



CITY OF  
**ARROYO GRANDE**  
CALIFORNIA

July 15, 2011

Presiding Judge Charles S. Crandall  
Superior Court of California  
1050 Monterey Street  
San Luis Obispo, CA 93408

Dear Honorable Judge Crandall:

Thank you for the information provided in the San Luis Obispo County Grand Jury report titled "Rate Setting as a Water Conservation Tool". The City of Arroyo Grande has implemented an extensive water conservation program and is continuing to expand these efforts.

The following are responses to specific findings and recommendations of the Grand Jury:

**FINDING 3:** Only Atascadero MWC bills show rate tiers, tier consumption and tier charges.

**RESPONSE:** Arroyo Grande water bills do show the tiers, but do not show the consumption for each tier.

**RECOMMENDATION 3:** Arroyo Grande, Grover Beach, Morro Bay, Pismo Beach, San Luis Obispo, Cambria CSD, Heritage Ranch CSD, Los Osos CSD, Nipomo CSD, Oceano CSD, San Miguel CSD, and Templeton CSD should consider revising water bills to show rate tiers, water usage for each tier and the charges for each tier.

**RESPONSE:** The primary limitations regarding information on water bills are the capabilities of the City's utility billing program. Staff has researched this recommendation, determined it was feasible, and will request the billing format be adjusted.

**FINDING 5:** Apartment buildings in the seven cities and urban areas outside the cities typically do not have water meters that register indoor water use for individual units.

**RESPONSE:** This statement is correct.

**RECOMMENDATION 5:** The Cities and County should consider adopting an ordinance that would require new apartment buildings to have meters that register indoor water used by individual units. To reduce costs, meters could be a type intended only for use by apartment building owners, instead of those supplied by water providers for water service hook-ups.

**RESPONSE:** These meters would often require the owners to modify their rental procedures. As a result, the City could require the meters be installed, but that would not guarantee that owners actually use them. The City's experience with these type of meters is that it has created confusion regarding rates and in reconciling the property meter read by the City and the individual meters read by the property owner or management. In addition, there have been no apartment buildings constructed for several years except for affordable housing projects. Therefore, it may not be the most effective focus of the City's efforts. However, City staff will further research meters available for apartment buildings.

**FINDING 6:** Residential sewer providers that base charges on volume of water consumed do not clearly indicate on their bills that water volume affects sewer charges, with the exception of the City of San Luis Obispo.

**RESPONSE:** This statement is correct.

**RECOMMENDATION 6:** Arroyo Grande, Grover Beach, Morro Bay, Avila Beach CSD, Cambria CSD, Heritage Ranch CSD, and San Simeon CSD should consider revising sewer bills to show that water usage affects sewer charges.

**RESPONSE:** The City of Arroyo Grande will implement this suggestion.

Please let me know if you need any additional information.

Sincerely,



Steven Adams  
City Manager

cc. Grand Jury  
City Council