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August 4, 2008

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

Re: Response to "Water Budget, Not Water Rationing"

Dear Judge Wieben Stock:

This letter is in response to the 2007-2008 Orange County Grand Jury's report "**Water Budget, Not Water Rationing**", released to the public on May 14 2008. The City of Santa Ana, which provides water to more than 347,000 people, appreciates the opportunity to offer the following responses to the 2007-2008 Orange County Grand Jury findings and recommendations:

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

Response: The City of Santa Ana agrees with the 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: The City of Santa Ana agrees with the finding and has a conservation pricing structure already in place.

Recommendation R-1: Continue to emphasize methods and availability of tools that assist the customer 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: This recommendation has been implemented. Since 1990, the City has staffed a Water Quality/Conservation direct phone number to respond to our customers' questions regarding water quality and landscape irrigation concerns. Contact information also is provided on the City's website. For countywide soil texture map information, the City makes reference to MWDOC's website, www.mwdoc.com. As a Metropolitan Water District member agency, the City of Santa Ana also provides information related to water calculators by means of MWD's website: www.bewaterwise.com.

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

- **A per person indoor water allocation that satisfies basic needs**
- **An outdoor water allotment that applies the weather-based method over the customer's landscape area**

Response: This recommendation will not be implemented because it is not warranted. Through ongoing conservation efforts, the City of Santa Ana has already reduced total water demand to the point where the FY 2007/08 total water demand is 13 percent lower than the FY 1987/88 demand, even though our population has increased by 29 percent over the same time period. For FY 2006/07, the per capita residential water consumption for Santa Ana was approximately 75 gallons per day, including irrigation. This is among the lowest per capita demand for all Orange County cities, including those identified with indoor and outdoor water allocations. Based on the City's track record for achieving voluntary conservation, implementing a water allotment program does not appear to be necessary at this time.

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: This recommendation has already been implemented. In 1996, the City implemented a tiered-pricing structure to encourage water conservation by our customers. After implementing the tiered rate structure, nearly a ten (10) percent drop in water demand was realized. Under Santa Ana's rate structure, the first tier allotment provides 22 units for water usage per month. Water usage above the first allotment has a twenty-five (25) percent increase in the rate, which has encouraged conservation.

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

Response: This recommendation will be implemented by the spring of 2009. The City is in the process of reviewing and modifying our current bi-monthly customer water bill to reflect a clearer description of not only other services provided, but water usage, which currently compares their prior year water usage to current water usage. A monthly water billing cycle also is under consideration.

Thank you again for the opportunity to comment on the Grand Jury's report.

Sincerely,



David N. Ream
City Manager

- c. Foreman, Orange County Grand Jury
Mayor and City Council
Assistant City Manager
Executive Director, Public Works Agency