

CITY OF FOUNTAIN VALLEY

CITY HALL 10200 SLATER AVENUE FOUNTAIN VALLEY, CALIFORNIA 92708

THE OFFICE OF THE MAYOR
Website: www.fountainvalley.org

(714) 593-4403 FAX: (714) 593-4494
Email: fvproud@fountainvalley.org

September 16, 2009

Mayor:
Guy Carrozzo

Mayor Pro Tem:
Larry R. Crandall

Council Members:
Cheryl Brothers
John J. Collins
Steve A. Nagel

City Manager:
Raymond H. Kromer

City Attorney:
Alan R. Burns

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

RECEIVED
SEP 21 2009

Subject: Response to 2008-2009 Orange County Grand Jury Report –
“Paper Water – Does Orange County Have a Reliable Future”

Dear Judge Dunning:

Thank you for the opportunity to respond to the 2008-2009 Orange County Grand Jury Report – “Paper Water – Does Orange County Have a Reliable Future.” The City of Fountain Valley (City) appreciates the notable effort of the Orange County Grand Jury towards identifying the needs for Orange County water agencies to enhance water reliability.

The City’s response to the Grand Jury’s Report is as follows:

Item 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.**

RESPONSE: Disagree. The City of Fountain Valley is 98% built out. The City’s Public Works Department, which includes the City’s Water Department, has in the past as well as going forward placed conditions on development that ensured that adequate water facilities are constructed to guarantee a reliable water supply for the development in concert with the City’s current Urban Water Management Plan (UWMP) and CEQA requirements.

Item 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.

RESPONSE: Partially agree. In the past, the state wide water crisis received little public concern, but it is not for lack of trying by the City and the Orange County water community. In recent years, there has been an increased awareness in Orange County. What are outlined below are the outreach efforts that are currently being utilized by the City and the County.

The City and the water industry has many communication and outreach avenues, but the spending by public entities is generally low compared to industries that would spend at much higher levels to brand or market new products. Still, the City and the water industry communications can be and are effective.

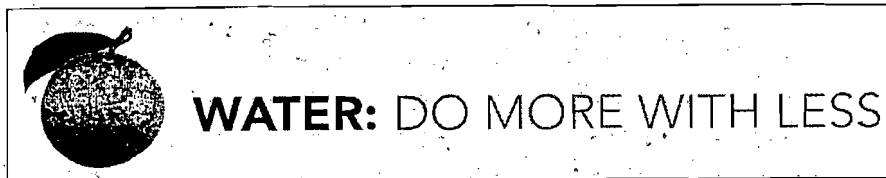
In recent years, the City and the water industry has collectively advertised itself as the "Family of Southern California Water Agencies" and promoted "Bewaterwise.com" to get the word out on the water supply situation and water conservation tips and opportunities. The City utilizes bill stuffers, newsletters, the City's cable Channel 3 station, and websites to inform the public. The City participates in monthly meetings of a Public Affairs Workgroup made up of the staff from all of the retail agencies. The City works to develop and implement consistent message points for the County. The Metropolitan Water District of Southern California (MET) also has a Public Information Officers workgroup that coordinates outreach and communication among the MET member agencies. Due to the expense and the limited budgets of the City and other retail agencies, the brunt of the TV and radio media outreach has been developed via MET through an advertising campaign for the Los Angeles, Orange County, and San Diego markets.

While the City is always open to new methods of communication, we believe the existing communication system works. Polling conducted from time to time by the Municipal Water District of Orange County (MWDOC) and MET to track water industry messages and the understanding of the public indicates that a high percentage of people understand there is a water crisis (75% in a recent survey by MWDOC). Furthermore, 78% indicated they would change their water using habits to conserve to prevent water rationing, and 67% believe that their local water agency does an effective job of keeping them informed about water supply. The City also believes a high

percentage of the public are engaged because of recent actions such as the "run" on rebates for water conservation devices, which pushed spending up to a point where the available funding was exceeded several times over.

Following is an outline of our current outreach efforts that the City is a participant:

- In June of 2008, Public Affairs Workgroup began developing a regional message that incorporated three critical elements of a long term communication strategy:
 - The message must be positive
 - Focus on water-use efficiency and eliminating water waste
 - Adaptable at the retail level
- A comprehensive, strategic communication plan was developed that incorporates grassroots education, strategic partnerships, and guerrilla marketing techniques. Research has shown that this approach has been most successful in achieving social change. Also the following logo was adopted:



- This plan augments and enhances the large media campaign that Metropolitan is orchestrating.
- Increases visibility throughout the region.
- Increases new technology and social marketing channels as well.
- Critical part of the plan is to engage strategic partners to help carry the message. Everyday new partners are signing on. Current strategic partners include:
 - IBM
 - Hurley Sportswear
 - Volcom
 - Sempra Energy
 - Surfer Magazine
 - Latino Water Coalition
 - TransWorld Media
 - Sunset Magazine
 - Fuel TV

Other parts of the program include:

- Huell Howser contracted with the Association of California Water Agencies to produce 15 episodes about California Water. This series is being utilized to help inform citizens.
- Cable channels are being used to get the word out.
- Educational trips are provided by MET for each of its Directors to host community leaders to get the word out on water issues.
- We have one of the best School Education Programs in the state for water awareness education in grades K-6; it reaches about 90,000 students per year and has reached about 3,000,000 since 1972.
- Water Heroes – a new program aimed at kids and families, focuses on identifying water wasting habits and eliminating them. Over the past two years, 7,500 kids have signed up on www.ocwaterhero.com.

