



Alameda County Water District

The Drought of 2014 A Special District Perspective



California Water Association
May 20, 2014

Presentation Overview



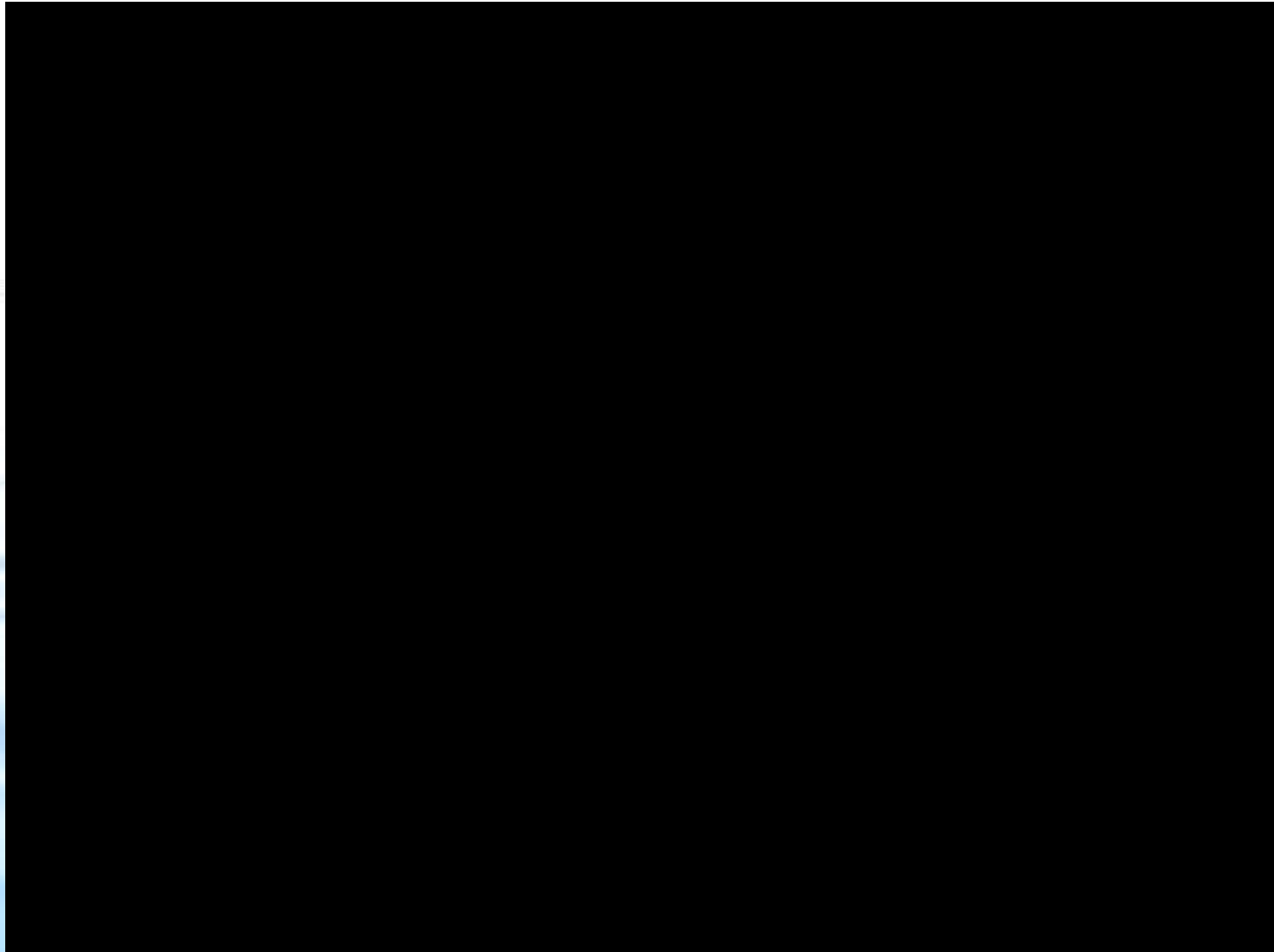
- Alameda County Water District
- Water Supply Conditions
- Water Demand Reduction Strategy
- Financial Implications
- What Happens When “You’re First?”

