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September 15, 2009

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

Dear Judge Dunning:

The City of Santa Ana, which serves over 355,000 people, appreciates the opportunity to respond to your letter of June 15, 2009 on the issue of **"Paper Water – Does Orange County Have a Reliable Future?"**

The City is pleased to offer the following responses to the 2008-2009 Orange County Grand Jury findings and recommendations:

- **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 issues.**

Disagree.

The City of Santa Ana provides for a high level of coordination between its land-use planning function and its water supply agency through an internal development review process. Because the City of Santa Ana provides its own water utility, the employees representing the Water Division of the Public Works Department play an integral part in the City's Development Review Committee. The Water Division reviews and provides input on every development project proposed in the City of Santa Ana.

(a). Water agencies have tended to avoid interfering with or participating in growth-management decisions.

Disagree.

The City of Santa Ana's General Plan, which provides a policy framework for growth-management in Santa Ana, provides the baseline data on which the City's Urban Water Management Plan (UWMP) relies for its projections of existing

supply and future demand. The two planning documents are inextricably linked and provide crucial data that is used in the analysis of development projects. Through the California Environmental Quality Act (CEQA) review process project impacts related to public utilities, such as water provision, are analyzed, any impacts are identified and mandatory mitigation measures are implemented. These implementation measures can be quite costly which some might interpret as "interfering" with a project, though the City would characterize it as simply protecting the public interest. In addition, the City requires that developments that have the potential to impact the water supply system pay a fair-share assessment of any needed improvements further ensuring that project impacts are accounted for in the project analysis.

(b). Cities and the County have tended to not critically evaluate the limitations of the water agencies' supply projections.

Disagree.

The City of Santa Ana's Urban Water Management Plan, the document that provides the City's water projections, incorporates growth projection data from the City of Santa Ana General Plan, as well as supply projections from the Orange County Water District (OCWD) and the Metropolitan Water District (MWD). Each of these participating agencies provides a level of check-and-balance ensuring that an adequate review is provided. In addition, the CEQA review process for individual development projects includes an opportunity for comprehensive project review and comment by other government agencies, such as the State Water Resources Control Board and the Department of Fish and Game, to further ensure multiple oversight and analysis. The review and comments provided by these agencies can, in fact, create the need for significant modifications to development projects and the adoption of stringent mitigation measures in order to address potential impacts to water quality and provision.

- **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.**

Agree.

Given that the City of Santa Ana is a built-out city with little potential for raw land development that would result in the addition of a significant number of new dwelling units or commercial/industrial square footage, competing environmental concerns, such as traffic or air quality, tend to garner more attention from the public than do concerns regarding long-term availability of water.

(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.

Disagree.

The City of Santa Ana, through a combination of water conservation programs and water rate structuring, has achieved a significant decrease in water consumption over the years. The City of Santa Ana has one of the most efficient water use rates in the State of California. This would indicate that Santa Ana residents and business owners do understand the need to conserve water in order to respond to current drought conditions and long-term projected water needs.

(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.

Agree.

The City of Santa Ana, though not a member agency of MWDOC, does contract directly with MWDOC for conservation and school education program support. In addition, the City provides educational programs for its citizens to raise awareness regarding water conservation.

As an original member agency of the Metropolitan Water District (MWD), the City of Santa Ana directly supports the ongoing public information programs provided by MWD. Each year, dozens of Santa Ana business leaders, elected representatives, teachers and residents attend a tour of the Colorado River aqueduct facilities as guests of MWD. During this three-day event, attendees are given an in-depth look at California's water supply challenges. These residents then are able to take this information back to the community and educate others.

- **F-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 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.

The City of Santa Ana is not a MWDOC member agency.

- **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.**

Agree.

(a), The difference in groundwater availability creates a “haves versus have-nots” situation that is conducive to inherent conflicts.

Disagree.

The City of Santa Ana provides its own water utility and does not experience any conflicts with cities outside of Santa Ana in this regard.

(b), The difference in groundwater availability provides opportunities for responsible participants to develop and construct long-term solutions which will benefit the entire county.

Disagree partially on finding 4.b.

Use of storage in the OCWD basin is allowed by agreement with OCWD. OCWD has entered into storage arrangements that allow MWD to store up to 66,000 AF of imported water and to recall as much as 20,000 AF 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.

- **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.**

This recommendation will not be implemented.

The City of Santa Ana adequately plans for its projected water needs through its General Plan and its Urban Water Management Plan (UWMP). The General Plan

incorporates a significant amount of policy language through its Conservation and Land Use Elements. Requiring a separate Water Element would duplicate the goals and objectives already contained in the General Plan without providing any additional benefit to long-term water planning. The City's UWMP also serves a long-range planning function for water supply issues and is required to be updated every five years. In addition, MWD prepares an UWMP, an Integrated Resources Plan, and provides periodic water supply updates for use by the City. Collectively, these documents provide what has been suggested.

- **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 widespread 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.**

This 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. The City of Santa Ana participated in the Golden Guardian exercise. This type of exercise, or variations of it, is repeated periodically.

It should be noted here that, in the event of a sudden break in imported water deliveries, the City of Santa Ana has the capacity to supply 100% of the City's demands from local groundwater supplies for an extended period of time.

- **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.**

This recommendation is already being implemented through MWDOC.

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. The

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City of Santa Ana participates in WEROC. The City of Santa Ana also has an emergency plan and conducts activities to be in a state of emergency preparedness.

The financial level of commitment and specific limits of emergency conditions would need to be further defined prior to the City of Santa Ana's involvement in the development of any funding/financing agreement. The timeframe for committing the City's financial participation in this effort will depend on the process coordinated by WEROC.

The City of Santa Ana would like to thank the 2008-2009 Orange County Grand Jury for the time and thought that went into the preparation of this report and its recommendations. We hope that these responses help to shed light on the City of Santa Ana's efforts in regards to responsible land use and water planning.

Sincerely,



Miguel A. Fúndo
Mayor

c. James R. Pérez, Foreman, OC Grand Jury