CITY OF COSTA MESA

CALIFORNIA 92628-1200 P.O. BOX 1200

FROM THE OFFICE OF THE MAYOR

September 2, 2009

The Honorable Kim Dunning
Presiding Judge of the Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

Dear Judge Kim Dunning:

Thank you for the opportunity to review the Paper Water- Grand Jury Report of 2008-2009. Per your request, the following is the City of Costa Mesa's response to Grand Jury's letter dated June 15, 2009.

Grand Jury Findings and City's Responses:

F.1: There is inadequate coordination between local land-use planning agencies and local water supply agencies, resulting in a process that fails to fully engage the issues.

(a). Water agencies have tended to avoid interfering with or participating in growth-management decisions.

(b). Cities and the County have tended to not critically evaluate the limitations of the water agencies' supply projections.

Existing efforts to coordinate with water districts are considered adequate. The City of Costa Mesa partially agrees with Findings 1(a) and 1(b) in that coordination of land use planning and local water agencies could be improved. Costa Mesa is a built out City that is served by two water purveyors, Mesa Consolidated Water and Irvine Ranch Water District. Most of the development in the recent years with exception of one apartment complex has been well below the 500 dwelling unit threshold. In addition, all development is subject to the requirements of California Environmental Quality Act (CEQA) with extensive infrastructure analysis. The CEQA checklist specifically includes a "Utilities and Service Systems" section related to availability of sufficient water supplies to serve the project from existing entitlements and whether or not the construction of new water or wastewater treatment facilities or expansion of existing facilities could cause significant environmental effects. The Planning Department relies on water purveyor expertise and works closely with the regional and local water agencies to ensure that this requirement can be met.

In addition, the potential impact of other reasonable water conservation measures (e.g. structured pricing rates, mandatory rationing) would have much greater impact and effectiveness in controlling limited water resources in comparison to potential limitations

on new development. These measures would also be more effective in raising public consciousness of water supply as an issue.

Furthermore, local planning agencies have an obligation and responsibility to remain completely neutral and objective in the evaluation of all environmental impact issues, including water supply.

F.2: *California's looming water supply crisis receives very little, if any, expressed concern from the public in comparison to the numerous other environmental issues presented during development project reviews.*

(a). Orange County's citizens and interest groups do not appear to grasp the seriousness of the water supply situation or the complexity and urgency of the necessary solutions.

(b). Several recent, substantial water supply awareness efforts are underway (e.g. the O.C. Water Summit) that show promise but appear targeted to audiences that are already informed.

The City of Costa Mesa partially agrees with Findings 2(a) and 2(b) regarding the public awareness and the water crisis. In recent years, the water industry has collectively advertised itself as the "Family of Southern California Water Agencies" and promoted "Bewaterwise.com" to disseminate the information and provide water conservation tips and opportunities. Retail agencies utilize bill stuffers, newsletters and websites to inform the public and there are several programs available to K-6 students and their families. As a result, most public surveys indicate a decrease in the public water consumption. Costa Mesa residents may be adequately informed; however, water is not a tangible issue and until costumers experience price increases or water rationing, they may not express concerns on the severity of the issue.

F.3: LAFCO is the agency charged with facilitation constructive changes in governmental structure to promote efficient delivery of services. To this end, LAFCO is conducting a governance study of MWDOC which is the designated representative for nearly all of the Orange County retail water agencies, acting on their behalf with their surface water supplier Metropolitan.

(a). There are a number of points of governance disagreement between MWDOC and several of its member agencies. This is creating an impediment to the on-going effectiveness of these agencies in critical areas of Orange County's water supply management.

(b). The current disagreement is a distraction from the greater good of the agencies working toward Orange County's water future.

(c). The stakeholders in LAFCO's study failed to meet their March 11, 2009 deadline for LAFCO's public hearing on this matter. Continued delays are unacceptable.

The City of Costa Mesa agrees with Findings 3(a) and 3(b) related to needed improvement and cooperation among various agencies.

F.4: Orange County is uniquely fortunate to have a vast, high-quality, well-managed groundwater basin serving its north geographical area. However, in its south reaches, it has an equally large, high-growth area with virtually no available groundwater resources.

> *(a). The difference in groundwater availability creates a "haves versus have-nots" situation that is conducive to inherent conflicts.*
>
> *(b). The difference in groundwater availability provides opportunities for responsible participants to develop and construct long-term solutions which will benefit the entire County.*

The City of Costa Mesa disagrees with Findings 4(a) and 4(b) related to the south and north county water supplies. Water availability for development is through the regional water supplier and not dependent only on local water supplies. Use of storage in the Orange County Water District (OCWD) basin is allowed by agreement with OCWD. This program is also currently being used to allow exchange of water to south Orange County during emergency situations.

Grand Jury's Recommendation and City's Responses:

R.1: Each Orange County municipal planning agency, in cooperation with its respective water supply agency, should prepare for adoption by its city council, a dedicated Water Element to its General Plan in conjunction with a future update, not to exceed June 30, 2010. This document should include detailed implementation measures based on objective-based policies that match realistic projections of the County's future water supplies. These objectives, policies and implementation measures should address imported supply constraints, including catastrophic outages and incorporate the realistic availability and timing of "new" water sources such as desalination, contaminated groundwater reclamation and surface water recycling.

Each local jurisdiction is required by state law to include seven elements in their local General Plan. As a general law City, we adhere to the state standard and add additional elements as deemed necessary to address specific issues related to our jurisdiction. For example, the City of Costa Mesa has adopted a Community Design Element and a Historic and Cultural Resources Element in addition to the required elements because there were no other policies in place to ensure good community design or to protect historical resources. This recommendation exceeds the state law requirements for general plans. In lieu of a suggested new Element in the General plan Costa Mesa has addressed water conservation and policy concerns in the following ways:

- Policies related to water resources, supplies and conservation are already included in the "Conservation Element."

- Pursuant to state law, Costa Mesa conducts analysis for water supply and availability for new development and significant redevelopment. Adding a new general plan element would duplicate processes that are already in place by state.

- There are new state mandates for landscape water conservation that would address water consumption for exterior uses and related to existing and new development. The City of Costa Mesa will either adopt state mandates or local requirements that would include significant water saving measures related to landscape material selection and irrigation systems.

In addition, the development of a General Plan Element would take at least two years, including the preparation of supplemental Environmental Impact Report. The City budget for this fiscal year has already been adopted, and the associated cost for environmental consulting services could range from $50,000 to $75,000. The cost for preparing an optional Water Element that is not required by State Law would be significant. Given the minimal potential for net effectiveness and the City fiscal concerns, the preparation of an optional Water Element is not supported.

The City appreciates the opportunity to comment on the grand jury report. If you have any questions/comments, please contact Minoo Ashabi, Senior Planner at (714)754-5610.

Sincerely,

Allan R. Mansoor
Mayor

cc: James R. Perez, Foreman
2008-2009 Orange County Grand Jury
700 Civic Center Drive West
Santa Ana, CA 92701

City Manager
City Council