

I hereby certify that the following agenda was posted at least 72 hours prior to the time of the meeting so noticed below at 24251 Los Alisos Boulevard, Lake Forest, California.



DENNIS P. CAFFERTY,
Secretary of the El Toro Water
District and the Board of Directors
thereof



AGENDA
EL TORO WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
AND
PUBLIC HEARING
July 27, 2023
7:00 p.m.
BOARDROOM, DISTRICT OFFICE
24251 LOS ALISOS BLVD., LAKE FOREST, CA 92630

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Zoom and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the virtual component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

Members of the public who wish to comment on any item within the jurisdiction of the District or on any item on the agenda, may attend the meeting in person at the District's office or may observe and address the Meeting by joining at this link:
<https://us02web.zoom.us/j/87056637760> (Meeting ID: 870 5663 7760).

Members of the public who wish only to listen to the telephonic meeting may dial in at the following numbers (669) 900-6833 or (346) 248-7799 with the same Meeting ID noted above. Please be advised the Meeting is being recorded.

CALL MEETING TO ORDER – President Havens

PLEDGE OF ALLEGIANCE – Director Gaskins

ROLL CALL (Determination of a Quorum)

ORAL COMMUNICATIONS/PUBLIC COMMENTS

Members of the public may address the Board at this time or they may reserve this opportunity with regard to an item on the agenda, until said item is discussed by the Board. Comments on other items will be heard at the time set aside for “COMMENTS REGARDING NON-AGENDA ITEMS.” The public may identify themselves when called on and limit their comments to three minutes.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine need and take action to agendize items which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present, or, if less than two-thirds of the Board members are present, a unanimous vote of those members present.)

1. Consider Board Member’s Request for Remote Participation (AB 2449)

2. Consent Calendar

(All matters under the Consent Calendar will be approved by one motion unless a Board member or a member of the public requests separate action or discussion on a specific item)

- a. Consider approving the minutes of the June 22, 2023 Board meeting
- b. Consider approving the Directors to attend the CASA Annual Conference on August 9-11, 2023 in San Diego, CA
- c. Consider approving the Directors to attend the CSDA Annual Conference on August 28-31 in Monterey, CA

Recommended Action: The Board will consider approving the above Consent Calendar.

3. **Increases to Certain Water, Sewer and Recycled Water Service Rates and Charges** (Reference Material Included)

Prior to opening the public hearing, Staff will review and comment on proposed amendments to Schedules No. 1-W, 1-S, 2-S, 3-S, and 4-W of the District's Rules and Regulations as it relates to proposed increases to certain water, sewer and recycled water service rates and charges. The proposed increases have been incorporated in the District's approved 2023/24 Operating Budget.

Following today's public hearing, the Board of Directors will be requested to consider taking action to adopt Resolution No. 23-7-2 approving amendments to Schedules No. 1-W, 1-S, 2-S, 3-S, and 4-W of the District's Rules and Regulations as it relates to increases to certain water, sewer and recycled water service rates and charges.

OPEN PUBLIC HEARING

4. **Public Hearing Regarding Adoption of Proposed Increases to Certain Water, Sewer and Recycled Water Service Rates and Charges**

At this time the Board of Directors will conduct a public hearing to receive and consider public comments and protests regarding proposed increases to certain water, sewer and recycled water service rates and charges.

PUBLIC COMMENT

The Public will be invited to comment on the proposed increase to the District's rates and charges.

CLOSE PUBLIC HEARING

The Board President will close the Public Hearing at this time.

REGULAR SESSION

5. **Resolution No. 23-7-2 Adopting Amendments to the District's Rules and Regulations** (Reference Material Included)

Staff will review and comment on Resolution 23-7-2 which amends Schedules 1-W, 1-S, 2-S, 3-S, and 4-W of the District's Rules and Regulations thereby increasing certain water, sewer and recycled water service rates and charges, effective August 1, 2023.

Recommended Action: The Board of Directors will consider adopting Resolution No. 23-7-2 which Resolution 1) provides for an increase to certain water, sewer and recycled water service rates and charges, effective August 1, 2023, and 2) makes findings and a determination that the action taken in this Resolution is exempt from the requirements of the California Environmental Water Quality Act.

RESOLUTION NO. 23-7-2

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE EL TORO WATER DISTRICT
APPROVING AN AMENDMENT TO THE DISTRICT'S
RULES AND REGULATIONS WHICH AMENDMENT
1) PROVIDES FOR AN INCREASE TO
CERTAIN OF THE DISTRICT'S WATER, SEWER
& RECYCLED WATER SERVICE RATES AND CHARGES
AND
2) MAKES FINDINGS AND DETERMINATIONS
THAT THE ACTION TAKEN IN THIS RESOLUTION IS EXEMPT
FROM THE REQUIREMENTS OF THE CALIFORNIA
ENVIRONMENTAL QUALITY ACT (CEQA)

6. **Director Reports for Meetings Attended** (Oral Report)

GENERAL MANAGER INFORMATION ITEMS

7. **ACWA 2023 Board Officers Election** (Reference Material Included)

Staff will provide an update on the status and process for the ACWA President and Vice President election for the 2024-'25 term as well as the election of the Region 10 Board.

