RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE SUSPENDING PENALTIES FOR EXCEEDANCES OF CUSTOMERS' BASELINE WATER ALLOTMENTS DURING THE CURRENT STAGE 1 WATER SHORTAGE EMERGENCY

WHEREAS, on October 12, 2021, the City Council adopted Resolution 5119 declaring a Stage 1 Water Shortage Emergency in accordance with California Water Code Section 350 and Arroyo Grande Municipal Code (AGMC) Section 13.07.030; and

WHEREAS, Chapter 13.07 of the AGMC provides for stages of action that will be undertaken in response to water supply shortages and related triggering conditions, consistent with the City of Arroyo Grande's Urban Water Management Plan and for the imposition of regulations and restrictions, including, but not limited to, requirements to reduce consumption of water, that are necessary in order to protect the health, safety and welfare of the community; and

WHEREAS, pursuant to AGMC Section 13.07.030(A), all residential water customers have been assigned a baseline amount of water based upon the amount of water used during the same billing of the year prior to the adoption of Resolution 5119. All residential customers are required to reduce water usage by the set percentage amount set forth in Exhibit A of Resolution 5119. Residential and Commercial customers are subject to mandatory penalties for failing to meet required water use reductions, as provided in Exhibit A of Resolution 5119; and

WHEREAS, pursuant to AGMC Section 13.07.030(A), the City Council may modify or amend the imposition of mandatory financial penalties based upon a determination of the severity of the water shortage emergency; and

WHEREAS, triggering conditions for a Stage 1 Water Shortage Emergency under AGMC Section 13.07.030(A) may include, but are not limited to, a determination that the water level at Lake Lopez is at or below fifteen thousand (15,000) acre-feet, if there has been six quarterly continuous events of sentry well level readings below the deep well index trigger level of seven and one-half feet, and/or of the State Water Resources Control Board has imposed mandatory restrictions in water use by the City; and

WHEREAS, the City of Arroyo Grande has a limited water supply that consists of two sources: Lake Lopez and groundwater. The San Luis Obispo County Flood Control and Water Conservation District has developed the Lake Lopez Low Reservoir Response Plan (LRRP), which provides for a series of management procedures that are to be followed the reservoir level drops below 20,000 acre-fee, which includes reduced municipal water delivers; and

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WHEREAS, on July 8, 2021, Governor Gavin Newsom issued a Proclamation of a State of Emergency, pursuant to the California Emergency Services Act, due to extreme drought in certain counties in the State, including San Luis Obispo County; on July 13, 2021, the San Luis Obispo County Board of Supervisors declared a local drought emergency; and on August 24, 2021, the Board of Supervisors initiated the LRRP for Lake Lopez. Under the LRRP, the City is subjected to a 10% reduction in Lopez deliveries, which equates to 216,000 gallons per day; and; and

WHEREAS, on July 14, 2021, the United States Drought Monitor showed San Luis Obispo County in an extreme drought; and

WHEREAS, on September 22, 2021, Lopez Lake was at 15,426 acre-feet of storage and was expected to fall below the triggering threshold of 15,000 acre-feet by approximately October 14, 2021; and

WHEREAS, on July 21, 2022, the Zone III Advisory Board approved the Technical Advisory Committee's recommendation to reduce contract deliveries by 20% prior to Lopez Lake reaching 10,000 acre-feet. As a result, the City began reducing the flow of deliveries on July 26, 2022 to 1.7 million gallons per day; and

WHEREAS, on January 4, 2023, Governor Newsom issued a Proclamation of a State of Emergency relating to severe winter storms and a series of atmospheric river systems that struck California beginning December 27, 2022, bringing high winds, substantial precipitation, and river, stream, and urban flooding; and

WHEREAS, after the substantial precipitation from the storms, Lopez Lake was at 26,883 acre-feet of storage as of February 6, 2023, compared to 15,426 are-feet of storage on September 22, 2021; and

WHEREAS, at the January 19, 2023 Zone III Technical Advisory Committee Meeting, the committee voted to suspend the LRRP, thereby releasing the City's 20% contract delivery reductions from Lopez Reservoir; and

WHEREAS, on January 27, 2023, after the winter storms, the United States Drought Monitor showed San Luis Obispo County no longer in an extreme drought, but rather as abnormally dry; and

WHEREAS, the City Council wishes to authorize the Administrative Services Director to suspend penalties for exceedances of customers' baseline water allotments based on the current status of water levels at Lopez Reservoir.

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NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Arroyo Grande, that:

- 1. The recitals set forth herein are true, correct and incorporated by reference.
- 2. The Administrative Services Director is hereby authorized to suspend the penalties described in Paragraph D of Exhibit "A" of Resolution 5119 for exceedances of customers' baseline water allotments otherwise applicable in accordance with Resolution 5119 for February 2023 billing dates and all future billing dates, until modified by future Resolution of the City Council.
- 3. The suspension of the penalties provided in Paragraph D of Exhibit "A" of Resolution 5119 is not a project subject to the California Environmental Quality Act ("CEQA") because it has no potential to result in either a direct, or reasonably foreseeable indirect, physical change in the environment (State CEQA Guidelines, §§ 15060, subd. (b)(2)-(3), 15378.). The suspension of the penalties does not alter the restrictions imposed on the baseline water usage levels provided in the resolution. Additionally, all remaining requirements of Resolution 5119 will remain in place. Alternatively, this is not a "project" as defined by CEQA because suspension of the penalties is merely administrative activity related to the implementation of Resolution 5119 (See State CEQA Guidelines, § 15378(b)(2), (4)). For those reasons, the action is exempt from CEQA.

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the foregoing Resolution was passed and adopted this 14^h day of February, 2023.

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CAREN RAY RUSSOM, MAYOR
ATTEST:
JESSICA MATSON, CITY CLERK
APPROVED AS TO CONTENT:
WHITNEY McDONALD, CITY MANAGER
APPROVED AS TO FORM:
ISAAC ROSEN, INTERIM CITY ATTORNEY