



**From the Office of the City Manager**

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September 8, 2011

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

Honorable Judge Crandall:

On September 6, 2011, the Pismo Beach City Council reviewed the San Luis Obispo County Grand Jury's report titled: "Rate Setting as a Water Conservation Tool", and approved this letter as the City's required responses to the Grand Jury's Findings 3 and 5, and the Grand Jury's Recommendations 3 and 5.

**Grand Jury Finding 3:** [Of the 13 water server providers in San Luis Obispo County that have rate tiers in their water rate structure,] "Only Atascadero MWC bills show rate tiers, tier consumption and tier charges."

**City Response:** The City of Pismo Beach agrees that its current Utility Bills to Water / Sewer Customers do not show rate tiers, tier consumption, or tier charges.

**Grand Jury 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."

**City Response:** This recommendation will be implemented in 2012. The City of Pismo Beach is in the process of making changes to its utility billing software to enhance the information displayed on the utility bills, and will include in these changes the detail recommended by the Grand Jury.

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

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City Response: The City agrees that Apartment Buildings in Pismo Beach typically do not have water meters that register indoor water use for individual units.

**Grand Jury 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."

City Response: It has been more than 10 years since the last apartment building was constructed in Pismo Beach, and practical considerations - such as the areas required for the additional meters, piping and other appurtenances such as back-flow prevention devices, plus meter reading (and periodic testing) - have not been fully evaluated. Furthermore, it is noted that State legislation (AB 19) is being proposed that would require new multi-unit residential buildings to have individual water meters for each unit. It also would seem likely that there may be modifications to the legislation and requirements therein, and that it would be prudent for Pismo Beach to delay consideration of local legislation on the matter until the State Legislature acts on AB 19. Even so, because Pismo Beach is largely built-out, the actual impact of such legislation on Pismo Beach water conservation - whether the legislation is State or local - may be minimal. In view of the above, the City of Pismo Beach will not be considering an ordinance to require individual meters for new apartments at this time.

The Pismo Beach City Council appreciates the Grand Jury's efforts in support of water conservation. We will advise you when the recommended changes in City's utility billing system have been implemented.

If you have any questions or comments, or need additional information, please do not hesitate to contact me.

Respectfully,



Kevin M. Rice  
City Manager

cc. San Luis Obispo County Grand Jury  
Pismo Beach City Council

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SLO COUNTY GRAND JURY  
