



July 9, 2024

VIA Certified Mail: 7011 3500 0003 1666 4782

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

Re: IRWD Response to Grand Jury Report "*Emerging Opportunities in South County Water/Wastewater Systems*"

Dear Presiding Judge Hernandez:

On June 21, 2024, the Orange County Grand Jury released a report titled "*Emerging Opportunities in South County Water/Wastewater Systems*." This report requested that Irvine Ranch Water District (IRWD) respond to findings and recommendations in the report. Per the 2022-2024 Orange County Grand Jury's request, and in accordance with Penal Code 933.05, below are IRWD's responses to Finding F4 and Recommendation R2.

Background Information:

IRWD provides high-quality drinking water, reliable wastewater collection and treatment, groundbreaking water recycling programs, and environmentally sound urban runoff treatment to approximately 445,000 residents and a daytime population of 600,000, served through more than 131,000 connections.

IRWD remains a longstanding leader in the areas of water resource management and planning, with an emphasis on sustainability. The District is also a recognized leader in the areas of water recycling, drought preparedness, emergency supply development, supply diversification, water use efficiency, and financial management.

As noted in the Grand Jury's report, IRWD has extensive experience with water and wastewater agency consolidations. Over the years, IRWD has consolidated with five water suppliers. The Grand Jury's report accurately related that IRWD's integrated services have allowed for reduced overhead and administrative costs, lower rates and charges to customers of the consolidated district, with benefits to all customers.

IRWD agrees that good governance includes analyzing alternative arrangements that may improve how public agencies provide services. When considering consolidation requests, IRWD seeks to identify increased efficiencies through economies of scale and mutual benefits from combined expertise and resources. Community engagement and support is also important for any successful consolidation.

It is important to note that successful consolidations take time and allow for evaluation, analysis, planning, and community engagement. This is one of the many reasons why IRWD does not support unilaterally initiated consolidations, detachments, or other forced service boundary changes.

Given this background, IRWD's responses to the Grand Jury's report are provided below.

IRWD Responses:

**Finding F4:** *"There is currently no unified strategy for the future of water/wastewater provision in South Orange County."*

Response: IRWD disagrees partially with this finding.

South Orange County currently has eight retail water districts and one city that provide water services and that are responsible for wastewater services, although they may use the joint conveyance and treatment facilities of the South Orange County Wastewater Authority (SOCWA).

South Orange County's retail water agencies strive to collaborate effectively on water/wastewater management, infrastructure development, and policy – despite having differing views on wastewater governance and how best to service their customers.

IRWD disagrees partially with the finding based on what a "unified strategy" could mean. We agree that there may not be a unified strategy for the future of water/wastewater provision if one views a "unified strategy" as being future provision of those services by one entity or agreement on if SOCWA should play a role.

We disagree with the finding if a "unified strategy" means a common understanding of who is responsible for providing water and wastewater services to each portion of South Orange County and a plan on how they will provide those services. This unified strategy for the provision of services exists. The strategy is that each retail water agency will be responsible for ensuring those services are provided to their service area, and those service areas are clearly defined and understood. A retail water agency may provide the services itself, or via contract with SOCWA or another entity, but will decide what is best for its customers. This is the approach IRWD has taken.

**Recommendation R2:** *"The OCGJ recommends that by January 1, 2025, LAFCO form a taskforce comprising representatives of affected water agencies to study the transformation of*

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*SOCWA and prepare a report on the future of water/wastewater in South Orange County. (F3, F4)”*

Response: The recommendation will not be implemented by IRWD because this recommendation calls for action by another entity, LAFCO, to form a taskforce.

IRWD regularly works with other water and wastewater agencies in South Orange County, and we discuss the region’s future water and wastewater needs.

IRWD has planned for its future sewer collection and treatment needs and will continue to do so. If LAFCO or a group of South Orange County agencies want to engage in further discussions about the future of South Orange County water and wastewater service and needs, IRWD would engage in those conversations, as appropriate, given our service boundaries, IRWD customer needs, and our interest in regional collaboration and cooperation. IRWD would not engage in a conversation about future structure or management of the South Orange County Wastewater Authority, as we are no longer a member of that joint powers authority.

If you need further information regarding this response, please contact me at (949) 453-5590.

Sincerely,



Paul A. Cook, P.E.  
General Manager

cc: Orange County Grand Jury  
IRWD Board of Directors