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September 14, 2011

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

San Luis Obispo County Grand Jury
P.O. Box 4910
San Luis Obispo California 93402
GrandJury@co.slo.ca.us

Dear Judge Crandall and Grand Jury:

SUBJECT: RATE SETTING AS A CONSERVATION TOOL, DISTRICT RESPONSE

The District appreciates the commitment of the Grand Jury to ensure honest, efficient, and just local government. The District shares the Jury's concern for water resources and places a high value on water conservation education.

In July of this year, the District adopted the 2010 Update of its Urban Water Management Plan. This comprehensive water planning tool is required by the California Water Code, Urban Water Management Planning Act. The District's 2010 Update was the third review and second update undertaken by the District since the Act's inception.

As part of the update effort, the District reviewed baseline and target daily per capita water use as required by Senate Bill 7 and California Water Code. Using the State-mandated methodology, conservation efforts implemented in the last three years have significantly curbed per capita water use in the District, so much that the District customers are currently meeting State-mandated goals for the 2020.

Despite the positive findings, the District continues its long-term commitment to prudent efficient use of potable water and water conservation practices.

Grand Jury Findings and Recommendation (Only those findings addressed to the District are listed):

Finding 3: Nipomo CSD bills do not show rate tiers, tier consumption and tier charges.

Recommendation 3: Nipomo CSD should consider revising water bills to show rate tiers, water usage for each tier and charges for each tier.

Response – Nipomo CSD billing system is DOS based system and was implemented by the Board in 2000. Making changes to the system requires expenditure of resources to have code written by our software provider.

District staff is currently reviewing billing and accounting systems to replace the current system. Programs that allow more options for billing format and online account interface to promote conservation are being considered. The Board is scheduled to receive a formal review and recommendation (by staff) for upgrading the system during fiscal 2011/2012. A billing system overhaul may then be scheduled for 2012/2013.

At this time, the District does not propose making changes to the current bill format prior to system wide upgrade. If billing system replacement or overhaul is delayed or our conservation figures start slipping, the District will revisit this decision.

Very truly yours,

NIPOMO COMMUNITY SERVICES DISTRICT



James D. Harrison
President, Board of Directors