

**ONTARIO CITY COUNCIL/
ONTARIO HOUSING AUTHORITY
SPECIAL MEETING
MINUTES
MAY 15, 2015**

JOINT MEETINGS

Special meetings of the Ontario City Council and Ontario Housing Authority were held on Friday, May 15, 2015, at Ontario City Hall, 303 East B Street, Ontario, California.

Notice of said meeting was duly given in the time and manner prescribed by law. Affidavit of compliance is on file in the Records Management Department.

The purpose of the meeting was to hold a workshop on the City's response to the state mandated water restrictions.

CALL TO ORDER

The Mayor called the City Council/Housing Authority meetings to order at 2:05 p.m., and requested the City Clerk to call the roll.

PRESENT:	Mayor/Chairman	Paul S. Leon
	Mayor pro Tem/Vice Chairman	Alan D. Wapner
	Council/Authority Members:	Jim W. Bowman, Debra Dorst-Porada, and Paul Vincent Avila

ABSENT: None

Also present were City Manager/Executive Director Al C. Boling, City Attorney/Legal Counsel John Brown and Deputy City Clerk/Secretary Claudia Isbell.

PUBLIC COMMENT

There were no requests to speak.

ADMINISTRATIVE REPORTS/DISCUSSION/ACTION

WORKSHOP ON CITY'S RESPONSE TO STATE MANDATED WATER RESTRICTIONS

Utilities General Manager Burton and Community and Public Services Director Chase gave a presentation in which they discussed statewide drought conditions, reviewed state and City drought emergency actions taken thus far, reviewed additional state adopted restrictions and a proposed City drought response strategy.

Mr. Burton stated that California is abnormally dry and added that in the last three years the drought has gotten more severe. He stated that since

August 1, 2014 the City has been under Stage 1 conservation and explained the current restrictions. He added that on June 1, 2015 the City will have to reduce its potable water use by an additional 24%. As a result of the upcoming restrictions, on May 5, 2015, City Council implemented Stage 2 conservation and explained those restrictions. This will reduce landscape irrigation to two days a week.

Mayor pro Tem Wapner inquired if these restrictions applied to residents, industrial companies and government agencies.

Mr. Burton responded that the restrictions applied to all water customers mentioned by Mayor pro Tem Wapner.

Mayor pro Tem Wapner inquired if this would apply to companies such as Niagara Bottling where water is their commodity.

Mr. Burton indicated that the 24% reduction is not applicable to companies such as Niagara Bottling as the intent of the State at the moment is to reduce wasteful water practices as well as excessive irrigation of turf.

Mayor pro Tem Wapner clarified that he was not suggesting that companies such as Niagara Bottling cut down, but was interested in knowing if the City had to make up for their water consumption as we are still held to the State's overall 24% restrictions.

Mayor Leon indicated that he recently attended a meeting with Congresswoman Norma Torres, and Montclair City Manager Ed Starr and stated he learned that California produces the majority of bottled water for the nation.

Mr. Burton added that in addition to bottled water companies there are many other crops and businesses that use a large amount of water for production. He went on to discuss additional restrictions set by the State that are not in the City's municipal code, one of which is the prohibition of irrigation with potable water of ornamental turf on public streets and medians, and most importantly the mandate to use less water overall. Mr. Burton also discussed Prop 218 laws and stated that he expects that the State will continue to provide information as to how to handle land development legally. Mr. Burton said the City will have to report to the State monthly, wait 48 hours after rain to irrigate and have hotels provide guests with the option of choosing not to have towels and linens laundered daily. Mr. Burton then reviewed the City's investments in infrastructure and discussed the City's water sources including recycled water, storm water capture, ground water rights and conservation.

Mr. Chase reminded everyone that the City did not wait for the State to declare a water shortage before taking on a water conservation program. Beginning nearly 8 years ago, the City changed its irrigation system controllers to a Calsense

system that helps the City manage how water is used in landscapes. The system is computerized and it communicates with weather stations to calculate the amount of water needed for plants to survive. It also monitors water flows so that the system will shut down any stations with broken lines or sprinklers. In addition, the City hired an irrigation conservation specialist to help manage the park program and the new irrigation process. Mr. Chase then described the twenty different California-friendly landscape conversion sites and the grants that have been awarded to the City to pay for the landscape conversion sites. Mr. Chase also mentioned the City has a contract with West Coast Arborists as part of the tree inventory program and they provide mulch which is placed in the parks to conserve water. Free mulch is also available to residents periodically by the City.

Mr. Burton then discussed possible water saving solutions including modified potable irrigation systems on Euclid and Mission, irrigation by trucking recycled water in, landscape retrofits for Euclid and parks, recycled water irrigation main on Euclid or segments of Euclid and recycled water transmission main on Euclid or segments of Euclid. Mr. Burton added that the sooner a solution is found, the sooner the City can reduce the amount of potable water consumed. He added that pricing information should be taken as a ballpark as they are best estimates of costs and not exact numbers.

Mayor pro Tem Wapner asked if the Water Operating Funds could be used for most of the retrofits made if the City is converting to reclaimed water.

Mr. Burton replied that some usage is more attributable to street medians and parks, which would be General Fund. It would be attributable to enterprise funds if focused on master plan recycled water pipelines that serve the City overall.

Mayor pro Tem Wapner questioned what fund the fines would be taken out of.

Mr. Burton indicated that State fines can be paid from the Enterprise Fund as it would be a cost that can be appropriate to be passed on to the customer as the City would be fined as a whole.

Council Member Bowman stated that the timing is right to consider the changes recommended by staff.

Mr. Chase discussed modified irrigation on Mission and Euclid Avenues taking into consideration the trees and roses.

