



September 11, 2009

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

Mayor
Mark Tetteimer

Mayor Pro Tem
Peter Herzog

Council Members
Richard Dixon
Kathryn McCullough
Marcia Rudolph

City Manager
Robert C. Dunek

RE: Response to Grand Jury Report - "Paper Water – Does Orange County Have a Reliable Future?"

Dear Judge Kim Dunning:

This letter is submitted in response to the recent Grand Jury report "*Paper Water – Does Orange County Have a Reliable Future?*" We appreciate the opportunity to provide the following responses to the findings and recommendations in the report. As requested, our responses indicate whether we agree or disagree with the findings, and whether or not the recommendations will be implemented.

Findings:

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.

Response F-1. As it concerns the City of Lake Forest, we respectfully disagree with the Finding. City staff frequently coordinates with the three water suppliers that serve Lake Forest (Irvine Ranch Water District, El Toro Water District, and Trabuco Canyon Water District). As required by State law, the City provides these agencies with our adopted Housing Element to assist them with the planning process. The California Environmental Quality Act (CEQA) process currently requires that new development projects evaluate the ability for public utilities, such as water, to be provided to the project. Water supply agencies play a critical role by preparing Water Supply Assessments (WSA) for defined types of projects. The City is required to include the WSA in the environmental document for a project.

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

Response F-1(a). As it concerns the City, we respectfully disagree with the Finding. To the extent that water agencies are consulted in an effort to determine whether they are able to accommodate development projects, they are active participants in long-term land-use planning through the Urban Water Management Plan, provision of information for General Plans, environmental analyses, a variety of review processes, and the decision-making process.

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

Response F-1(b). We somewhat disagree with this finding. The City's responsibility is to allow for and accommodate the development of the community. The City is not charged with



the responsibility of providing an independent water analysis in order to evaluate the accuracy of water agency supply projections. We, therefore, rely on the accuracy of the water districts' water demand assessments and their ability to provide the resources to service that demand.

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.

Response F-2. We can neither disagree nor agree with this Finding. CEQA charges planning agencies with presenting information on all potential impacts. It is true that more detailed discussion is often provided on issues such as traffic and noise, because these are the issues that are most often raised by the public in response to Notices of Preparation of Environmental Impact Reports. It would not be appropriate for the City to suggest that significant environmental impacts would occur when information from reliable sources (i.e. water districts) demonstrates that such impacts would not occur. The CEQA/EIR process for development projects does not place any more or less emphasis on any of the potential impacts that must be evaluated.

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.

Response F-2(a). We neither agree nor disagree with this Finding, as it is a broad and general statement that pertains to the County as a whole. With respect to the residents of Lake Forest, every two years the City contracts with an independent research firm to conduct a scientifically-valid satisfaction survey of Lake Forest residents and businesses. The survey provides valuable insight into the community's opinions and desires. Since water supply concerns did not register as a response to community concerns, we can only say it is less important than traffic congestion or public safety; we cannot conclude the community is not concerned at all.

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.

Response F-2(b). We neither agree nor disagree with this Finding. The City does not have information on which to comment or base a more detailed response. The City and local water districts have circulated public information materials and engaged in community education efforts to raise awareness on water supply and conservation. These include public services campaigns, water bill inserts, and publications on the city website and city newsletters.

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

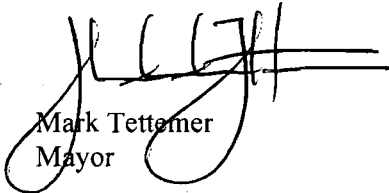
water supplies. These objectives, policies and implementation measures should address imported supply constraints, including catastrophic outages and incorporate the realistic availability and timing of "new" water sources such as desalination, contaminated groundwater reclamation and surface water recycling.

Response 1. The City of Lake Forest will not be implementing this recommendation at this time. Water supply is a statewide and regional issue. State law already mandates seven elements, including a Conservation Element, which provides the opportunity to include appropriate policies regarding water supply and conservation. The City does not have the staff expertise to meaningfully evaluate complicated water supply issues and the availability of "new" water sources. Therefore, we rely on the expertise of the water supply agencies that serve the city to assess the adequacy of water supply and their ability to provide the resources to service community demand. Additionally, the City Council has already adopted an operating and capital budget for the 2009-10 fiscal year; the budget did not include adding a dedicated Water Element to the General Plan.

Again, we thank you for bringing this important topic to the attention of local governments and water suppliers in Orange County. Should you have any questions or require additional information, please contact Benjamin Siegel, Assistant to the City Manager, at (949) 461-3537.

Sincerely,

CITY OF LAKE FOREST



Mark Tettmer
Mayor

- c: Orange County Grand Jury
Lake Forest City Council
Robert C. Dunek, City Manager
Robert L. Woodings, PE, Director of Public Works/City Engineer
Gayle Ackerman, Director of Development Services
General Manager, Irvine Ranch Water District
General Manager, El Toro Water District
General Manager, Trabuco Canyon Water District