



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Office of the General Manager

September 20, 2022

EMAIL: PIO@OCcourts.org

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

Dear Presiding Judge Larsh:

The Metropolitan Water District of Southern California Response to Grand Jury Report *Water in Orange County Needs 'One Voice'*

On June 22, 2022, the Orange County Grand Jury released a report titled, *Water in Orange County Needs 'One Voice'*. The Grand Jury requested that The Metropolitan Water District of Southern California (Metropolitan) respond to findings and recommendations in the report. Per the Grand Jury's request, below are Metropolitan's responses to Findings F1, F2, and F6, and Recommendations R1 and R2.

Metropolitan appreciates the Grand Jury's effort to prepare this report; however, the report lacks sufficient facts and analysis for Metropolitan to support Findings F1, F2, and F6, and Recommendations R1 and R2.

Background

Metropolitan is a metropolitan water district created in 1928 under authority of the Metropolitan Water District Act. Metropolitan's primary purpose is to provide a supplemental supply of water for domestic and municipal uses at wholesale rates to its member public agencies. Metropolitan serves its member agencies as a water wholesaler and has no retail customers. The mission of Metropolitan is to provide its service area with adequate and reliable supplies of high-quality water to meet present and future needs in an environmentally and economically responsible way.

Metropolitan is comprised of 26-member public agencies, including 14 cities, 11 municipal water districts, and one county water authority, which collectively serve the residents and businesses of more than 300 cities and numerous unincorporated communities. Member agencies request water from Metropolitan at various delivery points within Metropolitan's system and pay for such water at uniform rates established by the Board for each class of water service. Metropolitan's water is a supplemental supply for its member agencies, most of whom have other sources of water. Metropolitan's service area comprises approximately 5,200 square miles and includes all or portions of the six counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura.

Honorable Erick L. Larsh
Page 2
September 20, 2022

Metropolitan's member agencies are not required to purchase or use any of the water available from Metropolitan. Some agencies depend on Metropolitan to supply nearly all of their water needs, regardless of the weather. Other agencies, with local surface reservoirs or aqueducts that capture rain or snowfall, rely on Metropolitan more in dry years than in years with heavy rainfall, while others, with ample groundwater supplies, purchase Metropolitan water only to supplement local supplies and to recharge groundwater basins. Consumer demand and locally supplied water vary from year to year, resulting in variability in the volume of Metropolitan's water transactions.

The Municipal Water District of Orange County (MWDOC) is a member agency of Metropolitan. On behalf of Orange County Water District (OCWD), MWDOC purchases replenishment water from Metropolitan. Metropolitan works closely with MWDOC, other member agencies in Orange County (cities of Anaheim, Fullerton, and Santa Ana) to develop water policies and provide reliable water service for the region.

Metropolitan Responses:

Finding 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.”*

Response: Metropolitan supports local, self-determination for water systems in compliance with regulations and with adequate technical, managerial, and financial capacity. The Grand Jury report did not provide sufficient evidence for Metropolitan to make a determination on Finding F1.

Finding 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.”*

Response: Metropolitan acknowledges that Orange County benefits from a resilient water system with multiple sources, vast groundwater storage, state-of-the-art recycled water programs, and strong groundwater management. The Grand Jury report did not provide sufficient evidence for Metropolitan to make a determination on Finding F2.

Finding 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.”*

Response: Water agencies in Orange County are recognized leaders in innovative conservation approaches. Metropolitan works closely with its member agencies to advance water efficiency throughout the region. The Grand Jury report did not acknowledge the coordinated nature of

Honorable Erick L. Larsh
Page 3
September 20, 2022

Metropolitan's regional conservation program and provides insufficient evidence for Metropolitan to make a determination on Finding F6.

Recommendation 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)*

Response: Metropolitan did not make a determination on Findings F1, F2, and F6 because the Grand Jury report lacked sufficient evidence for Metropolitan to agree with the findings. However, Metropolitan would support the agencies if they decided to consider forming a single wholesale water agency.

Recommendation 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)*

Response: As a regional co-operative, Metropolitan agrees generally that agency directors should examine and vote on issues considering the unique needs of all water districts. Findings F1, F2, and F6 lacked sufficient evidence to enable Metropolitan to review and agree with the findings.

Thank you for providing Metropolitan with the opportunity to respond. Please feel free to contact us if you have any further questions.

Sincerely,



Adel Hagekhalil
General Manager

BC:sff

cc: Rob Hunter, General Manager
Municipal Water District of Orange County

Mike Markus, General Manager
Orange County Water District