



CLEAR CREEK COMMUNITY SERVICES DISTRICT

DROUGHT PLANNING

AND

WATER SHORTAGE POLICY

OCTOBER 2008

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M&I Water Shortage Policy Environmental Assessment (EA)
Executive Summary

60% M&I allocation under Alternative 1A

CVP M&I Water Service Contractors (Trinity River and Shasta Divisions)
Water Demand and Public Health and Safety Water Quantities

Public Health and Safety calculation for Clear Creek CSD

Exhibit B - 29

Resolution 1990-4 Adopted May 29, 1990

Resolution 1991-3 Adopted January 16, 1991

Resolution 1991-6 Adopted January 30, 1991

Resolution 1991-8 Adopted March 6, 1991

Ordinance 2008-10 Adopted December 17, 2008

Ordinance 2009-01 Adopted March 4, 2009

Ordinance 2009-03 Adopted April 27, 2009

Ordinance 2009-05 Adopted May 18, 2009

Ordinance 2010 -01 Adopted March 24, 2010

Ordinance 2014-03 Adopted March 19, 2014

Ordinance 2014-04 Adopted April 16, 2014

Section I - Introduction

Under legislation passed during the drought in the early 1990s, each California urban water supplier providing municipal water directly or indirectly to more than 3,000 customers, or supplying more than 3,000 acre-feet of water annually must prepare, adopt, and send a Water shortage Contingency Plan to the California Department of Water Resources.

In 2009, State lawmakers crafted a plan, the "2009 Comprehensive Water Package", to meet California's growing challenges. The plan is comprised of four policy bills and an \$11.14 billion bond. The package establishes a Delta Stewardship Council; and ambitious water conservation policy; better groundwater monitoring; and funds for Water Resources Control Board to enforce illegal water diversions.

The Clear Creek Community Services District was formed in May 1961 pursuant to the California Special Districts Law, Government Code Section 56036 for the purpose of obtaining a water service contract with the Bureau of Reclamation to deliver irrigation water to the area in southwestern Shasta County know as Happy Valley from the Federal Central Valley Project.

In 1963 when the District was preparing to execute the contract, the Bureau of Reclamation required the District to expand their authorities pursuant to Government Code Section 61600 to include "water for domestic use, irrigation, sanitation, industrial use, individual use, fire protection and recreation".

The primary source of supply for the District is surface water from Whiskeytown Reservoir, part of the Clear Creek South Unit of the Trinity River Project, a portion of the United States Bureau of Reclamation's Central Valley Project. The contract allows diversions of up to 15,300 acre-feet annually, subject to reductions during drought years. The entire allocation may be used as irrigation and/or municipal and industrial without limit of either up to the total allocation of 15,300 acre feet.

The District has three wells in the Lawrence A. Russell South District Well Field at the southern boundary of the District. The three wells are each capable of producing 1,500 gallons per minutes. Well number one was originally limited to pumping for emergency purposes only, such as failure of the conduit from Whiskeytown, however, when the second two wells were constructed, the Board of Directors lifted the restrictions and changed the status from standby with the California Department of Public Health. The wells are primarily used for emergencies and to provide supplemental supply during drought years when the District's surface water supply is reduced.

In an effort to make the District more self sufficient during years of shortages, a capital project was undertaken in August 2009 to construct a 350,000 gallon tank located at the South District Well Field. It is anticipated that the construction will be complete before the start of the 2010 water year.

Spurred by the growth in the District and the possible reductions of the surface water supply during drought years, the District has undertaken a substantial effort to obtain supplemental groundwater supplies, primarily from two large developments known as North Fork Ranch and Cottonwood Estates Project. North Fork Ranch developers have agreed to develop three deep-water wells and Cottonwood Estates Project developers have agreed to develop one well for dedication to the District.

Due to the recent drop in the housing market, the North Fork Ranch and Cottonwood Estates Projects are currently dormant.

The District determined that the previous drought plan, in the form of the Resolutions, referenced here and included in Exhibit B, contain adequate rate structure of penalties and surcharges already in place, making Proposition 218 hearings unnecessary. The District will adopt by Ordinance this Drought Planning and Water Shortage Policy in its entirety, including a declaration that the District has the latitude to impose penalties and surcharges up to, but not exceeding the amounts listed in the Resolutions already in place, based on the Shortage Stage adopted. Should the District determine increased penalties and surcharges become necessary, Proposition 218 hearings will be held.

