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September 14, 2009

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

**Subject: Response to the Recommendations to the Orange County Grand Jury Report
"Paper Water" – Does Orange County Have a Reliable Future?"**

Dear Judge Dunning:

On June 15, 2009, the City received the Orange County Grand Jury report "*Paper Water*" – *Does Orange County Have a Reliable Future?*" According to the cover letter, a response to the Orange County Grand Jury's findings and recommendations is required by September 17, 2009 from the City's governing body. To comply with the Orange County Grand Jury's requirements, the City Council approved the response to the report at the September 1, 2009 City Council Meeting.

On behalf of the City Council, please find the attached response to the report findings and recommendations in compliance with Penal Code 933.05(a) and (b). If you have any questions, please contact me at the number referenced above.

Sincerely,

A handwritten signature in black ink that reads "Lori Donchak".

Lori Donchak
Mayor

Enclosure: City of San Clemente's Response to the 2008-2009 Orange County Grand Jury "Paper Water" – Does Orange County Have a Reliable Future?

C: Orange County Grand Jury
George Scarborough, City Manager

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**City of San Clemente's Response to the 2008-2009 Orange County Grand Jury
"Paper Water" – Does Orange County Have a Reliable Future?**

Grand Jury's 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:

Disagree partially. The City of San Clemente provides both Planning and Utilities services within the City. The Planning Department has understood the importance of water in relationship to development and has included a Utilities Section in its General Plan referring to water, sewer and storm drains. In addition, the City's Water Master Plan has identified current and future system demands and supplies, system capacity, based on projected land use from the General Plan and Traffic Model. The City also issues "Will Serve Letters" to developers. Prior to issuing the letter, City staff reviews the proposed new development or redevelopment to ensure their projected water demands are within the thresholds identified in the City's Water Master Plan.

Planning being performed at the local, regional and state levels is aimed at using existing water supplies more efficiently and developing new supplies and systems to accommodate the current and future needs of 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 assigning specific imported water rights to any single entity or property. On a regional basis, when MET has surplus, local agencies have surplus and when MET is short, local agencies receive reduced imported water allocations.

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 (how much?).
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, efforts have been made and are underway to help mitigate the imported supply losses and to improve supply reliability. The City has prepared Water and Recycled Water Master Plans utilizing land use projections from the City's Planning Department to evaluate current and future water needs. To meet these projected needs, the City has maximized the use of its groundwater supply, expanded its recycled water system, maintains emergency connections with neighboring agencies (City of San Juan Capistrano and Santa Margarita Water District) and is participating in regional projects such as Upper Chiquita Reservoir, Irvine

(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:

Agree, the water crisis receives little concern, but it is not for lack of trying by the water community. What are outlined below are the outreach efforts that are currently being utilized.

The water industry has many communication and outreach avenues, but the spending 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.

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 including the City of San Clemente utilize bill stuffers, newsletters and websites to inform the public. In Orange County, we have 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 LA & San Diego markets.

While we are always open to new methods of communication, we believe the existing communication system works. Polling conducted from time to time to track water industry messages and the understanding of the public indicates that high percentages 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. We also believe high percentages of the public are engaged because of recent actions such as the "run" on rebates for water conservation devices, which pushed spending up to a point where the available funding was exceeded several times over.

- Huell Howser contracted with the Association of California Water Agencies to produce 15 episodes about California Water. This series is being utilized to help inform citizens.
- Cable channels are being used to get the word out
- Educational trips are provided by MET for each of its Directors to host community leaders to get the word out on water issues
- We have one of the best School Education Programs in the state for water awareness education in grades K-6; it reaches about 90,000 students per year and has reached about 3,000,000 since 1972.
- Water Heroes – a new program aimed at kids and families, focuses on identifying water wasting habits and eliminating them. Over the past two years 7500 kids have signed up on www.ocwaterhero.com

Grand Jury's 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 water 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:

Agree.

GRAND JURY RECOMMENDATIONS:

Grand Jury's 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:

Will not be implemented because each agency that serves water already prepares an Urban Water Management Plan (every five years). In addition, MET prepares an UWMP, its IRP and updates its Water Supply Outlook periodically. Collectively, these documents provide what has been suggested. The City of San Clemente does have a water element within its General Plan, but can include reference to its Urban Water Management Plan. For new developments of greater than 500 units, a Water Supply Assessment must be completed – this is existing law.

Grand Jury's 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 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. (Findings F2 a & b)

Response:

The response to this question is separated into two points, the first associated with the public outreach programs and the second with respect to emergency planning.

Public Outreach

The recommendation has already been implemented, but more innovative types of communications will be considered. The communications systems in place provide sufficient opportunities for the public to become informed. The description of these communication systems was previously provided. We can always do better and look for an expansion of opportunities. This is especially important as new Bond Issues come before the voters, as is anticipated heading into 2010.

Emergency Planning

The recommendation has already been implemented. "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.

WEROC has expanded its preparedness efforts regarding water supply by initiating a new partnership with the Orange County Health Care Agency's Point of Dispensing planning and exercises. WEROC is exploring ways to enhance public education of "water preparedness" through the 2009 Point of Dispensing exercises. However, the purpose of the exercises is for water and wastewater agencies to practice their procedures and communications systems to ensure that restoration of service will be in as short a period as is possible. These exercises are not for general consumers. When a large earthquake strikes, we know we cannot protect the entire water system and there will be outages. Our recommendation to consumers is to be prepared to go without water systems for 72 hours or longer.

Grand Jury's 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. (Findings F3 a, b & c)

Response:

Will be implemented. The City has and will continue to dedicated time and resources to review and respond to the LAFCO process as necessary.

Grand Jury's 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 of all parties, to facilitate consensus on an equitable funding/financing agreement. (Finding F4 a & b)

Response:

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 retail agencies also work together to support one another through the network of emergency interties between agencies that allow water to be shuttled back and forth during emergency situations. WEROC's focus and the focus of emergency planning is to improve "system reliability", the ability to continue meeting demands when parts of the water system have suffered outages. This is distinguished against "supply" reliability which has to do with having supplies to deliver through the system.

With respect to regional system reliability, Orange County has been successful in requesting MET to improve the reliability of the Diemer Filtration Plant in Yorba Linda. MET is in the process of making substantial investments to protect the plant from being damaged by seismic shaking. The Diemer Plant treats nearly all of the imported drinking water in Orange County.

The response to drought situations are included when agencies complete their Urban Water Management Plans. Responses must include supply analyses for normal years, single dry years and multiple dry years and must also include drought response measures for up to a 50% level of shortage. The Urban Water Management Plans address many of the issues raised by the Grand Jury.