

The Honorable Denis Bilodeau
President
Orange County Water District
18700 Ward Street
Fountain Valley, CA 92708

July 7, 2018

Re: Support - Revised Term Sheet between OCWD and Poseidon Resources for the Huntington Beach Desalination Project

Dear President Bilodeau:

We attended the Orange County Water District (OCWD) Board Meeting on June 6, 2018 to testify in support of the amended water purchase agreement term sheet between OCWD and Poseidon Water. We continue to strongly support OCWD's pursuit of water independence by taking the necessary steps to secure a new drought-proof water supply from the Huntington Beach Desalination Plant. In fact, many of us have addressed the board numerous times over the years and have clearly communicated the support from individuals and organizations that represent hundreds of thousands of Orange County residents. Out of respect for the board's valuable time, we are submitting this joint letter in lieu of personally addressing the board yet again on July 18th.

We appreciate that OCWD is taking an inclusive approach to this process and allowed additional time for public review of the term sheet, just as you did in 2015. By any measure, the amended term sheet is demonstrably better for Orange County's ratepayers compared to the 2015 term sheet. Now is the time to act.

Even with the reliability of imported water supplies expected to be enhanced by the CA Water Fix, the Metropolitan Water District of Southern California anticipates the need for the additional 600,000 acre-feet per year of new, local supply by the year 2040 to meet future demand and to reduce dependence on imported supplies. The District's own Groundwater Management Plan identifies the desalination facility as the single largest source of new, local water available to the county. With the uncertainty surrounding the

future of Santa Ana River flows and state-imposed restrictions on water sources and uses, Orange County must be aggressive in protecting its economy and public health and safety.

We look forward to OCWD's continued pursuit towards water reliability and water independence and we look forward to OCWD working collaboratively with its partners throughout the County to ensure the realization of this important water reliability project.

Sincerely,



Carolyn Cavecche
President and CEO
Orange County Taxpayers Association



Ernesto Medrano
Council Representative
LA/OC Building Trades



Zeke Hernandez
President
Santa Ana LULAC #147



Paul Shoenberger
General Manager
Mesa Water District



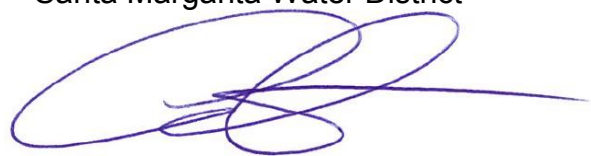
Duane Cave
Director
Moulton Niguel Water District



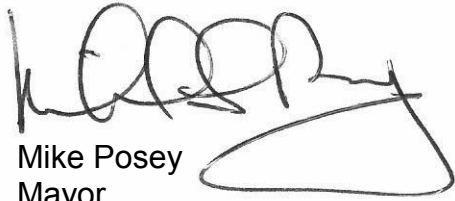
Jim Leach
Manager, External Affairs
Santa Margarita Water District



Dr. Allan Bernstein
City Council Member
City of Tustin



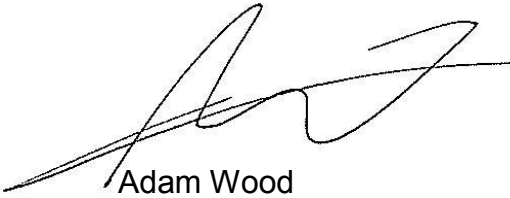
Tony Capitelli
Government Affairs Director
OC Association of REALTORS®



Mike Posey
Mayor
City of Huntington Beach



Shirley Dettloff
Former Mayor
City of Huntington Beach



Adam Wood
Director of Government Affairs
Building Industry Association of Orange County