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MEMBERS OF THE CITY COUNCIL

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July 29, 2024

The Honorable Maria D. Hernandez
Presiding Judge of the Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

RE: City of San Juan Capistrano Response to Orange County Grand Jury Report Entitled “Emerging Opportunities in South County Water/Wastewater Systems”

Dear Honorable Judge Hernandez:

Please accept this letter as the City of San Juan Capistrano’s response to the applicable findings and recommendations in the Grand Jury’s report entitled “Emerging Opportunities in South County Water/Wastewater Systems.” The City was required to respond to Findings F1 and F2. Each of the applicable findings is listed below in italics, followed by the City’s response.

FINDINGS

F1 San Juan Capistrano’s deferred maintenance of the water/wastewater utility resulted in the need to transition the facility to a larger water provider to allow more efficient management and maintenance of the infrastructure.

The respondent disagrees partially with the finding.

There were several reasons the City desired to transfer the water/wastewater utility to a special district. These reasons were described in the Municipal Service Review and even summarized on pages 9 - 10 of the Grand Jury Report.

F2 The SMWD proposed rate increase severely impacted San Juan Capistrano’s non-residential customers and led to protests of unfairness and negative attention from the local media.

The respondent disagrees partially with the finding.

The City lacks knowledge and information sufficient to reach this conclusion. The City of San Juan Capistrano did not conduct the subject rate study as the City was no longer the water/wastewater provider when the SMWD rate study was undertaken. We understand that the proposed SMWD rates would not have had a uniform impact on non-residential customers and are not in a position to comment on the extent to which each non-residential customer would have been impacted, if at all, by the proposed rates.

Hon. Maria D. Hernandez

July 29, 2024

Page 2 of 2

Thank you for the opportunity to respond to the Grand Jury report. If you have any questions, please feel free to contact me at (949) 443-6314.

Sincerely,

A handwritten signature in black ink that reads "Benjamin Siegel". The signature is written in a cursive, flowing style.

Benjamin Siegel
City Manager

cc: Orange County Grand Jury, 700 Civic Center Drive West, Santa Ana, CA 92701
San Juan Capistrano City Council