

POLICY WATCH – July 2014

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As the drought worsens, more Californians are realizing just how much they depend on water and what a continuing drought means to our economy, our environment and our individual pocketbooks. From dispensation to let lawns go brown, to dangerously high fire risks, to famers ripping out crops, to increased costs to water ratepayers, the list goes on. A recent study by U.C.-Davis pegged the economic cost of the drought to be \$2.2 billion and an estimated 17,100 jobs. This issue continues our look at water in California and how the drought can be the driver of enacting a water bond and other water policies that can help solve our state's water crisis.

We also draw your attention to the linkage of the drought and global warming. The increased temperatures are exacerbating our water usage and creating very high risks of wildfires. We need to address climate change and water policy in an integrated manner to truly improve our sustainability. Don't miss two important changes for the North Bay: the start of new regulations on employee commute benefits for employers with 50+ employees and the introduction of a new area code in the 415 area.

In Members in the News, check out the many ways NBLC members are making the North Bay a better place to live and work.

Best,

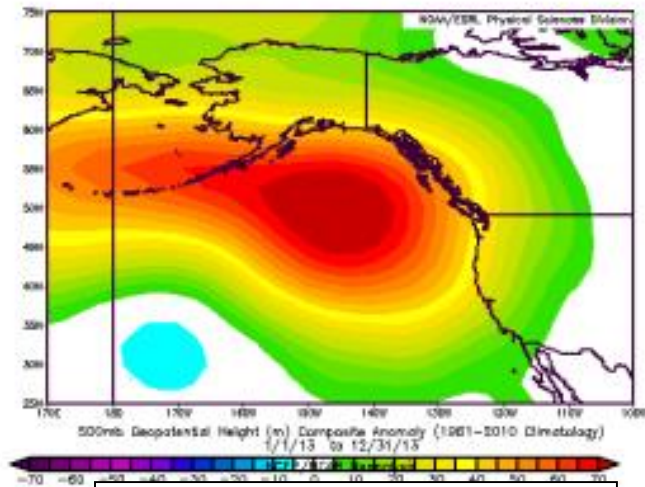


Cynthia

Ridiculously Resilient Drought Conditions

In a Weather West's California Weather Blog report by Daniel Swain (July 29, 2014), we learn more why this drought has been so long lasting and whether we can see the end in sight. Swain tells "**a tale of exceptional dryness and record warmth.**" How did we get into this pervasive state? Swain says it is because of "the development of the now infamous Ridiculously Resilient Ridge (or RRR)—an extraordinarily persistent region of high pressure over the northeastern Pacific Ocean in the middle atmosphere that forced the mid-latitude storm track well to the north of its typical position and prevented winter storms from reaching California in 2012.

Swain says, "While the RRR did become less prominent during the summer months of 2013, it returned with even greater intensity by the fall. In fact, by November 2013, the RRR resulted in such an anomalous high-amplitude flow pattern that much of Alaska—even regions north of the Arctic Circle—experienced record warmth and precipitation, which led to several high impact weather events (including ice storms and enormous avalanches). In California, meanwhile, the precipitation spigot remained tightly closed as Pacific storms rode thousands of miles to the north of where they typically would have been. Most of these winter



The Ridiculously Resilient Ridge in 2013.

storms missed even Oregon and Washington, triggering a drought that is now being experienced rather acutely in these regions in the form of massive, nearly uncontrollable wildfires this summer. In California, conditions during January were so warm and dry that wildfires broke out in the far north in the dead of winter—an essentially unprecedented event in this region."

Despite the temporary mid-winter relief of two late season storm systems, Swain says "winter 2013-2014 ultimately came in as "merely" the third driest in the past 118 years, it immediately followed what was (by far) the driest calendar year on record in 2013. And, as it turns out, 2012 was also drier than average on a statewide basis (though not nearly as dry as 2013 or 2014). Thus, the present event now includes 3 successive dry years, and includes the driest year in over 100 years (and perhaps since California's statehood)."

