

**WATER RESOURCES & CONSERVATION
COMMITTEE MEETING SUMMARY MINUTES
Wednesday, April 24, 2019
4:15 p.m.**

ATTENDANCE

Directors: Paul Sethy (Chair), Aziz Akbari 
Staff: Thomas Niesar, Evan Buckland, Stephanie Nevins

DISCUSSION TOPICS

1. Water Supply Outlook: Evan Buckland, Water Supply Supervisor, provided an update on the District's plan to meet 2019 water production demands. The Department of Water Resources increased the District's Table A allocation to 70% during March, resulting in an allocation of 29,400 acre-feet of water. The District is planning on returning 1,938 acre-feet of water stored in San Luis Reservoir to help meet 2019 demand. Semitropic returns are projected to be 0 acre-feet as a result of the increased Table A allocation, and staff is currently working with Semitropic to deliver a substantial amount of 2019 Table A water for storage in the bank. Staff is also planning to purchase the contractual minimum amount of San Francisco Public Utility Commission water, which is 8,567 acre-feet. Staff estimates that 7,500 acre-feet of water stored in Lake del Valle as well as 19,835 acre-feet of water in the Niles Cone will be available to meet the 45,000 acre-feet of expected demands. The Alameda Creek Watershed is currently slightly above average precipitation totals for this time of year at a total of 20.3 inches. The Committee reviewed current reservoir storage levels in both San Luis and Oroville Reservoirs and the latest 8- to 14-day, 30-day, and 90-day precipitation outlooks. The District's water supply outlook for 2019 is excellent, and the District will finish the year well prepared for calendar year 2020.

Director Akbari asked what the cost would be to bank additional water in Semitropic this year beyond our fixed amount. Mr. Buckland responded that additional supply could be delivered for approximately \$300,000 but that we anticipate being able to deliver a like amount of water in 2020 at no extra cost and that given how full the bank is, there is no pressing need nor justification for this action and expense in 2019.

2. Low Income Water Savings Pilot Program Update: Stephanie Nevins, Water Conservation Supervisor, provided an update on a proposed program that was initially discussed with the Water Resources & Conservation Committee on November 26, 2018. The proposed Low Income Water Savings Program (Program) has been scaled-down to a pilot program so that staff can evaluate the results and adjust accordingly for a potential full program. The Program is based on Pacific Gas and Electric Company's (PG&E's) water/energy partnership model that leverages PG&E's existing Energy Savings Assistance (ESA) Program to provide additional water savings services and measures to low income residents. The Program provides an opportunity to continue work the District conducted in 2013-2015 with its Water Savings Assistance Program, as well to improve affordability for low income customers, a District Board priority. PG&E hired Richard Heath and Associates Inc. (RHA) to serve as PG&E's ESA Program Administrator to perform energy use assessments and install hot water saving measures. The District will also contract with RHA to perform the additional

water conservation services. The Program will provide the following water conservation services: water use assessments, water conservation education, leak checks, water efficient device installations, and toilet retrofits. All water and energy savings services are provided at no cost to the resident. District service area residents who meet certain income guidelines or other low income qualifiers, and live in a single-family residential home (renters included), multi-family unit, or a mobile home, may be eligible to participate. The income guidelines align with the District's Help on Tap (HOT) Program allowing these customers to participate. RHA's contractors will help promote this program through their ESA outreach channels and the District will reach out to HOT participants and conduct additional outreach to the low income community in the service area. If successful, this pilot program will allow the District to continue previous efforts to offer conservation services to the District's low income residents through more households served and with minimal staff administration. There are estimated 3,200-4,000 homes eligible for services in the District's service area based on PG&E's ESA Program participation. The pilot program has a goal of serving 200 homes in six months. The total cost for 200 homes is estimated to be \$68,500, with a not to exceed amount of \$75,000. Program costs are based on an estimate of the types of services performed per household, installation time, hourly rates of the contractors, and prevailing wages paid for plumbing work. Conservative water savings estimates for the Program are 9.4 acre-feet (AF) of water per year for 200 homes. The District funded services are estimated to garner 2.6 AF. The District's cost per AF is \$1,322/AF. This cost is less than the District's highest water supply cost and alternative future supply cost estimates. The Program offers numerous additional benefits including water conservation education, outreach and engagement in the low income community, leak identification, improving affordability and access to water conservation. The pilot program is anticipated to run from June 2019 through November 2019. There are adequate funds in the FY 2018/19 budget for this program and funding is currently proposed for this program in the upcoming FY 2019/20 budget. This program will help meet the District's Strategic Goal 2.1 – Maintain and Enhance Sustainability and Reliability of Local and Regional Water Supplies. Directors Sethy and Akbari expressed support for the Program and provided comments on outreach, identifying participants and grant opportunities for the program.

3. Demand Forecasting Update: Water Supply and Planning Manager, Thomas Niesar, provided an update on the post-drought demand rebound. Mr. Niesar reminded the committee of ACWD's drought rebound assumptions, that demands will take 5 years to rebound after the end of the drought, and that we will see an estimated permanent 6% reduction in demand as compared to pre-drought levels. Since 2015 the year-over-year rebound has largely followed the predicted rate. However, demands in 2018 were lower than expected and no different from 2017 during peak summer months, leading to some speculation that no further rebound should be anticipated. Mr. Niesar relayed demand forecasting principles and explained that a lot of human behavior changes have occurred in recent years, complicating conventional demand analyses, and noting that demand rebound may stop short of expectation. However, he reported that weather patterns during the summer of 2018 were unusually mild, and that the reference evapotranspiration (ET_o, the "weather-driven irrigation demand for water") between June 1 and August 31 was only 88% of average and the lowest on ACWD's record beginning in 2001. Mr. Niesar concluded that, while 2018 demands were low, that they can be explained by weather and that there is no reason to assume post-drought rebound has ended. He went on to note that ACWD's customers

continue to demonstrate very high efficiency and responsiveness to weather, that a wet spring such as the one we have experienced so far in 2019 can result in demand reductions with an associated shortfall in projected revenue on the order of \$2M, that this is normal, and that ACWD should be prepared for this degree of variation as regular course in its financial planning.

Mr. Niesar went on to explain that in 2019, ACWD should learn a lot about future demands. He noted that if weather patterns this summer produce average or higher than average ETo that we should be able to resolve a lot of uncertainty in demand rebound assumptions. He also noted that the Water Efficiency Master plan (WEMP) will refine water usage assumptions based on customer surveys as well as refine conservation assumptions related to demand forecasting.

Director Sethy asked if the rapid rate of new housing coming on line will be a problem for ACWD. Mr. Niesar responded that, while housing addition numbers are impressive, the demand from new development is much lower than the year-over-year drought rebound effect. Director Akbari asked about the WEMP survey and if Directors can be apprised of details beforehand. Ms. Nevins responded that the survey will likely occur within 2 to 4 months and that Directors and all public facing staff will be informed prior to the survey.

4. Public Comments: There were no comments.

RECOMMENDATIONS

Topics discussed by the Committee were informational only, and no recommendations are being made.