

August 9, 2022

Honorable Erick L. Larsh
Presiding Judge
Superior Court of California, County of Orange
700 Civic Center Drive West
Santa Ana, CA 92701

Re: Response to Grand Jury Report from Yorba Linda Water District

"Water in Orange County Needs 'One Voice'" – OC Grand Jury 2021-2022

## Dear Judge Larch:

The Yorba Linda Water District (YLWD) is pleased to present the following response to the above-referenced Grand Jury Report as <u>requested</u> by the 2021-2022 Orange County Grand Jury:

## Findings of the Grand Jury:

F1 A singular water authority for Orange County's wholesale water supply likely would result in further opportunities at the local, State, and federal levels in legislation, policy making and receiving subsidies and grants.

YLWD Response to F1: YLWD neither agrees nor disagrees with this Finding. YLWD has no basis for evaluating this Finding and has no information or opinion as to whether local, state, or federal agencies would respond better to or be more likely to provide subsidies or grants to a larger agency.

F2 The current fragmented water system structure and operations provides challenges as it relates to development of new interconnected infrastructure as well as maintenance of existing systems.

YLWD Response to F2: YLWD neither agrees nor disagrees with this Finding as it demonstrates a lack of understanding as to the roles of the respective entities. MWDOC has no physical water transmission infrastructure. OCWD maintains any interconnections it needs directly with MET and OCWD maintains its facilities without issue to a very high standard.

F3 There is a great disparity between the North/Central and South Orange County water sources, management, and operations carried out by OCWD and MWDOC.

Hon. E. Larsh August 9, 2022 Page 2 of 3

YLWD Response to F3: YLWD agrees with this Finding at face value. North/Central Orange County has long-established rights to the Orange County groundwater basin that South Orange County does not have. Combining these agencies will not change that. A combined agency would still have to maintain separate and distinct functions such that the rights to groundwater of the agencies holding such rights are not abridged or compromised in any fashion. A combined agency would almost certainly gain significant economies and efficiencies as to management of the imported MET water supply.

F4 South Orange County has many smaller retail water districts that lack a formal centralized leadership. Notwithstanding this lack of structure, South Orange County retail water districts have displayed effective collaboration when dealing with one another.

YLWD Response to F4: YLWD neither agrees nor disagrees with this Finding and has no basis for comment.

F5 Orange County Water District is a recognized worldwide leader in groundwater resource management and reclamation. Its leadership, innovation, and expertise can be further utilized to serve all of Orange County in developing additional innovative and beneficial programs.

YLWD Response to F5: YLWD agrees with this Finding keeping in mind the distinction between those agencies having rights to groundwater and those that do not.

**F6** Orange County currently does not have a countywide coordinated policy regarding water conservation, which results in difficulty when complying with any new State-mandated conservation regulations.

YLWD Response to F6: YLWD agrees with the first part of this Finding and disagrees with the second part. Despite not having a "countywide coordinated policy regarding water conservation," YLWD is not aware of this resulting in any difficulty complying with new State-mandated conservation regulations. In fact, the State thus far, has left it to the local agencies to determine how best to comply with State policies. YLWD respectfully suggests that this is the essence of local control – allowing each local community to do what works best without the overreach of a larger regional agency.

Hon. E. Larsh August 9, 2022 Page 3 of 3

## Recommendations of the Grand Jury:

R1 By January 2023, Orange County wholesale water agencies should formally begin analysis and collaboration towards forming a single wholesale water authority or comparable agency to operate and represent wholesale water operations and interests of all imported and ground water supplies. (F1, F2, F3, F4, F6)

YLWD Response to R1: If the two agencies would like to explore a possible merger, YLWD would support that effort. YLWD recognizes that there may be many long-term benefits and economies to be realized through an eventual consolidation of these agencies.

R2 Any future "One Voice" consolidated Orange County wholesale water authority should have Directors that examine and vote on issues considering the unique needs of all water districts. (F1, F2, F3, F4, F6)

YLWD Response to R2: YLWD believes that all public agencies should have elected members that examine and vote on issues considering the unique needs of constituents and stakeholders.

Thank you for providing YLWD the opportunity to respond and comment. Should you have any questions, please contact us at your convenience.

Sincerely,

J. Wdyne Miller, Ph.D.

President, Board of Directors