

By Robert R. Hill, General Manager, El Toro Water District

PARTNERS IN THE FUTURE OF WATER

Making progress through combining strategy, creativity, and collaboration

Among water industry leaders, there is likely no group more keenly aware of the challenges facing California water districts than general managers and their senior management team. Handling the ups and downs of an El Niño year, managing the perceptions of customers who may be unaware or indifferent to the true costs of delivering potable water to the home, retooling rate structures, effectively communicating rate increases, and investing in infrastructure projects to ensure the continuity of delivering safe, clean water to a growing population - these may be some of the things that keep you awake at night.

Water industry leaders must be more strategic and increasingly more creative and collaborative than ever before in order to solve problems like water reclamation/recycling, storage, and drought-related issues while taking on new challenges that materialize regularly due to the combination of aging infrastructure, rising costs of maintenance, labor and capital, and limited or stretched resources. Additionally, we must stay focused to ensure that we don't allow these issues to pull our attention away from what's important: providing customers a safe, adequate, and reliable supply of water and wastewater service in an environmentally and economically responsible way.

Founded: 1960



STARTED

- Population Served: 125
- Wholesale Business
- 7 Board members
- 5 Employees

TODAY

- Population Served: 49,000
- Retail Water and Wastewater
- 1,450 AFY Recycled Water
- 5 Board Members
- 58 Employees
- Largest Covered Drinking Water Reservoir in Orange County

TYPES OF PARTNERSHIPS

- Sharing Assets
- Joint Capital Ventures
- Service
- Equipment and Labor
- Project Financing
- Water
- Drought Response

...create a win-win arrangement between neighboring districts that can share resources in order to benefit for decades into the future by collaborating, sharing resources, and creating mutually beneficial partnerships.



Three District Reservoir logo – partnership between the three water districts who are named in the logo.

Given the need to repair or replace aging infrastructure, agencies might adopt a competitive mindset, competing for limited government funds. However, another way to approach this challenge is to create a win-win arrangement between neighboring districts that can share resources in order to benefit for decades into the future by collaborating, sharing resources, and creating mutually beneficial partnerships.

A legacy of “Vision Toward the Future”

From the formation of the El Toro Water District (ETWD) in 1960, serving a population of 125 residents, the district’s founders had a vision and collaborated to implement policies that would meet the short- and long-range economic, water resource, and environmental goals of the community. While the immediate need was to provide for its south Orange County customers, ETWD had the wisdom and foresight to consider the greater Orange County area in their planning as well. From the beginning our reality has been the fact that our region doesn’t have a sustainable source of groundwater and is dependent on imported water that is transported from hundreds of miles away.

Orange County water agencies, like most agencies, are diverse in their governance, organizational structures, geographic service areas, demographics, infrastructure configurations, sources of water supply, and the services they provide. Additionally, there are significant differences in labor relations, funding sources, and administering varying types of rate

structures. Aside from our differences, we all share a common goal: to provide customers safe, adequate and reliable services in an environmentally and economically responsible way. Many of these goals and challenges are universal: water use efficiency, adequate water supply and storage, water quality, water reuse, affordability, and customer communication. Today partnerships and regional planning are essential to achieve economies of scale and enhanced service levels across boundary lines, while maintaining local control.

Sharing of assets and partnering is part of the “new norm.” To be successful, we must think strategically and create innovative solutions that deal with budget and resource constraints that exist. It’s worth noting that collaboration and partnerships are not simply about saving money; many times our goal is to find creative ways to improve our service to our customers.

Although district area maps clearly define service area boundaries, agency leaders can collaborate and use contractual agreements to create solutions that improve service, share costs and infrastructure, and create progressive solutions (projects) that might otherwise not be cost-effectively achievable by a single agency. Today’s general managers and boards should recognize that they must solve today’s challenges with new strategic and collaborative thinking. In other words, we are able to tackle regional issues while maintaining local control and maintaining our high levels of customer service.

In south Orange County we have 10 water agencies that meet bi-monthly to talk about sharing our resources and collaboration for projects both large and small. Over the past 15 years, we have collaborated in numerous projects with Moulton Niguel, Santa Margarita, Trabuco Canyon, and Irvine Ranch Water Districts.



Baker Water Treatment Plant Project; Working together to improve water supply reliability.

Commitment and contractual arrangements between multiple agencies resulted in mutually beneficial projects like the \$10 million expansion and regionalization of the district’s El Toro Reservoir and \$103 million Baker Water Treatment Plant. ETWD has provided services for smaller projects to other districts, which generated non-rate revenue for ETWD and allowed the others to save costs and hold off from adding resources and costs until they were ready to expand their operations.

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PRINCIPALS THAT EL TORO USES TO APPROACH PARTNERSHIPS

Partners in the future of water [continued]



Recycled Water Expansion Project (RWEP) Plant Dedication with Supervisor Lisa Bartlett.

