

October XX, 2018

DRAFT

Mr. Rob Hunter
General Manager
Municipal Water District of Orange County
18700 Ward Street
Fountain Valley, CA 92708

Subject: Comments on 2018 Update to Orange County Water Supply Reliability Study

Rob:

The Municipal Water District of Orange County (MWDOC) has recently completed its draft 2018 Update to the Orange County Water Supply Reliability Study (2018 Study). This study is an important, objective, and comprehensive evaluation of how gaps in future water supplies can be met with different local and regional water supply projects. Irvine Ranch Water District (IRWD) appreciates the hard work that MWDOC staff and consultants have put into this study and compliments the team for objectively comparing project alternatives. We also commend MWDOC staff for encouraging and incorporating input received from its member agencies. The purpose of the letter is to provide the following IRWD comments on the study.

IRWD's comments, which have been reviewed with and approved by the IRWD Board of Directors, are as follows:

1. The future demand forecasts that were developed for the initial Supply Reliability Study (completed in 2016), with the input of MWDOC's member agencies, are reasonable. These demands adequately reflect the expected impacts of the State imposing water budgets on retail water agencies throughout the County. The study adequately demonstrates that water demands are not likely to increase in Orange County in the future.
2. The project evaluation metrics that are used in the updated 2018 Study provide a good method of comparing the benefits and costs of the projects. IRWD supports the comparison of the projects based on the metrics used in the study. Comparing the benefits and costs of alternatives is an essential component of water supply reliability planning. Even though not all the potential indirect benefits of the projects have been identified, IRWD supports MWDOC's efforts in applying this water supply reliability planning method.

3. The study should include the objective evaluation and comparison of the extension of the existing South County Interconnect Agreement between MWDOC, OCWD, IRWD and other South County Agencies. Evaluation of the extension of this agreement should take into consideration the results of MWDOC's ongoing hydraulic evaluation of the affected facilities in coordination with input provided by IRWD engineers. This common sense alternative needs to be included for the consideration of those agencies that deem it important, regardless of potential changes to a new South County Interconnect Agreement. Without consideration of this alternative, the 2018 Study is incomplete.
4. The 2018 Study references only briefly that the water supply reliability of the Orange County Groundwater Basin (Basin) area could be improved by changing the way that the Basin is managed. The study should be expanded to include an objective evaluation of implementing basin management improvements including expanded purchases of available supplies from Metropolitan Water District of Southern California (Metropolitan) for direct or in-lieu recharge in the Basin. It needs to be recognized that optimizing the purchases and recharge of water available from Metropolitan is likely the least expensive alternative for improving the water supply reliability of areas reliant on the Basin and facilitating the extension of the existing South County Interconnect Agreement. Without consideration of this alternative, the 2018 Study is incomplete. IRWD encourages MWDOC and OCWD to work together on developing this evaluation.
5. It is our understanding that the study incorporates, as a baseline, the use of water supplies from Irvine Lake to provide system reliability improvements to the capacity owners in the Baker Water Treatment Plant. The 2018 Study should include a description of the assumptions included in this baseline project. IRWD and the other partners in the Baker Plant have recently initiated discussions whereby Irvine Lake could supply up to 60 days of emergency water for the Baker Plant. IRWD and the other Baker Plant partners are willing to confer with MWDOC to assist in finalizing its baseline study assumptions for this use of Irvine Lake.
6. The study should incorporate an analysis of the potential improvements in water supply reliability that might be achieved in Orange County should Los Angeles Department of Water and Power and the San Diego County Water Authority succeed in becoming less reliant on supplies from Metropolitan. Such efforts by these agencies to become more self-reliant could reduce the need to invest in future local water supply projects in Orange County.
7. Recently, other MWDOC member agencies have commented on the importance of each agency having the ability to opt out of participation in specific projects evaluated in the 2018 Study. IRWD agrees with this principle when any of the following are expected to occur as a result of a project:
 - a. Significant financial impacts with no improvement in water supply reliability;
 - b. Detrimental impacts to water quality;
 - c. Impacts to investments in other infrastructure;

- d. System integration issues;
- e. Operational challenges;
- f. Infringements on capacity rights;
- g. Requirements for an agency to give up existing supplies; or
- h. MWDOC member agencies subsidizing the cost of supplies available to other Metropolitan member agencies.

IRWD recommends that MWDOC include in its 2018 Study a discussion of the importance of agencies being able to opt out of a project under any of the conditions listed above.

IRWD greatly appreciates the opportunity to provide the comments listed above. We request that you provide a copy of this letter to each of your Board members in advance of MWDOC's November 13, 2018 Planning and Operations Committee meeting. Please contact me at (949) 453-5590 if you have any questions or if you would like to meet to discuss these comments further.

Sincerely,

Paul A. Cook
General Manager

Enclosure

cc: MWDOC Board of Directors