



Irvine Ranch  
WATER DISTRICT

April 18, 2018

Mr. Mike Markus, P.E.  
General Manager  
Orange County Water District  
18700 Ward Street  
Fountain Valley, CA 92708

Subject: Termination of Low Flow Toilet and Shower Head Conservation Credit Program  
– April 18, 2018 Board Meeting (Consent Calendar Item No. 9).

Mike:

Irvine Ranch Water District (“IRWD”) objects to Orange County Water District’s (“OCWD”) proposed termination of the Low Flow Toilet and Showerhead Conservation Credit Program (“Conservation Credit Program”). For the reasons set forth below, IRWD urges the OCWD Board of Directors not to take any action to terminate the Conservation Credit Program.

First, Conservation Credit Program has served the interests of the Basin well, and IRWD strongly believes that it should not be discontinued. The Conservation Credit Program (which has been in place since 1995) has proven to be a successful incentive in encouraging groundwater producers to conserve water within OCWD’s boundaries. As reflected in OCWD staff’s Agenda Item No. 9 in the April 18, 2018 Board packet, the total amount of annual water savings OCWD attributed to this program for fiscal year 2016-17, totaled 1,797.5 acre feet. These water savings continue to relieve the strain on the Basin by lowering overall groundwater production. These savings not only benefit the Basin, but are consistent with the State’s overarching policy goals of promoting water conservation efforts.

Second, IRWD has serious concerns about OCWD’s motivation for making this policy change at this time. As you know, IRWD and OCWD are currently engaged in on-going litigation regarding OCWD’s failure to treat recycled water as a “Supplemental Source” under Section 31.5 of the OCWD Act. In its Agenda Item No. 9, OCWD staff indicates that one of the reasons for terminating the Conservation Credit Program is in direct response to arguments made by IRWD in the existing lawsuit – namely that just as OCWD treats conserved water as a “Supplemental Source” within the meaning of the OCWD Act, so should it treat recycled water. It therefore appears that OCWD is terminating the Conservation Credit Program in order to seek a perceived advantage in the lawsuit. OCWD should not be making unsound policy decisions regarding water conservation efforts in order to enhance its legal position in the lawsuit.

Third, whether intentional or not, it is clear that IRWD will be impacted the most by OCWD’s proposed termination of the Conservation Credit Program. As the table in Agenda Item No. 9 reflects, for fiscal year 2016-17 IRWD received the largest amount of conservation credits in the amount of 685.3 acre feet. IRWD’s conservation credits were significantly higher than any other producer in the district<sup>1</sup> and represents approximately 38% of total credits received across all producers in fiscal year 2016-17. Not

<sup>1</sup> For example, in 2016-17, Anaheim received the second largest credit amount at 250.4 acre-feet.

only does OCWD's proposed action disproportionately impact IRWD, it penalizes IRWD for its efforts to conserve water and efforts to relieve the strain on the Basin.

Finally, IRWD reiterates its position that recycled water is and should be treated as a "Supplemental Source" within the meaning of the OCWD Act. Not only is this consistent with the language and intent of the Act, it is also consistent with sound State policy. Recycled water, like conserved water, helps to alleviate the strain on the basin due to overproduction. Accordingly, both must be treated as a Supplemental Source and OCWD should be taking steps to promote and encourage their use, rather than penalizing producers who employ such water conservation and recycled water production measures.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul A. Cook".

Paul A. Cook, P.E.  
General Manager

cc: OCWD Board of Directors