Swain connects the drought with global warming as a contributor to our crisis. He says, "Most notably, California experienced its record warmest winter in 2013-2014, and (as of June 30th) is currently experiencing its warmest year on record to date. Even more remarkable is that these recent temperature record have been broken by a very wide margin—2014 so far has been more than 1 degree warmer than the previous record warmest year. This record-shattering warmth has serious implications for the ongoing extreme drought, since warmer temperatures result in greater evaporation (and evapotranspiration). This means that an even lesser fraction of the already record or near-record low precipitation was actually available to plants and ecosystems—or as rain/snowmelt runoff into California California's rivers and streams."



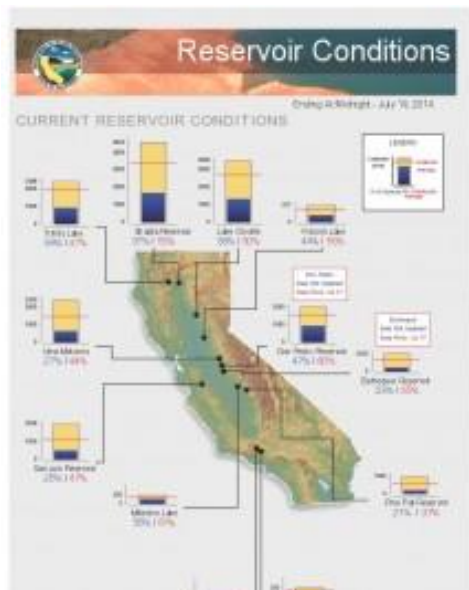
How bad is this drought? Swain says, “This combination of exceptional dryness and record warmth have acted in combination to produce the most severe drought conditions experienced in California in living memory (and very probably over a century). The Palmer Drought Severity Index (PDSI) is an aggregate metric of long-term (meteorological) drought severity—which takes into account observed precipitation, temperature, and soil moisture—and is widely used to characterize the intensity of drought conditions. The PDSI is a normalized metric, with a scale ranging from +6 (wet) to -6 (dry), and any value lower than -4 is considered to

correspond to extreme drought. At the present time, a large fraction of California is experiencing literally chart-topping PDSI values less than -6. These values—both regionally and on a statewide average basis—are higher than at any other point since at least 1895, according to the latest NCDRC rankings. From these data, it’s entirely reasonable to assert that the present drought is already more intense than any 20th Century drought in California.

So what is being done to get us through this drought that now effects all 58 California counties leading all of them to be designated by the federal government as primary natural disaster areas? Swain says, “A state-level Drought Emergency has been declared, and state authorities have recently taken unprecedented measures to cope with dwindling water supplies. National and international media attention has become increasingly focused on this ongoing extreme climate event in California as economic damages to date surpass \$2 billion, and continues to rise rapidly. Increasingly broad swathes of farmland are being fallowed in the Central Valley (especially the San Joaquin Valley), and entities with access to remaining water are auctioning off their rights for over ten times the long-term average rate. Groundwater pumping has increased exponentially over the past 12 months, and there are growing concerns that this virtually unregulated draining of California’s underground aquifers could have major consequences within the next couple of years.”

With major reservoirs below 50% of capacity, and some are well below that meager level, things look grim. Swain points out, “Many of these reservoirs are near or below 50% of *average* capacity to date—which is especially remarkable since water levels are typically well below maximum capacity by this point in the summer. One big problem over the next few months is that the extreme long-term dryness—combined with enhanced human and “natural” demand due to record warmth—will allow reservoir levels to drop at rates greater than the long-term mean. Some small communities in California are at risk of running out of water within the next 3-4 months, but much broader trouble may loom over the next 1-2 years without a series of wet to very wet winters helping to bolster supplies. Even Lake Mead—which is filled by the flows of the Colorado River and is a critical water source for much of Southern California—has dropped to record-low levels as of July 2014 (though it should be noted that these low levels are actually due to a much broader and longer-term drought across the American Southwest).”





