## **RESOLUTION NO. 2022-5-7**

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE INLAND EMPIRE UTILITIES AGENCY, SAN BERNARDINO COUNTY, CALIFORNIA, DECLARING A WATER SHORTAGE EMERGENCY CONDITION AND ADOPTING THE FRAMEWORK OF AN EMERGENCY WATER CONSERVATION PROGRAM

WHEREAS, the Inland Empire Utilities Agency\* (Agency) is a member agency of the Metropolitan Water District of Southern California (Metropolitan); and

WHEREAS, Metropolitan's two main sources of imported water, the Colorado River and Northern California via the State Water Project (SWP), both face continuing and heightened drought conditions; and

WHEREAS, due to water quality constraints, the Agency is only able to deliver SWP imported water from Metropolitan to its retail water agencies; and

WHEREAS, the Agency's retail water agencies use the Agency's supply of SWP imported water to meet up to 30 percent of their total normal year demands, with the balance of the retail water agencies' demands being met by local groundwater and surface water, water recycling, and water use efficiency; and

WHEREAS, by June 2021 the Agency and its retail water agencies adopted Urban Water Management Plans (UWMP) and Water Shortage Contingency Plans (WSCP) to prudently plan for dry conditions and shortages within their respective service areas; and

**WHEREAS,** on September 15, 2021, the Agency adopted Resolution No. 2021-9-7, in Support of Metropolitan's Declaration of a Condition 2 – Water Supply Alert; and

WHEREAS, on October 19, 2021, Governor Gavin Newsom, by Proclamation, expanded the drought emergency statewide to include all 58 counties due to worsening drought conditions, including the County of San Bernardino, and urged Californians to redouble their water conservation efforts to achieve a 15 percent reduction in water use; and

WHEREAS, on November 9, 2021, Metropolitan declared that specified drought emergency conditions exist within its service area and called on all member agencies to immediately implement conservation to reduce the use of SWP supplies; and

WHEREAS, on December 8, 2021, the Agency adopted Resolution No. 2021-12-5, recognizing the state and regional drought emergency and activating the Agency's Water Shortage Contingency Plan at Level 2; and

WHEREAS, the Agency and its retail water agencies, in partnership with the Chino Basin Desalter Authority, Chino Basin Water Conservation District, Chino Basin Watermaster, Santa Ana Watershed Project Authority, Water Facilities Authority, and Metropolitan, have achieved significant and enduring water supply resiliency and decreased reliance on imported water through local water supply development and increased water use efficiency; and

WHEREAS, severe drought conditions are constraining available SWP supplies, and the California Department of Water Resources (DWR) classified water years 2020 and 2021 as dry and critically dry, respectively. Persistent dry conditions will likely result in a critically dry designation for water year 2022. Northern California precipitation during the three months from January through March 2022 was the driest on record for that region, and the three-year sequence of water years 2020-2022 is projected to be the driest on record in California for statewide precipitation; and

WHEREAS, the Agency and its retail water agencies have increased public messaging to create a heightened awareness of the region's near-term water supply challenges due to severe limitations on SWP supplies and the need for extraordinary conservation efforts; and

WHEREAS, Metropolitan's SWP supplies have been and are being curtailed. On March 18, 2022, DWR reduced the SWP Table A allocation for 2022 from 15 to only five percent of contract amounts. Table A allocations for 2020 and 2021 were 20 and five percent, respectively. The last three years mark the lowest three-year combined deliveries of allocated water in the history of the SWP; and

WHEREAS, three consecutive years of low Table A allocations have strained water supplies for portions of Metropolitan's service area that currently are served primarily through the SWP, referred to as the "SWP Dependent Area." Human Health and Safety (HH&S) needs are defined as "the amount of water necessary for prevention of adverse impacts to human health and safety, for which there is no feasible alternative supply." In general, HH&S needs are limited to domestic supply, sanitation, public health and fire protection purposes. To supplement the low Table A allocation, DWR agreed to provide additional SWP supplies to Metropolitan and other SWP Contractors, if necessary to fulfill their unmet HH&S needs. However, DWR is requiring any SWP contractor receiving such supplies to impose mandatory restrictions on water use within its service area consistent with these emergency circumstances. DWR also is requiring any SWP water accessed for HH&S purposes to be returned to the state within five years or as wetter conditions return; and

WHEREAS, Governor Newsom issued an Executive Order calling on urban water suppliers to activate their WSCPs that identify response actions that will be taken under various water shortage conditions. Due to worsening drought conditions, Governor Newsom issued Executive Order N-7-22 on March 28, 2022, specifically requiring all urban water suppliers to implement, at a minimum, the response actions identified in their WSCPs for a shortage level of 20 percent (Level 2). This executive order further encouraged urban water suppliers to conserve more than the minimum required and to voluntarily activate more stringent local requirements based on a shortage level of up to 30 percent (Level 3); and

