

December 1, 2014

The Honorable Randy R. Record Chair, Board of Directors Metropolitan Water District of Southern California 700 North Alameda Street Los Angeles CA 90012-2944

The Honorable Larry D. Dick President, Board of Directors Municipal Water District of Orange County 18700 Ward Street Fountain Valley CA 92708

Dear Chairman Record and President Dick:

Orange County Business Council (OCBC) represents more than 250 of the largest employers in the region. OCBC strives to enhance Orange County's economic development and prosperity in order to preserve a high quality of life. As such, OCBC actively supports infrastructure projects that will improve Orange County and enhance our business climate and economy.

A reliable supply of safe, affordable water is critical to a healthy economy and business community, which is why OCBC considers water supply reliability as one of its critical public policy issues. The current extreme drought in California, which is estimated to have already had a \$2.2 billion impact on the state's agricultural economy alone, only verifies the issue's importance and deepens our concerns.

Therefore, OCBC supports the Cadiz Valley Water Conservation, Recovery and Storage Project (Project), which would provide 2.5 million acre-feet of water to Southern California over its 50-year life, serving the needs of 100,000 families each year. A significant portion of this water will come to Orange County, helping to ensure greater water supply reliability. Santa Margarita Water District, which serves 155,000 South Orange County residents, has contracted to purchase 5,000 acre-feet of water from the Project annually. Golden State Water Company, which serves the Orange County communities of Buena Park, Cowan Heights, Cypress, Garden Grove, La Palma, Lemon Heights, Los Alamitos, Orange, Placentia, Rossmoor, Santa Ana, Seal Beach, Stanton and Yorba Linda, has a current option to acquire 5,000 acre-feet of water from the Project as well.

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Recently, all of the Project's approvals granted via the lengthy California Environmental Quality Act review process were upheld by Orange County Superior Court Judge Gail Andler, confirming that the project has a sustainable design and will not have significant environmental impacts.

For Orange County and Southern California to protect the sustainability of its economy, we need a diversified portfolio of water resources. It makes sense to include the Project in this portfolio, along with aggressive conservation, groundwater replenishment systems, desalination, and new storage facilities. We therefore encourage the Boards of Directors of the Municipal Water District of Orange County and the Metropolitan Water District of Southern California to give the Cadiz Valley Water Project a favorable review when it comes before you and ask that you do all you can to expedite its construction.

Sincerely,

Bryan M. Starr

Senior Vice President, Government Affairs

CC: Members, Municipal Water District of Orange County (MWDOC) Board of Directors

Members, Metropolitan Water District (MWD) of Southern California Board of Directors

Mr. Robert Hunter, General Manager, MWDOC Mr. Jeff Kightlinger, General Manager, MWD