8. **Orange County Grand Jury Report "Historic Rain. Yet Drought Remains"**
(Reference Material Included)

Staff will lead a discussion regarding the Orange County Grand Jury Report titled Historic Rain, Yet Drought Remains.

9. **General Manager's Monthly Report** (Reference Material Included)

Staff will review and comment on the General Manager's Monthly Report.

10. **Legislative Reports** (Reference Material Included)

Staff and General Counsel will review and comment on the Legislative reports.

11. **Public Education and Outreach Report** (Reference Material Included)
Staff will review and comment on the Public Education and Outreach report.
12. **Water Use Efficiency Report** (Reference Material Included)
Staff will review and comment on the Water Use Efficiency Report.
13. **SOCWA Report** (Reference Material Included)
 - a. SOCWA Board Meeting – July 6, 2023
 - b. SOCWA Facilitated Discussion Meeting – July 27, 2023
14. **Municipal Water District of Orange County (MWDOC) Report** (Reference Material Included)
 - a. MWDOC Planning/Operations Meeting – July 3, 2023
 - b. MWDOC/MET Directors Workshop – July 5, 2023
 - c. MWDOC Admin/Finance Meeting – July 12, 2023
 - d. MWDOC Board Meeting – July 19, 2023
 - e. MWDOC Managers Meeting – July 20, 2023
 - f. MWDOC/OCWD Joint Planning Committee Meeting – July 26, 2023
15. **Local Agency Formation Commission (LAFCO) Report** (Reference Material Included)
 - a. The Pulse – OC LAFCO
 - b. Southwest Region Municipal Service Review – Administrative Review Draft
16. **South Orange County Agencies Group Meeting** (Reference Material Included)
 - a. Report on the July 26, 2023 South Orange County Agencies Group Meeting
17. **ISDOC Meetings Report** (Reference Material Included)
 - a. Report on the July 11, 2023 ISDOC Executive Committee meeting
18. **WACO Meetings Report** (Reference Material Included)
 - a. Report on the July 7, 2023 WACO meeting
 - b. Report on the July 18, 2023 WACO Planning meeting

COMMITTEE AND GENERAL INFORMATION

19. **Dates to Remember for July/August 2023** (Reference Material Included)

COMMENTS REGARDING NON-AGENDA ITEMS

ATTORNEY REPORT

CLOSED SESSION

At this time the Board will go into Closed Session as follows:

1. Pursuant to Government Code Section 54956.9 (d) (2) to consult with legal counsel and staff – Potential Litigation (two matters).
2. Pursuant to Government Code Section 54956.9(a) to consult with legal counsel and staff. *Plaintiff, Marlene Jean v. Defendants, Dollar Tree Stores, et al./Cross-Complainant, Park Aliso Commercial Center, Ltd, et al. v. Cross-Defendant, El Toro Water District, et al.*, Superior Court of Los Angeles Case No. 19STCV25234. [Government Code Section 54956.9(a)] – Pending Litigation (one matter).

REGULAR SESSION

REPORT ON CLOSED SESSION (Legal Counsel)

Mr. Granito will provide an oral report on the Closed Session.

ADJOURNMENT

The agenda material for this meeting is available to the public at the District's Administrative Office, which is located at 24251 Los Alisos Blvd., Lake Forest, Ca. 92630. If any additional material related to an open session agenda item is distributed to all or a majority of the board of directors after this agenda is posted, such material will be made available for immediate public inspection at the same location.

Request for Disability-Related Modifications or Accommodations

If you require any disability-related accommodation, including auxiliary aids or services, in order to participate in this public meeting, please telephone the District's Recording Secretary, Polly Welsch at (949) 837-7050, extension 225 at least forty-eight (48) hours prior to said meeting. If you prefer, your request may be submitted in writing to El Toro Water District, P.O. Box 4000, Laguna Hills, California 92654, Attention: Polly Welsch.

MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
OF THE
EL TORO WATER DISTRICT
June 22, 2023

President Havens called the meeting of the Board of Directors of the ELTORO WATER DISTRICT to order at 7:30 a.m.

Director Freshley led in the Pledge of Allegiance to the flag.

Directors KAY HAVENS, MIKE GASKINS, MARK MONIN, KATHRYN FRESHLEY, and JOSE VERGARA participated.

Also present were DENNIS P. CAFFERTY, General Manager, SCOTT HOPKINS, Operations Superintendent, JUDY CIMORELL, Human Resources Manager, HANNAH FORD, Engineering Manager, VISHAV SHARMA, CFO, SHERRI SEITZ, Public Affairs Manager, VU CHU, Water Use Efficiency Analyst, MIKE MIAZGA, IT Manager, GILBERT J. GRANITO, General Counsel, GOLNAR FOZI, Special Counsel (8:40 a.m.), CAROL MOORE, Laguna Woods City Council member (Zoom), and POLLY WELSCH, Recording Secretary.

