



SERRANO WATER DISTRICT
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August 28, 2023

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Honorable Maria Hernandez
Presiding Judge of the Superior Court
700 Civic Center Drive West
Santa Ana, CA 92701

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

Re: Serrano Water District Responses To Grand Jury Report Of June 2023: Historic Rain, Yet Drought Remains

Dear Presiding Judge Hernandez:

Per the request of the Orange County Grand Jury ("Grand Jury") dated June 5, 2023, the Serrano Water District ("SWD") response to the Grand Jury Report entitled "Historic Rain, Yet Drought Remains" (the "Grand Jury Report") is herein provided per the requirements of Penal Code sections 933 and 933.05. Per the directions provided in the Grand Jury Report, SWD responds below to Grand Jury Report Findings 1-12 and Recommendations 2-4.

SWD RESPONSE TO GRAND JURY REPORT FINDINGS

F1. Future water supplies are impacted by climate change and current supplies will not meet future demands.

Response: Serrano Water District does not have sufficient information to opine upon the accuracy of this finding. Serrano Water District is addressing future uncertainty that may

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be associated with climate change by improving the reliability and storage of Santiago Reservoir, the largest surface water storage reservoir in Orange County.

F2. Climatologists predict future extended periods of low moisture with occasional wet years.

Response: See response to Finding 1.

F3. Climate change is inevitable and is exacerbated by human behavior.

Response: This is a question for climatologists, not water districts. However, to the extent this finding is ultimately confirmed, Serrano Water District is addressing future uncertainty as described in the response to Finding 1.

F4. South Orange County relies primarily on the importation of water.

Response: This finding is consistent with Serrano Water District's understanding. However, Serrano Water District understands that South Orange County agencies have a number of promising local water supply projects in development (e.g., Doheny Desalination Project) that may decrease reliability on imported water supplies over the long term.

F5. Local water suppliers recognize that enhanced stormwater capture and storage, wastewater recycling, and infrastructure improvements will not be sufficient to address the long-term forecast of drought and its effects on supply.

Response: This finding does not appear supported at least as to central and northern Orange County. The amount of local water available from projects such as the final expansion of the OCWD Groundwater Replenishment System (GWRS) has increased, thereby freeing up additional imported water supplies for purchase by southern Orange County agencies. Serrano Water District and Irvine Ranch Water District are increasing storage capacity of the Santiago Reservoir, thereby allowing the Districts in the future to capture additional stormflows and store imported water during wet years that can potentially be utilized on a regional basis during dry years.

F6. There is significant water infrastructure planning, but inadequate implementation.

Response: We disagree with this finding at least as to northern and central Orange County. See responses to findings 1, 4, and 5 for examples of good water planning and implementation that increase local water supply reliability.

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F7. The review and approval process for major water capital projects is cumbersome and overly restrictive.

Response: Serrano Water District generally agrees with this finding.

F8. Failing to find solutions to water shortages will have a significant impact on the Orange County economy.

Response: Serrano Water District generally disagrees with this finding, at least as to central and northern Orange County. This is because, as indicated earlier, water treatment, storage and conveyance projects developed and implemented in central and northern OC have resulted in significant water reliability even during dry years.

F9. Continued development in Orange County creates additional water supply needs.

Response: Serrano Water District's understanding is that population growth in Orange County is not occurring at significant levels, and Serrano is confident of its own ability to continue supplying high quality local supplies to its customers for the long term.

F10. Conservation and efficient use of water is essential.

Response: Serrano Water District generally agrees with this finding.

F11. Increased outreach and public education are necessary.

Response: Serrano Water District generally agrees with this finding.

F12. Desalination has proven to be technologically and environmentally feasible and is slowly being embraced as a drought-resistant source of water.

Response: Serrano Water District agrees that desalination may be technologically and environmentally feasible and an appropriate drought resistant source of supply in areas that currently do not have access to sufficient local water supplies. However, the use of desalination in northern and central Orange County may be of questionable value because of the existence of high-quality local supplies.

SWD RESPONSE TO GRAND JURY RECOMMENDATIONS

R2. Orange County water agencies should expedite the planning, development, and construction of desalination plants over the next five years to insure a sustainable and reliable drought-resistant source of water.

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Response: Serrano Water District generally disagrees with this recommendation as applied County wide since central and northern Orange County already have a high level of water supply reliability. However, this recommendation may make more sense as to South County agencies without access to local supplies who could potentially benefit from developing and implementing desalination and other local water supply projects funded by their constituents.

R3. The County of Orange and all Orange County cities should formulate an emergency development moratorium plan in anticipation of the Colorado River water supply being constrained. The emergency moratorium plan should be developed by the end of calendar year 2023.

Response: Serrano Water District does not see a need for an emergency moratorium plan currently, at least as pertains to central and northern Orange County. Much of the new development in northern and central Orange County is anticipated to be infill and the construction of additional dwelling units (ADUs) at existing residences, which, though adding population in existing residential areas, can nevertheless be anticipated to reduce total water demand due to decreased outdoor irrigation and the implementation of mandatory state water efficiency standards in new water use that does occur.

R4. Orange County water agencies should update their public communication strategies, by calendar year end 2023, to inform the public of lifestyle changes if additional water sources are not developed.

Response: Serrano Water District does not agree with this recommendation. Most, if not all, OC water agencies are already very proactive in their communication strategies regarding the need for conservation and efficient water use, and as previously indicated, central and northern Orange County already have significant reliable local water supplies—particularly given the advent of mandatory state water efficiency standards.

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Thank you for considering SWD's response and for the opportunity to comment upon the Grand Jury Report.

Very truly yours,

A handwritten signature in cursive script that reads "Brad Reese".

Brad Reese
President, Board of Directors
Serrano Water District

cc: SWD Board of Directors
Mr. Jerry Vilander, General Manager
Mr. Jeremy N. Jungreis, General Counsel, SWD