

CITY OF FOUNTAIN VALLEY

CITY HALL 10200 SLATER AVENUE FOUNTAIN VALLEY, CALIFORNIA 92708

THE OFFICE OF THE MAYOR
Website: www.fountainvalley.org

(714) 593-4403 FAX: (714) 593-4494
Email: fvproud@fountainvalley.org

Mayor:
John J. Collins

Mayor Pro Tem:
Guy Carozzo

Council Members:
Gus Ayer
Cheryl Brothers
Larry R. Crandall

City Manager:
Raymond H. Kromer

City Attorney:
Alan R. Burns

July 16, 2008

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

Subject: Response to 2007-2008 Orange County Grand Jury Report --"Water Budgets, Not Water Rationing," Your Letter Dated May 14, 2008

Dear Judge Stock:

Thank you for the opportunity to respond to the 2007-2008 Orange County Grand Jury Report -- "Water Budgets, Not Water Rationing." The City of Fountain Valley appreciates the notable effort of the Orange County Grand Jury towards identifying the needs for communities to achieve water conservation.

The City's response to the Grand Jury's Report is as follows:

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

RESPONSE: The recommendation of the Grand Jury has been implemented by the City of Fountain Valley. Fountain Valley is signatory to the California Urban Water Conservation Council (CUWCC) and participates in Best Management Practices (BMP) programs administered by the Municipal Water District of Orange County (MWDOC), i.e., Smart Timer Rebate Program, Synthetic Turf Rebate Program, Toilet Rebate Program, etc.

Item 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: The recommendation will not be implemented because it is not warranted or not reasonable. The City of Fountain Valley completed a comprehensive water rate study in 2008 that concluded a tiered rate structure in Fountain Valley would not comply with the provisions of Proposition 218 and the recent Bighorn Decision. Effective July 1, 2008, the City of Fountain Valley converted from the existing two-tiered rate structure to a single block rate as indicated in the water rate study.

Item R-1 Continue to emphasize methods and availability of tools that assist 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: The recommendation of the Grand Jury has been implemented by the City of Fountain Valley. Fountain Valley is signatory to the California Urban Water Conservation Council (CUWCC) and participates in Best Management Practices (BMP) programs that are administered by the Municipal Water District of Orange County (MWDOC), i.e., Smart Timer Rebate Program, Synthetic Turf Rebate Program, Toilet Rebate Program, etc.

Item R-2a Develop monthly water allocation for each customer base 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 a customer's landscaped area.**

RESPONSE: The recommendation will not be implemented because it is not warranted or not reasonable. The City of Fountain Valley completed a comprehensive water rate study in 2008 that concluded a tiered rate structure in Fountain Valley would not comply with the provisions of Proposition 218 and the recent Bighorn Decision. Effective July 1, 2008, the City of Fountain Valley converted from the existing two-tiered rate structure to a single block rate as indicated in the water rate study. Since the City of Fountain Valley is converting to a single block rate, there is no reason to develop a per person indoor water allotment or an outdoor water allotment.

Item 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: The recommendation will not be implemented because it is not warranted or not reasonable. The City of Fountain Valley completed a comprehensive water rate study in

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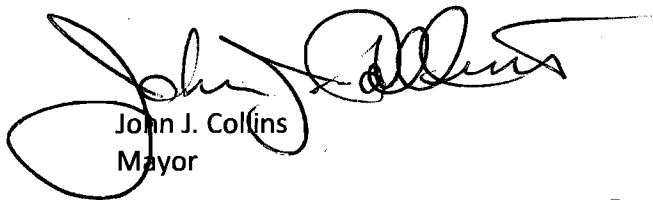
2008 that concluded a tiered rate structure in Fountain Valley would not comply with the provisions of Proposition 218 and the recent Bighorn Decision. Effective July 1, 2008, the City of Fountain Valley converted from the existing two-tiered rate structure to a single block rate as indicated in the water rate study.

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

RESPONSE: The recommendation will not be implemented because it is not warranted or not reasonable. The City of Fountain Valley completed a comprehensive water rate study in 2008 that concluded a tiered rate structure in Fountain Valley would not comply with the provisions of Proposition 218 and the recent Bighorn Decision. Effective July 1, 2008, the City of Fountain Valley converted from the existing two-tiered rate structure to a single block rate as indicated in the water rate study. Since the City of Fountain Valley is converting to a single block rate, there is no reason to develop a per person indoor water allotment or an outdoor water allotment. It should be noted that the City of Fountain Valley's current water billing system does compare current monthly water consumption to the same time period in the previous year.

Once again, thank you for the opportunity to respond to the Grand Jury's report.

Sincerely,



John J. Collins
Mayor

JJC/ml

c: Orange County Grand Jury