



WATER ALLOCATION UPDATE

Like many water districts across southern Orange County, El Toro Water District (ETWD) imports nearly 100% of its water supply from the Municipal Water District of Orange County (MWDOC). When MWDOC reduced our water supply last spring, ETWD was forced to follow suit and implement a Water Allocation Plan.

Through the Water Allocation Plan, each customer received a monthly water budget to assist them in managing their water use. Many customers were able to reduce their consumption and stay within their monthly budget. However, we did have some customers who struggled to manage their usage. They exceeded their water budgets and received penalties.

PENALTIES SUSPENDED

As you'll recall, the purpose of the penalties was to encourage customers to practice conservation and to remain within their water allocation. With only three months left in the 2009/10 Allocation Plan year, ETWD is under its total water allocation from our water supplier, MWDOC. Since it appears unlikely that ETWD will receive an allocation penalty from MWDOC that exceeds the penalty funds collected to date, the Board of Directors has decided to suspend the collection of further allocation penalties. Therefore, no penalties will be collected on the May or June 2010 water bills.



WATER BUDGET ANNUALIZATION

In an effort to be fair and equitable, the Board of Directors recently agreed to consolidate water budgets and consider water use in total for the penalty period, rather than on a month-by-month basis. Actual penalties paid (determined on a month-to-month basis) will be compared to penalties determined on a consolidated basis. If your actual penalty exceeded the consolidated penalty then you may receive a credit. The amount of the credit will be based on the total amount of penalties collected by ETWD less any actual penalties imposed and less the cost associated with the 2009/10 Allocation program. If a credit is due it will show up on a future water bill after June 30, which is the end of the allocation penalty determination period.

A PROPOSED NEW RATE STRUCTURE IS ON THE WAY

The Water Allocation Plan was the first step in creating a system to assist our customers in tracking water consumption; it was a temporary, one-year measure. The District is now in the process of developing a new rate structure that encourages water use efficiency.

Our new [Water Budget-Based Tiered Conservation Rate Structure](#) rewards customers who use water efficiently and discourages customers who waste water. The Water Budget-Based Tiered Conservation Rate Structure is a fair, highly efficient system used by many of the neighboring water districts.

We will be sharing much more information about the Water Budget-Based Tiered Conservation Rate Structure in the months ahead. Watch for information that will also be available on our website at www.etwd.com.