Section II - Coordinated Planning

The District has coordinated the preparation of its plan with other water suppliers and public agencies in the area.

- 1) U.S. Bureau of Reclamation
- 2) California Department of Public Health
- 3) California Department of Water Resources
- 4) Redding Area Water Council

From 1990 to 2009, the Bureau of Reclamation has curtailed supplies seven years. Due to the method that was used to calculate M&I and agricultural allocations, five of those years left the District with an inadequate supply. Agricultural allocation in 1990 was 50%; 1991 and 1992 were 25%; 1994 was 35%; 2001 was 60%; 2008 was initially announced at 45% then decreased to 50% on June 3, 2008; and 2009 was initially announced at zero, increased to 5% March 20, 2009; 15% April 21, 2009; and ended at 40% on May 22, 2009.

In 1992 anticipating the need for an emergency source of water due to possible failure of the Muletown Conduit or severe drought conditions the district constructed one 1,500 gpm well in county right-of-way south of the then current district boundary. Due to unanticipated litigation, the district was forced to restrict the usage from the well to emergency use only, not to exceed 15 calendar days per year.

During 1991 and 1992 the District allocation of surface water was 25% of historical usage. The District requested and was granted approval from the Bureau for transfers of supplemental water from other purveyors and a private water rights holder in eastern

Shasta County. In the previous 20 years the District has also made numerous transfers of irrigation water to districts in the Tehama Colusa Canal Authority and more recently to Bella Vista Water District.

In 1998 and 1999, the district purchased two parcels in the same general area as the first well and constructed two additional wells with capacity of 1,500 gpm each. In 2005, with the completion of Phase II of the Redding Area Water Council (RAWC) study of the Redding Groundwater Basin, the Board of Directors determined it was in the best interest of the district to lift the restriction from well one from emergency/standby to regular usage. To date the district has not found need to pump well one with the exception of short duration emergencies or maintenance of the Muletown Conduit.

The district is planning a conjunctive use program in the event of severe shortage of surface water supply and/or to supply large developments in the future.

During water year 2009, with unprecedented curtailment in the water allocation, the District anticipated using the well field to supplement the very limited surface water supply. A last moment transfer from McConnell Foundation and an unexpected increase in allocation made pumping unnecessary; however, it did demonstrate the urgency of construction in a larger surge tank.

Section III - Historical Water Usage (1992 to 2009)

The District records of production for surface and groundwater and cumulative consumption of individual meters from 1992 to 2009 is summarized on Table I for both agricultural and municipal and industrial. The production records are fairly accurate while the cumulative consumption of Centerville and individual meters within the District varies a great degree depending on the period of time examined. The district began a meter retrofit program in 2003 to replace all existing meters with new electronic read meters. Replacement of the meters accomplished more accurate readings. The winter months still tend to be less accurate due to the under recording of water through large meters that have yet to be replaced. The large meter replacement is expected to be complete by the end of 2010. It should be noted that 1990, 1991 and 1992 were years of severe reductions in supply from the Federal Central Valley Project, 50% and 75% (1991-92) reductions, respectively. Those three years were by far the most severe until 2009 with an initial announcement of 50% of historical M&I and zero for agriculture.

In 1992 and 1993, Centerville CSD reported their water consumption under the Shasta County consignment directly to the Bureau, therefore, Clear Creek CSD does not have that information and the additional usage is recorded under losses.

The variance between production and cumulative use inside the district is recorded and paid for as agricultural usage. The actual loss between the filter plant and meters is currently estimated at less than 5%.

This information was analyzed during the preparation of the updated 2007 Master Water Plan, adopted in January 2008. The information was evaluated to help determine system demand trends and calculate average design values. Design values, coupled with growth rate estimates allow a projection of future water demands.

The maximum annual demand on the system in 1987 was a total of 15,300 acre-feet, the total annual allocation available from surface water. Due to the drought in the early 1990s, a loss of commercial production of the olive orchards and increased M&I deliveries, the agricultural water usage has continued to decline through the previous decade.