WHEREAS, the Agency, its retail agencies, and other agencies in the region have taken extraordinary steps to reduce demands and bolster supplies. Local water suppliers and communities have also made multi-million dollar strategic and forward-looking investments in water conservation, water recycling, stormwater capture and reuse, groundwater storage, and other strategies to improve drought resilience. Water conserved throughout the service area, among other things, has helped preserve local water resources. Continued action by residents to conserve water and extend local groundwater and surface water supplies will provide greater resilience if the drought continues in future years; and

WHEREAS, Metropolitan and its Member Agencies have taken specific actions to preserve SWP supplies. In 2021 and 2022, Metropolitan made targeted investments to reduce Member Agency dependency on SWP supplies and have improved operational flexibility; and

WHEREAS, Metropolitan has determined that it must take additional actions immediately to conserve the remaining available SWP supplies. In 2014, Metropolitan's Board adopted a revised Water Supply Allocation Plan (WSAP) pursuant to which it may determine that a regional shortage exists, establish a regional shortage level and was intended only for use during periods of region-wide water shortages and requires a more extended period to implement. As such, the current WSAP cannot effectively or efficiently address the water shortages anticipated to occur this year in the SWP Dependent Area; and

WHEREAS, on April 26, 2022, Metropolitan declared a water shortage emergency condition in SWP constrained areas within its service area, adopted an Emergency Water Conservation Program, pursuant to Water Code Section 350 et. seq., Water Code Section 375 et. Seq., and other applicable authorities to preserve SWP supplies, and expressed support for the Governor's Executive Order N-7-22 calling for all urban water suppliers to implement actions to reduce water use by 20-30 percent.

The Emergency Water Conservation Program includes two pathways for affected Member Agencies to reduce the use of Metropolitan's SWP supplies and achieve compliance with the program. The program is intended to reduce non-essential water use and preserve available supply for the greatest public benefit in the SWP-dependent area.

The first path allows a Member Agency to restrict outdoor irrigation to one day per week (or its equivalent) beginning June 1, 2022. However, Metropolitan's General Manager is authorized to modify this restriction to ban all non-essential outdoor irrigation or enforce volumetric limits should conditions warrant as the year develops. Member Agencies that document enforcement of these restrictions will be deemed compliant with the Emergency Water Conservation Program. Noncompliant Member Agencies will face volumetric penalties of \$2,000 per acre-foot on any water supplied by Metropolitan from the SWP system that exceeds certain monthly allocation limits.

The second path allows a Member Agency to comply with monthly allocation limits directly. The specific limit for each agency is based on an allocated share of the HH&S water provided by DWR and certain additional Metropolitan SWP supplies delivered through the SWP system. Beginning June 1, 2022, Member Agencies that meet these limits will be deemed compliant with the Emergency Water Conservation Program; non-compliant Member Agencies will face the same volumetric penalties as under the first path; and

WHEREAS, on May 4, 2022, Metropolitan established the final volumetric limits for each SWP-dependent agency, effectively allocating the Agency approximately 19,230 acre-feet and 14,933 acre-feet, based on initial HH&S and MWD supplies, totaling 34,163 acre-feet.

WHEREAS, as a result, the Agency's Emergency Conservation Program will implement an allocation utilizing a 3-year imported water purchasing history methodology for its Metropolitan-IEUA service connections, which include Cucamonga Valley Water District (CVWD), Fontana Water Company (FWC), and Water Facilities Authority (WFA). Tier 1 allocation will be reduced proportionally based on their baseline 3-year imported water average purchases for Fiscal Years Ending in 2018, 2019, and 2020. The allocations for the agencies will be required to comply with corresponding monthly volumetric allocations. Agencies that meet these limits will be deemed compliant with the Emergency Water Conservation Program, and noncompliant agencies will face the volumetric penalties consistent with the Metropolitan penalty rates, only if the Agency exceeds its established allocation, as a pass through to CVWD, FWC, and WFA; and

**WHEREAS**, the Agency and its customer agencies are expanding conservation efforts that focus on outdoor water use reduction immediately to support the region in meeting its water needs now and in the future; and

WHEREAS, the Agency and its member agencies are increasing their public outreach and messaging activities to heighten public awareness and trigger a call for action that the "time is now" to respond to the severe statewide drought and the urgency for everyone to do their part to implement extraordinary conservation measures to reduce water use and preserve existing water supplies; and

**WHEREAS**, there are numerous resources and programs to assist in our region-wide water use efficiency efforts, including rebates for turf removal, landscape equipment upgrades, indoor water saving devices, free landscape evaluations, and information on water-saving strategies at <a href="https://www.ieua.org">www.ieua.org</a> and <a href="https://www.ieua.org">www.bewaterwise.com</a>.

