



September 8, 2009

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

Dear Judge Dunning:

Thank you for your interest and examination of the reliability of water supplies in Orange County. We are grateful for your interest and believe it will add to the voices trying to raise awareness of our current water supply problems. The City does not disagree that the State and the Southern California region in particular have a water supply problem at this time. However, the City does differ with a number of the findings and recommendations.

While the water supply is a pressing matter affecting Orange County, the root causes of the problem are primarily occurring outside of Orange County and therefore not necessarily within our span of control. For example, the City finds it difficult to support a finding that there is inadequate coordination between local land-use planning agencies and local water supply agencies. Even with ideal coordination, there would still be water supply issues. More coordination between the land-use planners and water purveyors will not result in more water.

Disagreement also arises with the specifics of the findings and/or recommendations. For example, the City concurs that the cutbacks on the State Water Project supplies beginning in 2007 have occurred due to the reduction of water exported from the Delta due a recent court ruling and initiation of the Endangered Species Act to protect the Delta Smelt fish. However, prior to the ruling, the water supplies were much more reliable.

In summary, the City would like to comment in the following areas:

- Increasing Orange County's water supply, with the exception of development of local supplies such as conservation, ocean desalination and water recycling, is entirely out of the City's sphere, and almost completely out of control of the water agencies.
- The regulatory process causing impacts to the water supplies is very complex and getting the public to grasp the specifics of the situation is difficult. However, it is not necessary for the

public to completely grasp the situation prior to requesting and obtaining their help in responding to the call for additional levels of conservation.

- There is an ample communication system in place that provides opportunities for the public to find out specifics on the reliability of water supplies. The Urban Water Management Plans and other documents can be readily obtained from every city and special district.
- The availability of water from the OCWD groundwater basin is controlled via legislative and water rights law; within those limitations, the basin and non-basin areas are already working well together.
- The Grand Jury Report has confused issues associated with emergency preparedness with supplies from the Bay-Delta area and emergency preparedness of supplies internal to the County. The Water Emergency Response Organization of Orange County (WEROC) does a sufficient job of planning for emergency response in the County. Participation in the 2008 Golden Guardian exercise is exactly what was recommended by the Grand Jury.
- From the 1920s up until the 1980s, federal, state and local governments spoke with one voice about water issues and designed the water supply system accordingly. In the 20 years since the defeat of the Peripheral Canal, Southern California has used water conservation, water recycling and the purchase of miscellaneous water rights to provide water for growth. The purchase of water rights is limited, we've maximized indoor conservation and water recycling has been met with varying degrees of success. There are no more "easy" or "inexpensive" solutions.
- The biggest urgency in solving the long term water supply problems that affect most all of us in the state of California is to get the Governor, the legislature (democrats and republicans), the Department of Water Resources and the Federal Regulatory entities all working in the same direction to solve the problem.
- Attempts to balance all of the competing interests required to solve the water supply problem have created an impasse. Work is underway to resolve this, but developing a long-term working Bay-Delta area is likely a 20-year issue that will cost between \$10 and \$20 billion to resolve, if agreement can be reached between all stakeholders.
- The cities and water agencies in Orange County should continue to focus on conservation efforts to remedy the short terms water shortages while the State legislature, Governor, Department of Water Resources and the Federal Regulatory entities work towards solving the long term water issues.
- If allowed under their charter, a recommendation for a future Grand Jury is to investigate progress at the state Level. Any help you can provide us in resolving that situation would be appreciated. Some believe that long-term resolution of the Bay-Delta will never occur while others believe that a major water shortage or catastrophic event will have to occur to motivate the state to push through with a solution. We are prepared to assist the Grand Jury in this effort, if called upon.

- If allowed under their charter, a recommendation for a future Grand Jury is to investigate the multiple regulating agencies that cities must answer to, and the requirements which may be counter productive to water conservation requirements. For example, the department of Housing and Urban Development issues regional housing needs assessment numbers, which indicate the additional number of housing units a City must plan for within a period of time. The question that begs answering is what would happen if the RHNA allocation requirement exceeds the water availability. It would be beneficial if the Grand Jury were to consult with these regulatory agencies and recommend coordination with the Department of Water Resources, and local water agencies to provide a practical RHNA number, based on housing needs and water availability.

The following are the City's specific responses on the 2009 Grand Jury Findings and Recommendations:

Response to Findings:

Finding #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:

The City of Stanton does agree with the general statement that coordination between local land-use planning agencies and local water supply agencies could be improved upon, however, the City disagrees with the assumptions made in subsections A and B.

- (a) Disagree. Water agencies aren't land planning agencies. Historically and today, water agencies have had the responsibility of providing water for the approved land use. Planning being performed at the local, regional and state levels is aimed at using our existing water supplies more efficiently and developing new supplies and systems to accommodate the current and future needs of our residents and businesses and to improve supply reliability where necessary. Further, California's population is projected to continue to grow. Unless California can prevent natural increases in population and new residents from moving into the state, population growth is an inevitability.
- (b) Disagree. The City of Stanton does not agree with the assumption that it does not critically evaluate the limitations of the water agencies projections. The City has recently conducted an Environmental Impact Report (EIR) as part of the Comprehensive General Plan Update. As part of this EIR, the City evaluated the water supply availability for the City's build out projections. It was determined that the existing water supply for the City is sufficient to meet projected water demands

associated with the General Plan build out, assuming source and supply capacities remain consistent with current conditions.