The current district population is estimated at 10,000. From 1997 to 2005 the district experienced a steady growth rate of 1% per year or approximately 25 units per year. From 2005 to 2008 during the building boom, 45 units were added for an adjusted annual growth of 1.7%. Although growth in the district is projected to continue at approximately 4% per year due to two large developments, economic factors may slow or even prevent it for several years. As of January 2010, these developments are dormant.

Production rates vary from year to year depending on irrigation demand that is greatly influenced by the timing and amount of spring/summer precipitation and temperature. The annual production declined dramatically from 15,300 acre feet in 1988 to 5,482 acre feet in 2005; 5,923 acre feet in 2007 and 3665 acre feet in 2009.

The District's allocation was reduced to 50% of normal supply in 1990, or 7,650 acre feet; in 1991 and 1992 the allocation was reduced to 25% of normal or 3,825 acre feet. Although the district had constructed one well to supplement surface water in the event of drought or emergency, a decision by the courts based on litigation brought by the Farm Bureau prevented the District from pumping those years.

The District currently has 2,690 service units as listed on Table II. Although 25.4% of the total service connections are devoted to agriculture, they represent approximately 58.9% of the total water consumption in a normal year.

In an unprecedented curtailment in 2009, the total number of agricultural accounts was reduced to 480 or 17.8% of the total although the agricultural consumption accounted for 69.4% of total consumption.

The last full allocation year water demand (2007) inside the District is listed on Table II as 5,963 acre-feet. Excluded from this total is 135 acre-feet of loss (the difference between production and cumulative use inside the District). Between 1992 and 2007, the loss was reduced to 2.6% cumulative average due in large part to the meter retrofit program and more accurate measurements at the point of diversion.

The average annual loss for years 1992-2007 equaled 177 acre feet. That loss was further reduced by 8% to an average annual loss of 167 acre feet at the end of 2009.

Section IV - Projected Water Use (2008-2011) with Normal Water Supply

Projected consumption for the next three years is estimated to increase at an annual rate of .76% overall. Table II shows the historical and projected water use assuming a normal supply is available. Residential demands have increased an average of 4.3% per year from 2005 to 2007. The 2006 residential usage was somewhat of an anomaly

at only 1,755 acre-feet. The 2005 residential consumption, as shown, was 47,920 cubic feet, or 1.1 acre-feet, per unit.

Agricultural demand has been decreasing at a 3.8% annual rate or 72.2% since 1988. This decrease is due to several factors: Agricultural lands being subdivided; individual accounts no longer qualifying for subsidized rate; more efficient watering methods; meter retrofit records accurate readings allowing for greater awareness of consumption; and lack of recovery from the drought in 1990-1994.

Due to the curtailment of supplies in the 2009 water year and a commitment by the District to ensure compliance by individual landholders, agriculture has suffered a further decline to 480 accounts, or 17.9% of the customer base.

Section V - Water Service Contract Shortage Provisions

In years of water shortages, due to less than normal rainfall or regulatory requirements, water deliveries under the District's contract may be reduced in accordance with contract shortage provisions, in particular the "then-existing Project M&I Water Shortage Policy". USBR states that the M&I Water Shortage Policy has yet to be finalized, and they are continuing the process of review and potential revision. For planning purposes, the December 19, 2005 draft M&I Shortage Policy must be relied upon, unless or until a final Shortage Policy is provided by USBR.

According to the Draft M&I Water Shortage Policy, during years of shortages, reductions will generally be as follows: M&I deliveries will remain at 100% of historical use until agricultural is reduced below 75% of contract entitlement. Thereafter, M&I and agricultural water allocations will be reduced equally until the M&I allocation reaches 75% of historical use (e.g. agricultural allocation would be 50% and M&I allocation would be 75%). No further reductions of M&I would be made until the agricultural allocation is reduced below 25% of the contract entitlement. If agricultural allocation is reduced below 25%, the M&I allocation may be reduced below 75%. Reductions in M&I allocation are--to the extent supplies are available--subject to a minimum *public health and safety* water supply level; the *public health and safety* water supply level is not set at a fixed percentage or quantity, it may vary from one CVP contractor to another, and it depends in part on evolving state criteria, and requires consultation with USBR to establish.

