

AGENDA DOCKET FORM

SUBJECT: REVIEW PROPOSED 2010 CONSERVATION PROGRAM RULES AND REGULATIONS AND CONDUCT FIRST READING OF ORDINANCE NO. 10-01

SUMMARY: In 2009, hydrologic conditions existed which caused a water shortage condition leading to adoption of the 2009 Drought Management Program (Drought Program) that became effective on May 1, 2009. The Drought Program has achieved an overall twenty percent reduction in water usage District-wide through February 2010. Recent winter rains and snowpack have improved water supply conditions compared to 2009 and the District anticipates receiving an allocation of Central Valley Project (CVP) water supply from the United States Bureau of Reclamation (Reclamation) during the 2010 water year sufficient to meet reasonable demands. Despite improved hydrologic conditions, there continues to be uncertainty regarding regulatory conditions in the Sacramento-San Joaquin Delta that affect the amount of water that can be legally delivered from Reclamation's reservoirs to pumping plants in the Delta, including the District's.

Because of these regulatory uncertainties, it is recommended that the District implement a substantially relaxed program compared to 2009, but one that continues to encourage conservation and ensures water use within the District is efficient and reasonable. This action is needed to ensure that the available water supply that can be legally delivered by the CVP to the District is sufficient to meet the needs of the District's customers in 2010. The proposed 2010 Conservation Program does not raise rates and focuses on reducing excessive water use for irrigation without impacting jobs or the local economy.

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FISCAL IMPACT: The FY10 budget provides sufficient funds to meet the District's operating and capital funding requirements for the Conservation Program. Funding for FY11 will be dependent on the Board's adoption of the FY11/FY12 Two-Year Budget, which will be brought to the Board for consideration of adoption on June 2, 2010.

RECOMMENDED ACTIONS: a) Review and provide feedback on the proposed 2010 Conservation Program; b) Introduce and conduct the first reading of Ordinance No. 10-01 superseding 2009 Drought Management Program regulations and authorizing Conservation Program rules and regulations; and c) Set April 7, 2010 for second reading of the Ordinance, the public hearing and consideration of adoption of the Ordinance.

<p>_____ Brice J. Bledsoe Director of Finance</p>	<p>_____ Kurt G. Ladensack Assistant General Manager</p>	<p>_____ Walter J. Bishop General Manager</p>
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Attachment: Ordinance No. 10-01

KGL/BJB:dmg

SUMMARY: *(continued from page 1)*

The proposed Conservation Program rules and regulations are presented in the attached Ordinance 10-01 for review and comment. The Excess Use Charge is proposed to be two times the basic quantity charge. The Board will consider adoption of the 2010 Conservation Program and Ordinance No. 10-01 on April 7, 2010 following a public hearing. The program as proposed remains within the parameters of the Proposition 218 notice mailed to all District customers in February, 2009. The program, if adopted, will become effective beginning May 1, 2010.

Excess Use Charges

Single Family Residential, Multi-Family Residential, Irrigation, and/or Agricultural customers who use unreasonable and wasteful amounts of water will be subject to an Excess Use Charge. The charge proposed is two times the quantity charge for the excess water use. Single Family Residential, Multi-Family Residential, Irrigation, and/or Agricultural Customers with historical water use of 1,000 gallons per day or less will be charged an Excess Use Charge for the use of water over 1,000 gallon per day. Single Family Residential, Multi-Family Residential, Irrigation, and/or Agricultural Customers with historical water use greater than 1,000 gallons per day will be charged an Excess Use Charge for water use in excess of their historical use.

The Excess Use Charges are based on the District's cost of purchasing supplemental water supplies from East Contra Costa Irrigation District, and will encourage efficient water use. Historical water usage is based on the average water use for the same billing period during the three-year base period (2005, 2006, and 2007). All previously approved exceptions and adjustments to historical use will remain in effect.

Conservation Program Ordinance

The objective of the rules and regulations described in the proposed form of Ordinance No. 10-01 is to conserve the water supply of the District for the greatest public benefit with particular regard to public health, fire protection, industrial and domestic use. The Ordinance also encourages efficient and reasonable use of water by applying Excess Use Charges to excessive, unreasonable and wasteful uses of water. Ordinance No. 10-01 is attached.

Conservation Program Outreach

The goal of the Conservation Program is to encourage customers to continue their conservation effort and to ensure that they are using water efficiently. The District will provide outreach to customers with information on the Conservation Program using direct mailings, brochures and local media in advance of the May 1, 2010 effective date of the Program. The District is also coordinating with its municipal wholesale providers who have expressed support for implementing similar programs within their service areas, which will provide a consistent message to all District customers. However, customers who demonstrate excessive, unreasonable or wasteful uses of water may be subject to an Excess Use Charge.