Determination of a Quorum

Roll Call:

Director Monin	aye
Director Gaskins	aye
Director Freshley	aye
Vice President Vergara	aye
President Havens	aye

All five Board members are present for the meeting, therefore a quorum was determined.

Oral Communications/Public Comments

There were no comments.

Items Received Too Late to be Agendized

President Havens asked if there were any items received too late to be agendized. Mr. Cafferty replied no.

Presentation of Awards, Recognitions, Certifications, and Introductions

Mr. Cafferty recognized and congratulated Mike Miazga, IT Manager for 20 years of service with the District.

At approximately 7:41 a.m. Mr. Miazga left the meeting.

Consent Calendar

President Havens asked for a Motion.

Motion: Director Gaskins made a Motion, seconded by Director Freshley and carried across the Board to approve the Consent Calendar.

Roll Call Vote:

Director Monin	aye
Director Gaskins	aye
Director Freshley	aye
Vice President Vergara	aye
President Havens	aye

Director Reports for Meetings Attended

Director Freshley stated that she attended the MWDOC Planning/Operations meeting, the MWDOC/MET Directors workshop, the MWDOC Board meeting, the MWDOC Water Policy Forum dinner, the SOCWA Board meetings, the SOCWA

Finance Committee meeting, LAFCO, the Laguna Woods City Council meetings, WACO, the ACWA Region 10 meeting, the Mission Viejo Chamber breakfast, the South Orange County Watershed meeting, and the District's regular Board meetings.

Vice President Vergara stated that he attended the MWDOC/MET Directors workshop, the MWDOC Board meeting, the MWDOC Planning/Operations meeting, the MWDOC Admin/Finance meeting, the WateReuse meeting, the Mission Viejo Chamber breakfast, the Lake Forest City Council meeting, the ACWA Region 10 meeting, and the District's regular Board meetings.

Director Gaskins stated that he attended the WACO meeting, the ISDOC Executive Committee meeting, the LAFCO meeting, MWDOC Admin/Finance meeting, the ISDOC Quarterly meeting, the MWDOC Board meeting, the MWDOC Water Policy Forum dinner, the ACWA Region 10 meeting, and the District's regular Board meetings.

Director Monin stated that he attended the MWDOC/MET Directors workshop, the MWDOC Admin/Finance, the MWDOC Planning/Operations meeting, the MWDOC Board meeting, WACO, the WACO Planning Committee meeting, the ACWA Region 10 meeting, the MWDOC Water Policy Forum dinner, the ISDOC Executive Committee meeting, the ISDOC Quarterly meeting, OCCOG, the South OC Economic Coalition meeting, and the District's regular Board meetings.

President Havens stated that she attended the WACO meeting, the MWDOC Planning/Operations meeting, the MWDOC/MET Directors workshop, the South OC Watershed Management meeting, the Pres/VP/GM meetings, the Agenda Review, the MWDOC Admin/Finance meeting, the MWDOC Water Forum dinner, the ACWA Region

10 meeting, an Executive meeting with MNWD, and the District's regular Board meetings.

General Manager Action Items

CSDA Board of Directors – Southern Network – Seat C Election

Mr. Cafferty stated that the District received information from 3 candidates for the Seat C election. He further stated that the 3 candidates are Arlene Schafer (incumbent) from Costa Mesa Sanitary District, Al Nederhood from MWDOC, and John Skerbelis from Rubidoux Community Services District.

Vice President Vergara proposed voting for Al Nederhood because he feels that although Arlene Schafer has done a great job, after 30 years we should give the opportunity to another person.

Director Monin stated that Arlene Schafer has done a good job on CSDA.

Director Freshley and Director Gaskins stated that they agree with Vice President Vergara's suggestion to support Al Nederhood. President Havens agreed.

President Havens asked for a Motion.

Motion: Vice President Vergara made a Motion, seconded by Director Gaskins, to direct the General Manager to cast the District's ballot vote for the California Special Districts Association (CSDA) Board of Directors, Southern Network, Seat C for Al Nederhood, by the July 14, 2023 deadline.

Roll Call Vote:

Director Monin	abstain
Director Gaskins	aye
Director Freshley	aye
Vice President Vergara	aye
President Havens	aye

Motion passes 4-0 with 1 abstention.

Resolution No. 23-6-1 Regular Board Meetings Schedule

President Havens asked for a Motion.

Motion: Director Monin made a Motion, seconded by Director Freshley, to adopt Resolution No. 23-6-1 which amends the meeting time for the July 27, 2023 Regular Board meeting from 7:30 a.m. to 7:00 p.m.