Current reservoir levels in California are low and dropping rapidly. (CA DWR)

And there is still more bad news. Bone dry California is at a greater risk for wildfires. We have seen fires major fires in 2014 even in the off=season. In fact, says Swain, “several special fuel and fire behavior advisories have recently been issued for much of California due to record-low fuel moistures and potentially explosive wildfire behavior in the coming months. Many in the firefighting community are anxiously awaiting the development of extreme fire weather patterns over the next several months—such as dry lightning outbreaks, extreme heat waves, or strong offshore winds—which nearly always occur in California between August and October.”

Swain says that even if we get El Niño this winter, we will still be in trouble. He says, “connections between California precipitation and El Niño are rather tenuous, *except for very strong El Niño events, which are associated with increased cool-season precipitation*. While there was never a high chance of El Niño breaking the current California drought, there is now an even smaller of a chance of that happening. We still don’t know how strong El Niño may be, nor how much precipitation

California will experience next winter (regardless of what happens with El Niño). And it’s quite likely that California’s drought will persist through next year *even if we have a relatively wet winter*. While a wet (or even near-average) winter would help alleviate some of the most acute short-term effects of the drought, many parts of California have missed out on nearly a full year’s worth of precipitation, and it will take a long time to gain back that deficit even in a best case scenario.”

Californians Looking for Solutions to Drought and Global Warming

As the drought worsens, more Californians are realizing just how much they depend on water and what a continuing drought means to our economy, our environment and our individual pocketbooks. From dispensation to let lawns go brown, to dangerously high fire risks, to farmers ripping out crops, to increased costs to water ratepayers, the list goes on. A recent study by U.C.-Davis pegged the economic cost of the drought to be \$2.2 billion and an estimated 17,100 jobs.

No wonder that a survey of Californians by the Public Policy Institute revealed that drought and wildfires are at the top of the list of public worries about the impacts of global warming. In “Drought Top Environmental Concern of Californians, PPIC Report Finds,” by Pamela Martineau (07/24/2014) PPIC also found that 75% of respondents believe public water agencies should require residents to reduce water use. The report said that “Some 35% of respondents also cited water supply or drought as the most important environmental issue facing California today in response to an open-ended question. This is an increase of 27 points since July 2011, and the first time in environmental surveys dating back to 2000 that air pollution has not been the top issue.”

PPIC found “54% of respondents say water supply is a big problem in their part of the state, 25% say it is somewhat of a problem, and only 21% say it is not much of a problem. Regionally, Californians living on the coast (52%) are about as likely as those living inland (58%) to say that water supply is a big problem in their areas. In another measure of their concern about drought, strong majorities of respondents (75%) and likely voter (70%) say they favor their local water districts requiring residents to reduce water use. Residents across the state are in favor, with those in Los Angeles (80%) the most supportive.”



One proposed way to increase water reliability is the state water bond. PPIC pollsters asked about support for the \$11.1 billion state bond for water projects that is currently slated for the November ballot. Among likely voters, some 51% said they would vote yes, while 26% said they would vote no. When those who would vote "no" are asked how they would vote if the bond were a smaller amount, support increases by 8 points among likely voters (59% yes, 18% no). Asked how important it is that voters pass the state water bond, 46 percent say it is very important and 30 percent say it is somewhat important (likely voters: 44% very important, 24% somewhat important).

The state water bond measure has been stalled for years. Originally proposed by the Schwarzenegger administration, it has been unable to gain the legislative consensus to put it on the ballot. With the drought at the top of the minds of the voters this year, there is no better time to put it on the ballot. But let's hope the legislature heeds the poll results, and pares the water bond down below \$10 million if they really want to earn voter approval. The legislature must act within weeks if they are to get this important solution to many of the state's water woes before the voters while the drought is doing the campaign for them.

One side note, in another PPIC report, “Paying for Water in California,” it was discovered that most water spending – 84% -- is raised locally.