There have also been several projects proposed/developed in the City which have occurred through planned developments or specific plans. These projects have required EIR's or Mitigated Negative Declarations, both of which have evaluated the water demand of the project, and available water supply in the region. In addition, during the development review process for each entitlement application, the city critically evaluates each project, and if it is determined that the project may have a negative impact on the water system, the City transmits the plan to the City's water purveyor for review and comment.

Finally, the City of Stanton is a built-out city with only 1.4% of the land vacant. This means that even with development of the city to its fullest capacity, the increase in water demand would not have a significant impact on the entire water system. The 2005 UWMPs prepared for the MWDOC and the GSWC services areas indicate there are sufficient water supplies and water shortage contingency plans to protect existing and future regional needs. The 2005 UWMP also indicates that the service area which the City of Stanton resides is expected to have sufficient existing and planned supplies to meet 100 percent of the projected demand through 2030.

Finding #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:

- (a) Somewhat disagree. Although the water crisis does not receive as much media/citizens attention as other environmental crises, the City has had numerous constituents indicate their growing concerns about water availability and requesting information on how they could help reduce water consumption. From this growing concern, water use has decreased as people attempt to conserve more. In addition, as concern increased, the City has had several active citizens requesting the City to allow alternatives to natural landscaping in order to reduce water usage for their property. This request prompted the city to adopt an ordinance allowing artificial turf to be utilized on a portion of the required landscaping.
- (b) Somewhat agree. The water crisis in Southern California has received minimal concern compared to other environmental crises; however, this is not for a lack of

effort by the City and the water purveyors. The City has made available several pamphlets regarding water conservation efforts, which were provided by Golden State Water, and are available to all persons. In addition, the City has utilized "Bewaterwise.com" and the "Nifty-Fifty" list of drought tolerant plants to evaluate landscape plans to ensure the plants would be drought tolerant in nature. The City also advocated water conservation through its Housing Rebate and Rehabilitation programs. Through these programs, dependent on what the applicant is requesting, it is required that water conserving toilets, dishwashers, irrigation, and landscaping be installed. The City also utilizes mass advertising techniques to reach a wider base, this includes utilizing the city cable channel (Channel 3) and the reader board located in front of City Hall.

In addition to the City's efforts, the water purveyors within the County have attempted to create awareness of the water crisis. 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, there are monthly meetings of a Public Affairs Workgroup made up of the staff from all of the retail agencies. They work to develop and implement consistent message points for the public. 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 retail agencies, the brunt of the TV and radio media outreach has been developed via MET through an advertising campaign for the Los Angeles & San Diego markets.

Although there are always opportunities to improve methods of communication, studies and polling conducted by MWDOC indicate that a large percentage of people understand there is a water crisis (76% 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 water agency does an effective job of keeping them informed about water supply.

Finding #3: LAFCO is the agency charged with facilitating 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 behalf with their surface water supplier Metropolitan.

- (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 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:

- (a-c) As the City of Stanton has not been a part of these discussions as it is not a water purveyor, the City does not disagree with this finding. However, the City does encourage both MWDOC and its member agencies to work cooperatively to come to a common goal and solution.

Finding #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 a "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:

- (a) Agree. The City of Stanton agrees with this statement, however, in this case, the inherent conflict is brought about due to natural occurrences. South Orange County does not have a viable groundwater basin to distribute potable water to the population, while North Orange County has an expansive groundwater basin. Although South Orange County does not have its own groundwater supply, it was able to develop successfully due to the water agencies ability to obtain imported water supplies and develop extensive recycled water programs.
- (b) Partially disagree. 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 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: The City of Stanton has just recently adopted a new General Plan. During the preparation of the General Plan Update, the City evaluated water usage and documented its findings in the EIR. Adding another element to the general plan would simply create redundancy to the document. Also, it is unnecessary for each city to adopt its own water element as each Orange County water purveyor already prepares an Urban Water Management Plan (every five years). In addition, MET prepares an Urban Water Management Plan (UWMP), its Integrated Resource Plan (IRP) and updates its Water Supply Outlook periodically. Collectively, these documents provide what has been suggested. 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 we 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. In addition, by adopting a Water Element in the General Plan, the policy would be set for the life of the General Plan, approximately 15-20 years. With continually changing circumstances in the water supply, this makes it difficult to set a long-term policy. Also, even if additional policies are created through a General Plan Water Element, it will still be necessary to submit proposed development plans to the water purveyors for review, thus the system will continue to operate as it is currently, and the General Plan Element would simply add redundancy.

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 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 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.

Response: As the City of Stanton is not a retail and wholesale water agency, it is unable to respond effectively to the recommendation. However, the City believes that conservation efforts are effective in reducing water consumption. In June 2009, MWDOC reported that water consumption was 15% below allocation, and in July 2009, water consumption was 11% below allocation. This demonstrated how effective conservation can be, and more effort should be placed in finding additional conservation methods.

In addition, the water agencies have already implemented this recommendation. "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 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.

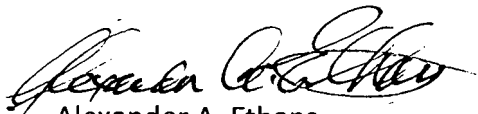
Response: The City of Stanton is not a member agency of MWDOC. However, MWDOC had dedicated extensive time and resources to development of information, not only in the LAFCO process, but in numerous discussions with their client agencies.

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 prepare 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.

Response: As the City of Stanton is not a water purveyor, it is unable to respond effectively to the recommendation. However, it is the City's understanding that this recommendation 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 of Stanton would like to thank the Grand Jury for raising the issues of the California Water Supply, and providing the opportunity to respond.

Sincerely,



Alexander A. Ethans
Mayor, City of Stanton