



City of Westminster

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September 10, 2009

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

Dear Judge Dunning:

This letter is to serve as the required response to the Orange County Grand Jury Report, *"Paper Water" – Does Orange County Have a Reliable Future?* from the City of Westminster, Planning Division of the Community Development Department and the Water Division of the Public Works Department.

The following are responses from the Planning Division:

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: Pursuant to Penal Code Section 933.05(a)(2), the City of Westminster disagrees wholly with the finding.

Water agencies are not land planning agencies by design. Historically and today, water communities 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.

What sometimes causes a bit of a dilemma is that since the formation of Metropolitan Water District of Southern California (MET) in 1928, all entities in southern California have come under the MET water supply umbrella. This prevents us from assigning specific imported water rights to any single entity or property. On a regional basis, when MET has surplus, we all have surplus and when MET is short, we are all short. With water supplies to MET being cut back, as discussed below it can be somewhat difficult to quantify the water supply reliability to a particular area.

The linkage of regional and local water supplies within the MET service was strengthened and clarified after the defeat of the "peripheral canal" beginning in the early 1990's with the development of MET's Integrated Resources Plan (IRP) where it was declared "through the implementation of the IRP, MET and its member agencies will have the full capability to meet full-service demands at the retail level at all times." Through this commitment it was recognized that retail water supply reliability is dependent on the development and efficient management of both local water resources and imported water sources. A significant responsibility was placed on MET to develop: (1) water management programs that support the development of cost-effective local resources, in conjunction with the local agencies, (2) securing additional imported supplies as necessary through programs that increase the availability of water delivered through the Colorado River Aqueduct and the state Water Project, (3) providing the infrastructure needed to integrate imported and local sources (treatment, distribution, storage), (4) establishing a comprehensive management plan dealing with periodic surplus and shortage conditions, and (5) developing a rate structure to strengthen MET's financial capabilities to implement water supply programs and make infrastructure improvements.

Through the IRP commitment, an equal burden was placed on the local retail agencies to explore and develop local supplies in a systematic manner and use all water resources efficiently while providing financial stability to MET for the development of its system. Collectively this "partnership" was envisioned to provide the ability "to meet full-service demands at the retail level at all times."

Although the water supply situation has changed drastically since the judicial ruling handed down in 2007, the same framework and goals still apply. The change in the underpinning of our water supplies, as noted by the Grand Jury, is the significant immediate loss of a large portion of supplies from the State Water Project due to enforcement of the Endangered Species Act on a species by species basis starting with the Delta Smelt beginning in 2007. Until that time, the joint regional and local systems were meeting all demands and plans were in place to meet actual and projected demands out to 2035 (our current planning horizon).

One observation is that the Grand Jury report references a looming crisis but does not give sufficient credit of the water communities' understanding of the problem or what is being done to resolve the water supply situation:

1. New sources are being developed (conservation, transfers, desalination and recycled water)
2. Water transfers have been secured; more are being investigated; despite cutbacks, the Colorado River Aqueduct will be almost full in 2009.
3. Legal challenges and appeals have been filed on behalf of the water users to resolve some of the cutbacks and to explore what is necessary to resolve issues within our current framework.
4. Appeals have been made to the Governor and the Legislature. The state has initiated environmental review for the Bay Delta Conservation Plan (BDCP). The EIR/EIS evaluates the impacts of BDCP, including studies on new conveyance and ecosystem restoration. The Delta Vision Committee has submitted its final implementation report to the Governor with recommended actions on how the California Delta should be managed to fulfill its equal goals of water supply reliability and ecosystem restoration. The plan sets priorities based on the Delta Vision Strategic Plan developed by the Governor's Delta Vision Blue Ribbon Task Force.
5. Progress is being made on installation of the two-gate barrier system in Old River and Middle River to provide a barrier to keep the Delta Smelt away from the pumps. When this is constructed, it should result in recouping some of the supplies recently lost.
6. MET is embarking on an update of its IRP which is looking long term at sources for meeting the needs of customers in Southern California, under the changed circumstances (as can best be predicted) out to 2035. Updates for course corrections occur about every five years.
7. At the local level within Orange County, much good work is being accomplished to help mitigate the imported supply losses and to improve supply reliability. Orange County is a leader in water recycling, implementation of water use efficiency efforts and management of the OCWD groundwater basin. The Grand Jury rightly acknowledged OCWD for development of the GWRS Project and Phase 2 of the Project is now under design. In addition, local agencies are continuing development of production wells, well head treatment in areas where needed, brackish water desalting and in Orange County we are currently looking at two potential ocean desalination plants to produce new supplies.

