



City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: Utilities

Meeting Date: June 19, 2023

Staff Report:2304-1331

TITLE

Utilities Advisory Commission Recommends Adoption of the 2023 Annual Water Shortage Assessment Report

RECOMMENDATION

The Utilities Advisory Commission (UAC) and staff recommend the City Council adopt the 2023 Annual Water Shortage Assessment Report.

EXECUTIVE SUMMARY

Beginning in 2022, every urban water supplier in California must conduct an Annual Water Supply and Demand Assessment as required by California Water Code Section 10632 (a). Each urban water supplier must also submit an Annual Water Shortage Assessment Report to the Department of Water Resources (DWR) on or before July 1, as required by California Water Code Section 10632.1. The City's Annual Water Shortage Assessment Report (Attachment A, Tables 1-5) shows that there is no water shortage anticipated for Fiscal Year 2024.

On April 17, 2023, the San Francisco Public Utilities Commission (SFPUC), Palo Alto's water supplier, provided Palo Alto with the Water Supply Availability Update indicating for this upcoming water year, to-date precipitation has been above average and snowpack is at record-breaking levels; additionally, SFPUC indicated its 11% regional voluntary reduction request will expire at the same time the State Board's drought emergency regulation expires on June 10th, 2023 (unless the State Board rescinds the drought emergency regulation earlier).

Palo Alto's water use for the period July 1, 2022 through March 31, 2023 was 13% below the base year of July 1, 2019 through March 31, 2020. The City of Palo Alto encourages continued water conservation efforts and the City's website contains more information about available [water](#)

[conservation programs](#)¹ and latest [water conservation and drought updates](#).²

DISCUSSION

To prepare the 2023 Annual Water Shortage Assessment Report, staff followed the procedures outlined in its Water Shortage Contingency Plan, contained in Section 7 of the City's 2020 Urban Water Management Plan (UWMP). Palo Alto's 2023 Annual Water Shortage Assessment Report uses the DWR-developed Optional Annual Assessment Tool format. This format includes the 5 tables shown in Attachment A. Staff will submit the standard tables to DWR by July 1, 2023. "Table 1. Annual Assessment Information" (Table 1) provides required overview information. The remaining tables project water supply and demand for FY 2024 under dry conditions, as required, and finds that there is no projected water shortage.

After Palo Alto and other urban water suppliers report to DWR on the 2023 Annual Water Shortage Assessment Reports, DWR will prepare a summary report on its review of the Annual Water Supply and Demand Assessment results and provide it to the State Water Resources Control Board (State Board) by September 30. The DWR report will include water shortage information at the supplier level, as well as regional and statewide analysis of water conditions as required by California Water Code Section 10644 (c)(1)(B).

Potable Water

Palo Alto receives 100% of its potable water supply from the SFPUC Regional Water System and staff used the SFPUC's April 17, 2023 Water Supply Availability Update to determine water supply. Attachment A shows the following potable water tables:

- "Table 2: Water Demands" (Table 2) provides a demand projection for each month of FY 2024;
- "Table 3: Water Supplies" (Table 3) notes that there is sufficient supply to meet Palo Alto's demand and projects supply equal to the demand projection since there is no projected water shortage;
- "Table 4(P): Potable Water Shortage Assessment" (Table 4(P)) compares projected FY 2024 demand with supply and illustrates that there is no shortage projected for FY 2024;
- "Table 5: Planned Water Shortage Response Actions" (Table 5) shows no triggered water shortage actions.

On March 24, 2023, Governor Newsom issued Executive Order (N-5-23) which eliminated his directive that agencies implement Stage II of their water shortage contingency plans as well as lessened the drought emergency restrictions presented in his previous Executive Order (N-7-22), while not eliminating all actions completely. On April 11, 2023, the SFPUC approved the

¹ Water Conservation Programs <https://www.cityofpaloalto.org/Departments/Utilities/Sustainability/Ways-to-Save>

² Water Conservation and Drought Updates <https://www.cityofpaloalto.org/Departments/Utilities/Sustainability/Water-Conservation-and-Drought-Updates>

rescindment of the Water Shortage Emergency that was declared on November 23, 2021. This action removes the voluntary system wide cutback of 11% (Resolution No. 22-0098) effective when the State Board's order expires on June 10, 2023 (unless the State Board takes an earlier action). The City of Palo Alto's temporary drought water use restrictions expire at the same time as SFPUC's voluntary water use restriction and the State Board's drought emergency regulations.³ Palo Alto's eight permanent water use regulations will remain in effect (see Palo Alto Municipal Code Section 12.32.010). Staff will continue to monitor drought actions and requirements at the SFPUC and State level and provide updates to the UAC and to the public through the City's website described above.

Non-Potable Water

For non-potable recycled water, Attachment A shows non-potable water in Tables 2, 3, and 4(NP). Table 2 provides the demand projection and Table 3 notes that there is sufficient supply to meet Palo Alto's non-potable recycled water demand. For that reason, the supply is set to equal demand and there is no shortage of non-potable water projected in Table 4(NP), "Non Potable Water Shortage Assessment".

FISCAL/RESOURCE IMPACT

Adoption of the 2023 Annual Water Shortage Assessment Report does not have an associated resource impact.

STAKEHOLDER ENGAGEMENT

Staff encourages interested parties to comment or provide feedback on the draft Annual Water Shortage Assessment Report at the Council meeting where the report will be considered for approval, or to submit written comments prior to those meetings.

COMMISSION REVIEW

The 2023 Annual Water Shortage Assessment Report was presented to the UAC at its June 7, 2023 meeting. The UAC voted unanimously (6-0), with Commissioner Scharff absent, to recommend Council adopt the 2023 Annual Water Shortage Assessment Report.

Commissioner Questions:

- There was a question about possible feedback or impacts from the State in response to Palo Alto's 2023 Annual Water Shortage Assessment Report. Staff explained that the report is a requirement for Palo Alto to qualify for state loans and grants.
- There was a question about future droughts and whether water savings were in line with expected savings and whether staff would continue tracking water sales and rebound. Staff explained that water savings were in line with expectations and that Palo Alto's Water Shortage Contingency Plan provides a guide to water shortage actions for

³ See Resolution 10054, adopted June 20, 2022: <https://www.cityofpaloalto.org/files/assets/public/city-clerk/resolutions/resolutions-1909-to-present/2022/reso-10054.pdf>

each needed water conservation level; staff will continue to track water sales and rebound and will make appropriate recommendations to Council about needed water use restrictions in future droughts.

ENVIRONMENTAL REVIEW

Adoption of the 2023 Annual Water Shortage Assessment Report is exempt from California Environmental Quality Act's (CEQA) review pursuant to Water Code Section 10652.

ATTACHMENTS:

Attachment A: 2023 Annual Water Shortage Assessment Report Tables

APPROVED BY:

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