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January 5, 2015

The Honorable Cathy Green
President
Orange County Water District
18700 Ward Street
Fountain Valley, CA 92708

RE: Huntington Beach Seawater Desalination Project Water Purchase Agreement

Dear President Green,

The Apartment Association of Orange County (AAOC) has been a long-time supporter of the Orange County Water District and its innovative water management projects that have helped maximize our local groundwater supply. We have also been supporters of the Huntington Beach Seawater Desalination Project proposed by Poseidon Water. We offer this letter to reaffirm our support for the project and to request that the OCWD Board of Directors approves at its meeting on January 7, 2015, entering into water purchase agreement negotiations with Poseidon Water to guide their project discussions moving forward.

Our association represents many of the apartment owners and management companies that provide housing for thousands of working families throughout Orange County. The livelihoods of our members as well as those of their residents depend on Orange County continuing to have a reliable water supply. Despite our local and regional achievements in water conservation and other measures that have maximized our existing water supply sources, new water will one day be needed to support continued economic growth and jobs creation and the increased demand for affordable housing.

We view seawater desalination as the new water supply source with the greatest potential to ensure future water reliability in Orange County. It is becoming a more cost effective option for ratepayers as technology improves and production costs continue to decrease. It is also a local investment that can potentially benefit all of Orange County in the event of long-term outages in our imported water delivery system.

The Huntington Beach Seawater Desalination Project is a project that can offer Orange County the new, local, reliable water supply that we need to secure our water future and keep our economy and housing markets strong. Again, we urge OCWD to proceed with the development of a water purchase agreement term sheet with Poseidon Water and to work together to bring this project online in a timely and expeditious manner.

Sincerely,

A handwritten signature in black ink, appearing to read "Lou Penrose".

Lou Penrose
Executive Director
Apartment Association of Orange County