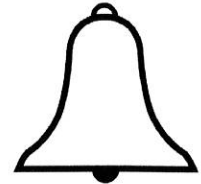


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## Santa Margarita Water District

July 16, 2015

Glenda Sanders, Presiding Judge of the Superior Court  
700 Civic Center Drive West  
Santa Ana, CA 92701

Foreman  
Orange County Grand Jury  
700 Civic Center Drive West  
Santa Ana, CA 92701

Subject: Required Response to 2014-2015 Orange County Grand Jury Increasing Water Recycling: A Win-Win for Orange County

Dear Judge Sanders,

As required by Penal Code 933.05(a) and (b), the Santa Margarita Water District is providing the following response to Finding F.6 and of Recommendation R.4:

F.6     The El Toro Water District, the City of San Clemente, the **Santa Margarita Water District** and the Trabuco Canyon Water District process a combined average total of 19.3 million gallons per day and send to the ocean 9.5 million gallons per day. The remaining 9.8 million gallons per day are used for landscape irrigation.

*Santa Margarita Water District disagrees with the totals in the report. Due to the drought and the State of California's emergency regulations, Santa Margarita Water District has increased its production and use of recycled water. Currently it processes 11 million gallons per day (mgd) of wastewater, use 7.8 mgd for irrigation and send 3.2 mgd to the ocean outfall. We cannot confirm the amounts for the remaining three public agencies and therefore cannot agree with the finding.*

R.4     The El Toro Water District, the City of San Clemente, the **Santa Margarita Water District**, and the Trabuco Canyon Water District should conduct a study of possible methods of increasing the amount of processed wastewater and implement the most cost effective method to reduce the amount of imported water to Orange County. (F.6.).

*The Santa Margarita Water District has implemented this recommendation with the other South County Water Purveyors. A regional workshop was held on March 21, 2014 titled, Future of Recycled Water Use in South Orange County which identified regional recycled water demands and future planning as well as future wastewater flows. Subsequently, the agencies have worked collectively to identify points of interconnection of recycled water systems and regional projects*

26111 Antonio Parkway, Rancho Santa Margarita, CA 92688 • Mailing - P.O. Box 7005, Mission Viejo, CA 92690-7005

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to maximize production and reduce the dependency on imported water. The ongoing studies include:

- *Engineering and Environmental Review of the Trampas Canyon Recycled Water Seasonal Storage Reservoir which can provide regional storage to expand the use of recycled water*
- *San Juan Basin Optimization Plan which studies the development of recycled water projects to recharge the groundwater basin*
- *Interconnection studies between City of San Clemente and Santa Margarita Water District for maximization of recycled water production*
- *Interconnection studies between El Toro Water District, Moulton Niguel Water District and Santa Margarita Water District for seasonal storage of recycled water and maximization of recycled water production and distribution*
- *Increased recycled water production at the 3A Water Reclamation Plant for groundwater recharge and irrigation purposes*
- *Santa Margarita and Trabuco Canyon Water District have an existing agreement for Santa Margarita to purchase any excess recycled water produced by Trabuco Canyon*

In addition, on January 7, 2015 the Santa Margarita Water District approved the first phase of a “Wastewater Treatment and Recycled Water Master Plan”. Due to the drought the Santa Margarita Water District has also had a significant increase in interest by Home Owners Associations (HOAs) and municipalities converting to recycled water irrigation including the communities of Palmia (70 af), Las Flores (200 af) and Califia (500 af). The following chart shows the future projects:

Recycled Water Conversions						
Project	Water Saved	Capital Cost	Life	Capital Cost of Water	Time to Implement	
	AF-Yr	(\$)	(Years)	(\$/AF)	(Months)	
Coto de Caza	450	\$ 1,070,000	5	\$ 476	3-5	
Melinda	150	\$ 2,370,000	20	\$ 790	6-12 <sup>(3)</sup>	
Misc Conversions	150	\$ 2,250,000	20	\$ 750	12	
Lake MV <sup>(2)</sup>	250	\$ 5,000,000	20	\$ 1,000	6-12 <sup>(3)</sup>	
RSM <sup>(2)</sup>	1,000	\$ 13,444,000	20	\$ 700	6-12 <sup>(3)</sup>	
	2,000	\$ 24,134,000				

(1) Does not include \$500,000 grant  
 (2) Outside funding is available (SRF Grant/Loan, LRP)  
 (3) Aggressive time frame requires design/build

SMWD Grand Jury Response

July 16, 2015

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Sincerely,

SANTA MARGARITA WATER DISTRICT

A handwritten signature in blue ink, appearing to read "Betty H. Olson". The signature is fluid and cursive, with the first name "Betty" and the last name "Olson" clearly distinguishable.

Betty H. Olson, PhD  
President