

MINUTES OF THE SPECIAL MEETING
OF THE
BOARD OF DIRECTORS
OF THE
EL TORO WATER DISTRICT
August 6, 2014

President Martin called the meeting of the Board of Directors of the ELTORO WATER DISTRICT to order at 7:30 o'clock a.m. on August 6, 2014 at the El Toro Water District Administrative Offices, 24251 Los Alisos Boulevard, Lake Forest, California.

President Martin led in the Pledge of Allegiance to the flag.

Directors TED F. MARTIN, M. SCOTT GOLDMAN, WILLIAM H. KAHN, and JERARD B. WERNER were present.

Director JOSE F. VERGARA, and DENNIS P. CAFFERTY, Director of Operations and Engineering were absent.

Also present were ROBERT R. HILL, General Manager/Assistant Secretary, MICHAEL P. GRANDY, Chief Financial Officer/Assistant Treasurer, GILBERT J. GRANITO, General Counsel, NEELY SHAHBAKHTI, Controller, and POLLY WELSCH, Recording Secretary.

Oral Communications - Public Comments

President Martin stated that at this time members of the public may address the Board or they may reserve this opportunity with regards to an item on the agenda, until the Board discusses said item later in today's meeting.

There were no comments.

Declaration of a Level 1 Water Shortage

Mr. Hill stated that in response to the State Water Resources Control Board's adoption of Emergency Conservation Regulations, staff will comment on the necessity to notice and conduct a Public Hearing for the purpose of declaring a Level I Water Shortage in accordance with applicable provisions of the District's Water Conservation and Water Supply Shortage Ordinance.

Mr. Hill stated that he spoke with Director Vergara and he is in agreement with posting the Notice and declaring a Public Hearing for the purpose of declaring a Level I Water Shortage in accordance with applicable provisions of the District's Water Conservation and Water Supply Shortage Ordinance.

Mr. Hill stated that on July 15th the State Water Resources Control Board adopted Emergency Regulations for Statewide Urban Water Conservation. He further stated that severe drought conditions continue to exist.

Mr. Hill stated that surface and groundwater storage is being depleted, and there is potentially another dry year ahead. He further stated that 400,000 acres of farmland is being fallowed causing thousands to be out of work, communities risk running out of drinking water, with negative impacts on fish and wildlife. Mr. Hill stated that the Governor's Drought Proclamation calls for a 20% reduction.

Mr. Hill stated that MET is anticipating a potential draw down of reserves in 2014 of 1 million acre feet, which is where we were in 2009. He further stated that the effective date for the regulations was July 29, 2014 and remains in effect for a minimum of 270 days.

Director Kahn asked if a regulation was developed for the groundwater so it could be more standardized control. Mr. Hill replied that legislation for the groundwater has not passed.

Mr. Hill stated that there are 4 outdoor water use prohibitions.

- No direct application of potable water to driveways and sidewalks
- No watering of outdoor landscapes that cause runoff to adjacent property, non-irrigated areas, private and public walkways, roadways, parking lots or structures
- Use of a hose to wash a vehicle, unless the hose is fitted with a shut-off nozzle
- Use of potable water in a non-recirculating fountain/decorative water feature

Mr. Hill stated that all of the cited prohibitions are incorporated in ETWD's permanent mandatory water conservation measures.

Mr. Hill stated that Section 865 mandates water suppliers to provide monthly reports to the State due on the 15th of each month, starting in August. He further stated that the reports will reflect preceding month's usage compared to the same month last year.

Mr. Hill stated that the State will develop an electronic reporting portal with applicable data fields.

Director Kahn asked if the State is standardizing the per capita usage. Mr. Hill replied that we are waiting to see their calculation methodology.

Mr. Hill stated that each urban water supplier shall implement applicable provisions of their water shortage contingency plan that imposes mandatory restrictions on outdoor irrigation.

Mr. Hill stated that as an alternate, an urban water supplier that administers an Allocation-based Rate Structure that “meets certain requirements” may request a variance to the requirement to impose mandatory restrictions on outdoor irrigation.

Mr. Hill stated that additional water supplier actions include educating customers and employees by providing notices of the regulations in English and Spanish, and redoubling efforts to disseminate information regarding conservation incentive opportunities. He further stated that water suppliers can increase local supplies by accelerating completion of projects, conducting water system loss audits, requesting assistance from police, fire, cities, county in reporting leaks and water waste, and evaluating rate structures and amending as appropriate in anticipation of another dry year.

Mr. Hill stated that enforcement provisions will remain at the local level. He further stated that the State level retains the right to exercise enforcement authority to the Public of infractions of prohibitions punishable by a fine up to \$500 each day in which a violation occurs, and the local agency to cease and desist order with penalties of \$10,000 each day of non-compliance.

