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## Santa Margarita Water District

September 11, 2009

*Paper Water report*

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

Dear Judge Dunning:

The Santa Margarita Water District Board of Directors appreciates the Grand Jury's efforts with respect to researching and publishing the subject reports. The following responses have been reviewed and approved by the Santa Margarita Water District Board of Directors. The responses are lettered in accordance with the lettering of the Reports' Findings and Recommendations.

The construct of the reports' findings and recommendations in some cases is generic rather than specific to the District. The responses are directed to specific application to the District and do not speculate with respect to general circumstances or instances involving other water districts.

Sincerely,

Sandra F. Jacobs  
President, Board of Directors  
Santa Margarita Water District

JJS:bam

**"Paper Water" - Does Orange County Have a Reliable Future?  
Distributed June 15, 2009**

**Santa Margarita Water District Response  
September 11, 2009**

Findings

**F.1:** The District wholly disagrees with this Finding. Existing laws, including but not limited to SB 610 (Water Supply Assessments) and SB 221 (Written Verifications), require extensive coordination between local land use planning agencies and local water supply agencies.

In the case of the Water Supply Assessment (WSA) prepared by the District for The Ranch Plan (Case Study #1), there was extensive discussion between the County and District prior to and during preparation of the WSA which fully engaged the range of water issues not only required to be addressed in the WSA but specific to the County's review process and local water supply conditions.

**F.1(a):** The District wholly disagrees with this Finding. The District was formed by major landowners as a landowner/voter district for the purpose of ensuring extensive and coordinated planning concerning the development of lands within the District. Although the District is now a registered voter district, ongoing extensive and continually updated master planning, plans of work and coordination between the District and the development community ensure the District's direct participation in growth-management decisions.

**F.1(b):** The District wholly disagrees with this Finding. In the case of the Water Supply Assessment (WSA) prepared by the District for The Ranch Plan (Case Study #1), the County engaged the services of outside counsel or consultants specifically for the purposes of critically evaluating the limitations of the District's water supply projections.

**F.2:** The District agrees with this Finding.

**F.2(a):** The District partially disagrees with this Finding. Due to consistent and ongoing messaging by national and local media, and regular communications between water suppliers and their customers, Orange County's citizens and interest groups are aware of the water supply situation and solutions. Certainly interest groups are engaged and have not been silent.

**F.2(b):** The District partially disagrees with this Finding. The District has previously conducted its own water forums and similar outreach programs for the purpose of informing community leaders and the media regarding water issues.

Even though those who are already informed typically attend these events, this equips them to inform others, including the media, which results in direct communications with citizens and interest groups.

**F.3:** The District partially disagrees with this Finding. MWDOC's representative role for nearly all the Orange County retail water agencies is limited to Metropolitan Water District and not for all purposes concerning water supply resources or issues.

**F.3(a):** The District wholly disagrees with this Finding. The points of governance disagreement between MWDOC and several of its member agencies do not operate as an impediment to the on-going effectiveness of these agencies in critical areas of Orange County's water supply management because this premise assumes MWDOC is providing services critical to water supply management. The points of governance disagreement in large part concern activities and programs that are not critical to water supply management.

**F.3(b):** The District wholly disagrees with this Finding. The current disagreement in fact is directed to the greater good of the agencies working toward Orange County's water future.

**F.3(c):** The District wholly disagrees with this Finding. The March 11, 2009 "deadline" was not considered critical but merely a target, subject to the study being completed in a comprehensive fashion that accurately and fairly considered the issues and circumstances. Any perceived untoward consequences associated with "delays" are heavily outweighed by ensuring the study is fair, accurate and complete.

**F.4:** The District agrees with this Finding.

**F.4(a):** The District partially disagrees with this Finding. Although this construct may appear to foster conflicts, this supposes South County has rights or claims to North County groundwater merely because the land is located in the same County. The mere happenstance of lands being located in the same County for reasons unrelated to water rights or hydrological/watershed boundaries has not given rise to expectations or North/South County conflicts over the North County groundwater. Conversely, agreements and other programs, including utilizing a melded imported water rate structure (which operates to financially link North and South County concerning both groundwater and imported water supplies), have been cooperatively implemented to the benefit of the entire County.

**F.4(b):** The District agrees with this Finding.

### Recommendations

**R.1:** The Recommendation will not be implemented. Existing law requires that General Plans include a Conservation Element. This Element allows for policies regarding water supply and delivery, conservation and water quality. General Plan

contents are dictated by statute and are not discretionary, including for purposes of adding a Water Element. The purpose and recommended components of the proposed General Plan Water Element are already fully addressed by existing statutory requirements for water suppliers including, but not limited to: Urban Water Management Plans, Water Supply Assessments (in the case of specified proposed developments), and Written Verifications (in the case of specified approved developments). These documents are prepared in communication and consultation with municipal planning agencies (i.e., the County and cities). No additional benefit would occur by municipal planning agencies re-creating or incorporating documents already prepared by water suppliers that address the items cited in the instant Recommendation.

**R.2:** The Recommendation will not be implemented. The District regularly communicates with its customers concerning larger water supply issues and constraints. The Recommendation to simulate a water emergency exercise by purposefully discontinuing water service is not only ill-advised but perhaps not in compliance with laws and customer water service agreements requiring the provision of water service, particularly if service is discontinued merely to shock customers into awareness regarding the consequences of sudden water service disruptions.

**R.3:** The Recommendation has been implemented. As of September 9, 2009, the LAFCO MWDOC Governance Study has been completed for reasons including the District assigning necessary resources to LAFCO. The District remains committed to quickly reaching an agreement concerning a course of action.

**R.4:** The Recommendation has been implemented. The District is participating in a number of water supply reliability projects, including the construction of the Upper Chiquita Reservoir project which will improve water supply reliability for all of South County.