What Else Can We Do to Combat the Drought?



From the Association of California Water Agencies, we learn, “State and local agencies are taking a broad suite of actions to combat drought and assist areas in greatest need. Local water agencies throughout California are calling for increased water conservation, with mandatory restrictions on water use and even rationing in place in some areas.

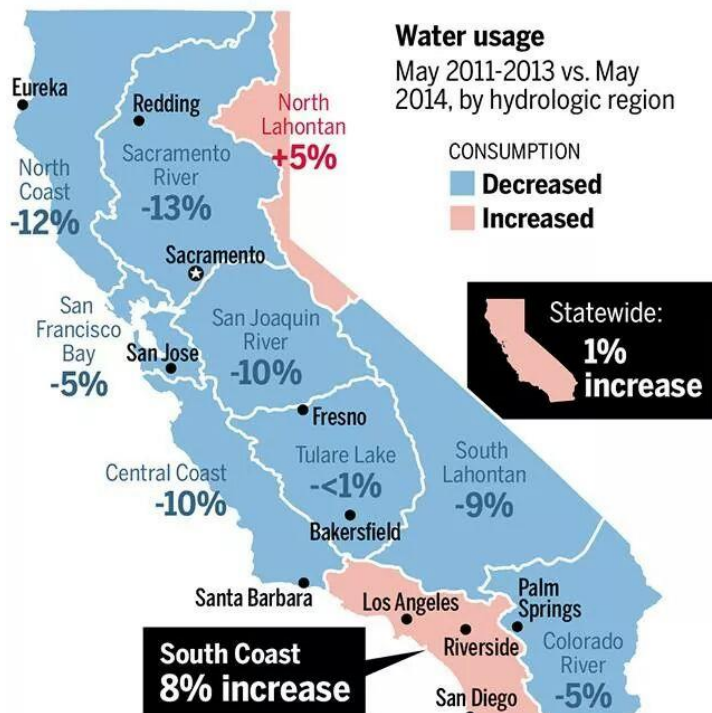
As of July 24, at least 64 local water agencies have implemented some form of mandatory restrictions/conservation, while at least 150 are calling for voluntary increased conservation in response to the drought and Gov. Jerry Brown's call for all Californians to reduce water use.

The governor declared a drought emergency for the state Jan. 17, and issued a subsequent executive order on April 25 to strengthen the state's ability to manage water effectively and urge Californians to

redouble their water conservation efforts. On July 15, the State Water Resources Control Board passed emergency regulations that prohibit certain outdoor water uses and require water agencies to file monthly reports on water use and production. Find the latest fact sheet on the state regulations [here](#).

Who saved, who didn't

Although most regions reduced consumption this year, California as a whole consumed 1 percent more than the average May over the past three years, mainly because of usage in Southern California.



Source: State Water Resources Control Board BAY AREA NEWS GROUP

Other solutions are proposed in “Drought Watch: Our Thirsty Lawns,” by Caitrin Chappelle, Ellen Hanak and Jeffrey Mount, (PPIC, July 18, 2014). They focus on outdoor water use which account for roughly half of all urban water use. The authors urge more than conservation, especially in the summer. They want a change in “how we use water outdoors.” They say, “The main culprit is [Californians’ love affair with lawns](#). Not only do lawns require a lot of water to look good, but people also tend to overwater them. Water agencies should seize the opportunity presented by the drought—and the publicity surrounding the new restrictions—to offer incentives for switching out thirsty lawns. Finding attractive alternatives to lawns is easier than ever before, now that major garden retailers offer a range of California-friendly plants. Gone are the days of cacti and gravel being the only options.”

Other motivators could be increased costs for water. They say, “Tiered rate structures—which charge a higher price per gallon for higher use—help send a message about the real costs of our landscaping choices. More than half of urban water agencies currently have some form of tiered rates, though recent legal challenges to their [constitutionality under Prop 218](#) threaten to undermine these very important tools. During droughts, it makes sense for water agencies to charge higher prices per gallon than they do in normal years. This provides additional conservation incentives while ensuring that agencies bring in enough to cover costs when they are selling less water.”