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ACWD at-a-glance



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- Founded in 1914
- Communities Served:
 - Over 336,000 people in Fremont, Union City and Newark
 - Nearly 83,000 customers (service connection addresses)
 - 43 MGD Avg. Daily Demand
 - \$104 Million Budget
 - AAA Bond Rating

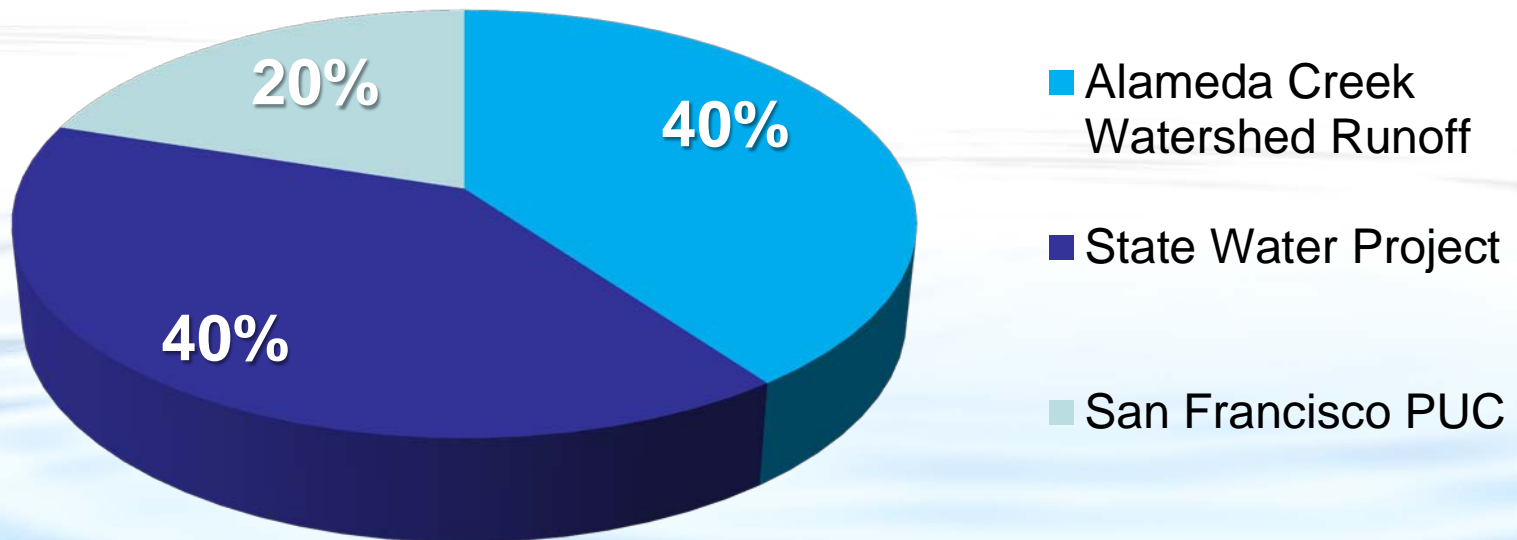


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ACWD Water Supply Sources – Typical



Drought Facts:

- **State Water Project:** ACWD was informed that it would receive **0% of its yearly allocation**. This was recently increased to 5%, but zero is available until September.
- **Local Water:** Runoff from the Alameda Creek watershed, which recharges the groundwater basin, is currently about **1/3rd of normal**.
- **San Francisco Public Utilities Commission:** Requesting suburban customers to **reduce water use by 10%**.



Lake Oroville in January 2014

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Water Demand Reduction Strategy

- 20% Overall Water Use Reduction Target
 - 10% Indoor Use
 - 35% Outdoor Use
- Adopt a Water Shortage Emergency Ordinance
 - Behavior-Based Approach
 - Emphasize Outdoor Water Use Reductions
 - Don't penalize efficient water users
- Financial Implications
 - Conservation Price Signal – Drought Surcharge

Water Shortage Emergency Ordinance



Water Shortage Emergency Ordinance

- March 13, 2014: ACWD Board of Directors declared a water shortage emergency and adopted a Water use Restrictions Ordinance
 - Water use prohibitions and restrictions that focus on wasteful use and non-essential use.
 - Minimize landscape irrigation but allow enough water to keep plants viable.
- Progressive enforcement
- Exception process (Human Health & Safety and Economic Hardship)
- Appeals process

