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ORANGE COUNTY WATER DISTRICT
ORANGE COUNTY'S GROUNDWATER AUTHORITY

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August 18, 2022

The Honorable Judge Erick L. Larsh
Presiding Judge of the Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

SUBJECT: Orange County Water District response to the Findings and Recommendations of the Grand Jury 2021-2022 report titled: Water in Orange County Needs "One Voice"

Dear Judge Larsh:

Please accept this letter in accordance with the directive included in the Grand Jury 2021-2022 report titled: Water in Orange County Needs "One Voice" that the Orange County Water District (OCWD) provide responses to the report Findings (F1, F2, F3, F5 and F6) along with Recommendations (R1 and R2).

OCWD wishes to thank the Grand Jury for the time and effort that it spent in the development of this report, and for revisiting a matter that was examined and endorsed by the 2013-14 Grand Jury in its report "Sustainable and Reliable Orange County Water Supply: Another Endangered Species?" which resulted in this recommendation:

"R.5. MWDOC and OCWD should consider merging into a single wholesale agency to better evaluate, coordinate, and integrate more complex strategies involving the allocation and distribution of ground and imported water under emergency and climate change impacts. This merger would facilitate the implementation of Recommendations 1-4. (F.1.), (F.4.), (F.6.)"

Water agencies have a statutory duty and public trust to their ratepayers to provide a reliable and safe water supply for the people of Orange County. Not providing enough water for people and wildlife is a major long-term threat to the environment, our economy, and our lifestyle. OCWD has strategically developed new water supplies, enhanced capture of traditional water supplies and quickly responded to a major groundwater contamination situation to meet this duty. These North County efforts have been fruitful, but as the Grand Jury report states, all water is interconnected and now, more than ever, the status quo may be inadequate to the challenges we face.

Orange County's 3.3 million residents rely upon imported water supplies from northern California and the Colorado River. Within the OCWD service area imported water comprises 23% of the drinking water supply for the 2.5 million residents. In south Orange County along with the cities of Brea and La Habra, imported water comprises nearly 100% of the drinking water for the 0.8 million residents.

Imported water supplies to Orange County are on a downward trajectory. Supplies from Northern California via the State Water Project were reduced to 5% of the project contract for the second year in row. Supplies from the Colorado River are projected to be significantly reduced to California in the very near future. Now more than ever Orange County needs to position itself to manage its water resources in the most effective and efficient way possible.

As stated on the Grand Jury website (<https://www.ocgrandjury.org/geninfo.asp>),

"The civil, or "watchdog" responsibilities of the grand jury include the examination of all aspects of county government, including special districts, to ensure the county is being governed honestly and efficiently and county monies are being handled appropriately."

Considering its role and function, the Orange County Grand Jury did an outstanding job putting this thorough report together through the diligent acquisition of reliable information. Interviewing numerous individuals from water agencies that represented a cross section of regional and local wholesalers and retailers in the County, reviewing documents, touring water and wastewater facilities, reviewing past Grand Jury reports and attending a regional water symposium were critical elements in establishing the Grand Jury's knowledge base and in obtaining a diversity of perspectives.

OCWD believes it is worthwhile to continue to explore the consolidation of the two wholesale water agencies in Orange County through a transparent and collaborative process. We acknowledge the potential benefits the Grand Jury identified in a consolidated agency, which include:

- A united strong voice advocating for more water supply for Orange County and California
- Singular County leadership in forming conservation strategies, public outreach, and education
- Increased coordination of financial support and capital resources from local, State, and federal sources
- More influence at the local, State and federal levels
- Cost savings by eliminating duplications of administrative, professional, consultant, lobbying, and other expenses that currently exist

OCWD is committed to continue to engage with its retail water agency members and all stakeholders to determine the feasibility of the recommendations outlined in the Grand Jury Report.

Sincerely,



Stephen R. Sheldon
President

Cc Grand Jury