Roll Call Vote:

Director Monin	aye
Director Gaskins	aye
Director Freshley	aye
Vice President Vergara	aye
President Havens	aye

General Manager Information Items

General Manager's Monthly Report

Mr. Cafferty stated that some time ago the General Manager of Santa Ana Watershed Project Authority (SAWPA) presented their Cloud Seeding Program to the Board. He further stated that staff has been discussing with SAWPA the possibility of putting in a pilot facility at the R-6 Reservoir site, which we plan to bring to the Board for approval next month.

Director Monin stated that on the Customer Service Activity report, the numbers have come down and are looking better.

Mr. Cafferty stated that the OC Grand Jury report will be agendized for discussion in July or August. He further stated that the District is requested but not required to reply.

Director Monin stated that a new OC Jury comes in in July. Mr. Cafferty replied that the District would need to decide the pluses and minuses in responding and then decide whether or not to respond.

Director Freshley asked what happened with the Battery report changes. Mr. Cafferty replied that he will investigate.

Legislative Reports

Mr. Cafferty stated that there has been a significant revision to AB 1572 regarding non-functional turf that MET has been working with the author of the bill. He further stated that the Bill author has consented to removing the reference to multi-family residential in turf that as previously written in the bill would prohibit use of the irrigation of that turf water as non-functional turf. He further stated that with the removal of this reference, MET is in support of the bill.

Public Education and Outreach Report

Ms. Seitz stated that ETWD won first place in the Bronze Anvil Awards in the newspaper category for our re-branding and outreach to help customers reduce their water use.

Ms. Seitz stated that the newsletter is going out next week in the ETWD bills, to the HOA's, Laguna Woods E-blast, and the Laguna Woods Globe.

Ms. Seitz stated that the Annual Water Quality report was mailed on June 13th and June 16th.

Director Monin stated that he is interested in presenting on the TV-6 program again. Mr. Seitz will speak to the staff at TV-6 about the possibility of resuming ETWD participation on TV-6.

Ms. Seitz stated that MET offers landscape workshops and we will consider hosting some of the workshops and staff will hold leak detection workshops.

Water Use Efficiency Report

Mr. Chu stated that customer usage is picking up slightly, however usage was notably lower than the previous year. He further stated that MWDOC's leak detection team was able to complete 45-miles of leak detection in the Laguna Woods Village area for ETWD at no cost, and did not find many leaks, and the leaks they did find were on the customer's side.

President Havens stated that on page 111 and 112, could the color of the Recycled Water be changed to stand out more. Mr. Chu replied that he will change the color to be more robust and purple.

Recess

At approximately 8:52 a.m. the Board took a short recess. Also at this time, everyone left the meeting except the Board members, the General Manager, General Counsel, Ms. Cimorell, and Special Counsel, Golnar Fozi.

Closed Session

At approximately 9:02 a.m. the Board went into Closed Session with regards to both items on the Closed Session agenda.

Regular Session/Open Session Report

At approximately 9:40 a.m. the Regular Session resumed. Also at this time Ms. Ford, Mr. Sharma, and Ms. Welsch returned to the Open Session.

Mr. Granito (General Counsel) reported that during the first phase of the Closed Session, the District's Special Counsel, Golnar Fozi and General Manager led a

discussion with regard to one matter of potential litigation. (Noted in Item #1 of today's Closed Session Agenda) No reportable action was taken.

During the second phase of the Closed Session, Mr. Granito reported on one additional matter of potential litigation. (Noted in Item #1 of today's Closed Session Agenda). No reportable action was taken.

In addition, Mr. Granito reported on the status of the pending litigation (Noted in Item #2 of today's Closed Session Agenda). No reportable action was taken.

SOCWA Reports

Director Freshley stated that at the SOCWA Board meeting they made the selection of the Board Chair and Vice Chair. She further stated that Matt Collings was re-elected as Board Chair, and Frank Ury and Scott Goldman as co-Vice Chairs.

Mr. Cafferty stated that the SOCWA Board approved the General Fund budget for only the first quarter based on the project committee participation methodology that has been used for the last few years.

Mr. Cafferty stated that he has been attending a series of staff meetings between MNWD, SMWD and SCWD. Mr. Cafferty recommended the District support the MNWD proposal to operate the Regional Treatment Plant. The Board discussed and generally concurred with the MNWD proposal.

At approximately 10:15 a.m. Ms. Ford left the meeting.

MWDOC Reports

Vice President Vergara stated that Ms. Akerman's contract was renewed.

SOCWMA

President Havens stated that they discussed the Orange County Storm Water program, the budget where we are anticipating \$9,000 returned, as the budget was reduced 19%. She further stated that they had a presentation by the Orange County Conservation Corps Green Workforce Development and Services.

LAFCO

Director Freshley stated that they discussed MWDOC's request to be involved in the OCWD MSR. She further stated that the Fiscal Indicators Report will be presented at the CALAFCO meeting.

ISDOC

Director Monin stated that they are working on website maintenance and links to access the ISDOC meetings. He further stated that they discussed scholarships for smaller Districts.