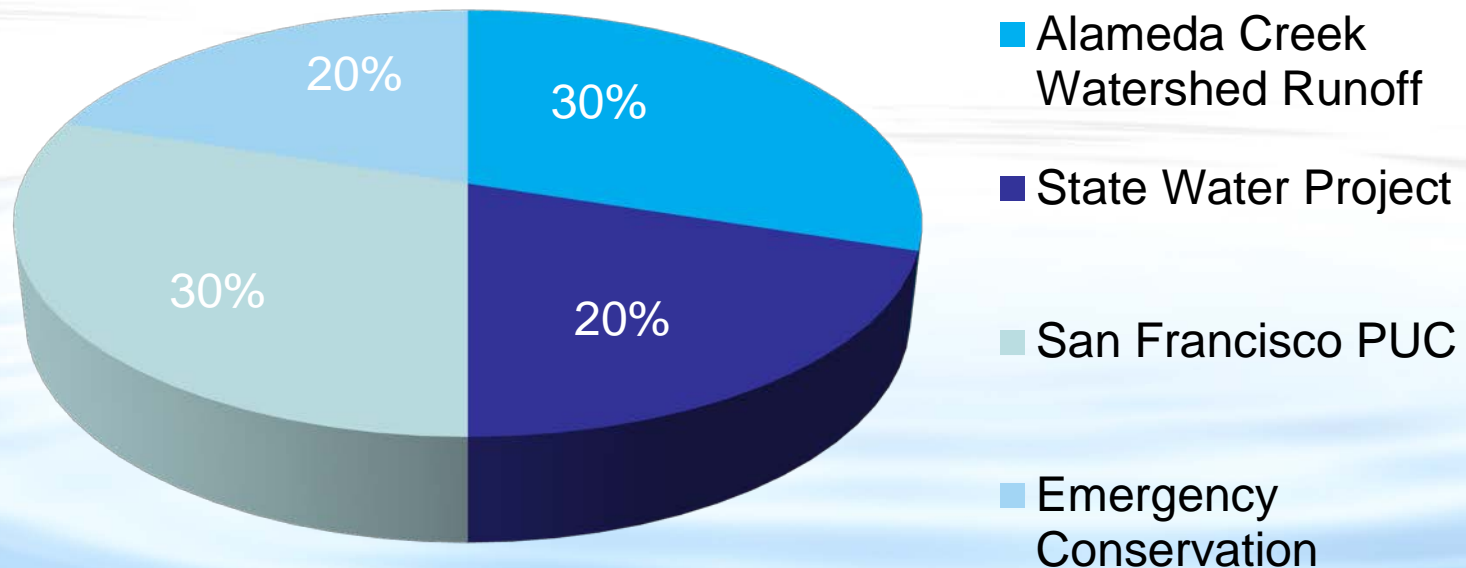
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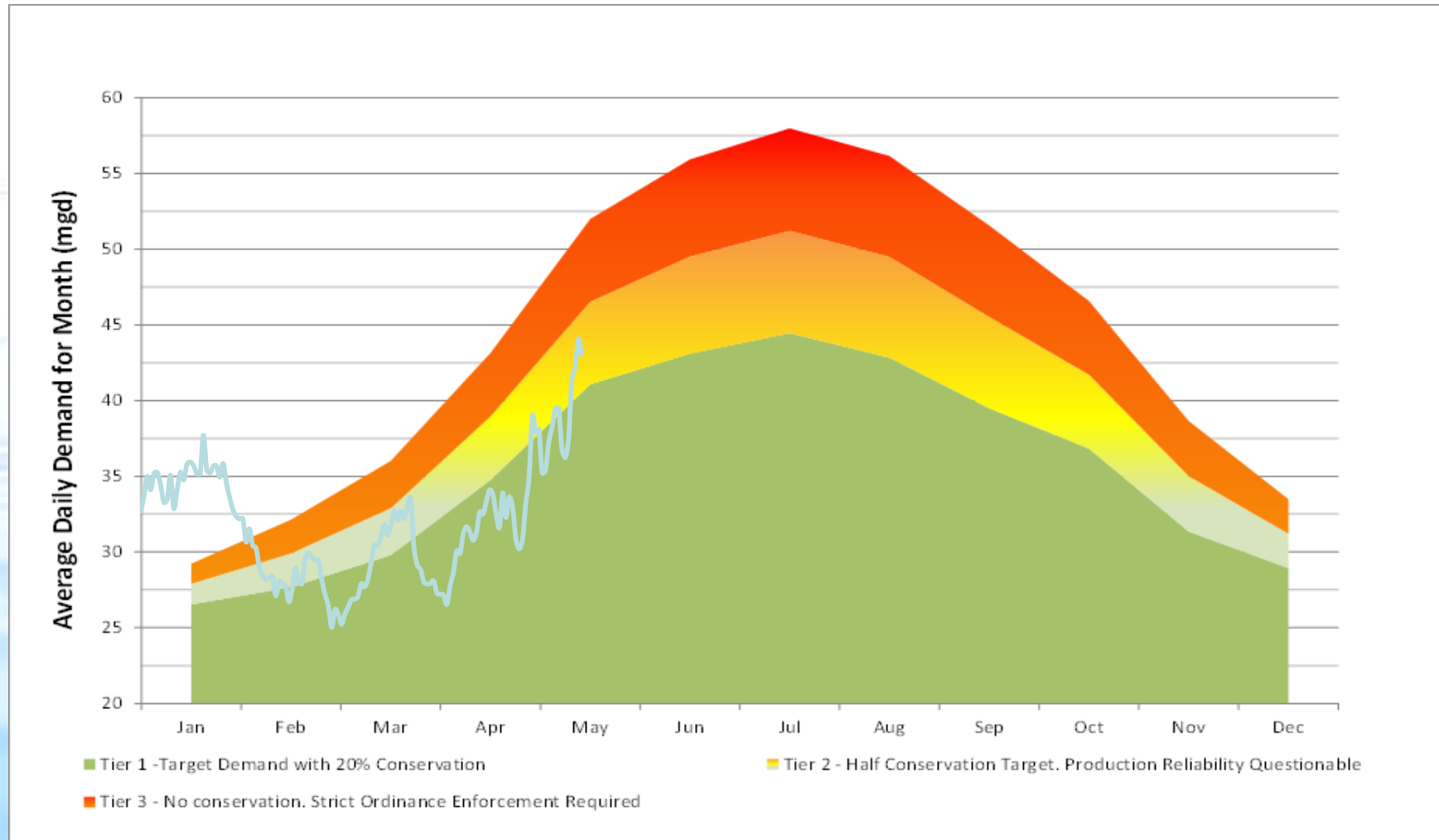
ACWD Water Supply Sources – Water Shortage Emergency

