



*Dedicated to
Satisfying our Community's
Water Needs*

BOARD OF DIRECTORS

Marice H. DePasquale
*President
Division III*

Shawn Dewane
*Vice President
Division V*

Jim Atkinson
*Director
Division IV*

Fred R. Bockmiller, P.E.
*Director
Division I*

James R. Fisler
*Director
Division II*

Paul E. Shoenberger, P.E.
General Manager

Denise Garcia
District Secretary

Marwan Khalifa, CPA, MBA
District Treasurer

**Atkinson, Andelson,
Loya, Ruud & Romo**
Legal Counsel

1965 Placentia Avenue
Costa Mesa, CA 92627
tel 949.631.1200
fax 949.574.1036
info@MesaWater.org
MesaWater.org

September 14, 2022

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

**RE: Mesa Water District Response to the 2021-2022 Orange County
Grand Jury Report, *Water in Orange County Needs "One Voice"***

Presiding Judge Larsh:

Mesa Water District ([Mesa Water®](#)) received the Orange County Grand Jury Report (OCGJ Report), *Water in Orange County Needs "One Voice,"* about consolidating the Municipal Water District of Orange County (MWDOC) with the Orange County Water District (OCWD). The OCGJ Report arrived at six findings and two recommendations, and requires responses from (some) affected public agencies to the Presiding Judge by September 20, 2022.

Mesa Water is a local independent special district, founded on January 1, 1960 and governed by a publicly-elected five-member [Board of Directors](#). Mesa Water provides [100% local groundwater](#) to businesses and 110,000 residents in an 18-square-mile service area that includes most of the City of Costa Mesa, parts of Newport Beach, and unincorporated Orange County including John Wayne Airport.

Mesa Water's Board of Directors adopts Legislative Platforms and [Policy Positions](#) which are used to guide decision-making on water/government/utility issues that can impact its operations, customers, and community. Several of these platforms and policy positions are aligned with the OCGJ Report, including support for: local control, representation and rate-setting authority; and increased influence at Metropolitan Water District of Southern California (MWD), and close working relationships with MWDOC on local and regional issues and programs for which the organization is advocating at MWD.

Mesa Water's responses to findings F1, F2, F3, F5 and F6, and to recommendations R1 and R2, as required by the OCGJ Report, are below.

GRAND JURY FINDINGS

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.*



F1 Response: Mesa Water agrees with this Finding. While the OCGJ Report accurately states that “no single governmental body is solely responsible for wholesale water policy and operations in Orange County,” both MWDOC and OCWD have been successful -- separately and together. Focusing efforts under one wholesale water provider in Orange County could be beneficial in concept.

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.

F2 Response: Mesa Water wholly disagrees with this Finding. The current water system structure and operations work well in Orange County and are not fragmented. The role of MWDOC is to provide MWD representation for Orange County, and to purchase imported water from MWD for Orange County’s retail water agencies. MWDOC does not own or operate any water infrastructure; MWD owns and operates the imported water conveyance, storage, and treatment systems in Orange County.

Mesa Water believes that decades of engineering by OCWD -- as well as by retail water agency members of MWDOC and OCWD -- has resulted in interconnected and well-maintained water systems throughout Orange County. Consolidating MWDOC with OCWD would not facilitate more interconnected infrastructure or improve existing systems’ maintenance.

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.

F3 Response: Mesa Water partially disagrees with this Finding, specifically with the phrase “great disparity”.

A) Water Sources – The OCGJ Report states that a “great disparity” exists between North/Central and South Orange County water sources; however, Mesa Water believes that this could be best described as simply a “difference” between the water sources of North/Central and South Orange County.

North/Central Orange County overlies the Basin, and retail water agencies located there can pump groundwater from the Basin -- replenished with highly-treated wastewater purified by the Groundwater Replenishment System (GWRS).

In North/Central Orange County, having optimized groundwater supply reliability through almost \$1B of investments in the GWRS, retail water agencies meet approximately 77% of their service areas’ drinking water demands with Basin groundwater. To supplement this, North/Central Orange County retail water agencies purchase imported surface water from MWD/MWDOC, and invest in developing other local water supplies within their service areas.