Mr. Hill stated that in assessing compliance, the water supplier will be evaluated based on multiple factors; implementation of required actions, GPCD reductions, and content of monthly reports.

Mr. Hill stated that ETWD's compliance strategy is to have permanent mandatory conservation measures, declare a Level 1 Water Shortage, with Phase 1 having mandatory restrictions on outdoor irrigation and customer outreach/education. He further stated that Phase 2 could include adjusting the drought factors.

Vice President Goldman asked if staff is working with outside assistance in how to educate customers. Mr. Hill replied that we are working with the Thomas Communications Group. Mr. Hill stated that enforcement would be through our allocation-based conservation rate structure, and the drought factor would be adjusted as necessary.

Director Werner asked if there are limits for duration on watering. Mr. Hill stated that there are 15 minute maximum limits per station. President Martin asked about the golf course. Mr. Hill replied that the golf course is recreational, and staff will be reviewing how their reductions were handled in 2009.

Mr. Hill stated that the Notice of Public Hearing is being posted on August 8th in the Orange County Register. He further stated that the Notice will state that the District will be having a Public Hearing on August 15th with the intent to declare a Level 1 Water Shortage.

Mr. Hill stated that outreach/education is on-going, and staff will be reporting water usage comparison to the State Water Resources Control Board on a monthly basis.

Mr. Hill stated that staff has a conference call with neighboring agencies to determine how to communicate with the City of Mission Viejo. He further stated that staff is working with Thomas Communications Group on outreach.

Director Kahn asked if the District's Ordinance Levels are in agreement with neighboring agencies. Mr. Hill replied that staff tried to be as consistent as possible, but each agencies Board's made slight changes to their Ordinances.

Director Kahn suggested that Mr. Hill bring this topic up at the next Managers meeting.

Mr. Hill stated that staff recommends that at today's meeting, the Board of Directors 1) schedule a Public Hearing to be held at a Special Meeting at 7:30 a.m. on August 15, 2014 for the purpose of considering the declaration of a Level 1 Water Supply Shortage pursuant to the District's Water Conservation and Water Supply Shortage Ordinance (Ordinance No. 2010-1) and in accordance with Section 350 et seq. and Section 376 et seq. of the California Water Code, and 2) authorize the District's General Manager and/or General Counsel to prepare and publish all applicable required notices of said hearing and meeting.

Director Kahn asked if door hangers would be distributed to the HOA's. Mr. Hill replied that door hangers will be used and hung in response to reported or observed violations.

President Martin asked if the money collected for Tier 3 and 4 could be used for other items. Mr. Grandy replied that the money collected would be in a Restricted Reserve account for conservation activities.

Mr. Hill stated that staff demonstrated on customer's bills in 2009 what their penalty could be if they are inefficient.

Director Kahn suggested that the Board review the door hangers and outreach communication to customers. Mr. Grandy replied that staff will communicate the outreach materials with the Board. He further stated that current door hangers are used as targeted communication to alert customers of a problem.

President Martin asked for a Motion.

Motion: Director Werner made a Motion, seconded by Director Kahn and unanimously carried across the Board to 1) schedule a Public Hearing to be held at a Special Meeting at 7:30 a.m. on August 15, 2014 for the purpose of considering the declaration of a Level 1 Water Supply Shortage pursuant to the District's Water Conservation and Water Supply Shortage Ordinance (Ordinance No. 2010-1) and in accordance with Section 350 et seq. and Section 376 et seq. of the California Water Code, and 2) authorize the District's General Manager and/or General Counsel to prepare and publish all applicable required notices of said hearing and meeting.

President Martin asked for a Roll Call Vote.

Roll Call Vote:

Director Kahn	aye
President Martin	aye
Vice President Goldman	aye
Director Werner	aye

Attorney Report

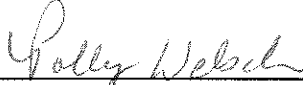
There were no comments.

Adjournment

There being no further business to come before the Board, the following motion was duly made and passed.

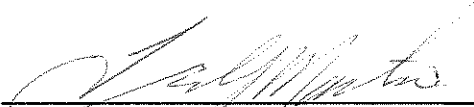
Motion: Director Werner moved, seconded by Director Vergara and unanimously carried across the Board that today's meeting be hereby adjourned at 8:27 o'clock a.m.

Respectfully submitted,

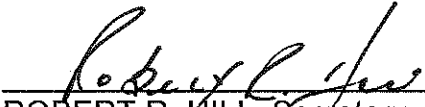


POLLY WELSCH
Recording Secretary

APPROVED:



TED F. MARTIN, President of
the El Toro Water District and the
Board of Directors thereof



ROBERT R. HILL, Secretary
of the El Toro Water District and
the Board of Directors thereof