

Orange County Groundwater Producers

April 5, 2016

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

Subject: Proposed Fiscal Year 2016-17 Budget

Dear Mike:

The Orange County Water District Board of Directors meeting for Wednesday, April 8, 2016 includes Agenda Item No. 3, which presents additional options for the Proposed Fiscal Year 2016-17 Budget. The two new options presented in the Power Point are:

- \$412 RA and 75% BPP
- \$388 RA and 80% BPP

Attached is a spreadsheet that shows the impact of each option on each of the Producer's water supply costs.

- The \$412 RA and 75% BPP option is \$14 million higher for the Producers. Under this option the Basin recovers an additional 17,000 AF.
- The \$388 RA and 80% BPP option is \$14 million less for the Producers and the Basin impact is unchanged.

The attached spreadsheet is valuable information to consider for next year's budget. Since your Board is conducting a Budget Workshop tomorrow, I am requesting that a copy of this letter and attachment be provided for their information. The Orange County Groundwater Producers have not yet taken a position on either of these options, but will consider them at our next meeting. I look forward to discussing these options in greater detail with you and your staff and with the Producers at our next Groundwater Producers meeting on April 13, 2016. In the meantime, please feel free to contact me at (949) 631-1206.

Sincerely,



Paul E. Shoenberger, P.E.
Chair
Orange County Groundwater Producers

AGENCIES

City of Anaheim
City of Buena Park
East Orange County WD
City of Fountain Valley
City of Fullerton
City of Garden Grove
Golden State Water Co.
City of Huntington Beach
Irvine Ranch WD
City of La Palma
Mesa Water District
City of Newport Beach
City of Orange
City of Santa Ana
City of Seal Beach
Serrano Water District
City of Tustin
City of Westminster
Yorba Linda Water District

BRADY

Producer Total Water Cost Comparison FY2017 Scenarios

(OCWD FY17 Budget Options - 363,000 AF Total Demand)

<i>Guerrero</i> Producer	Scenario 1 75% BPP (\$412 RA)	Scenario 2 80% BPP (\$388 RA)	Comparison of Costs (Savings of 2 v.1)
Anaheim	\$36,571,765	\$33,895,496	\$2,676,268
Buena Park	\$8,422,780	\$7,806,414	\$616,367
East OCWD	\$585,571	\$542,720	\$42,851
Fountain Valley	\$5,373,724	\$4,980,483	\$393,241
Fullerton	\$14,997,242	\$13,899,766	\$1,097,476
Garden Grove	\$15,498,959	\$14,364,768	\$1,134,191
Huntington Beach	\$13,095,369	\$12,137,069	\$958,300
Irvine Ranch WD	\$39,967,394	\$38,935,977	\$1,031,417
La Palma	\$1,156,344	\$1,071,725	\$84,620
Mesa Water	\$11,820,643	\$10,955,625	\$865,017
Newport Beach	\$7,797,748	\$7,227,121	\$570,628
Orange	\$16,292,404	\$15,100,150	\$1,192,254
Santa Ana	\$19,698,017	\$18,256,545	\$1,441,472
Seal Beach	\$1,636,921	\$1,517,134	\$119,788
Serrano ID	\$1,625,647	\$1,506,684	\$118,962
GSWC-OC	\$13,635,138	\$12,637,338	\$997,800
Tustin	\$5,648,541	\$5,235,189	\$413,352
Westminster	\$5,850,778	\$5,422,626	\$428,151
Yorba Linda WD	\$8,603,898	\$8,381,862	\$222,036
Other	\$391,790	\$363,119	\$28,671
TOTALS	\$228,670,672	\$214,237,809	\$14,432,863

Assumptions:

Total producer demand of 363,000 AF (380K minus 17K of Title 22 deliveries)

Total groundwater utilized of 268,519 AF in 75% BPP scenario (lower than 75% in aggregate)

Total groundwater utilized of 282,939 AF in 80% BPP scenario (lower than 80% in aggregate)

Analysis does not include estimated BEA exempt water (22K AF)

IRWD and Yorba Linda = capped at 70% BPP in each scenario

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