

## Attachment 2



**Craig D. Miller**  
General Manager

**Mike Gardner**  
Division 1

**Gracie Torres**  
Division 2

**Brenda Dennstedt**  
Division 3

**Laura Roughton**  
Division 4

**Fauzia Rizvi**  
Division 5

June 1, 2022

Honorable John M. Monterosso, Presiding Judge  
Superior Court of California, County of Riverside  
4050 Main Street  
Riverside, CA 92501

### **Re: Grand Jury Report: “Customer Complaints Initiates Western Municipal Water District Investigation”**

Dear Judge Monterosso,

Western Municipal Water District (Western) received the Riverside County Civil Grand Jury report dated March 15, 2022, titled, “Customer Complaints Initiates Western Municipal Water District Investigation” (Report).

Western is required to submit comments and responses regarding the findings and recommendations, within ninety (90) days.

Western’s Board of Directors (Board) reviewed the findings and recommendations in the Report and approved the responses herein at its public meeting on Wednesday, June 1, 2022.

## Findings

Western responds to the Report’s Findings as follows:

**F1.1:** There is a perceived lack of residential customer representation on WMWD’s Board of Directors.

**Response:** Western can neither agree nor disagree with this finding because the Report does not specify the magnitude or source(s) of the alleged lack of residential customer representation. Western affirms that registered voters publicly elect all Board Members within five geographic divisions. These divisions comply with all requirements of the California Voters Right Act. Because Western’s Board serves retail, as well as wholesale water customers – cities and other water districts with residential customers – across Western’s 527 square-mile general service area, elected Board members are not required to be direct Western retail water customers. They must however, reside within their division boundaries. The estimated population of Western’s direct retail water service is roughly 11-percent of the total population of Western’s entire general service area. Three of the five elected Board members represent direct retail customers in Divisions 2, 3, and 5. Therefore, while only a small percentage of the District’s customers are Western’s retail water customers, retail water customers enjoy a majority of voting power on the Board.

**F1.2:** WMWD’s budget-based rate structure complies with California’s Constitution, including Proposition 218, and it is designed to encourage water conservation.

**Response:** Western agrees with this finding. A recent trial court ruling upheld Western’s rate structure and concluded that the rate structure complies with California’s Proposition 218.

**F1.3:** WMWD's water and sewer rates are based on actual and projected costs incurred by WMWD. Whether the rates are fair, or not, is subjective.

**Response:** Western agrees with this finding and asserts its rates are fair. "Fair" is defined as "free from bias, dishonesty, or injustice." <sup>1</sup> Western's rates are fair, as they were determined using industry standards and objective criteria. In addition, in a recent Superior Court of California ruling in favor of Western, the court stated, "the cost of services charged to [Western's] customers are proportional to the services provided to their parcels." In any society that values the rule of law, that which has been held by a court of law to be legal must be deemed fair.

**F1.4:** The procedure followed to increase residential customer water rates on June 2, 2021 is in compliance with an August 2020 California Supreme Court decision.

**Response:** Western agrees with this finding. As noted in response to F1.2, A recent trial court ruling upheld Western's rate structure and concluded that the rate structure complies with California's Proposition 218.

**F1.5:** WMWD's customers do pay more for water than RPU and EMWD customers due to costs actually incurred by WMWD to obtain and supply water to its customers.

**Response:** Western agrees with this finding. Every water agency has different costs, including costs of water sources and infrastructure needs.

**F1.6:** There is evidence that WMWD Executive Managers operate WMWD as required by California law and WMWD policies.

**Response:** Western agrees with this finding. Everyone at Western, including its executive managers, operates Western in compliance with California law and Western policies.

**F1.7:** There was no evidence found that WMWD is deliberately hiding information from residential customer.

**Response:** Western agrees with this finding. Western does not hide information from the public. On the contrary, Western provides significant information to the public via Western's website. In addition, Western complies with California's Public Records Act in making disclosable public records available to anyone who requests them.

**F1.8:** Several residential customers feel ignored by Board members, especially by the four Board members, with few or no residential customers in their division areas.

**Response:** Western can neither agree nor disagree with this finding because the report does not specify the magnitude or sources for the alleged feeling. All customer concerns and input provided to Western's Board receive immediate attention, and any follow-up activities are conducted by Western staff. Additionally, Western's Board members routinely attend community events, meetings, and other customer engagement activities extending beyond divisional boundaries to demonstrate support and representation of all Western customers, including residential, commercial, industrial, agricultural, and wholesale. Finally, the Western Board's voting track record demonstrates a commitment to set policy for the benefit of all Western customers, including residential customers in all divisions.

## Recommendations

**R1:** By January 1, 2023, the Board of Directors develop, adopt, and implement a policy that requires all Board members to participate together in biennial sessions related to (a) conflict resolution and (b) governance of a special district.

**Response:** The recommendation has been implemented. Beginning in 2021, Western's Board members initiated leadership development training to support Western's priority of growing workforce expertise and diversity. To date, the Board has participated in three sessions and individual coaching sessions with a leadership expert. Since the report



findings do not support the recommendation, Western will not be adopting a formal policy. Instead, Western will continue the practice of providing Board members access to ongoing leadership development resources. Board members are also encouraged to participate in conflict resolution and governance training through various special district and utility associations in which most of Western's Board members frequently participate.

