



March 7, 2022

Mr. Don Bunts, PE
Deputy General Manager
Santa Margarita Water District
26111 Antonio Parkway
Rancho Santa Margarita, CA 92688
Work: 949-459-6602
Donb@smwd.com

Subject: Letter of Support for Funding Santa Margarita Water District's San Juan Watershed Project implementation grant application submitted to the U.S. Department of the Interior, Bureau of Reclamation's WaterSMART: Title XVI Water Reclamation and Reuse Projects for FY 2022, NOFO No. R22AS00115

Dear Mr. Bunts:

On behalf of the South Orange County Economic Coalition (Coalition), we understand that the Santa Margarita Water District ("SMWD" or "District") is submitting an application to the U.S. Bureau of Reclamation's WaterSMART program for Title XVI water reclamation and reuse projects for fiscal year 2022. This grant would help the District fund the San Juan Watershed Project ("Project"), the goal of which is to improve water supply reliability by recharging the San Juan Groundwater Basin ("Basin") and create a new source of potable water. The Project will provide 1,600 Acre-Feet per Year ("AFY") of new potable water supply. Up to 8,240 AFY of new potable supply will be available when the entire multi-phase program is completed. The Project includes construction of infiltration basins adjacent to the San Juan Creek to increase recharge in the San Juan Groundwater Basin, rehabilitation of existing groundwater extraction wells, repurposing of an existing pipeline, and construction of a water filtration plant.

The District is the second largest retail water agency in Orange County and provides safe, affordable, and reliable water and wastewater services to almost 200,000 customers in the

cities of Mission Viejo, Rancho Santa Margarita, San Juan Capistrano and the unincorporated areas of Coto de Caza, Las Flores, Ladera Ranch, Rancho Mission Viejo, and Talega. The multi-phase program beneficiaries include the South Coast Water District, the Orange County Flood Control District, Orange County Public Works, and Orange County Parks.

The Project also supports the greater South Orange County region's long-term goal of water supply reliability, capture and reuse of stormwater, and improvement of water quality for the San Juan Creek Watershed. The region has limited groundwater supplies and, as a result, water purveyors obtain most of their water supply (approximately 91 percent of potable demands) from imported water sources. Currently, all of the District's domestic water supply is imported water. The Project is needed to optimize the use of the groundwater Basin for domestic water production and to protect the watershed from future impacts of limited water supply.

SOCEC fully supports the Project and the District's efforts to enhance local water supply reliability, stormwater capture and reuse, and groundwater recharge in the San Juan Groundwater Basin.

If you have any questions or need additional information regarding our support of this project, please do not hesitate to contact me by email at Victoria@economiccoalition.com or via telephone at 949.440.1027.

Sincerely,



Victoria Hernandez
Executive Director, South Orange County Economic Coalition