



CITY OF ORANGE

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August 20, 2008

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

Re: Grand Jury Report: "Water Budgets, Not Water Rationing"
City of Orange Response

Dear Judge Wieben Stock:

The following is the City of Orange's response to the recommendations and findings contained in the Grand Jury's Report, Water Budgets, Not Rationing.

Findings

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

Response

The City agrees with this Finding.

Findings

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 City agrees with this Finding.

Recommendations

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 landscaping irrigation information
- Providing a countywide soil texture map on the MWDOC website
- Developing an Orange County specific water calculator on the MWDOC website.

Response: This recommendation has not yet been implemented, but will be implemented in the future. The City of Orange is working in conjunction with the Municipal Water District of Orange County MWDOC to implement this recommendation by November 20, 2008 on behalf of itself and the Retail Agencies in the County.

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 customer's landscaped area.

Response: This recommendation will not be implemented because it is not reasonable to do so. The City of Orange's current rate structure does not incorporate, use, or support water allocations as part of the water rate system. The current rate structure may be reevaluated in the first quarter of 2010. The City may consider these types of allotments during the evaluation. Orange continues to develop, support, make available and stress to consumers the conservation message and provide information/tools specifically addressing indoor water conservation and outdoor landscaping conservation to further motivate water savings.

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: This recommendation will not be implemented because it is not warranted at this time. Orange's current blocked or tiered water rate structure encourages conservation by providing a fair, simple and easily understood mechanism for consumers to conserve water, by simply paying less for using less. Development of a tiered pricing structure beyond the current rate structure would necessitate review by the City Attorney to ensure compliance with Proposition 218. It would also entail considerable costs for development and implementation which is currently not budgeted. The current rate structure may be reevaluated in the first quarter of 2010. The City may consider these types of rate structures during this evaluation.

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

Response: This recommendation will not be implemented because it is not reasonable to do so. Currently Orange's water bills provide information on current usage, usage from the prior billing cycle and usage from the identical time period one year prior. Orange's current utility billing software/structure does not support adding this information to the bimonthly bills. Orange has and continues to recognize the need to promote feed back to consumers on water usage. Orange currently provides extensive water consumption history to all City of Orange water account holders on line. Customers are encouraged to sign up for free on line access to monitor their individual water accounts. On line water account information includes charts, graphs, and billing information of current and past water usage for approximately the last four years. This information is displayed in a very visual and easily understood format that provides an instant and complete picture of individual water consumption usage and past trends and is available 24/7 to all who sign up. Orange continues to promote and expand this service, along with other water conservation measures to promote individual water usage awareness and promote/motivate further water conservation.

Thank you for your service and efforts on behalf of the City of Orange and promoting water conservation. We hope this response will be helpful.

Sincerely,



Gail Farber
Public Works Director