Item 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 disagreements 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.**

RESPONSE: Agree. This issue needs to be resolved – the sooner the better. The City has been, and will continue to be, an active participant in the stakeholder meetings that have been facilitated by LAFCO. The City has just completed its review and made comments on the final draft of the LAFCO Governance Report. The LAFCO Board held its public hearing on September 9, 2009, to receive and file the governance report with no further action taken.

Item 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 "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.

RESPONSE: Agree. On finding 4.a we do not find a problem with this as this has been the norm for many years. To allow south Orange County agencies access to the OC groundwater basin would require a legislative modification to the Orange County Water District (OCWD) Act.

Disagree partially on finding 4.b. Use of storage in the OCWD basin is allowed by agreement with OCWD. OCWD has entered into storage arrangements that allow MET to store up to 66,000 AF of imported water and to recall as much as 20,000 AF out of this same storage in any one year. This additional yield out of storage benefits everyone in Southern California. In addition, a February 2006 Emergency Services Program Agreement was developed with OCWD that allows emergency water supplies from the basin to be exchanged with south Orange County. This program is currently being used to allow conveyance of water to south Orange County during emergency situations.

Allowing access to the lower cost groundwater outside of the basin or allowing access to more storage by south Orange County would increase the cost to the City and other basin agencies and put the basin agencies at risk.

GRAND JURY RECOMMENDATIONS:

Item 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. (Findings F1 a & b, and F2 a & b)

RESPONSE: Will not be implemented because the City already prepares an Urban Water Management Plan (every five years). In addition, MET prepares an UWMP, its Integrated Resources Plan (IRP), and updates its Water Supply Outlook periodically. Collectively, these documents provide what has been suggested.

General Plan mandates are the purview of the State. A requirement to add an additional element to all Orange County General Plans goes beyond the requirements of the State. The State of California requires seven mandatory General Plan elements; one of which is a Conservation Element. Policies related to water quality, supply and delivery can be included in this element. Further, requiring another General Plan element would constitute an unfunded mandate at a time when cities and counties are struggling to meet other obligations while the State is depleting city and county resources.

For new developments of greater than 500 units, a Water Supply Assessment must be completed by the City – this is existing law.

Item R-2 Each Orange County retail and wholesale water agency should affirm its responsibility to develop new, additional, innovative public outreach programs, beyond water conservation and rationing programs, to expose the larger issues surrounding water supply constraints facing Orange County. The objective should be to connect the public with the problem. The outreach effort should entail a water emergency exercise that simulates a complete, sudden break in imported water deliveries. The exercise should be aimed directly at the public and enlist wide-spread public participation on a recurring basis beginning by June 30, 2010. This recommendation may be satisfied by a multi-agency exercise but the inability to coordinate such an event should not preclude the individual agency's responsibility. (Findings F2 a & b)

RESPONSE: The recommendation has already been implemented by the City. "A complete sudden break in the imported supplies" was a component of the statewide Golden Guardian exercise in 2008 in which the City and 20 other Orange County water and wastewater utilities participated. This type of exercise or variations of it are repeated periodically by the City and County.

Item R-3 Each MWDOC member agency should reaffirm to LAFCO that it will assign the resources necessary to expediently resolve regional governance issues. While the subject study is being facilitated by LAFCO, the options are with the agencies to decide what is best for all. Once conclusions are reached, the parties need to agree quickly and, hopefully, unanimously to adopt a course of action. (Findings F3 a, b & c)

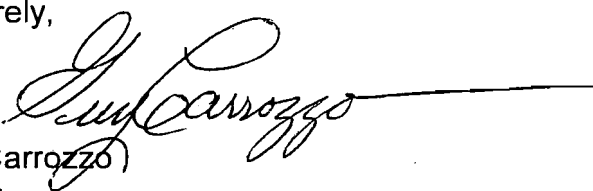
RESPONSE: The recommendation has already been implemented by the City. As previously stated, the City has been an active participant in the stakeholder meetings that have been facilitated by LAFCO. The City has just completed its review and made comments on the final draft of the LAFCO Governance Report. The LAFCO Board held its public hearing on September 9, 2009, to receive and file the governance report with no further action taken.

Item R-4 Each Orange County retail and wholesale water agency should affirm its commitment to a fair-share financial responsibility in completing the emergency water supply network for the entire County. The entire County should be prepared together for any conditions of drought, natural or human-caused disaster, or any other catastrophic disruption. WEROC should commence meetings of all parties, to facilitate consensus on an equitable funding/financing agreement. (Finding F4 a & b)

RESPONSE: This recommendation has already been implemented by the City. The Water Emergency Response Organization of Orange County (WEROC) has been established to conduct emergency planning and preparedness at the regional level and response to disaster type events that impact the City and water and wastewater agencies within the County. WEROC participates with Regional and statewide forums as well. The City also has plans and activities we conduct to be in a state of emergency preparedness.

Once again, thank you for the opportunity to respond to the Grand Jury's report.

Sincerely,


Guy Carrozzo
Mayor

GC:BK:gr

c: Orange County Grand Jury
700 Civic Center Drive West
Santa Ana, CA 92701