Also, at times of extraordinary circumstance during severe and continuing drought, the USBR reserves the option to reallocate available M&I water among CVP contractors, taking into consideration the contractor's available non-CVP water.

As established in the M&I Water Shortage Policy Environmental Assessment (EA), Clear Creek CSD's "public health and safety" water supply level is 3,063 acre-feet. The EA limits Clear Creek CSD's M&I allocation to a total of 8,283 acre feet per year, however the Water Service Contract has no such limits contained in it and all water is convertible as either M&I or agricultural.

In the 2009 water year, the initial allocation was announced at 50% M&I and zero agricultural. Due to the unusual mixture of agricultural and M&I accounts, households associated with agricultural accounts were not taken into consideration when the initial allocation was made. When this issue was brought to the attention of the Bureau, they

took a position of making available 50% of historical M&I usage or 60 gallons per capita day for public health and safety, which was a lesser amount than the 50%.

This, unfortunately, reduced the allocation to M&I customers even further making a purchase of supplemental water critical.

In 2008 CVP contractors North of the Delta received 75% of historical M&I delivery and 40% of agricultural supply. The policy was applied "ad hoc" to the mixed contractors having both M&I and agricultural supply available, such as Clear Creek CSD because these contractors don't specifically fit into the policy. The allocations were calculated by averaging the previous three years M&I usage and applying 75%. The average M&I usage was then subtracted from the total contract quantity, and the agricultural allocation of 40% was applied to the balance (e.g. $2,162 \times 75\% = 1,621$ M&I available. Contract total of $15,300 - 2,162 = 13,138 \times 40\% = 5,255$ agricultural supply available.)

Exhibit A contains the M&I Water Shortage Policy EA Executive Summary of an example application of 60% M&I allocation under Alternative 1A; CVP M&I Water Service Contractors Water Demand and Public Health and Safety Water Quantities; and the Public Health and Safety calculation for Clear Creek CSD.

The Bureau did not follow the Public Health and Safety calculations, but established a 60 gallon per capital day level.

The existing draft M&I Water Shortage Policy provides that "any quantity of CVP water over and above that portion of the CVP water identified as projected M&I water need from the CVP for year 2025 as shown in the Water Needs Assessments prepared by Reclamation for the CVP Long-Term Water Service Contract renewals that is transferred or converted to M&I use will be subject to shortage allocation as irrigation water". The USBR derived a projected M&I water need of 8,283 acre feet for Clear Creek CSD and currently applies that limitation to the district's M&I water quantity under the district's contract for 15,300 acre feet of water. Under the existing Shortage Policy any M&I water used by the District in excess of 8,283 acre feet would be subject to shortage allocation as irrigation water.

The application of irrigation shortage provisions to M&I water use over 8,283 acre-feet effectively limits the use of such M&I water to temporary peaking supplies during non-shortage or non-drought conditions. Water supplies subject to irrigation shortage provisions would not have sufficient reliability to have *public health and safety* protection to serve as a long-term permanent water supply for M&I uses, such as domestic residential water. The District disputes the applicability and legality of this portion of the existing draft M&I Water Shortage Policy, and also disputes the accuracy of the USBR M&I Water Needs Assessment. As an example, the M&I Water Needs Assessment prepared by the USBR reflects a gallons/capita/day demand of 254 in the year 2025. The 2007 Master Water Plan, prepared by PACE Engineering, Inc. reflects in 2006 an actual 5/8" household equivalent average day demand of 930 gallons and a maximum day demand of 2,030 gallons. The District has communicated with USBR in regard to the dispute; however the issue remains unresolved at this time.

Until there is a resolution of the USBR M&I Water Shortage Policy, the District cannot rely upon the availability of any contract M&I water over 8,283 acre feet per year as a permanent supply of M&I water.

Section VI - Worst Case Water Supply Availability (2008- 2011) with Decreased Supply

The Clear Creek Community Services District contracts with the Bureau of Reclamation (Bureau) for its surface water source. The annual contracted diversion is 15,300 with varying degrees of reduction during drought years. Table III reflects a projection of the District's worst-case water supply availability for 2009 through 2011. The assumption is predicated on a 25% water supply for agriculture and 75% supply for M&I from the Bureau of Reclamation for surface supply the first year and supplemental supply from the District's three wells.