South Orange County retail water agencies do not have access to the Basin, and nearly 100% of the drinking water is imported water purchased from MWD/MWDOC (which is more expensive than Basin groundwater). Additionally, South Orange County’s retail water agencies can -- and do -- invest in developing other local water supplies within their services areas, such as water desalination, recycling, storage, and transfer/exchange projects.

Consolidating MWDOC with OCWD will not provide South Orange County with water rights to the Basin, and the current differing water supply portfolios will remain different regardless of whether or not MWDOC and OCWD are consolidated.



B) Water Management and Operations –Water Management and Operations differ between North/Central and South Orange County. However, “different” does not have the same meaning as “great disparity” which conveys a negative connotation.

OCWD, MWDOC, and retail water agencies throughout Orange County perform different roles.

- OCWD’s role is to manage the Basin for the benefit of the retail water agencies overlying the Basin (in North/Central Orange County)
- MWDOC’s role is to facilitate the purchase transaction of imported surface water from MWD to OCWD and to retail water agencies throughout Orange County
- Retail water agencies’ role is to provide safe, affordable, reliable water to their service areas in Orange County

All perform their roles to a very high standard.

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.

F5 Response: Mesa Water agrees with this Finding. Globally renowned for its leadership in water management and water reclamation/reuse, OCWD representatives speak at industry events to describe its innovative projects and programs.

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.

F6 Response: Mesa Water wholly disagrees with this Finding. Based on its policy of supporting local control. Mesa Water believes that a “countywide coordinated policy regarding water conservation,” is neither productive or realistic. Retail water agencies in Orange County know their customers better than OCWD, MWDOC, MWD, and any other entities. Mesa Water believes that each retail water agency in Orange County understands how best to implement water conservation programs and how best to optimize water use efficiency in their service areas.

As a whole, Orange County retail water agencies and their customers have complied with State-mandated water conservation regulations, and retail water agencies throughout Orange County already work well together on shared water use efficiency policies. While there is agreement on the importance of water conservation and water use efficiency in Orange County, using a one-size-fits-all policy approach to water conservation and water use efficiency is not economically viable, effective, or efficient, and would not enhance the ability of retail water agencies in Orange County to comply with State-mandated conservation regulations.

Mesa Water is not aware of any “difficulty when complying with any new State-mandated conservation regulations.” Orange County’s retail water agencies have and continue to do an outstanding job with LOCAL conservation/water use efficiency policies and customer messaging that are compatible with local needs.

Further, it is important to emphasize that the State-mandated “Making Conservation a California Way of Life,” water use efficiency regulations are structured for compliance at the local retail water agency level.



Water-saving activities in Orange County are well coordinated. MWDOC has a long-standing history of providing resources and support for locally-appropriate responses to water conservation regulations, and MWDOC has led and administered many water conservation and water use efficiency programs -- in partnership with its member retail water agencies throughout Orange County.

GRAND JURY RECOMMENDATIONS

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)

R1 Response: In concept, Mesa Water supports this Recommendation. Any effort to consolidate Orange County's two water wholesalers into one entity should begin with a voluntary analysis conducted by MWDOC and OCWD. This analysis should include the participation of each agency's member retail water agencies and the Orange County Local Agency Formation Commission. Mesa Water would only support MWDOC and OCWD consolidating if these two conditions remain:

1) North/Central Orange County Basin water rights are protected; and, 2) the Orange County MWD delegation continues with seven members—three City seats for Anaheim, Fullerton, and Santa Ana and four Board seats within the newly consolidated agency.

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)

R2 Response: Mesa Water agrees with and supports this Recommendation. Whether or not MWDOC and OCWD consolidate, Mesa Water believes that it is in the best interest of Orange County's retail water agencies and the public for Orange County's wholesale water Directors to "examine and vote on issues considering the unique needs of all water districts".

Mesa Water appreciates the OCGJ's interest in water in Orange County. Mesa Water hopes the information and responses provided are informative and meet the needs of the OCGJ Report. If you have any questions, please contact me or Mesa Water's General Manager, Paul E. Shoenberger, P.E., at PaulS@MesaWater.org or 949-631-1206.

Sincerely,

A handwritten signature in blue ink that reads "Marice H. DePasquale".

Marice H. DePasquale
Mesa Water District Board President
MariceD@MesaWater.org

c: Gwen P. Isarowong, Foreperson, 2021-22 Orange County Grand Jury
Orange County Grand Jury
Mesa Water Board of Directors