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: Pursuant to Penal Code Section 933.05(a)(2), the City of Westminster agrees with the main finding and subset (b) except subset (a).

The Grand Jury's report did not mention about a survey of Orange County citizens and interest groups. It's not known if the statement is based on some evidence. Without a survey of the population, it cannot be determined if all or substantial segment of the citizens and interest groups of Orange County appear not to grasp the seriousness of the water supply situation or the complexity and urgency of the necessary solutions. Such a blanket statement cannot be substantiated without some proper survey according to scientific norms. Subset finding (a) could be true or it could be false. If it is determined to be true, than naturally we would agree with the finding.

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 F1 a & b, and F2 a & b)

Response: Pursuant to Penal Code Section 933.05(b)(4), the recommendation will not be implemented because each agency that serves water already prepares an Urban Water Management Plan and updates it every five years. In addition, MET prepares an UWMP, its IRP and updates and 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. 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 including but not limited to the following reasons:

- Water planning is more appropriately and effectively done by water agencies, which are special districts under State law, than by municipal government.
- Cities do not have jurisdiction to set policy for water districts, which are separate governmental entities.
- Water supply is a statewide and regional issue. Policies and implementation measures adopted by local governments cannot change state or regional policies.
- The purpose of the general plan is “to make a master plan” for the physical development of the municipality or county. Discussion of issues raised in the recommendation would be much more appropriate in other documents and by regional and state agencies as stated above.

Please contact Art Bashmakian, Planning Manager, City of Westminster, for any questions regarding the responses to the Grand Jury Report required from “Land Use Planners” at (714) 898-3311, ext. 225.

The following are responses from the Water Division:

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 issue

(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 Westminster disagrees with the finding. Water agencies, or Water Divisions within City Government, have prepared an Urban Water Management Plan as per the California Urban Water Management Planning Act of 1995, and an update every five years on or before December 31, in years ending in five and zero. As mandated by the Act, Water Agencies or Water Divisions within Cities, have coordinated with the appropriate agencies for growth management and supply projections in preparation of the Plan. While water agencies are not land planning agencies by design, historically and today, water communities have had the responsibility of providing water for this 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. This is evidenced in Westminster’s 2005 Urban Water

Management Plan, in the Agency Coordination and Appropriate Level of Planning sections.

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 or the necessary solutions.

(b). Several recent, substantial water supply awareness efforts are underway that show promise but appear targeted to audiences that are already informed.

Response: The City of Westminster agrees with subset of finding a). The water crisis has received little concern from the public despite the efforts of the water community.

The City of Westminster disagrees with subset of finding (b).

The Water industry has many communication and outreach avenues. Spending on ad campaigns for water conservation awareness 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.

The following are outreach efforts that are currently being utilized.

In recent years the City of Westminster and other water industry professionals have collectively advertised themselves as the "Family of Southern California Water Agencies" and have used several ways to get the word out on the water supply situation and water conservation tips and opportunities. The City of Westminster has utilized bill stuffers, newspaper ads, and various methods of advertising to inform the public of the need to conserve. In Orange County, a Public Affairs Workgroup made up of Staff from all of the Southern California retail agencies conducts monthly meetings aimed at creating ad campaigns to target residential and commercial water customers.

