

Drought Update & Statewide Emergency Regulations

Community Advisory Committee

Wednesday, June 10, 2015



Moulton Niguel Water
Leading the Way in Service

Unprecedented Drought

- An era of firsts
 - No water from State Water Project in 2014
 - State Water Resources Control Board (SWRCB) issue emergency regulations
 - Hottest March on record
 - Lowest Sierra snowpack on record
 - Worst drought of the last 1200 years
 - Lake Mead at lowest levels since it was filled



Lake Mead

Governor's Drought Actions

January 2014	Governor declared a "State of Emergency" and requested 20% voluntary reduction in water use
July 2014	SWRCB adopts emergency drought regulations for statewide urban water conservation
August 2014	Emergency drought regulations go into effect SWRCB approves MNWD's Alternate Plan
March 2015	SWRCB expands and extends drought regulations
April 2015	Governor issues Drought Executive Order mandating 25% statewide water use reduction MET reduces water delivery allocations by 15 % starting July 1, 2015
May 2015	SWRCB adopt regulations to implement the Governor's Executive Order

MNWD Response

- Submitted Water Conservation Alternate Plan to the SWRCB
 - 1 of 2 approved statewide
- Engaged with SWRCB members and staff and provide formal comments throughout regulation development
- Coordinate our efforts with surrounding agencies
- Working with our communities to educate and plan for reduced water supply

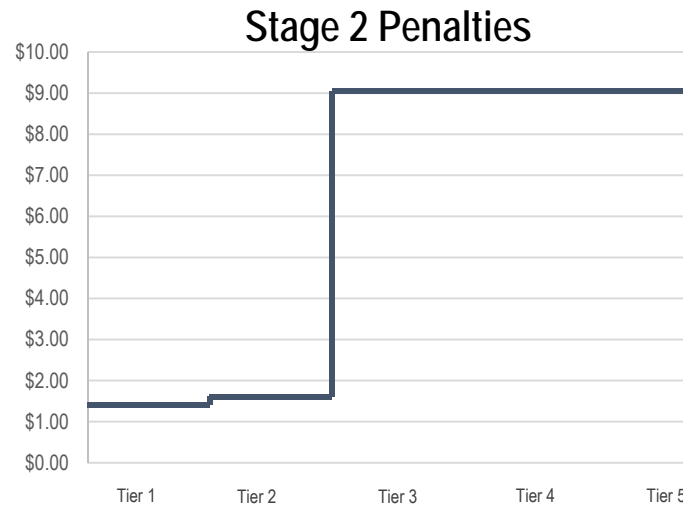
Water Budget Based Rate Structure

- Recognized by state as an effective tool for water conservation
- Encourages conservation through pricing
- Proven to work in our service area
 - Over 20% water use reduction since implementation of structure
- Complies with Proposition 218 and all applicable regulations
 - Completed cost of service study and public hearing
- Recently reduced water budgets and adjusted rates
 - 60 gallons per person per day
 - 0.7 plant factor
 - Combination of turf and California native

Water Shortage Contingency Plan

- Incremental water use reductions dependent on water supply condition
- Board recently adopted implementing the plan
 - June 1, 2015, Stage 1 – customers to remain within budget
 - July 1, 2015, Stage 2 – customers must remain within budget or pay penalties

- Targeted reductions
 - Inefficient water users
 - Outdoor water use
 - Indoor water use



- WSCP was adopted as an ordinance which may impose penalties if violated

Customer Communication

- Current communication

- Postcards
- Website
- Community events
- Bill inserts
- Media

- Future communication

- Children's program
- Outdoor messaging
- Targeted communication



Future Outlook

- Expanded / extended regulations
- Regulations to develop rate structures to maximize water conservation
- Permanent water use regulations
 - Current regulations are in effect for 270 days

Financial Stability

- Required water use reductions do not effect MNWD net revenues
- Recently assigned high credit ratings due to strong financial planning
 - ‘AAA’ from Fitch Ratings
 - ‘AA+’ from Standard and Poor’s
- No additional rate increases expected due to drought response actions

Going Forward

- More planning
- Continue to work with the SWRCB and staff
- Continue to increase customer communication
- Explore funding opportunities
- Create a new way of thinking about water use
- Evaluate resource needs for both long and short term drought response
- Consolidate District operations center to maximize efficiency and engage our customers