

Dear Distinguished Board Members,

April 26, 2011

I write this letter as a concerned rate payer of the Santa Margarita Water District (SMWD). It has come to my attention that there is a lack of communication of the operating structure with the rate payers who as you know, are the main source of revenue for SMWD. In this letter I will identify the main requests I would like to see made available to the public to be par with the current level of accountability of other Orange County Water Districts.

It is important to note that these requests are not out of the scope of water districts in Orange County, CA. After a review all of the 15 water districts in Orange County I noticed that we are severely behind the curve in our reporting procedures to the public. The comparison water districts in Orange County that I am referencing are East Orange County Water District, El Toro Water District, Irvine Ranch Water District, Mesa Consolidated Water District, Moulton Nigel Water District, Orange County Water District, Rossmoor/Los Alamitos County Water District, Serrano Water District, South Coast Water District, Trabuco Canyon Water District, Water Emergency Response of Orange County, & the Yorba Linda Water District.

I reviewed each of the 15 water districts in the area of public reporting in the following four categories:

1. Financial Reporting
2. Operating Budget Reporting
3. Capital Budget Reporting
4. Meeting Agenda Minutes Made Available to the Public

As you know, SMWD is the second largest water district in terms of revenue and customers in Orange County. After review of the four categories, there were only 5 water districts (including SMWD) that fell short of public reporting in all four categories above. I was extremely surprised to learn that our public accountability standards ranked with the smallest water districts in Orange County. The water districts we were equivalent to are the Laguna Beach Water District which only serves the small beach community of Laguna Beach, the Rossmoor/Los Alamitos Sewer District which has only 8000 sewer connections (compared to our 54,000 service connections), the Serrano Water District which has only 11 full time employees, and the Trabuco Canyon Water District which only has annual revenues of \$4 Million and yet publishes an annual budget.

The lack of public accountability is a shock for a District the size of SMWD and there should be no excuses for this lack of ability to stay current with the industry standards of almost every water district in Orange County. I would like all of the four categories expressed above to be made public on the SMWD website from 2007 to current. There is no excuse for saving money when the industry is clearly reporting the above categories on their respective websites.

I would like a formal response within 15 business days to these inquiries to be sent to my address below.

Sincerely,


Stanley Dziecielski
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