Get ready for New Employee Commute Benefits Regulations

Do you have 50 or more full-time employees? If so, you’re required to register for the Bay Area Commuter Benefits Program and offer a commuter benefits plan for your employees.

Offering commuter benefits is good for your bottom line, and encourages your employees to take transit, vanpool, carpool, bicycle and walk rather than drive alone to work. The pre-tax dollars employees contribute to their transit benefit account aren’t subject to employer matching FICA and Medicare, which means employers can reduce their payroll taxes by as much as \$18 per month for each employee. More

employees taking transit means less demand for parking, and commuter benefits is a great way to offer a valuable new employee benefit at no net cost to you.

Registering is easy. Just visit 511.org and click on [Bay Area Commuter Benefits Program](#) for more information and to register for the program. To request free assistance, click on the “Needs Assistance” section for more information on your local county contact, or call 511 and say “Commuter Benefits.”



Marin Prepares for 628 Area Code

The County of Marin is informing North Bay residents that a new telephone area code – 628 – is being added to the area served by the existing 415 area code to accommodate demand for new phone numbers.

The 415 area code, which generally covers most of Marin, the County of San Francisco and a small portion of San Mateo County, will have to be included when 415 customers are calling within that area code starting in February 2015. The California Public Utilities Commission (CPUC) and the 415 Public Education Program Task Force is urging Marin residents to start using area codes when dialing all numbers beginning Aug. 16.

Here is more information about the change provided by the 415 Public Education Program Task Force.



What is an area code overlay? An overlay is the addition of another area code to the same geographic region as an existing area code. An overlay does not require customers to change their existing area code.

What is the new dialing procedure? To complete calls, the new procedure requires callers to dial 1 plus the area code plus a seven-digit number. Soon all calls in the 415 area code that are currently dialed with seven digits need to be dialed using 11 digits.

When will the change begin? Effective Aug. 16, customers should begin using the new dialing procedure when placing local calls from the 415 area code. If customers forget and use the old dialing procedure of dialing just seven digits, calls will still complete until Feb. 21, 2015.

Beginning Feb. 21, 2015, callers must use the new dialing procedure for all calls. After that date, calls made with seven digits will not be completed and a recording will provide instruction to hang up and dial again. Between Aug. 16, 2014 and Feb. 21, 2015, callers should practice using the new procedure whenever calls are placed from the 415 area code. Beginning March 21, 2015, new telephone lines or services may be assigned numbers with the 628 area code.

Members in the News

Bijan's Protective Equipment is Dipping into New Market

A Santa Rosa manufacturer is testing a new business market thanks in large part to Sonoma County's ban on single-use plastic bags as well as a push by some residents to keep jobs in the United States.

PG&E Recognized by Ceres, Clean Edge for Clean Electricity, Energy Efficiency Success

Pacific Gas and Electric Company (PG&E) is ranked as a top utility for delivering clean electricity to its customers and implementing effective energy efficiency programs, according to a report released today by Ceres, a leading environmental sustainability advocacy organization. Clean-tech sector research and advisory firm Clean Edge co-produced the report.

PG&E Reduces Fuel for Wildfire, Keeps Communities Safe

California's extreme drought conditions have sparked a significant increase in wildfires this year. CAL FIRE reports between January 1 and June 7, it has responded to more than 2,100 wildfires that charred more than 17,000 acres. The average for that same time period this time of year is about 1,250 fires and 10,000 acres.

PG&E Urges CPUC to Provide Resources Necessary for 21st Century Infrastructure While Keeping Bills Below National Average

PG&E is urging the California Public Utilities Commission (CPUC) to provide the resources necessary to maintain safe and reliable gas and electric service while still keeping customer bills below the national average.

