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ORANGE COUNTY WATER DISTRICT

ORANGE COUNTY'S GROUNDWATER AUTHORITY

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September 28, 2018

Rob Hunter General Manager Municipal Water District of Orange County 18700 Ward Street Fountain Valley CA 92708

SUBJECT: Municipal Water District of Orange County - Orange County Water

Reliability Study

Dear Mr. Hunter:

The Municipal Water District of Orange County (MWDOC) is in the process of preparing and finalizing the 2018 Orange County Water Reliability Study (Study). The Study provides a good analysis of future water supply needs for the region that MWDOC member agencies can use in evaluating potential future projects and water supply strategies.

A draft of the Study was recently presented to and discussed with the MWDOC member agencies on September 20, 2018. The Study will be discussed with the MWDOC Policy and Operations Committee on October 1, 2018.

The Orange County Water District (OCWD) has not had sufficient time to analyze all of the information in the Study and respectfully requests the MWDOC Board to provide your member agencies additional time to review and provide comments on the Study prior to the MWDOC Board taking any final action on the document. At this time, OCWD provides the following preliminary comments on the Study:

1. The MWDOC member agencies have not been fully engaged in the development of this Study as previously occurred with the earlier 2016 version. The Study relies upon a model developed by CDM Smith to assess the potential benefits of possible future projects. For the 2016 Study version, numerous workshops were held with the MWDOC member agencies to jointly discuss and evaluate the assumptions ultimately used by the model. Workshops of this nature have not occurred with the 2018 Study.

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- 2. Numerous assumptions also need to be made to project future water supply conditions and future water demands and those assumptions should be fully discussed and vetted with your member agencies. Minor reasonable changes to the assumptions currently being made can have major impacts to the Study results. OCWD believes the MWDOC member agencies should have the opportunity to participate in those types of decisions.
- 3. MWDOC should not be ranking and in effect telling its member agencies what future water supply projects they should be implementing for the following reasons:
 - No one can predict future water supplies and demands with specificity and certainty. The MWDOC Study does a good job of highlighting the many variables that could impact our future water resources and makes reasonable estimates in attempting to assess future water supply conditions. However, reasonable changes can be made to the MWDOC Study assumptions that result in different future water supply conditions for our region. If our future is different from what is being projected in the Study, then MWDOC could be telling its member agencies to fund and implement the wrong projects.
 - It is up to the governing body of each water agency in Orange County to decide what projects they desire to develop and/or participate in. Each water agency governing body has a duty to represent its constituents in the best manner possible. Governing bodies can have different water reliability philosophies and different financial resources. One governing body could decide it never wants its constituents to be called upon to temporarily reduce their water demands during a drought period while another governing body could decide that asking its constituents to reduce their demands by up to 25% three out of every ten years is acceptable. One governing body could decide it is willing to reduce future water supply uncertainty by developing a new local water supply project while another governing body could decide it is willing to accept a certain level of uncertainty. One governing body could decide it wants to develop a project it knows it can permit while another governing body could decide to attempt to develop a less expensive project that may not be permittable. The MWDOC Study and project recommendations are making these types of decisions for Orange County water agencies which is not appropriate nor under MWDOC's or any other water agency's authority.
 - Each MWDOC member agency governing body is responsible for allocating financial resources in the best manner possible for its individual

agency. Having the MWDOC Study in effect telling your member agencies how they should spend their money is not appropriate

The various potential future water supply projects and programs being evaluated are in different stages of development and can be different in nature. The estimated cost of the projects vary in refinement and accuracy. This makes it difficult to compare the projects. Some of the projects are only concepts. Some of the projects have had CEQA completed. It is also debatable if some of the projects even have a chance of occurring due to regulatory and institutional issues - while other projects may be relatively easy to permit. It is unreasonable to assume all the projects will eventually obtain the permits necessary for their construction. Additionally, the nature of the projects can be different. Some are storing water. Some are creating new annual supplies, while another project relies upon capturing intermittent rainwater. Again, each MWDOC member agency governing body needs to evaluate these types of issues and make decisions that are best for its service area.

Given these issues, OCWD respectfully requests that any sections of the MWDOC Study ranking or recommending projects be removed.

Thank you for your consideration.

Sincerely,

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

General Manager

Cc: OCWD Board of Directors

> OCWD Groundwater Producers MWDOC Board of Directors