Based on the actual allocation announced for water year 2009, the worst case assumption will now be predicated on a zero water supply for agriculture and a 50% supply for M&I.

The District's contract with the Bureau is 100% convertible, meaning it can be used for M&I and/or agriculture without restriction. Therefore, it is somewhat more difficult calculating a reduction in supply. In accordance with the M&I Shortage Policy, reductions are calculated on a three-year rolling historical average for M&I. That average is then deducted from contract quantity. The reduction is then applied to those two figures. Currently when the agricultural allocation is 35% or more, there is adequate supply to serve the full need of the District, assuming we can always transfer agricultural allocation to supply the M&I shortage. This transfer to supply M&I was accomplished this year although the M&I Water Shortage Policy does not cover "mixed" contractors.

Since each of the District's three wells are capable of producing 1,500 gpm, keeping one in reserve and pumping two simultaneous at a rate of 1,500 gpm would make available an additional 13.3 acre feet per day or 1,197 acre feet over a period of 90 days, which would theoretically cover the high seasonal demand. The fourth well, developed by North Fork Ranch has yet to be dedicated to the District, however, due to size and construction materials/standards used, it was determined that the well is not adequate for production but will instead may be used for monitoring purposes.

Because of the relatively low agricultural consumption in relation to the total surface water allocation, currently unless there was total elimination of agricultural water by the Bureau, with water education awareness and a vigorous public information campaign, agriculture in the District would have only a minor impact down to a reduction of 25%.

Should this worst case scenario become reality the District would be forced to enforce a mandatory restriction in order to reduce the projected consumption levels by 61% in 2008, 64% in 2009, etc.

Due to an initial announcement of 50% M&I and zero agricultural water deliveries, the District enacted Stage IV of the Drought Planning and Water Shortage Policy in March 2009 establishing a 50% of 2007 usage as a baseline. Usage over that amount was subject to a Conservation Charge.

As the 2009 allocation increased during the early months of the year, the Stage V was reduced to Stage I. The actual M&I usage was 1583 acre feet, or 73% of the 2007 usage; however it was 147% of the 50% initial allocation amount of 1,081 acre feet

proving the insufficient surface water allocation during times of drought and the dire need for dependable alternative supply.

The 2009 actual agricultural usage was 2,541 acre feet, or 77% of the final 40% allocation of 3,285 acre feet. It was 68% of the 2007 actual usage of 3,743 acre feet.

Early projections (March 2008) of water deliveries from the Bureau for water year 2008 indicate there will be M&I deliveries of at least 75% of the District's 2005, 2006 and 2007 averaged delivery with consideration for extraordinary growth. Indications are that agricultural supplies will be 40%. As of June, these are the actual supplies.

The worst-case surface water deliveries were computed using a 25-50-75% supply with an increase for growth. For this purpose, the estimated growth for 2008-2011 is estimated at 4% per year based on the 2007 Master Water Plan, however it is doubtful that that level of growth will be seen. Acquiring hardship water from the Bureau could accommodate this level of growth demand. As we were made aware in 2009, hardship water was not available for the households associated with agricultural accounts, making it necessary to obtain supplemental supplies.

Projections for utilization of existing groundwater wells are summarized in Table III. The District currently has three production wells capable of producing 1,500 gpm each. A fourth well was developed by North Fork Ranch, however, due to the size and construction materials/standards, has been determined to be useful as a monitoring well only.

Section VII - Stages of Action

Clear Creek Community Services District will adopt a four stage Drought Contingency Plan. The "Alert" stage of the plan will seek to educate the customers through water awareness education and a vigorous public relation campaign of the curtailment of supply to the District. Stage I seeks a reduction of 10% through voluntary programs. Stages II, III and IV will have a combination of actions and restrictions, each progressively more severe. The District will use financial incentives as a means to reduce consumption by not imposing drought service charges when voluntary reductions result in usage outlined in Section IX - Consumption Limits.

Alert Stage will be put into effect as soon as the Bureau makes the allocation announcement in January for the next water year beginning March 1st if warranted. The Alert stage will be triggered by less than 100% M&I and 75% agricultural allocation. Alert stage will encourage customers to fix leaks, be aware of their usage and not waste water. Schools, large irrigation users, Veteran's Cemetery, West Central Landfill and W.E.S. Camp will be contacted by the District informing each of the situation and request that they take immediate water conservation measures.