WHEREAS, the Agency held a public hearing on May 18, 2022, on the matter of whether the Agency's Board of Directors should declare that a water shortage emergency condition exists within its service area and adopt an Emergency Water Conservation Program. Included in the water shortage emergency declaration, the Agency will implement its Water Shortage Contingency Plan at a Level 3 – Water Shortage Emergency Conditions (20-30 percent shortage); and

WHEREAS, notice of said hearing was published in accordance with Government Code Section 6061 on May 11, 2022, in the Inland Valley Daily Bulletin, a newspaper of general circulation printed and published in the western portion of San Bernardino County and the eastern area of Los Angeles County; and

WHEREAS, at said hearing, all persons were given an opportunity to be heard by the Agency Board of Directors in accordance with Water Code Sections 350 and 375; and

WHEREAS, pursuant to Water Code Section 350 et. seq., the Agency is authorized to declare a water shortage emergency condition to prevail within its service area whenever it finds and determines that the ordinary demands and requirements of water consumers cannot be satisfied without depleting the water supply to the extent that there would be insufficient water for human consumption, sanitation, and fire protection; and

WHEREAS, pursuant to Water Code Section 375 et. seq., the Agency is authorized to adopt and enforce a water conservation program to reduce the quantity of water used by those persons within its service area for the purpose of conserving the water supplies of the public entity by ordinance or resolution adopted by a majority of the members of the governing body after holding a public hearing upon notice and making appropriate findings of necessity for the adoption of a water conservation program; and

WHEREAS, the cities and water agencies providing service within the Agency's boundaries have worked collaboratively to develop short- and long-term water-management strategies to implement comprehensive water use efficiency programs that have prepared the region to cope with extended periods of drought; and

**WHEREAS,** Metropolitan and the Agency will actively monitor and report on water usage by each Metropolitan service connection to assist in tracking the use of the allocation.

**NOW THEREFORE BE IT RESOLVED** by the Board of Directors of the Inland Empire Utilities Agency\* as follows:

- 1. A Water Shortage Emergency Condition exists in the Agency's service area as set forth in the Water Code Sections 350 et. seq., and 375 et. seq.; and,
- 2. The actions set forth in this Resolution are in accordance with the powers of the Agency under the Water Code, the Agency's UWMP and WSCP, the Governor's Executive Orders related to the drought, and Metropolitan's Emergency Water Conservation Program concerning the SWP supplies; and,
- 3. In accordance with its Water Shortage Contingency Plan, the Agency hereby declares that a Level 3 Water Shortage Emergency Condition exists in its service area, and urges every customer agency, public agency, resident, and business to take the necessary actions to reduce their water usage to achieve up to a 30 percent water use reduction; and,
- 4. The Agency hereby adopts an Emergency Water Conservation Program (EWCP) framework to reduce non-essential uses of water and preserve available water supplies for the greatest public benefit in the Agency's service area within the volumetric allocation provided by Metropolitan to ensure compliance with this limitation no later than May 31, 2022. It is the intent of the Board of Directors that the Agency's EWCP consider Metropolitan's EWCP, including but not limited to

Metropolitan's provisions relating to water use restrictions, enforcement, and penalties for non-compliance; and,

- 5. For customer agencies that do not limit SWP water use to within their allocated volumetric limits, a penalty of up to \$2,000 per acre-foot may be assessed on all potable water provided by Metropolitan. The Agency's EWCP is effective immediately upon adoption of this Resolution; and,
- 6. Additional updates or revisions to the Agency's EWCP may be imposed if drought conditions persist and as further requirements are necessary to achieve desired levels of demand management; and,
- 7. The Agency will continue coordinating with its customer agencies, cities and communities to develop a unified regional message and accelerate its outreach efforts in order to communicate the urgent need to reduce all water use; and,
- 8. The Agency's General Manager is authorized to amend and augment the terms of the EWCP to make it conform to and/or reconcile with Metropolitan's EWCP and/or similar program adopted by Metropolitan, including subsequent modifications; and,
- 9. The Agency's General Manager will report to the Board on the effectiveness of the EWCP on a regular basis; and,
- 10. The General Manager shall finalize the allocation limits, along with all other elements of the EWCP by May 31, 2022, to comply with Metropolitan's effective date of June 1, 2022; and,
- 11. The EWCP shall continue through June 30, 2023, unless otherwise terminated.

**BE IT FURTHER RESOLVED** that, should drought conditions persist in the coming months, or should demand management actions not sufficiently preserve available supplies, the General Manager may impose additional conditions or requirements as part of the Emergency Water Conservation Program.

**ADOPTED** this 18<sup>th</sup> day of May 2022.

Steven J. Elie

President of the Inland Empire Utilities Agency\* and of the Board of Directors thereof Resolution No. 2022-5-7 Page 7 of 8

ATTEST:

Marco Tule

Secretary/ Treasurer of the Inland Empire Utilities Agency\* and of the Board of

Directors thereof

<sup>\*</sup>a Municipal Water District

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STATE OF CALIFORNIA	) )SS
COUNTY OF SAN BERNARDINO	)

I, Marco Tule, Secretary/Treasurer of the Inland Empire Utilities Agency\*, DO HEREBY CERTIFY that the foregoing Resolution No. 2022-5-7, was adopted at a regular Board meeting on May 18, 2022, of said Agency\* by the following vote:

**AYES:** 

Camacho, Elie, Hall, Hofer, Tule

NOES:

None

ABSTAIN:

None

ABSENT:

None

Marco Tule, Secretary/Treasurer of the Inland Empire Utilities Agency\* and of the Board of Directors thereof

(SEAL)

\* A Municipal Water District