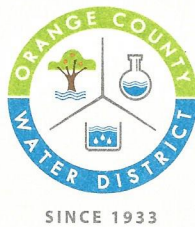


DIRECTORS

PHILIP L. ANTHONY
 DENIS R. BILODEAU, P.E.
 SHAWN DEWANE
 CATHY GREEN
 DINA NGUYEN
 VICENTE SARMIENTO
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ORANGE COUNTY WATER DISTRICT
 ORANGE COUNTY'S GROUNDWATER AUTHORITY

Item No. 6

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First Vice President
 PHILIP L. ANTHONY

Second Vice President
 SHAWN DEWANE

General Manager
 MICHAEL R. MARKUS, P.E., D.WRE

July 14, 2017

Mr. Robert J. Hunter
 General Manager
 Municipal Water District of Orange County
 18700 Ward Street
 Fountain Valley, CA 92708

Re: Metropolitan Water District Cyclic Storage Agreement

Dear Mr. Hunter:

The Orange County Water District (OCWD) and the nineteen Groundwater Producers within its service territory would like to express our appreciation to the Municipal Water District of Orange County (MWDOC) for its support of the July 11, 2017 Metropolitan Water District (MWD) Board action to provide up to a \$225/acre-foot credit for in-lieu imported water deliveries during fiscal year 2017-18. This water would be provided with the approval of a new Cyclic Storage Agreement between MWD, MWDOC and OCWD. We request that you forward this letter to your Board of Directors for their information when they consider approval of the new agreement.

As you are aware, MWD is currently managing historic amounts of imported water supplies because of the excessive precipitation California experienced this past winter. Due to the drought conditions that were experienced prior to this past winter, local groundwater basins in Southern California, including the OCWD basin, were over drafted to maintain reliable water supplies to the communities being served. Last year at this time, the OCWD groundwater basin was over drafted by 380,000 acre-feet and considered approximately 76% empty.

It is imperative that MWD and the local Southern California groundwater basins conjunctively work together to begin refilling these basins with the excess imported water supplies now available. The action supported by MWDOC and taken by the MWD Board on Tuesday, to make in-lieu water available with up to a \$225/acre-foot credit, will go a long way in assisting local groundwater basins to begin refilling their storage reserves.

Mr. Robert J. Hunter
July 14, 2017
Page 2 of 4

OCWD and the Groundwater Producers thank MWDOC for the work completed to date on this issue. MWDOC staffing to administer the in-lieu program going forward is also very important to ensure adequate recording keeping is maintained to obtain the MWD credit.

OCWD and the Groundwater Producers urge the MWDOC Board to give its General Manager the authority to enter into a Cyclic Agreement with MWD and OCWD according to the program principles that have been provided and discussed so that water deliveries can begin as soon as possible into the OCWD groundwater basin.

Thank you for consideration of this issue.

Sincerely,



Michael R. Markus, P.E., D.WRE, BCEE, F.ASCE
General Manager

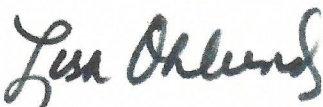
Michael Moore

Michael Moore, P.E.
Assitant General
Manager
City of Anaheim



Michael Grisso

Michael Grisso
Utilities Manager
City of Buena Park



Lisa Ohlund
General Manager
East Orange County Water District



Mark Lewis
Director of Public Works
City of Fountain Valley



Hye-Jin Lee

Hye-Jin Lee
Water Director
City of Fullerton



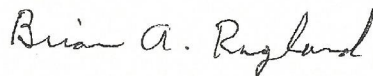
Bill Murray

Bill Murray
Water Services Manager
City of Garden Grove





Ken Vecchiarelli
District Manager
Golden State Water Company



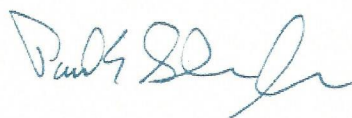
Brian A. Ragland
Utilities Manager
City of Huntington Beach



Paul A. Cook
General Manager
Irvine Ranch Water District



Carlo Nafarrete
Water Supervisor
City of La Palma



Paul Shoenberger
General Manager
Mesa Water District



George Murdoch
Utilities General Manager
City of Newport Beach



Joe DeFrancesco
Public Works Director
City of Orange



Nabil Saba, P.E.
Water Resources Manager
City of Santa Ana

David Spitz



David Spitz
Associate Engineer
City of Seal Beach



Jerry Vilander
General Manager
Serrano Water District



Art Valenzuela
Water Services Manager
City of Tustin



Scott Miller
Water Superintendent
City of Westminster



Marc Marcantonio
General Manager
Yorba Linda Water District

cc: OCWD Board of Directors