Stage I of the Drought Contingency Plan will seek to obtain a 10% reduction through voluntary programs. Many of the items in Stage I are communicated to District customers by way of billing inserts, newspaper advertising and verbal communication as District staff interact with the consumers. Stage I will be triggered by 75% M&I and

50% agricultural allocation. No agricultural applications will be accepted for new projects.

Stages II, III and IV will use a combination of pricing surcharges for usage above a 2007 baseline year allotment to the customers and District operational decisions that directly affect water production. Stage II will be triggered by allocations of 75% M&I and 45% agricultural; Stage III by allocations of 75% M&I and 25% agricultural; and Stage IV will be triggered by allocations of 50% M&I and 10% agricultural supply. The last stage, Health and Safety level is triggered with an allocation of 50% and 0% agricultural supply.

The District will call on The Veteran's Cemetery and Igo-Ono School District to restrict their usage in accordance with the "First Call for Reduction" letters of agreement in file when Stage I is declared by the District.

A copy of the Drought Contingency Plan Stages of Action is located in the Appendix at the end of this document.

Table IV reflects at which supply level different stages of the Drought Contingency Plan are triggered. The base year for determining the stages and their percent of reduction is 2007, as this was the last pre-drought year.

During a year when the contractors of the Central Valley Project are subject to reduced allocations, Clear Creek Community Services District will endeavor to manage its supply in a responsible manner as a good steward of the water. To that end, whenever possible water transfers to other local districts that can be accomplished without impact to the District's customers will be a priority. It is the Board's intention to ensure the District's entire supply is put to "beneficial use" as often as possible.

Section VIII - Mandatory Prohibitions on Water Use

Mandatory prohibitions of water use are triggered when Stage II of the Drought Planning and Water Shortage Policy is enacted by ordinance of the Board of Directors. These mandatory prohibitions will carryover into Stages III and IV and Health and Safety.

In Stage II, with a 45% reduction in agricultural supply, new agricultural endeavors, as well as new commercial irrigation, landscaping of new common area, and divider strips associated with new construction will not be supplied.

Stage II will also trigger the "first call for reduction" from the Veteran's Cemetery and Igo Ono School; both have a letter of agreement on file at the District office. If the request to either entity to curtail water is not adhered to, the balance of the deferred capacity charge for the individual entity will become due and payable immediately.

Under a severe, Stage III reduction of 75% or more, flow restrictors may be placed on any agricultural service that exceeds 75% of their last whole year. No new agricultural services will be allowed. In the case of an M&I shortage of 50%, flow restrictors may also be used for customers who use more than 110% of their last whole year. During Stage IV and Health and Safety level, new M&I services will be allowed an average of 1,500 cubic feet (11,220 gallons) per month, or 134,640 gallons per year.

During Stages III and IV, outside watering may be limited to certain days or hours in an effort to conserve water. No allocation will be allowed for new pools or ponds, additional landscaping, etc.

No water shall be applied to clean driveways, walks, etc. where a broom or blower should instead be used. Car washing will be discouraged.

In the event that Health and Safety level is reached and additional supplies are not available through transfer, all outside watering, exclusive of livestock, will be strictly prohibited.

Section IX - Consumption Limits

The District will adopt, by ordinance, an allocation method for each customer type based on a percentage reduction of their last whole base year.¹

For the purpose of limiting consumption, depending of the Shortage Stage declared, the consumption limitation will be based on the *individual customer base year*. Financial incentives will be used to help limit consumption. When Stages is declared, with a District allocation of 75% M&I and 45% agricultural supply, agricultural customers whom limit their consumption to 80% of the same month of the base year will be rewarded with no penalty or surcharge. During Stage III the District allocation of 75% M&I and 25% or less agricultural supply, M&I customers who limit their consumption 70% of the same month of the base year will be rewarded with no penalty or surcharge. Due to the fact that agricultural supply to the District has been totally eliminated by the Bureau during water year 2009 and may be once again, when the District's agricultural supply is known, agricultural customers will be notified of their consumption limitation based on the last whole base year.