WACO

Director Monin stated that there was a presentation on the role of beavers in California's Watersheds.

COMMITTEE AND GENERAL INFORMATION

Dates to Remember for June/July 2023

There were no comments.

Comments Regarding Non-Agenda Items

There were no comments.

Adjournment

There being no further business to come before the Board, the meeting was adjourned at 10:20 a.m.

Respectfully submitted,

POLLY WELSCH
Recording Secretary

APPROVED:

KAY HAVENS, President of
the El Toro Water District and the
Board of Directors thereof

DENNIS P. CAFFERTY, Secretary
of the El Toro Water District and
the Board of Directors thereof

THE NEW WATER ERA

2023 ANNUAL CONFERENCE

August 9-11 | Manchester Grand Hyatt | San Diego, CA

CASAwab.org  @CASACleanWater  @CASA_CleanWater



Preliminary Program

Subject to Change

Wednesday, August 9

7:30 a.m. – 12:00 p.m. CSRMA Training/Breakfast

9:00 a.m. – 5:00 p.m. Registration

10:00 a.m. – 11:30 a.m. CASA Board of Directors Meeting

11:30 a.m. – 1:00 p.m. Associates Committee Meeting

12:00 p.m. – 1:30 p.m. Lunch on Your Own

1:00 p.m. – 3:30 p.m. **Concurrent Sessions**

1:00 p.m. – 2:00 p.m.

Track 1A: Regulatory Hot Topics and Workgroup Updates

- Sarah Deslauriers, CASA
- Greg Kester, CASA
- Jared Voskuhl, CASA

1:00 p.m. – 2:00 p.m.

Track 2A: Optimizing Your Agency's Financing Options

- Dmitry Semenov, Ridgeline Municipal Strategies
- Lora Nichols, Fieldman
- Ric Pipkin, Union Sanitary District

2:00 p.m. – 2:30 p.m.

Break

2:30 p.m. – 3:30 p.m.

Track 1B: Advanced Treatment in the Decade Ahead

- Mike Falk, HDR
- Doug Campbell, PureWater San Diego Update

2:30 p.m. – 3:30 p.m.

Track 2B: Wastewater Based Epidemiology: What Comes Next?

- Alex Yu, CA Dept. of Public Health
- Anna Mehrotra, Water Environment Federation
- Naoko Munakata, Los Angeles County Sanitation Districts

3:45 p.m. – 4:45 p.m. Federal Legislative Committee Meeting

3:45 p.m. – 4:45 p.m. Communications Committee Meeting

4:00 p.m. – 5:00 p.m. CASA Engineering & Research Group Meeting

4:00 p.m. – 5:00 p.m. CSRMA Executive Board Meeting

5:30 p.m. – 6:30 p.m. Welcome Reception

Thursday, August 10

7:30 a.m. – 9:00 a.m. Breakfast

7:30 a.m. – 4:30 p.m. Registration

8:00 a.m. – 9:00 a.m. CASA Education Foundation Board Meeting

8:00 a.m. – 9:00 a.m. CSRMA Board of Directors Meeting

9:15 a.m. – 11:45 a.m. **Morning Sessions & Business Meeting**
Vice President Roland Williams, Presiding

9:15 a.m. – 10:15 a.m. **Keynote: Tani Cantil-Sakauye, President, Public Policy Institute of California**

10:15 a.m. – 11:15 a.m. **A Conversation with Biosolids Experts**
Moderator: Greg Kester, CASA

- Jimmy Slaughter, Beveridge and Diamond
- Ryan Batjiaka, San Francisco Public Utilities Commission
- David Tobias, US Environmental Protection Agency

11:15 a.m. – 11:30 a.m. **Annual Business Meeting**
Adam Link, CASA, Executive Director

11:30 a.m. – 12:00 p.m. Networking Break

12:00 p.m. – 1:30 p.m. **Luncheon**

- 2023 Awards of Excellence Presentation
- CASA Education Foundation 2023 Scholarship Recipients
- Inaugural Michael F. Dillon Service Award
- Remembering Dave Williams

1:30 p.m. – 2:00 p.m. **Networking Break**

2:00 p.m. – 4:00 p.m. **Afternoon Sessions**

2:00 p.m. – 2:45 p.m. **Mitigating System Disruptions**

- Eric Lovering, PE, Lee & Ro
- Jimmy Dang, Oro Loma Sanitary District

2:45 p.m. – 3:45 p.m. **Recruiting New Workers to the Water Sector**
Moderator: Alyssa Downs, CASA

- Brayden Mitchell, City of Roseville
- Robert Sainz/Greg Burks, High Road Training Partnership Program
- Meghan Roberts, AWWEE

