August 5, 2008

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

Dear Judge Wieben Stock,

This letter is to serve as the required response to the Orange County Grand Jury report, “Water Budgets, Not Water Rationing” from the City of Westminster, Water Division. The following responses address Findings F-1 and F-2, and Recommendations R-1, R-2a, R-2b, and R-2c.

GRAND JURY FINDINGS

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

Westminster Water Division agrees with the 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.

Westminster Water Division agrees with the finding.

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

Westminster Water Division notes that the recommendation has not yet been implemented, but MWDOC has committed to implementation of these recommendations 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 customers' landscaped area

The recommendation requires further analysis in coordination with MWDOC to determine indoor water allotments that meet basic needs, and to establish irrigation needs for standard outdoor lot sizes. City will require time to fully consider the implementation of water allotments, specifically the anticipated water savings. Westminster City Council will review data to decide implementation of monthly water allotments within six months.

An indoor water allotment of 75 gpcd may be considered by Westminster Water Division. Monthly indoor water usage would be 12 ccf for a four person household.

MWDOC is currently working on a database for outdoor lot sizes based on information from the County Assessor's Office.

Allocation could be set for 100% landscape needs for cool season turfgrasses, and averages of 75% of ET year-round. This ET factor could be reduced to 70% or lower, reflecting a more California Friendly mixture of plant material.

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.

This recommendation has been implemented by the Westminster Water Division.

Westminster's tiered-pricing structure started in August 2004. Single-family residential and multi-family residential customers are billed on a tiered commodity rate structure. Commercial, Industrial, and Institutional accounts pay customer and meter charges based on each 100 cubic unit plus a variable commodity charge.

WESTMINSTER'S TIERED RATE STRUCTURE:

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<th>Single-family residential:</th>
<th>Bi-Monthly Usage</th>
<th>Unit Rate ($ per ccf)</th>
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<td><strong>Usage Level</strong></td>
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<tr>
<td>Tier 1</td>
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<td>1.36</td>
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<td>Tier 3</td>
<td>29 or Over</td>
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<table>
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<tr>
<th>Multiple-unit residential:</th>
<th>Bi-Monthly Usage</th>
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<td>29 or Over</td>
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</tr>
</tbody>
</table>
R-2c Modify water bills to clearly explain customer monthly allotment and monthly water usage.

The recommendation requires further analysis to fully implement to include monthly allotments and to add corresponding text.

The recommendation has been partially implemented by showing the breakdown of units used and the corresponding rate charged on the water bill. Annual year to date water consumption by month is also shown on the water bill in a bar graph.

City will require time to fully consider the implementation of water allotments, specifically the anticipated water savings. Westminster City Council will review data to decide implementation of monthly water allotments within six months. Upon implementation of monthly indoor and outdoor water allotments the Water Division will add text to fully explain monthly allotment and water usage on the water bill.

Please contact Scott Miller, Water Superintendent, City of Westminster for any questions regarding the responses to the Grand Jury Report, (714) 895-2876, ext. 6205.

Sincerely,

Scott Miller, Water Superintendent
City of Westminster, Water Division