**R2:** By January 1, 2023, the Board of Directors develop, adopt, and implement a policy that requires user-friendly versions of highly technical and complex reports be available on its website so that interested customers have a clear understanding of the content of those reports.

**Response:** The recommendation has been implemented. Western does provide user-friendly versions of its reports. Therefore, Western staff will continue to provide "user-friendly" summaries of otherwise highly technical and complex reports to enhance the communication and transparency of highly technical items. Examples of Western's commitment to this recommendation include Western's Budget-in-Brief, Consumer Confidence Report, and New Customer Welcome Packet, all available on Western's website with print copies mailed upon request.

**R3:** By June 30, 2023, the Board of Directors develops an "open data" portal on its website so residential customers have access to state and local data sets used in WMWD status reports, proposals, and decisions.

**Response:** The recommendation is not supported by the findings and requires further analysis. All data used to inform Board recommendations and decisions are available on Western's website and third-party portals. Additionally, several initiatives are underway to perform a customer needs assessment, increase accessibility across digital platforms, connect customers with their water usage data, and enhance support of the Public Records Act. Therefore, Western will continue its existing efforts to improve customer access to information and data.

**R4:** By June 30, 2023, the Board of Directors (a) develop, adopt, and implement a policy that established a "Customer Water Bill of Rights," (b) prominently displays the "Customer Water Bill of Rights" on WMWD's website, and (c) annually mails residential customers a printed copy of the "Customer Water Bill of Rights."

**Response:** The recommendation is accepted and will be implemented by the requested date.

**R5:** By June 30, 2023, the Board of Directors improves access to WMWD's governing regulations, ordinances, and resolutions, including links to relevant laws, on its website, so that accessing that information takes fewer steps and is user-friendly.

**Response:** The recommendation has been implemented. Visitors to Western's website can access this information using a singular link in the footer of the webpage located under the column, "Using this Site."

**R6:** By January 1, 2023, the Board of Directors develop, adopt, and implement a policy that supports a "customer-centric" management culture and communication strategy.

**Response:** The recommendation has been implemented. Western views customers as partners and supports ongoing efforts to be an industry leader in customer service delivery. While Western will not adopt a formal policy, in December 2021, Western adopted "Superior Service" as one of its 2022-25 Strategic Priorities. Western's Strategic Priorities guide the agency.

The Superior Service priority includes the following goals:

- Create resources to expand customer trust and enhance the awareness of Western's service value
- Grow Western's robust culture of service
- Enhance the customer digital experience and expand customer support programs
- Expand collaboration and increase communication with industry partners
- Strengthen internal and external communications through continued implementation of the Strategic Communications Plan



Additionally, Western conducted a customer service assessment in 2020 using a third-party consultant to understand opportunities for improvement. As a result of the assessment and in support of Western’s “Superior Service” priority, Western initiated a reorganization of the agency in January 2022, establishing a “Communications and Customer Experience Department.” The department brings together customer-focused team members and is working to integrate the customer’s perspective (retail and wholesale) into operational decision-making. Therefore, Western will continue its existing efforts to enhance its customer-focused management culture and communication strategy. Thus, Western has already implemented a policy that supports a “customer-centric” management culture and communication strategy.

**R7:** By January 1, 2023, the Board of Directors develop, adopt and implement a policy that requires all members of the Board of Directors, as well as WMWD’s Executive Managers, to frequently participate in more public events, such as town hall meetings, where they (a) actively listen to residential customers concerns, (b) assist residential customers’ understanding of water-related issues, and (c) actively seek ways to increase residential customers’ satisfaction with WMWD.

**Response:** The recommendation has been implemented. Western’s existing annual Community Engagement Plan (CEP) provides a strategic roadmap for Western-driven and sponsored community engagement opportunities, led and supported by Western’s Communications and Customer Experience Department. Western takes a forward-thinking, strategic approach to community engagement activities to align efforts with Western’s values, customer communications objectives, and industry leadership. The document lists a high-level annual overview of community education and outreach opportunities, community meetings, Western-hosted and Western-sponsored events, and external relations activities. Presented during the first quarter of each calendar year, the CEP may not define all opportunities, nor does it exclude the option of engaging in other opportunities offered throughout the year. Annually, Western participates in a minimum of 37 community meetings, hosts a minimum of 10 in-person and virtual events, and sponsors a minimum of 17 community events and meetings. Western will continue its existing policy of directly engaging with customers and the communities it serves, while continually evaluating the impact of existing activities.

Western appreciates the efforts of the Civil Grand Jury. Contact Western’s General Manager, Craig Miller, should you require any additional information. He can be reached at 951.571.7100 or [cmiller@wmwd.com](mailto:cmiller@wmwd.com).

Sincerely,

Brenda Dennstedt, Division 3  
Board President

cc: Craig Miller, General Manager  
Tim Barr, Deputy General Manager  
Rod LeMond, Assistant General Manager/Chief Financial Officer  
Sarah Macdonald, Assistant General Manager - Communications & Customer Experience  
Jeff Ballinger, Best Best & Krieger, Legal Counsel

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<sup>1</sup> Definition derived from [www.dictionary.com](http://www.dictionary.com) accessed on March 30, 2022