Midstate Construction Completes East Washington Place in Petaluma

Developer Regency Centers and general contractor Midstate Construction Corporation recently completed the East Washington Place shopping center in Petaluma, California.

Cynthia Murray Quoted in an Article About Assembly Bills That Aim to Restore California's Movie Prowess

Assembly Bill 1839, they hope, will undo the steady attrition of the film industry in the state as tax incentives lure movie makers to places like New York, Canada, London and elsewhere.

Agilent Technologies and Kevin Smith of Agilent Technologies are Winners of the North Bay Business Journal's Fourth Annual Top Manufacturers in the North Bay Awards

The event's main attraction, the annual Top Manufacturers Awards, will be presented to 10 companies along with the inaugural Mike Hauser Manufacturing Leadership Award remembering the contributions made to the industry by the late Santa Rosa chamber CEO.

Sonoma Raceway Raised More than \$210,000 for Charities During NASCAR Weekend

Charitable events combined to raise more than \$210,000 for local charity groups during the Toyota/Save Mart 350 NASCAR Sprint Cup Series weekend at Sonoma Raceway, June 20-22.

PG&E Receives Milestone Recognition for Transforming Safety Culture of its Gas Operations

PG&E was recognized today (May 27) for earning two difficult-to-achieve international certifications, the result of the company's commitment to transforming its gas operations and building a strong safety culture.

PG&E Expands Support for Veteran Transportation Vouchers in Santa Rosa

Over the past six months, Jason Pippin visited the Santa Rosa Veterans Administration (VA) clinic 55 times.

PG&E Participates in Drought Forum Seeking Solutions

Several hundred representatives from the academic community, federal and state agencies, water utilities, tribes, business, agricultural and environmental groups gathered in Sacramento this week to discuss the impacts of the California drought, and the science and strategies for dealing with it.

PG&E Works to Hire, Support Veterans as Nation Observes Memorial Day

During Memorial Day weekend, communities across California and the nation will remember the men and women of the armed forces who died serving their country.

Sonoma Raceway Gets Earlier Start for Charity Auction at Toyota/Save Mart 350 Weekend

Race fans can take home a piece of the action on race day, June 22, at the Speedway Children's Charities (SCC) charity auction.

Hanson Bridgett Recognition for Their Contributions

At Hanson Bridgett, the drive to serve is strong and selfless.

PG&E Grant to Help Pay for Stanford

Tam High senior adds PG&E scholarship to list of accolades

Sunny Hills Services Urges Support for Foster Youth Teen Parents

National Foster Care Month in May was an opportunity for us to reflect on the systemic progress that has been achieved for youth in the foster care system.

SolarCraft Installs Solar Panels at Hess Collection Winery in Napa

Novato and Sonoma based SolarCraft announced the completion of a 649 kW solar power system at Hess Collection Winery providing nearly 100% of the electrical needs for its Napa, CA production facility.

DOMINICAN JOINS COURSERA FOR LEARNING HUBS PROJECT

Coursera, the open online course platform, has named Dominican University of California as one of eight new Global Learning Hubs. This will be the first Coursera Learning Hub to be located in a U.S. university

Fireman's Fund's Paul Fuegner Recognized as Marketer That Matters™ by The Sage Group, sponsored by The Wall Street Journal

Fireman's Fund Insurance Company announced today that Paul Fuegner, vice president of brand and customer marketing, was recognized as a winner of the 2014 Marketers That Matter™ award.

Read more online at www.northbayleadership.org/news



Who We Are

Over twenty years ago, business leaders founded the North Bay Leadership Council on a simple premise: We can accomplish more by working together. Today, the Council includes 45 leading employers in the North Bay. Our members represent a wide variety of businesses, non-profits and educational institutions, with a workforce in excess of 25,000. As business and civic leaders, our goal is to promote sound public policy, innovation and sustainability to make our region a better place to live and work. For more information: Call

707.283.0028 / E-mail info@northbayleadership.org

www.northbayleadership.org