Mayor pro Tem Wapner asked if the estimates for trucking in water included personnel costs.

Mr. Chase indicated the approximate figures do not include personnel costs for fulltime staff as those costs are already budgeted for.

In response to a question by Council member Dorst-Porada, City Manager Boling indicated that if the City continued to irrigate with potable water the City would be in noncompliance with the State mandate and be subject to fines.

Council Member Bowman indicated that it would not take long before the City could buy the equipment and save the cost of renting.

City Manager Boling indicated that the most likely scenario would include interim rentals with the goal of purchasing the equipment following public bidding.

Mr. Burton mentioned that costs have been broken down for geographic segments as some of the options can be implemented in tandem or separately. He then discussed the irrigation mains on Euclid.

Mayor pro Tem Wapner asked if there are exemptions in the procurement process under California State Law when there is an emergency situation.

City Attorney Brown indicated that there are a number of exceptions that staff is already reviewing.

City Manager Boling added that if the City were to enact the emergency procurement procedures, the status of the emergency would need to be reported at each City Council meeting until the emergency is deemed over.

Mr. Burton continued to elaborate on irrigation mains and cost comparisons of the different options available.

Mayor pro Tem Wapner asked if there were any issues regarding a capacity problem with the amount of reclaimed water available.

Mr. Burton stated the City brings recycled water in from other areas and added the City's right to access and use recycled water is increasing.

Mayor Leon asked for clarification about the irrigation water systems on the Euclid and Mission systems and how they would be integrated into a recycled water system.

Mr. Burton stated that recycled water would be connected to the existing irrigation system by replacing the potable water main with a reclaimed water main.

Council Member Bowman stated the importance of the timing of this project and taking advantage of available grants.

Council Member Avila asked where the City's water was being purchased from.

Mr. Burton responded that the water comes from the State Water Project.

City Manager Boling explained some of the cost offsets that might exist with regards to the irrigation systems and stated that a portion of the City's 26% imported water would be reduced and replaced by using recycled water.

Mr. Burton added that the City has long term water management plans, and he discussed possible changes to recycled water usage and a corresponding reduction to imported water reliance. Mr. Burton discussed water saving in the development of the New Model Colony. He then spoke of grants, principal forgiveness, and loans available to help with development of new projects. Mr. Burton addressed the potential repercussions of not being in compliance with the State mandate. In addition, he elaborated on the usage by customer classification to include single family residents, multi-family residential, commercial/industrial institutions and commercial/industrial irrigation. He then reviewed the estimated percentage of water reduction for each category.

Mayor pro Tem Wapner asked for clarification on water reduction for single family home residents.

Mr. Burton explained the expected reductions as previously approved by City Council. He added that the City is working on changing the culture of how we use water and discussed potential penalty structures that could be implemented including drought rates that would comply with Prop 218.

Mayor pro Tem Wapner inquired about residents served by the Cucamonga Valley Water District and how those rates and drought measures compare.

Mr. Burton indicated that all agencies are required to reduce water by adopting policies and rates to encourage water savings.

City Manager Boling discussed public outreach to residents in order to help educate residents regarding the required water restrictions to include notification letters, information inserts in utility bills, social media, as well as the City website. He mentioned the difficulties of public perception and discussed having a public awareness campaign in which the public is educated regarding the areas where recycled water is being used.

Mayor pro Tem Wapner inquired if the \$10,000 fine being imposed by the State is a flat rate.

Mr. Burton stated the answer is unclear based upon the limited direction from the State but it requires a month to month compliance.

City Manager Boling added that if the City does nothing, the \$10,000 could add up to \$3.7 million whereas the annual costs of saving water is much less even after the investments to upgrade the irrigation system.

Mayor pro Tem Wapner asked where the money would come from if City Council chose to go with staff recommendations.

City Manager Boling indicated that the irrigation line for Euclid only, since it only serves the City and no other customers, would come from the General Fund. If the infrastructure serves the City as well as other entities, such as Riverside, then those funds could come from the Water Capital Fund.

Mayor Leon stated that the real irony is that although the City has done a good job of managing water, we are still subject to the same restrictions as the rest of the State and stressed his frustration with the system. He added that this had to be communicated very well to the community.

Council Member Bowman recommended that the City Council take action now as the drought issue will probably not get better any time soon, and the City must take advantage of grants being offered.

Mayor pro Tem Wapner agreed with Council Member Bowman and added that it is the responsible thing to do. These recommended actions were already included in the City's water management plan, and the drought has only changed the timing implementation.

There was City Council consensus to give the City Manager direction to bring back an implementation program and recommendation for City Council.

City Attorney Brown clarified that any rate increase would include a protest hearing before implementing.

Mr. Burton stated that the City does have money this budget year for certain recycled water projects which could be used before the next budget year starts.

Mayor Leon indicated the difficulties of raising rates even after asking residents to cut back on water usage. He also stressed that although grass will turn brown, it does not mean that yards and landscape cannot look nice.

City Manager Boling thanked City Council and indicated that staff has received direction to move forward with an implementation plan and incorporate any new or additional State restrictions that get resolved or finalized.

ADJOURNMENT

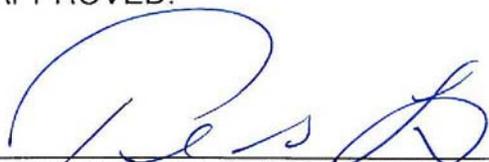
There being no further business to come before the Joint Agencies, the meetings were adjourned at 4:07 p.m.

Respectfully submitted,



CLAUDIA Y. ISBELL, CMC, DEPUTY CITY CLERK/ SECRETARY

APPROVED:



PAUL S. LEON, MAYOR/ CHAIRMAN