4:00 p.m. – 5:00 p.m. Statewide Biosolids Meeting

4:30 p.m. – 5:00 p.m. LEAD Mentor/Mentee Meetup

Friday, August 11

8:00 a.m. – 9:30 a.m.	Breakfast
8:00 a.m. – 11:15 a.m.	Registration
8:00 a.m. – 9:00 a.m.	State Legislative Committee Meeting
9:15 a.m. – 11:00 a.m.	Closing Session President Georgean Vonheeder-Leopold, Presiding
9:15 a.m. – 9:45 a.m.	Federal and State Legislative Updates <ul style="list-style-type: none">• Jessica Gauger, CASA• Eric Sapirstein, CASA
9:45 a.m. – 10:00 a.m.	Closing Speaker <ul style="list-style-type: none">• San Diego Area Congressional Representative
10:00 a.m. – 10:30 a.m.	Closing Keynote Speaker <ul style="list-style-type: none">• Joaquin Esquivel, Chair, State Water Board
10:30 a.m. – 11:00 a.m.	Closing Business Session <ul style="list-style-type: none">• 2023-2024 Board of Director Elections Results• Passing of the Gavel• President's Closing Remarks
11:00 a.m. – 3:00 p.m.	Attorneys Committee Meeting



California Special
Districts Association
Districts Stronger Together

2023 CSDA annual conference & exhibitor showcase

The Leadership Conference
for Special Districts

📅 August 28 – 31, 2023 | 📍 Monterey, California

The CSDA Annual Conference & Exhibitor Showcase is the one conference that hits all the right notes for special district leaders! Cultivate new connections this August in Monterey.

Join 800-plus special district professionals and industry experts for a three-day, must-attend education and networking event.

- ✦ Develop new partnerships.
- ✦ Discover new products and services to make your district more efficient.
- ✦ Expand your horizons with inspiring and motivating keynote sessions.
- ✦ Learn about the latest in special district technology, management playbooks, and legal trends.
- ✦ Explore new ideas and best practices. Walk away with practical strategies, new connections, and innovative ideas to move your district forward.

We're getting the band back together in Monterey!

CSDA's 2023 Annual Conference & Exhibitor Showcase is back in Monterey! Attendees can enjoy meandering down Cannery Row and Monterey Old Fisherman's Wharf to indulge in a piping hot bread bowl full of clam chowder, visit the acclaimed Monterey Bay Aquarium to see a spirited sea otter up-close, or book a boat tour, whale watching cruise, or fishing trip to set sail on the open waters of Monterey Bay. In your free time, enjoy the combination of natural beauty and cultural richness of Monterey!



Monterey Marriott | Monterey, CA



Portola Hotel & Spa | Monterey, CA

CSDA room reservations in the CSDA room block at the Marriott and Portola Hotel & Spa are available starting at the rate of \$229 plus tax. The room reservation cut-off is August 5, 2023; however, space is limited and may sell out before this date. Information regarding hotel reservations and link to book in the CSDA room block will be emailed to the registrant within 24 hours of registration.

One night's non-refundable room and tax will be charged at the time a reservation is made for rooms reserved at the Portola, and charged on August 5, 2023, for rooms reserved at the Marriott.

Monday, August 28, 2023

pre-conference

Workshops, golf tournament, tours, and more

9:00 a.m. – 3:30 p.m.

Pre-Conference Workshop: **Special District Leadership Academy Module 1: Governance Foundations**

 **CIP ELIGIBLE**

As the core curriculum of CSDA's Special District Leadership Academy, this workshop serves as the "foundation" for the series on effective governance of special districts. It is specifically designed for special district board members and meets the requirement for six hours of governance training for Special District Leadership Foundation programs.

\$250 CSDA Member / \$375 Non-member*

**Price includes continental breakfast and lunch.*

9:00 a.m. – 3:30 p.m.

Pre-Conference Workshop **So, You Want to Be a General Manager?**

(Part of the SDLF Essential Leadership Skills Certificate Program)

This is a practical career development workshop for senior executives and emerging leaders in special districts. This action-oriented workshop includes group and panel discussions on the journey, roles, and skillsets of a general manager; identifying general manager opportunities; developing positive relations with the board, staff, and peer agency executives; and leadership best practices.

\$100 CSDA Member and Non-member*

Sponsored by the Special District Leadership Foundation (SDLF). Price includes continental breakfast and lunch.



9:00 a.m. Shotgun Start Pre-Conference Activity **SDLF Scramble for Scholarships Golf Tournament**

Del Monte Golf Course

Join special district elected officials, staff, and business affiliates at this optional fun event. Great golf skills are not necessary! Proceeds benefit the Special District Leadership Foundation scholarship fund.

\$110 includes golf with cart, lunch, and prizes!

Hurry, space is limited and is on a first-come, first-served basis.

10:30 a.m. – 1:45 p.m.

Pre-Conference Tour **Elkhorn Slough Safari Boat Tour and Moss Landing Harbor District Tour**

Playful sea otters, curious harbor seals, boisterous sea lions, and hundreds of bird species abound as you explore one of California's most spectacular wetlands aboard a stable, 27-foot, U.S. Coast Guard inspected pontoon boat in a 1.5-hour tour. Tour of Moss Landing Harbor District to follow.

