



## MEINERS OAKS WATER DISTRICT

February 15, 2017

### Minutes of MOWD Drought Committee Meeting

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<b>Committee</b>	Drought Committee
<b>Meeting Date</b>	February 1, at 10:00 AM at the District's office
<b>Attendance</b>	Mike Hollebrands – General Manager Diane Engle – Director Jim Kentosh – President General public – none
<b>Topics</b>	Potential new allocation and rate program

The focus of the meeting was to discuss the problems, if any, that we are trying to solve with a revised allocation/rate structure. We discussed the following:

1) Commercial not conserving

Mike H noted that our commercial customers are not reducing their water use as much as residential customers. We could use some additional incentive for them to conserve.

2) Satisfy draft MOU – WEAP

Our draft MOU with Casitas MWD says that the Parties agree “to implement *measures equivalent to or more stringent than* the Casitas WEAP to provide equity, consistency and effectiveness in meeting demand reduction goals in Parties’ respective service areas.” The wording in italics was what we suggested adding, because we thought our historical approach was more stringent than the WEAP.

However, a case study comparing our allocations with the WEAP showed that our method is more generous than the WEAP for many of our higher water users. To satisfy the MOU we hope to sign, should we amend our allocation/rate program to better match what we’re agreeing to do?

3) People already conserving are paying a penalty

It appears that even some of our lowest water users are paying the conservation penalty when they use more water in the summer. Since using more water in the summertime, when plants need it most, is not a waste of water, should we adjust our program so that

our lowest water users don't pay a penalty? Perhaps our program should focus instead on the highest water users.

4) Outdoor waste continues

Mike H notes that some waste of water used outdoors is continuing. We need to increase incentives to conserve.

5) Indoor waste continues

Similarly, some waste of water used inside the home is continuing. We need to increase incentives to conserve.

6) How do we incorporate the \$5 over-allocation fee?

Casitas MWD has increased their over-allocation fee (conservation penalty) from \$1 to \$5 per unit. When it was only \$1, we treated it as an incentive, rather than a penalty. Now that it is \$5 and likely to go higher, we should treat it as a penalty. As a "penalty," it should be limited to those customers who are using too much water. If over 2/3 of our customers are paying the penalty at some point, then it's really not a penalty, it's a tiered rate.

7) How do we limit water use in advanced drought stages?

This is a difficult philosophical issue. Unless we can put people in jail, cut off their water, or publicly shame them, the only way to force people to use less is to impose financial incentives or penalties. What can we do if they just pay the fines and don't cut back?

8) Current allocation scheme not valid for the long term

Because our current allocations are based on 2010-12 averages, they may not hold up over the long-term, as property ownerships and water use practices change. The thought is that we should have an allocation program, like the WEAP, that is less dependent on the vagaries of past water use.

9) We lack sufficient incentives for conservation

Our allocation/rate program should allow for more stringent measures to encourage conservation if that becomes necessary.

10) Lack of a definition of agricultural customers

We need to define an agricultural customer for the purpose of our allocation/rate program. Should we treat a 1-acre residential lot with an orchard as agriculture? We need some kind of criteria. We formerly used a 2-acre limit for Ag meters, but should update our policy for the sake of clarity.

**Tentative Allocation/Rate Scenario**

We discussed a tentative allocation/rate scenario for further discussion with the board, as summarized on the following pages.