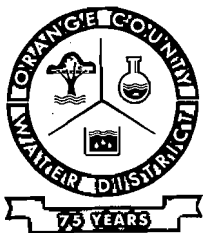


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ORANGE COUNTY'S GROUNDWATER AUTHORITY

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September 2, 2009

Honorable Kim G. Dunning
Orange County Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

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

Dear Judge Dunning:

Pursuant to California Penal Code sections 933(c) and 933.05, the Board of Directors of the Orange County Water District has reviewed and hereby provides these comments to the Presiding Judge of the Orange County Superior Court on the findings and recommendations pertaining to the Orange County Grand Jury's 2009 report entitled "Paper Water – Does Orange County Have a Reliable Future?":

Findings

Required response to FINDINGS is either to:

- (1) Agree, or
- (2) Disagree wholly or partially (specify dispute)

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.

Response:

OCWD disagrees with Finding F.1 (a) and F.1(b), insofar as OCWD is concerned. OCWD is a groundwater management agency and its powers and duties are defined by

the Orange County Water District Act, Ch. 924, Stats. 1933, as amended ("OCWD Act"). Engaging in issues regarding land-use planning and growth management are outside OCWD's powers or duties as a groundwater management agency, based on the OCWD Act. The District does participate in the Center for Demographic Research within Cal-State Fullerton to be aware of future growth projections from the local jurisdictions within its boundaries.

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 to 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.

Response:

OCWD agrees with Finding F.2.(a). The ongoing water crisis receives little attention, but it is not for lack of effort by OCWD and other members of the Orange County water community.

OCWD disagrees with Finding F.2.(b). OCWD conducts or participates in several long-standing public awareness programs that address the water supply crisis and are designed to educate Orange County residents and political leaders that are unfamiliar with water issues affecting the region. The District's educational programs are designed to teach the public useful and simple ways to reduce water consumption, respect the value of water as a natural resource, and establish a life-long commitment to conservation.

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.

F4(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:

OCWD disagrees with Finding F.4.(a). Through the OCWD Act, the California Legislature has defined the Orange County groundwater basin and the boundaries within which properties may be served with groundwater from the Orange County groundwater basin. Lands and producers overlying the Orange County groundwater basin have made a very substantial investment over the past 75 years in developing and implementing the programs that allow the Orange County groundwater basin to provide a significant portion of the water demands within the boundaries of OCWD.

OCWD disagrees with Finding F.4(b). The OCWD Act requires that OCWD manages the groundwater basin for the benefit of the lands, residents and groundwater producers within the boundaries of OCWD.

Recommendations

Response required to RECOMMENDATIONS is:

- 1. Recommendation has been implemented***
- 2. Will be implemented – specify timeframe***
- 3. Requires further analysis – specify scope and timeframe***
- 4. Will NOT be implemented – specify reason***

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 F.1, F.1(a), F.1(b), F.2, F.2(a) and F2(b))

Response:

Recommendation R-1 will not be implemented by OCWD because it is not warranted or reasonable as it relates to OCWD. OCWD is not a municipal planning agency and has no authority to adopt a general plan. OCWD does adopt and implement a Groundwater Management Plan in accordance with State law, and most recently updated that Groundwater Management Plan in July, 2009.

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. (Finding F.2, F.2(a), and F.2(b))

Response:

Recommendation R-2 has been implemented by OCWD. OCWD has a very comprehensive public outreach program and is an active member of the Water Emergency Response Organization of Orange County (WEROC).

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 F.4, F.4(a) and F.4(b))

Response:

Recommendation R-4 has been implemented by OCWD. The Water Emergency Response Organization of Orange County (WEROC) has been established to conduct emergency planning, preparedness and response to disaster type events that impact the water and wastewater agencies within the County, and OCWD participates in the WEROC process.

If you have any questions on this matter, please contact Michael R. Markus, General Manager. Mr. Markus can be reached at (714) 378-3305 or by e-mail at mmarkus@ocwd.com.

Sincerely,



Stephen R. Sheldon
President
Orange County Water District

cc: Board of Directors
Michael Markus, General Manager
Joel Kuperberg, General Counsel