter WY 2016-2017 Supply Outlook

BACKGROUND: Both SFPUC & the state (Department of Water Resources - DWR) have released preliminary high country survey reports on in-stream flows, precipitation and snow impact measured to date

DISCUSSION: SFPUC advised in its December 2016 Hydrologic Conditions Report that the accumulated six-station precipitation index for water year (WY) 16-17 is 16.83 inches, which is 47.3% of the average annual WY total or 143.8% of average October-

December 2016. Hetch Hetchy received 7.66 inches of rain in December and cumulative inflow at Hetch Hetchy has met the criteria to maintain a type "A" rating for WY16-17. The 10-station snow index was at 75% of normal to date as of January 1, 2017. Snow is accumulating and recent storms have been robust enough to soak soil and bedrock refilling the natural lakes situated upstream of the regional water system.. DWR also reported on January 3, 2017 that electronic readings from 105 stations scattered throughout the Sierra Nevada indicate water content Statewide is at 7.2 inches of water equivalent or 70 percent of the January average. Staff added precipitation and storage looked good compared to the past 5 years, which means they are cautiously optimistic about the water year and although snowpack readings measured below early-January averages significant storm events are forecasted for the weeks ahead. The final state survey is scheduled for April 1, 2017.

SUBJECT #4: BAWSCA Members End Participation in PG&E Washing Machine Rebate Program (WMRP)

BACKGROUND: PG&E announced effective December 31, 2016 due to a decline in claimable savings it would terminate its WMRP

DISCUSSION: BAWSCA has spent the better part of fall 2016 coordinating with PG&E on close-out activities. Applications will continue to be accepted through March 2017. BAWSCA discussed with member Agencies options for continuing a WMRP in 2017. Alternatives were proposed: 1) regional program run by outside consultant and 2) BAWSCA could administer in-house, however ultimately it was decided as a group that the proposed alternatives were not cost-effective given the recent levels of rebate activity. BAWSCA will reach out to local retail locations and notify them of the change in program. Customer notification will be handle via both the BAWSCA and MPWD websites. BAWSCA and member agencies will revisit the subject in FY 2017-18 if there is determined to be significant demand to re-establish the program.

SUBJECT #5: SB 814

BACKGROUND: SB 814 was introduced in October 2016 to assure all Californians share in the efforts to conserve water during excessive drought, in short after experiencing one of the worst dry periods in recorded history the purpose of the bill is to prevent unreasonable use of water and provide resource protection in the interest of public welfare

DISCUSSION: The SWRCB interprets SB 814 as applying to all urban water suppliers regardless of their state-assigned conservation standard with an objective to reduce excessive use during phases when an urban water supplier has implemented mandatory water use reductions or when a local supplier is affected by a Governor declared "drought emergency". The bill expects water suppliers to establish a rate structure that includes a water budget, rate surcharges or an excessive use ordinance and it would set specific fine requirements up to \$500.00 above the threshold where excess use is measured by gallons or ccf within a bill cycle. No compliance date has yet to be issued, as the SWRCB announced in December 2016 that due to re-directed focus on the EO B-37-16 Draft Framework Report due January 2017 that the bill would temporarily be placed on hold. The bill would only take effect when the Governor has declared a state of emergency based on drought conditions.

SUBJECT #6: California Urban Water Conservation Council (CUWCC) Transition

BACKGROUND: On November 16, 2016 the Council Board recommended to refocus and restructure in summary through a combination of Bylaw amendments, financial arrangements and other transition matters

DISCUSSION: MPWD voted as an acting member on December 16, 2016 in favor of Councils restructure and refocus. Votes closed and were tallied Friday, December 30, 2016 with the majority ruling in favor of, as well. The website was taken offline effective January 2017 and Council doors have been closed temporarily, as reorganization efforts begin. Staff will provide an update once progress materials are made available.

SUBJECT #7: State Water Resources Control Board (SWRCB) Low Income Assistance Initiative

BACKGROUND: The SWRCB is seeking input from the water industry on how to make drinking water affordable for low-income Californians

DISCUSSION: The Low-Income Water Rate Assistance Act established through Assembly Bill 401 (AB 401) directs the SWRCB to prepare a plan, in collaboration with the State Board of Equalization that covers funding and implementation of a Low-Income Water Rate Assistance Program. The Plan is due by January 1, 2018. Additionally, AB 401 directs the SWRCB to report to the Legislature by February 1, 2018 its findings regarding the feasibility, financial stability, and desired structure of the program, including any recommendations for legislative action. The report to the legislature will build off the process to develop a Low-Income Water Rate Assistance Program. State policy through AB 685 (2012) aims to ensure universal access to water by declaring that “every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.” However, water is becoming more expensive. California’s growing economy and population create continued demand for water. Meanwhile, drought and water leaks tighten available supplies. In addition, pipes and aging infrastructure result in expensive repairs or replacements. These conditions contribute to higher costs. The result is that more low-income households have unaffordable drinking water. A conference call took place November 16, 2017 to discuss recommendations. The Plan for a Low-Income Water Rate Assistance Program includes: 1) description of the method for collecting moneys to support and implement the program, with a discussion of any constitutional restrictions on public water agency rate setting, 2) a description of the mechanism for providing funding assistance under the program, which might include direct credits to program participants, reimbursements to water service providers, a method for verifying income eligibility of low-income ratepayers, clarification of the role of the Public Utilities Commission and water utilities in determining and verifying customer eligibility as well as suggestions regarding the structure of the program, 3) description of the method to be used to determine the amount of moneys that may need to be collected from water ratepayers to fund the program, 4) a set of recommendations and best practices that cover cost-savings measures and aim to ensure that water utilities are keeping rates low. It could also include: a set of recommendations for other cost-effective methods of offering assistance to low-income water customers besides rate assistance, including billing alternatives, installation of water conservation devices, and leak repair.

APPROVED: _____ DENIED: _____ NO ACTION: _____ DIRECTION GIVEN: _____