During a declared Stage II with a District agricultural allocation of 45% or less, no new agricultural accounts will be established, and no new agricultural enterprises will be allowed. Existing agricultural customers will be asked to monitor their usage, repair leaks, etc. During stages II and III with a District agricultural allocation of 45% and 25%, existing agricultural customers will be asked to voluntarily reduce consumption by 15%.

During Stages IV with a District agricultural allocation of 10%, existing agricultural customers will be asked to reduce consumption by 25% or more as necessary, of their same month base year total to avoid penalties and surcharges.

During a severe Stage IV or Health and Safety drought with a District allocation of zero to 25% agricultural supply, well water may be available to supplement agricultural customers. The well water will be charged at a yet to be determined rate (in no event more than the penalties and surcharges listed in Exhibit B), to offset the pumping and treatment costs. Existing agricultural customers will be asked to reduce consumption by 50% or more as necessary. Those who limit their usage to a minimum of 50% of the last whole base year usage per month will be rewarded with no drought surcharge. In the event of new agricultural accounts that were established after the 2007 base year,

the "base" established will be determined on an individual basis depending on acreage, crops, etc.

¹For the purpose of this plan, the definition of a "whole base year" is the last year the Bureau supplied the District with 100% of its annual allocation of 15,300 acre feet.

Once Stage II through IV has been declared, customers will be notified of their allowable allocation and of the drought surcharge, well water charge, etc. that has been established by the Board of Directors following a public meeting. Surcharges will comply with Exhibit E unless modified by public hearing, in compliance with Proposition 218.

Table VI contains the Drought Management Plan Supply Availability by Source and Stage triggering levels based on 2007, the last whole year.

In the event of severe and continued drought and the District is provided with minimum *Health and Safety Supply* M&I customers will be asked to reduce usage a minimum of 25%. A minimum agricultural supply may, but is not guaranteed, be available to maintain livestock, trees, berries, vines, etc. No agricultural water will be available for pastures, ponds, etc.

Section X - Penalties and/or Charges for Excessive Usage

The Clear Creek Community Services District's current rate structure is provided on Table VII. Customers who exceed their established allocation shall pay a surcharge based on the Stage declared.

Depending on circumstances, ground water may be made available for customers who are in need of more water than their allocation will provide. This availability will be determined on a case-by-case basis. The cost will be determined at the beginning of the water year (March 1st) by the Board of Directors, following a public meeting.

In the event that a Stage II or higher level drought is declared, the District will request that the Bureau make an additional supply available equal to the amount of water supplied for fire protection and other emergencies.

During severe conditions, flow restrictors may be placed on any agricultural or M&I services that do not comply with announced allocation. Flow restrictors may also be used for customers who exceed their base amount by 110%.

During Stage II or higher levels no new landscape, pools, ponds, etc. will be supplied. Outside watering may be limited to certain days or hours in an effort to meet target levels. Using water to clean driveways, walks, etc. where a broom or blower can be used is prohibited. Car washing will be highly discouraged.

Section XI - Revenue and Expenditure Impacts

Clear Creek Community Services District suffered severe financial impact from the previous drought in the early 1990's. The district experienced the situation that customers voluntarily conserved much more than that requested by Clear Creek, and in return the operating revenues decreased so dramatically that a rate increase became necessary to ensure the fiscal stability of the District. In an effort to prevent that situation from recurring, the District will investigate a number of alternatives such as increasing the revenue in the Contingency Fund, established in part to stabilize rates, to a level equal to 50% of normal annual water sales or approximately \$680,000 excluding unit,

filter plant and agricultural parcel charge; supplemental sale of ground water; utilization of the Merchant Account or Discretionary Fund, etc.

The income from water sales in the fiscal year ending June 30, 2007 was \$1,212,847. Although the supply was curtailed to 75% M&I and 40% Ag, water sales for the year ending June 30, 2008 was \$1,259,302² or a 3.8% increase.

Table V reflects the revenues and expenditures and projected impacts of increased costs such as purchasing additional water or pumping groundwater due to reduced allocation. Table VI projects total water sales by Stages of drought declared.

The District established a Contingency Fund after the 1999 Canyon Fire in an effort to fund emergencies, and either mitigate or lighten the impact of rate increase made necessary due to reduced supply and sales during future prolonged periods of drought.

