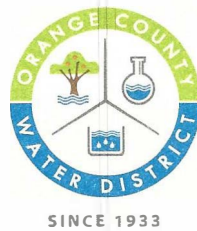


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ORANGE COUNTY WATER DISTRICT
 ORANGE COUNTY'S GROUNDWATER AUTHORITY

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January 11, 2019

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

Re: *Municipal Water District of Orange County - Orange County Water Reliability Study*

Dear Mr. Hunter:

This month the Municipal Water District of Orange County (MWDOC) Board will be considering final action on the 2018 Orange County Water Reliability Study (Study). The Study provides a good assessment of future water supply needs for the region that MWDOC member agencies can use in evaluating potential future projects and water supply strategies.

Orange County Water District (OCWD; District) has provided two previous letters regarding the Study conveying various concerns. OCWD's primary comment remains that MWDOC is in effect telling its member agencies what future water supply projects they should be implementing. By ranking projects and presenting them in the manner chosen in the Study, it will be difficult for your member agencies to implement projects not favorably described therein.

OCWD also believes the Study project rankings is not making an "apples to apples" comparison. Ranking projects that have such a wide range of development, some projects are merely conceptual while others have had CEQA completed, does not provide for an accurate comparison. Some of the ranked projects may not even be feasible or permissible. The cost estimates for the ranked projects have been prepared by other agencies using various methodologies accounting for different costs, financing strategies and contingencies. Appendix A of the Study list various project benefits that could not be quantified thus were not even taken into consideration in the project rankings. It also appears to OCWD that projects that provide desalted water supplies, which could reduce consumer appliance cost due to low total dissolved solids concentrations, received no applicable credit in the project rankings. Page 1-7 of the study acknowledges the need to apply a large variable contingency allowance to the project cost estimates in attempt to account for "unknown and unanticipated issues". Additionally, when you consider the inherent nature and inaccuracy of attempting to predict water supply conditions twenty years out into the future, it becomes very difficult if not impossible to make any absolute assessments regarding which projects may rank above others. For these reasons and the others provided in our previous letters, OCWD again requests MWDOC to exclude any project rankings in the Study.

Given the decades long failure to permit and develop a delta fix project, it seems only reasonable to OCWD that the Study should include at least one future scenario that does not assume the delta fix project will occur. The lack of this project being constructed would have a significant impact to available water supplies and would make many other alternative water supply projects more feasible.

Figure 5-1 of the Study shows a conceptual project pumping groundwater out of the OCWD groundwater basin into the East Orange County Feeder #2 and down to south Orange County water agencies. Given the OCWD Board has not taken any action on any project of this nature, and the inclusion of the project gives the casual reader the impression the project is a viable option, we request this project be deleted from the Study.

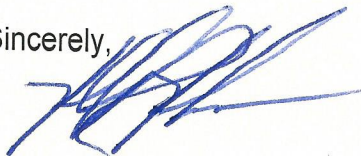
Section 5.1.7 of the Study list the "Cadiz Project" and the "Chino Basin Water Bank" as other potential OCWD projects. OCWD is not considering these projects at this time thus we ask they not be reported as an OCWD project. This section of the Study also indicates OCWD's prior request to not include and evaluate any District projects and that these projects could potentially provide significant supply benefits to the groundwater basin and possibly south orange county agencies. If OCWD were to successfully develop and construct a portion of these projects, such could significantly impact the Study project rankings.

Section 7.1 of the Study states that the future additional water supply needs of the OCWD groundwater basin are "fairly small". We request that this comment and any similar comments be removed from the Study for two primary reasons. This statement is based upon an assumed water reliability goal made by MWDOC which is not the policy of the OCWD Board. Additionally, OCWD does not believe any absolute statements of this sort can be made in a study attempting to predict water supply conditions 20 years into the future.

OCWD believes the MWDOC Study provides good information to your member agencies to assist them in evaluating the future reliability of imported water supplies to help determine what water supply projects they should consider for implementation. However, the Study goes too far and infringes upon the duties, responsibilities and obligations of your member agencies. It is up to each of the MWDOC member agencies to plan and determine what projects they desire to construct based upon their water reliability goals, finances and policies for their individual communities.

Thank you for your consideration of our comments.

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