

City of Brea

September 14, 2009

Orange County Grand Jury

700 Civic Center Drive West

Santa Ana, CA. 92701

Dear Orange County Grand Jury:

On behalf of the Mayor of the City of Brea, The Honorable John Beauman, enclosed is a copy of the City of Brea's response to the 2008-2009 Orange County Grand Jury report, "Paper Water" – Does Orange County Have a Reliable Future?"

Please let me know if I can answer any questions you may have.

Very truly yours,

Ron Krause

Water Superintendent

City of Brea

BREA RESPONSE TO GRAND JURY REPORT

"Paper Water" - Does Orange County Have a Reliable Future?

Introduction to the Grand Jury Response

Thank you for your interest and examination of the reliability of water supplies to 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. We do not disagree that the state and Southern California have a water supply problem at this time. However, you will find that we disagree with a number of the findings and the recommendations.

Our disagreement arises from the specifics of the finding and/or recommendation. For example, we concur that the cutbacks on the state Water Project supplies beginning in 2007 has occurred due to issuance of the Endangered Species Act required biological opinion on the impacts the Delta export pumping has on the Delta Smelt fish. Prior to that time, our water supplies were much more reliable.

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

- 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 mixed up 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 very good 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.
 - 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.

- 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.
- We have a dilemma in our outreach messaging regarding water supplies over the short term and long term. Even given the shortages of today, the plan by the water community is to meet the needs of the public for the long run. Our short run messaging is that we are running short of water, we need to conserve supplies, we may have rationing in our future, but new developments can still be approved by local planning jurisdictions because the job of the water community is to accommodate growth in the long run.
- Today, as we respond to this Report, the City of Brea has adopted a 10% mandatory water conservation ordinance and is operating at a water rationing level of 18%.

Following are our specific responses on the 2009 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 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.

Disagree. 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.

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.

- 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.

Agree that 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. The City of Brea utilizes bill stuffers, newsletters, city website and a Water Conservation Coordinator 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 by the Metropolitan Water District

of Southern California 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.

Following is an outline of current countywide outreach efforts:

- In June of 2008, Public Affairs Workgroup began developing a regional message that incorporated three critical elements of a long term communication strategy:
 - The message must be positive
 - Focus on water-use efficiency and eliminating water waste
 - Adaptable at the retails level
- A comprehensive, strategic communication plan was developed that incorporates grassroots education, strategic partnerships and guerrilla marketing techniques. Research has shown that this approach has been most successful in achieving social change. The following logo was adopted:



- This plan augments and enhances the large media campaign that Metropolitan is orchestrating
- Increases visibility throughout the region
- Integrates new technology and social marketing channels as well.
- Critical part of the plan is to engage strategic partners to help carry the message. Everyday new partners are signing on. Current strategic partners include:

- IBM
- Hurley Sportswear
- Volcom
- Sempra Energy
- Surfer Magazine
- Latino Water Coalition
- TransWorld Media
- Sunset Magazine
- Fuel TV

Other parts of the program include:

- 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
- F.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.

Agree. This issue needs to be resolved.

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 havenots" 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.

Agree on finding 4.a., but we do not find a problem with this. 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.

The City of Brea is not part of the Orange County Water Basin and therefore has invested in California Domestic Water to help supplement around 50% of its imported water supply.

Disagree partially on finding 4.b. The finding is not clearly stated, but appears to include two implications that we believe 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 here is that the OCWD 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. Currently, the groundwater basin meets about 62% of the needs of the

overlying agencies (historically, has ranged from 62% to 80%) and the groundwater cost is substantially less than the cost of imported water. If additional supplies can be developed, the % distribution to the overlying entities would increase. It will never reach 100% and so it can be concluded that the supplies from the basin must remain in the basin to benefit the basin constituents. This is also consistent with water rights law and the OCWD Act that formed OCWD and governs how it operates and manages the basin.

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 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 exchange of water to south Orange County during emergency situations. Finally, development of projects by OCWD like the Ground Water Replenishment System (GWRS), benefit the south County area as well as all of southern California.

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.

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)

This 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. 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.

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)

We believe the response to this question should be 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.

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)

This will be implemented. All MWDOC agencies have dedicated quite a bit of time and resources to the development of information, not only in the LAFCO process, but in numerous discussions.

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)

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. Retail agencies 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. The City of Brea has interties with La Habra, Fullerton, Yorba Linda and Golden State Water. 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 most all of the MET imported drinking water in Orange County.

We also believe there was confusion in the Grand Jury Report between a "catastrophic" impact of a Delta Failure, which is more of a long term water "supply" issue, and therefore different than a WEROC test exercise type of "system" event. Much work is underway on resolution of the Delta issues, but not through WEROC. WEROC does conduct test exercises in Orange County of the type noted by the Grand Jury.

We would also like to note that responses to drought situations are included in the city's Urban Water Management Plan. 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.