Section XII - Implementation of Drought Planning and Water Shortage Policy

Clear Creek Community Services District will adopt by Ordinance the Drought Planning and Water Shortage Policy dated October 2008.

During years of reduced allocation, the District will declare, upon first notification by the Bureau, that a water shortage exists and implement, by Ordinance the Stage of shortage. That declaration will in turn will activate the Drought Planning and Water Shortage Policy. If it becomes necessary to advance the Stage of shortage during the year, the District will declare further action through a vote of the Board.

The District will hold public meetings to inform the customers of the situation, the action taken by the District and answer questions.

Section XIII - Water Usage and Monitoring Procedures

Filtration plant production is recorded daily. Totals are reported monthly to the CEO for incorporation into the monthly water report to the Bureau of Reclamation and to bill Centerville Community Services District for the shared filtration plant capacity used during the previous month.

During periods of declared shortage, the production figures are reported weekly to the CEO for comparison and analysis of the previous year(s) of normal usage to ensure that the District is on target for the specific period of time. If the District usage is not within the targeted usage this information will be reported to the Board for corrective actions must be taken. The District will utilize all tools available to stabilize supply including, but not limited to conjunctive use programs, transfers from other agencies, etc.

Section XIV - Drought Planning and Water Shortage Policy Adoption

Clear Creek Community Services District adopted the original Drought Water Plan in the spring of 1990 after the Bureau of Reclamation declared a water shortage situation in

² Total includes \$10,000 for transfer to Orland Artois Water District.

the Central Valley Project. The existing Resolutions remain in effect today, until superseded by this Drought Planning and the Board of Directors of the Clear Creek Community Services District adopts Water Shortage Policy. The resolutions included in this Policy as Exhibit B, were enacted as follows:

Resolution 1990-4 adopted May 29, 1990: A Resolution of the Board of Directors of the Clear Creek Community Services District Enacting the Drought Water Plan.

Resolution 1991-3 adopted January 16, 1991: A Resolution of the Board of Directors of the Clear Creek Community Services District Establishing a Drought Contingency Plan.

Resolution 1991-6 adopted January 30, 1991: A Resolution of the Clear Creek Community Services District Enacting Stage I of the Drought Contingency Plan.

Resolution 1991-8 adopted March 6, 1991: A Resolution of the Board of Directors of the Clear Creek Community Services District Revising and Enacting Stage III of the Drought Contingency Plan.

This Policy was subject to a public hearing prior to adoption by the Board of Directors on December 17, 2008, Ordinance 2008-10: An Ordinance by the Board of Directors of the Clear Creek Community Services District, hereinafter Referred to as the Board of Directors, adopting the Drought Planning and Water Shortage Policy Dated October 2008.

Ordinance 2009-01 adopted March 4, 2009: An Ordinance by the Board of Directors of the Clear Creek Community Services District enacting Stage V of the District's Drought Planning and Water Shortage Policy.

This Drought Planning and Water Shortage Policy meet the requirements of subdivision (e) of the California Water Code Section 10631.

Drought Planning and Water Shortage Policy
October 2008
Revised January 2010

Exhibit A

M&I Water Shortage Policy Environmental Assessment (EA)
Executive Summary

60% M&I allocation under Alternative 1A

CVP M&I Water Service Contractors (Trinity River and Shasta Divisions)
Water Demand and Public Health and Safety Water Quantities

Public Health and Safety calculation for Clear Creek CSD

Drought Planning and Water Shortage Policy
October 2008
Revised January 2010

Exhibit B

Resolution 1990-4 Adopted May 29, 1990
Resolution 1991-3 Adopted January 16, 1991
Resolution 1991-6 Adopted January 30, 1991
Resolution 1991-8 Adopted March 6, 1991
Ordinance 2008-10 Adopted December 17, 2008
Ordinance 2009-01 Adopted March 4, 2009
Ordinance 2009-03 Adopted April 27, 2009
Ordinance 2009-05 Adopted May 18, 2009
Ordinance 2010-01 Adopted March 24, 2010
Ordinance 2014-03 Adopted March 19, 2014
Ordinance 2014-04 Adopted April 16, 2014