- Identify a specific need or challenge that is shared by participating agencies.
- Determine that political will exists to work collaboratively together to move a program forward.
- Assess the viability with respect to regulatory and environmental requirements and compliance.
- Determine that the partnership is in the best interest of their respective customers.
- Outline and document the framework (roles, lead agency, financing, cost sharing, facility ownership, facility operations, record keeping, and outreach).

Another benefit to collaborating and sharing resources with other districts is that we are able to deploy our teams to focus on other projects. With the cooperation of local cities, communities, and local and state regulatory agencies, our team was able to complete our \$34 million Recycled Water Expansion Project ahead of schedule and under budget. The completion of this project increased our ability to treat recycled water, to be used for irrigation, from 500 acre feet to approximately 1,400 acre feet per year. It also reduced the average discharge of secondary treated effluent into the ocean by 25 percent.

Types of partnerships

Some of the types of partnerships and collaborations include capital project joint ventures, project financing (local, state, and federal), water storage development and regionalization, water resource exchanges, employee education and training, equipment sharing, contract service arrangements, drought response, emergency interconnections, emergency preparedness and response, and the development of sharing of best practices in the areas of customer messaging and communications.

Essential elements for a successful partnership/collaboration

Organizations need the political will and a belief that the resulting partnership or collaboration will benefit each of the participating organizations and the constituents that they serve. Benefit evaluations should include economic equity as it relates to the benefits that each organization will receive. Most successful efforts have strong leadership that is focused

and committed. Partnerships/collaborations are no different. The leadership team is typically vested in one of the participating entities with all partners sharing in oversight and input. The partnership/collaboration should be well documented (leadership, ownership, capacity rights, financing, capital, and operation and maintenance cost sharing, record keeping, and termination) so there is accountability and so that future generations will have clear guidance regarding the terms and conditions that the agreement was founded upon.

Creating successful partnerships

If you look at a map of our region, you'll see the boundaries of service areas. However, our philosophy is that service areas don't preclude or inhibit entering into agreements that create mutual benefits. It's really the willingness of each partner to recognize the benefit of sharing resources. Because our collective focus is on the synergy, economies of scale, improvement of service, and cost savings rather than on egos or self-gain toward our respective organizations, we have achieved some remarkable results.

One way to ensure your organization's success in forming successful partnerships is to foster a culture of collaboration within your organization. I'm fortunate to have a world-class staff and leadership team. Last year presented some gargantuan challenges to deliver projects in the midst of many potential distractions and a major drought. Our collective team had to think strategically, work collaboratively, and solve problems creatively on a new level. From our board of directors to senior

EL TORO WATER DISTRICT PARTNERSHIPS AND AFFILIATIONS

- Regionalization and expansion of the El Toro Regional Reservoir – Oversight and coordination of contractual arrangements between three agencies to increase emergency potable storage and cost sharing.
Lead agency - El Toro Water District
- South Orange County Wastewater Authority (SOCWA), a joint powers authority was created to regionalize bio-solids treatment and treated effluent disposal for South Orange County.
- Baker Water Treatment Plant Project contractual agreement between five agencies to improve imported potable water treatment reliability with the capability to treat water at a new location that provides much-needed delivery/treatment redundancy.
Lead agency - Irvine Ranch Water District.
- South Orange County Watershed Management Area Executive Committee (SOCWMA) – made of 21 agencies (special districts and municipalities) - is formed to provide integrated regional planning and a framework for cooperation on regional water resource issues.
- Sewer cleaning and TV inspection services from one agency to another by contractual arrangement to generate non-rate revenue and defer capital equipment and labor investment.
- Wastewater resource sharing between two agencies by memorandum of understanding to increase treated recycled water deliveries for dedicated irrigation purposes and reduce ocean discharges and treatment/pumping costs.
Lead agency - shared by El Toro Water District and Irvine Ranch Water District.

leadership and our department heads, leaders from across our organization demonstrated exemplary leadership in championing these projects and in their teams to achieve record-setting results. My team's commitment to collaboration and teamwork are essential to being successful in larger scale partnerships with other water districts and groups.



Robert (Bob) Hill is the general manager of the El Toro Water District. Hill started his career in the water industry in 1974 with the CPUC regulated Laguna Hills Water Company (LHWC) and transitioned to the El Toro Water District in 1983 when ETWD

purchased the assets of LHWC. In his role as general manager, Hill is responsible for implementing policies adopted by the board of directors and managing day-to-day operations associated with all aspects of water, wastewater, and recycled water services, and maintaining a highly qualified and productive staff.

The El Toro Water District is a District of Distinction, accredited by the Special District Leadership Foundation due to its commitment to good governance and to ethical and sound operating practices. ETWD provides full service potable water, wastewater, and recycled water in Orange County, for use across portions of the cities of Aliso Viejo, Lake Forest, Laguna Hills, Mission Viejo, and the entire city of Laguna Woods.

The mission of El Toro Water District is to provide its customers a safe, adequate, and reliable supply of water and wastewater service in an environmentally and economically responsible way. ■



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