Following is an outline of our current outreach efforts:

In June of 2008, a Public Affairs Workgroup began developing a regional message that incorporated three critical elements in a long term strategy to communicate the ongoing water crisis:

- All messages must be positive
- Focus on water-use efficiency and eliminating water waste
- Adaptable at the retail level

A comprehensive, strategic communication plan has been developed promoting water conservation: "Water: Do More With Less"

The water industry has increased visibility throughout the region.

A critical part of the plan is to engage strategic partners to help carry the message. Several private sector companies have already signed up and more continue to sign.

Television, radio, water agency web sites, and social media is being used to carry our message.

Educational trips are provided to help educate community leaders to better circulate the message.

School education programs that bring water awareness to our future generations are being conducted at the Discovery Science Center. The program reaches 90,000 students K-6 each year and has reached an estimated 3,000,000 students since 1972.

Water Heroes is a new program that targets kids and families and creates a fun way for families to get involved in saving water

Finding 3: LAFCO is the agency charged with facilitation 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 of the Orange County retail agencies, acting on their 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: The City of Westminster agrees with findings 3(a), (b), and (c).

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 have versus have-not 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: The City of Westminster agrees with subset finding (a).

The City of Westminster partially disagrees with subset finding (b). Use of storage in the OCWD (OC Water District) basin is allowed by agreement with OCWD. OCWD has entered into storage arrangements that allow MET (Metropolitan Water District of Southern California) to store up to 66,000 acre feet of imported water and then to recall as much as 20,000 acre feet from this storage in any one year. This additional yield out of storage benefits everyone in Southern California. An 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 lower cost groundwater outside of the basin, or allowing access to more storage by South Orange County would increase costs to the basin agencies and put them at risk of water shortage.

Recommendation 1: Each Orange County municipal planning agency, in cooperation with its respective water supply agency, should prepare for adoption by its 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 import 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.

Response: The City of Westminster is opposed to this recommendation based on the following reasons. Each Water Agency already prepares an Urban Water Management Plan which is reviewed and updated every five years. In addition, MET prepares an Urban Water Management Plan, its IRP, and updates its Water Supply Outlook. Collectively, these documents provide what has been suggested. In addition, the water community measures performance as we move forward and will be able to make adjustments in the process. Complying with the

Grand Jury request for a dedicated water element 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 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 import water deliveries. The exercise should be aimed directly at the public and enlist wide-spread public participation on a reoccurring 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: This recommendation has been implemented by W.E.R.O.C. (Water Emergency Response of Orange County) and additional exercises and coordination of water import disruption scenarios are being planned for Orange County.

The Golden Guardian exercise that was conducted in Fall 2008 contained the very elements described in the recommendation. Twenty Orange County water and wastewater utilities participated in this successful exercise. Golden Guardian is scheduled to become an annual event in which Orange County water agencies will continue to participate in.

Recommendation 3: Each MWDOC member agency should reaffirm to LAFCO that it will assign the necessary resources 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 Westminster agrees that this issue should be put to rest so agencies can move forward.

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 with all parties, to facilitate consensus on an equitable funding/financing agreement.

Response: This recommendation is already in place. The Water Response Organization of Orange County (WEROC) has been established to conduct

emergency planning and preparedness at the regional level. This includes response to disaster events that impact the water and wastewater agencies within the County. WEROC participates with regional and statewide forums as well. The City of Westminster plans for activities and exercises that Staff conducts to help prepare for emergencies.

The City of Westminster is also a member of CAL WARN (Water Wastewater Agency Response Network) which functions with the Offices of Emergency Services (OES). The mission of WARN is to support and promote state emergency preparedness.

Both WEROC and WARN coordinate with member water agencies for equitable funding/financial agreements as well.

Please contact Scott Miller, Water Superintendent, City of Westminster, for any questions regarding the responses to the Grand Jury Report required from "Retail Water Suppliers", (714) 895-2876, ext. 6205.

Sincerely,



Margie L. Rice
Mayor

Cc: City Council
City Manager
Orange County Grand Jury