

APPENDIX O

WILL SERVE LETTERS

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MICHAEL R. MARKUS, P.E.
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ORANGE COUNTY WATER DISTRICT
Orange County's Groundwater Authority

November 21, 2007

Don Calkins
City of Anaheim Public Utilities Department
201 S. Anaheim Boulevard, Suite 1101
Anaheim, CA 92805

Subject: Provision of GWR System Water for Canyon Power Project Located at
3071 East Miraloma Avenue, Anaheim, CA.

Don
Dear Mr. Calkins:

This is in response to your request for a statement of intent by the Orange County Water District ("OCWD") of its willingness to serve Groundwater Replenishment System ("GWR System") water to the project referenced above. It is our understanding that the City of Anaheim is developing plans to construct a new power generation facility at 3071 East Miraloma Avenue in Anaheim, CA, which could be operational in 2010. This new facility plans to utilize OCWD's newly constructed GWR System to provide recycled water to the new facility for its water supply needs.

The GWR System takes highly treated sewer water and purifies it to near-distilled quality using state-of-the-art technology, reducing the amount of wastewater discharged to the ocean. In addition, use of GWR System supplies by the Anaheim power plant would reduce the use of water from Anaheim's municipal water system.

Maximum anticipated recycled water to be used by the Anaheim facility is approximately 200 acre-feet per year. With a total capacity of 72,000 acre-feet per year, the GWR System has adequate capacity to deliver this quantity of recycled water for the projected life of Anaheim's facility (30 years).

This letter serves to indicate OCWD's willingness to serve water from the GWR System, which is highly purified recycled water, to serve the needs of the City of Anaheim's proposed power generation facility, upon consummation of an agreement between OCWD and Anaheim that establishes the terms and conditions of GWR System water

Don Calkins
November 21, 2007
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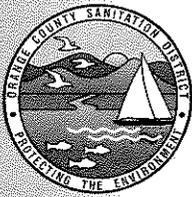
delivery to Anaheim's proposed power generation facility, and the rate for delivery of GWR System to the proposed facility.

Please call John Kennedy at (714) 378-3304 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to be 'M. Markus', written in a cursive style.

Michael R. Markus, P.E.
General Manager



ORANGE COUNTY SANITATION DISTRICT

December 11, 2007

Steve Sciortino, Integrated Resources Manager
Anaheim Public Utilities Dept.
201 S. Anaheim Blvd, Suite 801
Anaheim, CA 92805

SUBJECT: New Peaking Power Plant and Discharge of Wastewater to the Sewer

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County of Orange

Sanitary Districts

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- Midway City

Water Districts

- Irvine Ranch

The Orange County Sanitation District (District) is in receipt of the City of Anaheim's request for discharge to the sewer of industrial wastewater generated from a peaking power plant scheduled to be constructed on the northwest corner of Kraemer Blvd. and Miraloma Ave. in Anaheim.

It is the District's understanding that approximately 6.5 million gallons per year (20 acre feet) of wastewater from a reverse osmosis water purification system will be generated at the plant, along with smaller amounts from cooling tower blowdown and other washdown activities. It is also the District's understanding that the new plant will finish construction by mid-2010, and will be very similar in operation to the City of Anaheim's existing power plant located at 1144 N. Kraemer Blvd. The peaking power plant off Kraemer Blvd. is currently issued a Class II permit no. 52-2-749 by the District for its wastewater discharge.

A recent flow study conducted by the District's Engineering Division has determined that a 10.5 million gallons per day excess capacity exists in the District's Atwood subtrunk sewer line that runs along Miraloma Avenue. Based on the estimated amount of wastewater flow from the new power plant, the District will require the City of Anaheim to obtain a Class II industrial wastewater discharge permit for discharge of this wastewater to the Atwood subtrunk. Enclosed is a permit application, and the District requests that the application be submitted at least sixty (60) days before wastewater generation and discharge is to commence from the plant, along with the \$510.00 permit application fee. Please be advised that a new, direct connection to the Atwood subtrunk from the power plant site will require a connection permit from the District's Engineering Division, and that the District's Capital Facility Capacity Charge (CFCC) for a new construction project with wastewater discharge may apply. It is recommended that the City of Anaheim contact the District's Engineering Division at least six months before plant startup regarding a connection permit, along with any enquiries on the CFCC program.

If there are any discrepancies with the information described above, please notify the District in writing. If you have any questions, please contact the undersigned at (714) 593-7412.

Mike Murray
Associate Engineer III, Source Control Division

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CP:MRM:fe
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Enclosures

C: Jim Burror