\$50 per person includes transportation to/from the Convention Center and tour. (Lunch is not included.)

Early registration is encouraged. Limited to 25 attendees.



SDRMA Credit Incentive Points

Special District Risk Management Authority (SDRMA) is committed to establishing a strategic partnership with our members to provide maximum protection, help control losses, and positively impact the overall cost of property/liability and workers' compensation coverage through the Credit Incentive Program. Credit incentive points (CIPs) can be earned based on an agency's attendance at the CSDA Annual Conference & Exhibitor Showcase, reducing SDRMA members' annual contribution amounts.

10:30 a.m. – 3:00 p.m.



**NEW! Young Professionals
Pre-Conference Tour
Elkhorn Slough Kayak Tour and
Moss Landing Harbor District**

Join your fellow YPs (Young Professional staff and elected officials under the age of 40) for the best way to experience the wildlife and nature of Elkhorn Slough, via kayak. The 1.5-hour kayak tour will take you to visit sea otters, harbor seals and birds up close. The tour of Moss Landing Harbor District will follow. End your pre-conference day networking with your fellow YPs over appetizers and drinks.

\$90 per person, includes transportation to/from the Convention Center, kayak excursion, and post-tour happy hour.

Early registration is encouraged. Limited to 25 attendees. Due to safety, the max weight is 250 lbs.

1:30 – 3:30 p.m.

**Certified Special District Manager
(CSDM) Exam, Special District
Leadership Foundation**

(optional, must be scheduled prior to conference)

3:45 – 5:15 p.m.

Chapter Roundtable Discussion

(optional, no fee but must be attending the conference)

Join CSDA board members and local chapter leaders from across the state to share best practices and discuss issues and opportunities.



Calling all Young Professional District Staff, age 40 and younger! Keep an eye out for special sessions and a pre-conference tour especially suited for you. These sessions are noted with a YP icon.

Conference Officially **BEGINS!**

5:15 – 7:30 p.m.

**President's Reception
with the Exhibitors**

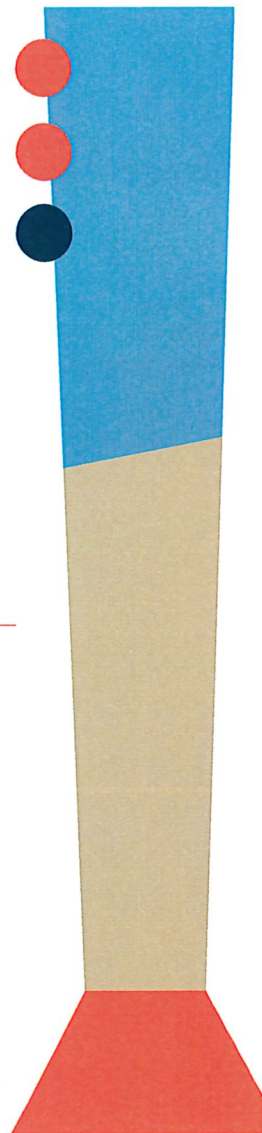
(all registered attendees welcome)

Join us in the exhibit hall as we network with business professionals who provide all types of goods and services to special districts. Appetizers, refreshments, and entertainment are provided.



08.29 - 08.31 schedule

This conference hits all the right notes!



Tuesday, August 29, 2023

7:30 – 8:30 a.m.

CSDA Board Meeting

7:30 a.m. – 6:30 p.m.

Exhibitor Showcase Open

7:30 – 8:30 a.m.

Continental Breakfast in the Exhibit Hall

Breakfast is included in full conference registration.

8:45 – 10:45 a.m.

Opening General Session and Keynote



Seth Mattison

CEO and Founder of
FutureSight Labs

"The Heart of Leadership:
The Secret & Science to
Influencing & Leading During
Transformation"

Leadership has always been about one thing: influence. To effectively manage transformation today, leaders must have the understanding and the skill to not only connect with the rational and logical aspects of people's brains but also have the capacity to reach their hearts to understand what ultimately drives human behavior at the deepest level.

In this highly interactive deep-dive discussion, leadership keynote speaker Seth Mattison will add a new perspective to the conversation of leadership today by dissecting the most critical skills and competencies leaders will need to acquire to elevate their impact on the teams they're supporting, the organizations they're leading, and the communities they live in.



Awards Presented:

- ▶ General Manager of the Year
- ▶ Board Member of the Year

- ▶ Staff Member of the Year
- ▶ SDLF New and Renewing Certified Special District Managers
- ▶ SDLF Essential Leadership Skills Certificate

11:00 a.m. – 12:00 p.m.

