



CITY OF ANAHEIM
MAYOR CURT PRINGLE

August 5, 2008

The Honorable Nancy Wieben Stock
Presiding Judge of the Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

**Re: 2007-2008 Orange County Grand Jury Report,
"Water Budgets, Not Water Rationing"**

To the Honorable Nancy Wieben Stock:

As the Mayor of the City of Anaheim (City), in conjunction with the City Council, I am submitting this letter in response to the 2007-2008 Orange County Grand Jury Report captioned above. The City's response addresses the Orange County Grand Jury Report's findings and recommendations:

Finding F-1: Opportunities for further water conservation exist especially with regard to landscape watering.

Response to Finding F-1: *The City of Anaheim agrees with this Finding.*

Finding F-2: Conservation pricing, or tiered pricing, with a fair and reasonable base allotment, followed by tiers of higher rates, can be an effective tool to motivate further conservation.

Response to Finding F-2: *The City of Anaheim disagrees in part with this Finding.* The City of Anaheim agrees that conservation pricing using tiers of higher rates can be an effective tool to motivate further conservation, especially for reducing outdoor irrigation. The City has an existing drought ordinance (Municipal Code Section 10.18), where under Water Shortage Plan III; a rate structure incorporating a base allotment could be implemented upon adoption by City Council. The City currently has a permanent uniform rate structure; however, staff is in the process of conducting a rate study to analyze tiered rate options, both with and without base allotments, to determine the rate design that would work best for our community considering our customer base and the water supply situation and outlook. This study is scheduled to be completed by the end of the first quarter of 2009.

Although the City does not currently have a tiered rate structure, the City does have an aggressive conservation program that has effectively reduced water use. The success of this effort is demonstrated by the fact that over the past 20 years the City's population has increased by 36% while our water use has only increased by 7%. Since last summer, Anaheim has implemented an aggressive marketing campaign to encourage voluntary conservation throughout the City, which is in line with State and regional objectives to implement programs now to avoid rationing in the future.

New programs and enhanced incentives include: (1) a water use survey program for commercial and industrial customers (a residential program is already in place) to identify conservation measures and applicable financial incentives; (2) increased funding for rebates for Smart Timer Irrigation Controllers to help customers reduce irrigation water consumption; and (3) Outdoor Water Management Workshops to be conducted by staff throughout the year; the next series will be offered this Fall. Moreover, the City's "Water Conservation Corner" website, www.anaheim.net provides tips to help achieve water savings and information on how our customers can participate in programs and incentives that will help them reduce water use and save money.

Recommendation R-1: Continue to emphasize methods and availability of tools that assist the customers in understanding weather-based irrigation practices by:

- Providing a hotline for assisting the public with landscape irrigation information
- Providing a countywide soil texture map on the MWDOC website
- Developing an Orange County specific water calculator on the MWDOC website

Response to Recommendation R-1: *The City of Anaheim has not yet implemented this recommendation, but intends to do so, as indicated below, by December 31, 2008.*

- The City is investigating the use of 3-1-1 (the city information line) to further expand staff's capabilities for answering customer calls regarding landscape irrigation. Currently, the City does have a Water Conservation Coordinator designated to answering customer calls pertaining to water conservation programs and incentives. Also, for customers that prefer to contact the City via the Internet, they currently have the option to submit questions pertaining to water conservation and landscape irrigation through *Anaheim Anytime* (city web-based customer relations management system).
- The City is investigating providing a countywide soil texture map on its website.
- The City is investigating providing an Orange County specific water calculator on its website.

Recommendation R-2a: Develop monthly water allocations for each customer based on both of the following:

- A per person indoor water allotment that satisfies basic needs
- An outdoor water allotment that applies the weather-based method over the customers' landscaped area

Response to Recommendation R-2a: *The City of Anaheim will consider implementation of this Recommendation for our community after further analysis.* As stated in our response to Finding F-2, the City is conducting a rate study to analyze tiered rate options, both with and without allotments. The rate study will be completed by the end of the first quarter of 2009. The time required to complete this study is more than six months from the date of the Grand Jury Report, but this amount of time is needed to conduct a complete analysis of rate options, considering the size and complexity of the City's customer base.

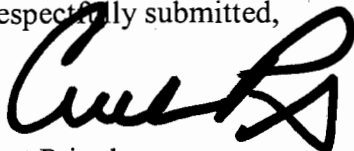
Recommendation R-2b: Develop a tiered-pricing structure with the first tier based on individual customer water allocation priced at a commodity rate, and subsequent tiers priced significantly higher to encourage conservation. The pricing shall be structured in a manner that will preclude the necessity of price increases as a result of reduced water use.

Response to Recommendation R-2b: *The City of Anaheim will consider implementation of this Recommendation for our community after further analysis.* Please see response to Recommendation R-2a.

Recommendation R-2c: Modify water bills to clearly explain customer monthly allotment and monthly water usage.

Response to Recommendation R-2c: *The City of Anaheim has partially implemented this recommendation, and will consider implementing possible enhancements after further analysis.* The City currently shows monthly water use on customer bills, and how that use compares to use in the same period of the prior year. Based on the results of the rate study mentioned in response to Finding F-2, the City will consider enhancements to water usage information on customer bills, including monthly allotments, if appropriate.

Respectfully submitted,



Curt Pringle
Mayor

Orange County Grand Jury
(paper and electronic copies)
City Clerk, City of Anaheim