

August 26, 2009

District Mission:
*Dedicated to Satisfying
our Community's
Water Needs*

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

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Subject: Mesa Consolidated Water District Response to the Grand Jury Report,
"Paper Water – Does Orange County Have a Reliable Future?" dated June
19, 2009

Dear Judge Dunning:

Mesa Consolidated Water District (Mesa) Board of Directors applauds the Grand Jury for studying an issue as important as water and appreciates your interest and examination of the reliability of water supplies to Orange County. As a signatory to the California Urban Water Conservation Council (CUWCC) Best Management Practices (BMPs) Memorandum of Understanding, Mesa is committed to the comprehensive conservation programs and practices that educate our community.

The following represents Mesa's response to the Grand Jury Findings and Recommendations:

GRAND JURY FINDINGS:

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 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.

F-1 Response: Mesa disagrees with the finding. Water agencies are not land planning agencies by design. Historically, water purveyors 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.



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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.

(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.

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F-2 Response: Mesa agrees with the finding. The water crisis receives little attention by the public; however, it is not for lack of effort by Mesa and others in the water community. Crisis communications cannot be sustained over the long run. The water community has been extremely successful in providing water to their customers despite the many obstacles imposed.

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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 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.

F-3 Response: Mesa agrees with the finding. This issue needs to be resolved as soon as possible.



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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.

(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.

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F-4 Response: Mesa agrees with the finding. In reference to finding 4.a. Mesa agrees, however this recognition of water rights mirrors the way Orange County was developed. Development in South County was enhanced by the south county water agencies’ ability to obtain imported supplies and develop extensive recycled water programs. In reference to finding 4.b. Mesa agrees, however the finding appears to include two implications that require expanded information.

The first implication is that local resources are not being fully developed in south Orange County. This is not correct. Critical groundwater, recycled water, and ocean water supplies are all being developed in south Orange County. While the Grand Jury is correct in its supposition that there are opportunities presented in this issue as well as problems, the second implication is that the Orange County Groundwater Basin has the capacity to serve the entire county. This is not correct. The groundwater basin is managed and utilized to provide water supplies to its overlying constituent landowners. The operable storage in the basin has been developed at substantial cost and is insufficient to meet all demands within the basin.

GRAND JURY RECOMMENDATIONS:

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. (Findings F1 a & b, and F2 a & b)

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R-1 Response: The recommendation will not be implemented because it is not warranted. Mesa already prepares an Urban Water Management Plan (UWMP), which is submitted to and approved by the Department of Water Resources. The UWMP is updated every five years as mandated by law.

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 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)

R-2 Response: The recommendation will not be implemented because it is not warranted. Mesa's communications systems in place provide sufficient opportunities for the public to become informed.

"A complete sudden break in the imported supplies" was a component of the statewide Golden Guardian exercise in 2008 in which Mesa was among the 20 Orange County water and wastewater utilities that participated. This type of exercise or variations of it are repeated periodically. Mesa regularly works with Water Emergency Response Organization of Orange County and holds Emergency Operations Center exercises at the District.

R-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)

R-3 Response: The recommendation will not be implemented because it is not warranted. Mesa supports the Municipal Water District of Orange County (MWDOC) and supports the current regional governance through MWDOC.



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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. (Finding F4 a & b)

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R-4 Response: The recommendation will not be implemented because it is not warranted. Mesa already contributes its fair share by participating in the Water Emergency Response Organization of Orange County.

Respectfully submitted,

Shawn Dewane
President, Board of Directors

COLEEN L. MONTELEONE
Interim General Manager/
District Secretary

VICTORIA L. BEATLEY
Treasurer/Auditor

**BOWIE, ARNISON, WILES &
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