Increased Costs: ~\$5M thru FY 2014/15



Current Water Demands

Reduced Revenue: ~\$15M thru FY 2014/15



April 15 and May 5 Board Workshops

- Reduce Expenses
- Defer Capital Projects
- Utilize Rate Stabilization Fund (\$10M)
- Issue \$25M Revenue Bond
- Implement Drought Surcharges
 - Tiered surcharge for single family residences
 - Uniform surcharge for commercial, industrial, institutional customers

Proposed Drought Surcharge *



	Rate Type	Base Rate	Drought Surcharge	Drought Rates
Non-SFR	Uniform	\$3.373	\$0.460	\$3.833
SFR	Tier 1 (0 to 16 hcf)	\$3.373	\$0.000	\$3.373
	Tier 2 (16 to 30 hcf)	\$3.373	\$1.480	\$4.853
	Tier 3 (30+ hcf)	\$3.373	\$2.000	\$5.373

* Actual water bill increase (if any) will be dependent on the degree that customers conserve water.

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Drought Timeline

- January 17, 2014: Governor declares a drought state of emergency
 - January 31, 2014: Dept. of Water Resources announces 0% allocation for customers of the State Water Project
 - January 31, 2014: ACWD requests 20% voluntary water use reduction
 - March 13, 2014: ACWD Board of Directors declares a water shortage emergency and adopts Water Shortage Supply Ordinance
 - April 18, 2014: Dept. of Water Resources announces 5% allocation after September 1
 - April 15 and May 5: Board Workshop and Special Board Meeting to consider drought surcharge
 - April 25, 2014: Governor issues an Executive Order to redouble state drought actions
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- May 30, 2014: ACWD mails “Proposition 218” notices
 - July 17, 2014: Public hearing and potential adoption of drought surcharge
 - July 21, 2014: Effective date of drought surcharges

