February 22, 2023

Paul E. Shoenberger, P.E. General Manager Mesa Water District 1965 Placentia Avenue Costa Mesa, CA 92627

RE: Funding Commitment for the Local groundwater Supply Improvement Project ("Local SiP")

Dear Mr. Shoenberger,

The City of Huntington Beach (City) has prepared this letter of funding commitment in support of Mesa Water District's **Local groundwater Supply Improvement Project ("Local SiP")**—to explore the benefits of desalinating brackish groundwater to improve local and regional water supply reliability within the Orange County Groundwater Basin, which provides water for over 2.5 million people in North and Central Orange County, including Huntington Beach.

To support execution of the Local SiP, the City will provide \$25,000 to Mesa Water District (Mesa Water®). This funding will be available to Mesa Water no later than October 31, 2023.

Developed through a collaborative process involving the City of Huntington Beach, City of Newport Beach, Orange County Water District (which manages the Orange County Groundwater Basin), and Mesa Water, the Local SiP would study a multi-agency undertaking to secure -- for our current population, including disadvantaged residents and underserved communities, and future generations -- a new source of water supply that is: abundant, affordable, environmentally-sensitive, high-quality, local, reliable, sustainable, and resilient to climate change, drought, and other potential disruptions to water supplies.

With the objective of providing Mesa Water and its partnering agencies with the framework for selecting a proposed project alternative to move into design and construction, the Local SiP will evaluate treatment alternatives for a 5 to 8 million gallons per day (MGD) regional brackish groundwater desalter, proposed locations for production wells, needed conveyance, and cost estimates. The Local SiP will also review potential groundwater and environmental impacts.

We appreciate the opportunity to partner with Mesa Water on this collaborative project and understand the important water reliability benefits that this project could provide -- such as climate change adaption, local water supply diversification, flexibility and improvement, and alleviation of current and future drought impacts to our City and the region.

Please contact Alvin Papa, Deputy Director of Public Works-Utilities at (714) 536-5503 or <u>Alvin.Papa@surfcity-hb.org</u> should you have any questions or need additional information.

Sincerely,