

September 1, 2009

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

Subject: City of La Palma response to the 2008-2009 Orange County Grand Jury report, *"Paper Water" – Does Orange County Have a Reliable Future?*

Dear Judge Dunning:

The City is receipt of the 2007-2008 Orange County Grand Jury Report, *"Paper Water" – Does Orange County Have a Reliable Future?*, which was made public on June 15, 2009. All Orange County cities are required by Penal Code §933 and §933.05 to provide a response to the recommendations by September 17, 2009.

RESPONSE TO GRAND JURY FINDINGS:

Finding 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.*

F.1 (a): *Water agencies have tended to avoid interfering with or participating in growth-management decisions.*

F.1 (b): *Cities and the County have tended to not critically evaluate the limitations of the water agencies' supply projections."*

The City of La Palma respectfully disagrees with this finding, insofar as the City is concerned. The City of La Palma both regulates land use and provides water service within its boundaries, so fully coordinates land use and water supply. In addition the City virtually built out.

Finding 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.*

F.2 (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.*

F.2 (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 La Palma agrees with this finding. The water crisis receives little concern, but it is not for lack of trying by the water community. Outlined below are the outreach efforts that are currently being utilized.

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

In recent years, 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. Retail agencies utilize bill stuffers, newsletters, and websites to inform the public. In Orange County, a Public Affairs Workgroup made up of staff from all of the retail water agencies meet monthly. This group works to develop and implement consistent message points for the public. The Metropolitan Water District (MET) also has a Public Information Officer that coordinates outreach and communication among Met member agencies. The majority of the television and radio media outreach has been developed via MET through an advertising campaign for the Los Angeles & San Diego markets.

While the City is always open to new methods of communication, it believes the existing communication system works. Polling conducted from time to time to track water industry messages and the understanding of the public indicates that high percentages of people understand there is a water crisis (76% in a recent survey by the Municipal Water District of Orange County). Furthermore, 78% indicated they would change their water using habits to conserve to prevent water rationing and 67% believe that their water agency does an effective job of keeping them informed about the water supply. The City also believes high percentages 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.

The following is an outline of Orange County agencies current outreach efforts:

- In June of 2008, the Public Affairs Workgroup began developing a regional message that incorporated three critical elements of a long term communication strategy:
 - The message must be positive

- The Association of California Water Agencies contracted with Huell Howser 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 Heros – 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.

Finding F.3: *“LAFCO is the agency charged with facilitating of 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 the Orange County retail water agencies, acting on their behalf with their surface water supplier Metropolitan.*

F.3 (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 ongoing effectiveness of these agencies in critical areas of Orange County’s water supply management.

F.3 (b): The current disagreement is a distraction from the greater good of the agencies working toward Orange County’s water future.

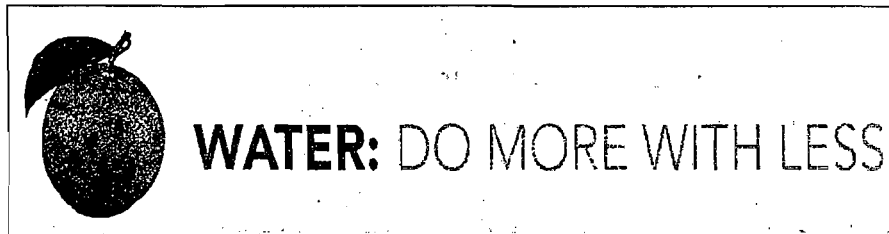
F.3 (c): The stakeholders in LAFCO’s study failed to meet their March 11, 2009 deadline for LAFCO’s public hearing on this matter. Continuous delays are unacceptable.”

The City of La Palma agrees with this finding.

Finding 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.*

F.4 (a) The difference in groundwater availability creates a “haves versus have-nots” situation that is conducive to inherent conflicts.

- 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. The following logo was adopted:



- This plan augments and enhances the large media campaign that MET is orchestrating
- Increases visibility throughout the region
- Integrates 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:

F.4 (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 La Palma agrees with this finding, but does not agree that this creates a problem. The City understands that geographical conditions can cause a variance in groundwater availability. However, the geographical conditions are uncontrollable and can lead to a perception to the public of the "haves versus have-nots" mentality.

The City of La Palma respectfully disagrees partially with finding F.4(b). Use of the groundwater within the Orange County groundwater basin is subject to the Orange County Water District (OCWD) Act enacted by the State Legislature, which restricts production to serve the lands and residents overlying the basin. 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 acre feet of imported water and to recall as much as 20,000 acre feet 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 basin agencies and put them at risk.

RESPONSE TO GRAND JURY RECOMMENDATIONS:

Recommendation 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 F.1, F.1(a), F.1 (b), F.2, F.2(a), and F.2(b))"*

Recommendation 1 will not be implemented because it is not warranted or reasonable, insofar as La Palma is concerned. The cost of developing a water-related Element of its General Plan would not be a useful or effective expenditure of the City's funds since La Palma is virtually built out. In addition, each retail water supplier in Orange County already prepares an Urban Water Management Plan (UWMP), which is updated every five years. In addition, MET prepares an UWMP, its Integrated Response Plan (IRP) and updates its Water Supply Outlook periodically. Collectively, these documents

already provide what has been suggested. In the instance where a city exists that is served by a water agency, a brief Water Element could be prepared that references the Urban Water Management Plan prepared by the local water supplier. For new developments of greater than 500 units, a Water Supply Assessment must be completed – this is existing law. In addition, the water community measures performance (supplies vs demands) as agencies move forward and will be able to make adjustments in the process. However, complying with the Grand Jury request for every municipal planning agency would be a duplication of efforts and ineffective in accomplishing the goal of the recommendation.

Recommendation 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 F.2, F.2(a) and F.2(b))”*

Recommendation 2 has already been implemented, but more innovative types of communications will be considered. “A complete sudden break in the imported supplies” was a component of the statewide Golden Guardian exercise in 2008 in which 20 of Orange County’s water and wastewater utilities, including La Palma, participated. This type of exercise or variations of it are repeated periodically.

Recommendation 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 F.3, F.3(a), F.3(b) and F.3(c))”*

Recommendation 3 will be implemented. MWDOC has dedicated quite a bit of time and resources to development of information, not only in the LAFCO process, but in numerous discussions with client agencies, including La Palma.

Recommendation 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 F.4, F.4(a) and F.4(b))”*

Recommendation 4 is already being implemented. 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 water and wastewater agencies within the County. WEROC participates with Regional and statewide forums as well. Each retailer also has plans and activities they conduct to be in a state of emergency preparedness.

The City would like to thank the Orange County Grand Jury for its efforts in researching these issues and for giving the City an opportunity to respond to its findings and recommendations. Should you have any questions regarding the City's responses, please contact Jeff Moneda, Public Works Director/City Engineer, at (714) 690-3311.

Sincerely,



Mark I. Waldman
Mayor

Cc: City Council
City Manager
City Attorney
Orange County Grand Jury