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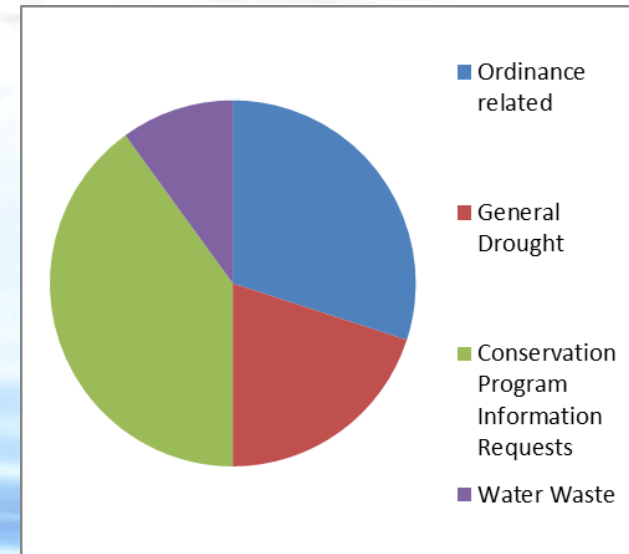
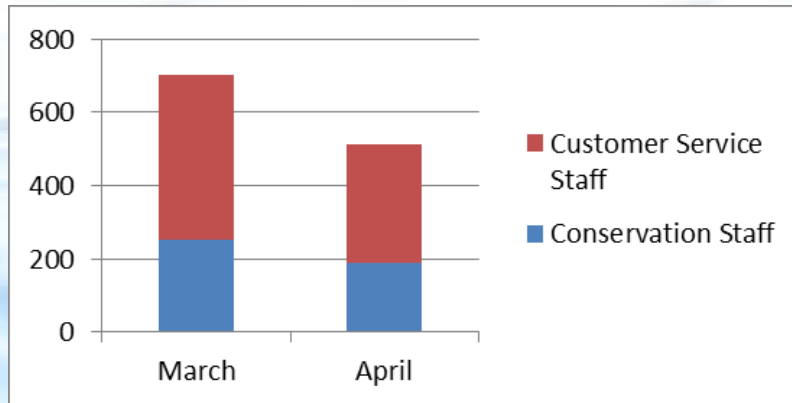
- **More Outreach Required**
 - Both before and after actions...
 - ...with staff
 - ...with large and politically sensitive water users (e.g., Cities, School Districts, etc.)
 - Customer-direct mailings
- **Increased Media Interest**
 - Press Releases actually work
 - Numerous requests for interviews
- **More Customer Inquiries**
 - Water use questions
 - Available conservation programs
 - Clarification on water use restrictions and prohibitions

Summary of Customer Communications

(as of April 23, 2014)

Phone Calls

Customer Calls	March	April
Conservation Staff	251	191
Customer Service Staff	452	322

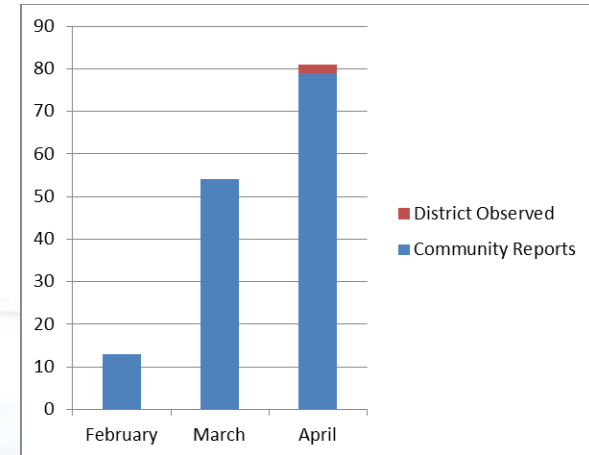


Waste Reports and Exceptions

(as of April 23, 2014)

