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August 20, 2008

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

Subject: Yorba Linda Water District Response to Grand Jury Report

"Water Budgets, Not Water Rationing"

Honorable Judge Wieben Stock,

The Yorba Linda Water District (YLWD), providing service to communities in northeastern Orange County, wishes to thank the Orange County Grand Jury for reviewing and considering the water supply challenges that affect not only our county but all of Southern California and indeed the entire State. YLWD understands that these challenges must be addressed collectively and cooperatively to effectuate the protection and long term sustainability of this vital resource. Our Board of Directors, management team and entire staff are committed to this cause.

In accordance with the Grand Jury's report "Water Budgets, Not Water Rationing", and in compliance with the applicable California Penal Code sections 933 and 933.05, YLWD's response to the findings and recommendations in this report are as follows:

Grand Jury Findings

F-1: Opportunities for further water conservation exist especially with regard to

landscape watering.

Response: YLWD agrees.

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: YLWD agrees.

Grand Jury Recommendations

- <u>R-1:</u> 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 and 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 has been implemented with respect to the matters within the control of the responding agency. YLWD presently provides a contact number for a staff member to assist its customers with landscape and irrigation information; that staff member's phone and email information is made available on YLWD's website. YLWD also provides landscaping tips, a general watering calculator, and a link to Metropolitan Water District's watering calculator at www.bewaterwise.com on its website. With respect to the recommendations outside respondent YLWD's control, YLWD does not object to respondent MWDOC providing a countywide soil texture map on the MWDOC website and developing an Orange County specific water calculator on the MWDOC website. YLWD understands that MWDOC has committed to accomplish these tasks with planned implementation on or before November 20, 2008.

- 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:

The recommendation requires further analysis. This analysis is currently under consideration and requires commitment of additional time and resources before a full determination is considered by YLWD Board of Directors for implementation. On June 26, 2008, the YLWD Board of Directors did adopt a Resolution implementing Action Level One of the Water Shortage Contingency Plan, established by the 2005 Urban Water Management Plan (UWMP). Also incorporated into this plan is an Emergency Water Management Program Ordinance providing for the calculation of monthly water allocations for each customer based upon basic needs and an outdoor water allotment, and explicitly prioritizing for basic needs. YLWD is currently reviewing water budget allocation plans and has expressed interest in participating in the further development of this information through a study led by MWDOC.

<u>R-2b:</u> Develop a tiered-pricing structure with the first tier based on individual customer water allocation priced at a commodity rate, and subsequent tiers priced

YLWD RESPONSE TO GRAND JURY REPORT

"Water Budgets, Not Water Rationing"

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 requires further analysis. YLWD's Board of Directors has directed its staff and counsel to research the potential of a tiered conservation ordinance and report back on the requirements for such an ordinance and any alternative measures on or before November 22, 2008.

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

Response:

The recommendation requires further analysis. YLWD's Board of Directors has already implemented a First-Stage Contingency Plan. The Board of Directors has directed its staff and counsel to analyze further conservation measures to be included in a Second Stage Plan pursuant to its existing Ordinance and UWMP and report back on a tiered conservation pricing ordinance or alternative measures on or before November 22, 2008. YLWD's present Water Shortage Emergency Ordinance calls for the development of allotments and the Board has directed its staff and counsel to report back on the use of allotments in customer bills among other things.

YLWD will continue to partner with our fellow regional member and wholesale water agencies to explore and implement effective methods to communicate the conservation message throughout Southern California and will strive to meet local, regional and Statewide goals and objectives for water conservation.

Our agency remains committed to these objectives and will continue to monitor and report on our progress toward meeting these objectives.

Sincerely, Kenneth & Vecchracell

for Michael A. Payne

General Manager

cc.

Orange County Grand Jury
YLWD Board of Directors

Municipal Water District of Orange County