



August 15, 2008

District Mission:
Dedicated to Satisfying
our Community's
Water Needs

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

BOARD OF DIRECTORS

JAMES F. ATKINSON
President
Division IV

Subject: Mesa Consolidated Water District Response to the Grand Jury Report, *Water Budgets, Not Water Rationing* dated May 22, 2008

SHAWN DEWANE
First Vice President
Division V

Dear Judge Wieben-Stock:

FRED BOCKMILLER
Vice President
Division I

Mesa Consolidated Water District (Mesa) Board of Directors applauds the Grand Jury for studying an issue as important as water. As a signatory to the California Urban Water Conservation Council (CUWCC) Best Management Practices (BMPs) Memorandum of Understanding, Mesa is committed to the comprehensive conservation programs and practices that educate our community. The following represents the Mesa's formal response to the Grand Jury Findings and Recommendations:

TRUDY OHLIG-HALL
Vice President
Division III

PAUL E. SHOENBERGER
Vice President
Division II

GRAND JURY FINDINGS:

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

LEE PEARL
General Manager

F-1 Response: Mesa agrees with the finding.

COLEEN L. MONTELEONE
District Secretary

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.

VICTORIA L. BEATLEY
Treasurer / Auditor

F-2 Response: Mesa agrees with the finding; however there are many ways to motivate customers to conserve. Please refer to response R-2 a, b, and c.

BOWIE, ARNESON, WILES & GIANNONE
Legal Counsel

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

R-1 Response: The recommendations have not been implemented, but the Municipal Water District of Orange County (MWDOC) has committed to implementation of these recommendations by November 20, 2008 on behalf of itself and retail agencies in Orange County.



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R-2a Develop monthly water allocations for each customer class 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

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.

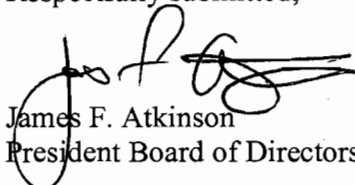
R-2c Modify water bills to clearly explain customer monthly allotment and monthly water usage.

R-2 a, b, and c Response: The recommendations will not be implemented. There are many ways to effectively implement conservation. Examples include water use efficiency programs, recycling water, rebate programs, education programs, etc. Each area that is served water, whether by a city or a special district, is unique. Different methods and techniques to conserve that would be suitable for one area may not work in another area. Mesa's flat rate of \$2.17 per unit (\$2.50 proposed for implementation as of September 1, 2008) can be a more effective conservation tool than a tiered rate structure that starts at a very low rate, usually subsidized by the higher penalty tiers, and increases with water usage. A tiered structure does not provide customers with the true cost of water. With its current rate structure Mesa residential customer's per capita usage is 93.3 gallons per day and has continued to decrease on an annual basis since 2001, as reported on the California Urban Water Conservation Council's Best Management Practices bi-annual reports.

Mesa currently has established water budgets for dedicated irrigation accounts and may consider tiered rates for irrigation meters in the future.

Mesa has always prided itself on its efforts to educate and motivate its customers on water topics including conservation. Mesa has a comprehensive conservation program of education, incentives, and other measures, including working with other public agencies to reduce water usage.

Respectfully submitted,



James F. Atkinson
President Board of Directors

c: Grand Jury Foreman
Mesa Board of Directors
Lee Pearl, General Manager

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