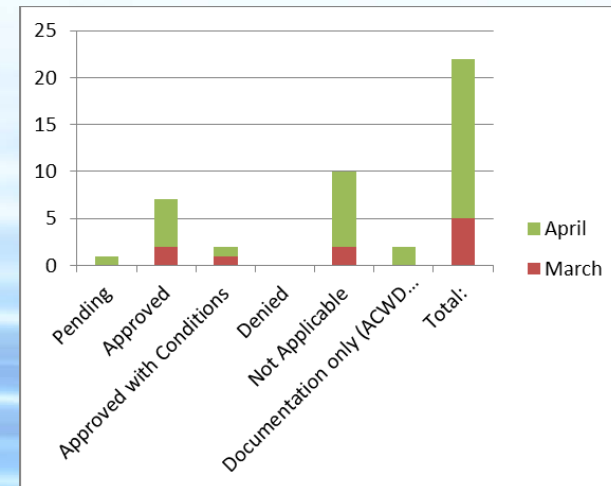
Water waste reports

Water Waste Reports	February	March	April
Community Reports	13	54	79
District Observed	0	0	2

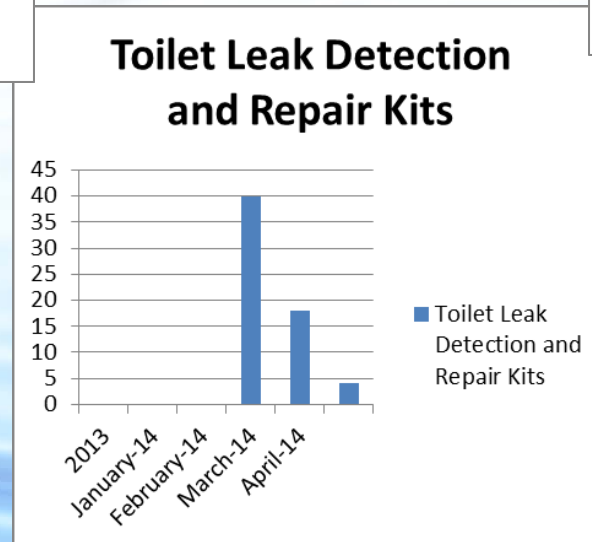
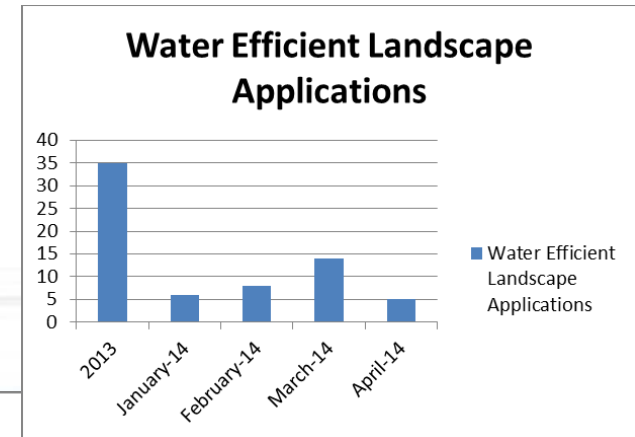
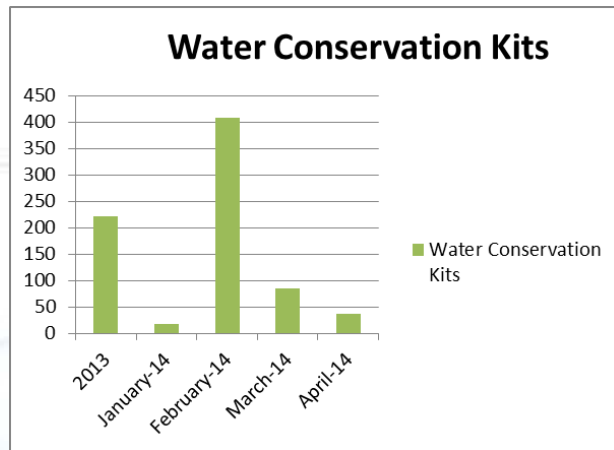


Exception requests

Exception Requests	March	April
Pending	0	1
Approved	2	5
Approved with Conditions	1	1
Denied	0	0
Not Applicable	2	8
Documentation only (ACWD projects)	0	2
Total:	5	17



Water Conservation Program Participation (as of April 23, 2014)





SKEPTICAL HIPPO
Is skeptical.

What Happens When “You’re First?”

- Skepticism and Criticism?
 - It’s a difficult message for people to accept (Use less and pay more)!
 - Receiving numerous Public Record Act requests
 - Heightened concerns about increasing water rates in general
 - Question the intent of a drought surcharge
 - Employee compensation and benefits

What's Next?



Thank you!

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