




City of Sierra Madre Agenda Report

Gene Goss, Mayor
Rachelle Arizmendi, Mayor Pro Tem
John Capoccia, Council Member
Denise Delmar, Council Member
John Harabedian, Council Member

Melinda Carrillo, City Clerk
Michael Amerio, City Treasurer

TO: Honorable Mayor Goss and Members of the City Council

FROM: Elaine I. Aguilar, City Manager 

INITIATED BY: Jose Reynoso, Deputy Director of Public Works

DATE: January 10, 2017

SUBJECT: Review of Penalty for Excessive Water Consumption

SUMMARY

Sierra Madre has implemented a number of water conservation measures to respond to the prolonged drought and decline in the East Raymond Basin. The City has had to take a number of steps, to provide water for the City's customers, including paying for more expensive imported water. The City has implemented Phase III water conservation and also has a "water meter moratorium" in place. Despite implementing water conservation targets, and other water conservation measures, the City has not been able to consistently reach the overall conservation goal of 30%, or more.

In an attempt to obtain improved compliance with water conservation targets, on May 10th, 2016 the City Council adopted Resolution No. 16-23, which increased the penalty rate for water used in excess of a customer's conservation target to "2 times Tier IV water rate", or \$10.72 per billing unit. The City Council requested periodic reviews of this conservation strategy to determine the effectiveness of the program.

Background

Sierra Madre and much of Southern California, remains in severe drought. State regulations require that all water agencies conserve water to the level they need to match and not exceed their available water supply.

Water levels in the aquifer serving Sierra Madre remain very low. So low that the City's adjudicated rights have been restricted from 1,764 AF/Y to 940 AF/Y. The pumping restriction will remain in place so long as the water level in the aquifer remains below 500' MSL. Current water level in the aquifer has slowly recovered however remain below 500' at 380' MSL.

To meet the City's annual demand of approximately 2,100 AF. The City supplements its supply with water purchased from the San Gabriel Valley Municipal Water District. At \$330/AF, the cost of imported water is more than 3 times the cost per acre foot when compared to producing its adjudicated rights.

Faced with these challenges City Council increased penalties for water use in excess of customers' conservation targets. Table A illustrates water use for periods with increased penalties compared to the same billing period in the previous year.

Table A

	Customers at/or Under Target	Customers Over Target	Total Customers Billed	Billing Units Over Target	Percentage Over Target	Water Produced In AF
September 2015	1476	433	1909	8345	22%	197.96
September 2016	1413	498	1911	8601	26%	203.71
October 2015	1621	274	1895	4680	14%	178.68
October 2016	1273	632	1905	12726	33%	192.0
November 2015	1454	447	1901	7142	23%	182.54
November 2016	1268	637	1905	12171	33%	163.72
December 2015	1589	312	1901	5024	16%	173.33
December 2016	1583	321	1904	5521	17%	135.24

The chart below shows a breakdown of where customers are exceeding the conservation target. The majority of customers exceeding their target are found in the 1-10 units over category. In November of 2016 this category represented 56% of customers who exceeded their conservation target but only 14.5 % of the excess use. The last column further illustrates where customers exceeded conservation targets for the month of November 2016.

Table B

	1-10	11-20	21-40	41-60	61-100	Over 101
September 2015	258	76	53	24	13	9
September 2016	283	99	80	18	12	6
October 2015	153	52	46	14	3	6
October 2016	319	128	99	50	25	11
November 2015	265	96	53	17	8	8
November 2016	361	123	80	38	23	12
December 2015	174	73	34	18	8	5
December 2016	169	75	44	19	7	7
	1-10	11-20	21-40	41-60	61-100	Over 101
November 2016	14.5%	14.7%	18.7%	15.2%	14%	22%

Table C illustrates rainfall totals for the increased penalty period compared to the same period of 2015. With the exception of December 2016 the lack of significant rainfall did not seem to affect consumption.

Table C

Rainfall Totals	2015	2016
September	1.93	0
October	.73	.27
November	.19	1.41
December	1.10	4.67

ALTERNATIVES

Each water billing account has received 2 billing cycles with the increased penalties. While the increased penalties do not seem to be having the intended impact of encouraging increased conservation, Staff feels it is too soon to determine if the over-use penalties are making an impact. Staff recommends that the Council be provided with an update in 4 to 6 months. At that time, the Council can consider additional programs or measures that can be implemented to encourage water conservation. It should also be noted that the Council recently approved the implementation of a radio-read-meter program which will be unveiled soon. The use of this technology is anticipated to have a positive impact on water conservation.

In the meantime, there are possible programs and measures that can be identified, and have previously been discussed. These include:

1. Further increasing penalties
2. Allowing the use of "water flow restrictors".
3. Requiring "attendance" in a "water conservation class"
4. Mandatory retrofit program for homes changing occupancy due to sale or rental.
5. Hiring staff dedicated to strict enforcement of water conservation regulations.
6. Recalculation of water conservation targets; perhaps with implementation of Water Budget based rates. (The Council will be discussing the initiation of a new rate study later this month.)
7. Any other ideas suggested by the Council.

FINANCIAL REVIEW

There is no impact to the Water Fund or to the General Fund associated with this agenda item.

PUBLIC NOTICE PROCESS

This item has been noticed through the regular agenda notification process. Copies of this report are available at the City Hall public counter and the Sierra Madre Public Library.

STAFF RECOMMENDATION

Staff recommends that the City Council receive and file and direct that staff return with an update in 4 to 6 months.