



South Orange County Wastewater Authority  
March 1, 2018

Elaine Howle  
California State Auditor  
Office of the State Auditor  
621 Capitol Mall, Suite 1200  
Sacramento, CA 95814

Re: South Orange County Wastewater Authority Response to State Audit

Dear Ms. Howle:

Thank you for the opportunity to respond to the State Audit report for the South Orange County Wastewater Authority (SOCWA). The Board of Directors of South Orange County Wastewater Authority appreciates the time and commitment of your staff to accomplish the scope of the Audit as presented.

The report confirms that the governance structure at SOCWA is comparable to many joint powers agencies across California. We concur that our member agency participants in SOCWA's project committees do have ongoing obligations unless otherwise agreed to by the other project participants.

The report also confirms the actions taken by the SOCWA Board to improve the financial and reporting practices of our agency. The Board determined in 2014 to establish a goal for improved financial planning and accountability. The report substantiates that progress is underway and continuing, and we are prepared to address remaining issues.

The recommendations speak to issues with CalPERS funding for SOCWA and other JPA agencies. We agree that the recommendations to the State Legislature are worthy of further consideration. We acknowledge that the audit recommendations may be useful to many other like agencies. SOCWA will consider further clarification of the JPA documents and policies that may impact this issue.

The report identifies opportunities for SOCWA to further improve our organizational practices and procedures and the Board of Directors values the recommendations and will follow through to see that improved practices and procedures will be put in place in the coming months. The Board of Directors will be directing staff to prepare up to date policies and procedures consistent with the report recommendations and State law for Board consideration.

We sincerely appreciate the work of the well qualified team that assisted SOCWA from the State Auditor Offices. They were professional and courteous to our staff throughout the process of the audit and report preparation.

Sincerely,  
SOCWA Board of Directors

A handwritten signature in black ink, appearing to read 'Dan Ferons', written over a white background.

Chairman Dan Ferons