Scheduled Breakout Sessions

ABCs of Alternative Delivery Models for Capital Improvement Projects (CIPs)

Melanie Mow Schumacher, Soquel Creek Water District

With alternative delivery models being used more frequently for capital improvement projects (CIPs), it's important to know the pros/cons between various procurement methods. Design-build (DB) construction is a delivery method that provides an owner (special district) a single point of contact for both the design and construction phase of the project. Unlike traditional design-bid-build (DBB), the phases overlap, and team members (owner and DB firm) collaborate throughout the process to provide successful project delivery.

Public Agencies' Role in Forest Management and Keys to Successful Grant Applications

Joel Metzger, Utica Water and Power Authority
Andy Fecko, Placer County Water Agency
Mark Egbert, Georgetown Divide and El Dorado Resource Conservation Districts

As landscape-scale forest management becomes increasingly important to protect our communities, water supplies, and timberlands, public agencies have a unique opportunity to take leading roles in being good stewards of our natural resources. Hear from public agency managers who are on the cutting edge of forest management in California, learn about their ongoing projects, and find out how they worked with stakeholders. Local, state, and federal grants / appropriations are critical to public agencies' ability to move forest management projects forward, and the panel will identify preferred funding sources and share

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the keys to successful grant applications. If a public agency in your community is ready to take on a forest management project, you don't want to miss this panel!

Role of the Board, Parliamentary Procedure, Brown Act, and Conflicts of Interest

Oliver Yee, Liebert Cassidy Whitmore

The board has significant fiduciary responsibilities and duties, much of which is guided by the law. This session will cover the essential legal functions and foundational principles surrounding board governance. Specifically, it will cover key provisions of the Brown Act, ethical responsibilities, conflicts of interest, and parliamentary procedures.

Save Money and Time with Programmatic Environmental Impact Reports (EIRs)

Tom Kennedy and Malik Tamimi, Rainbow Municipal Water District

CEQA compliance adds a great deal of time and money to every project. With rapidly aging infrastructure every pipeline will need work sooner or later. Rather than performing a separate CEQA action every time, Rainbow MWD decided to perform a Programmatic EIR (PEIR) to cover every pipeline in the district. Though this process took a bit longer, by evaluating nearly 400 miles of pipeline all at once, over 75% of water and over 90% of sewer pipelines are now fully covered by the action. The remaining pipelines are also covered with pre-defined monitoring and mitigation steps. Attendees will learn how to perform a systemwide PEIR, the cost and time benefits of a systemwide PEIR, and how future projects can be incorporated into the

PEIR via addendums.

Practicing Emotional Intelligence

Sylvette Wake, CPS HR Consulting

There is strong evidence that emotional intelligence is one of the strongest predictors of performance. Some research states that it is responsible for 58% of job performance and 90% of top performers have a high EQ. So, getting more EQ is a good thing. Join us to learn about the four quadrants of emotional intelligence and what you can do to boost your EQ.

Required Ethics AB 1234 Compliance Training (Part 1)*

Richard D. Pio Roda and Alex J. Mog, Meyers Nave

AB 1234 mandates agency officials receive two hours of ethics training every two years. This training covers all required topics, including conflicts, financial gain, prerequisites of office, transparency, and fair process.**

**Must attend both sessions to receive your digital certificate.*

***This presentation has been approved for 2 hours of MCLE credit by the State Bar of California. Meyers Nave, a Professional Law Corporation, is a MCLE licensed provider. PN #10416*

LAFCOs – An Additional Resource for Special Districts

Joe Serrano, Santa Cruz LAFCO

Where does a district go to change its jurisdictional boundaries? Who determines when a new district is formed? The answer is the Local Area Formation of Counties (LAFCO). By the end of this session, not only will you understand the synergy between special districts and LAFCOs but you will leave as a LAFCO expert.

12:15 – 1:30 p.m.

Lunch with the Exhibitors

Lunch is included in the full conference registration.

All conference attendees are welcome to attend lunch in the exhibit hall. Enjoy your lunch while taking time to learn more about our exhibitors and the valuable services they provide. From risk management to accounting, HR, legal, banking services, and more – our exhibitors have some of the best of what you're looking for!



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1:45 – 3:00 p.m.

Scheduled Breakout Sessions

How CUPCCAA Benefits Special Districts in Delivering Public Works Projects

Will Clemens, Oceano Community Services District

The California Uniform Public Construction Cost Accounting Act provides special districts with the ability to implement alternative bidding procedures on public works projects costing less than \$200,000. The Act is voluntary and supports participating special districts with efficient and flexible project delivery. This session will cover key provisions of the act, benefits of participation and how to opt into the Act, pitfalls to avoid, and recent updates.

Public Events to Build Community Equity

Joshua Bonner, Coachella Valley Public Cemetery District
Victoria Llori, Coachella Valley Water District
CV Strategies

Community equity has never been more important, as districts are increasingly responsible for solving some of the most pressing local issues in your neighborhood. Events and public gatherings can be an important component of your district's communication and public engagement plan. As an interactive experience, events allow your district to engage the community on a positive footing, building your district's image beyond just the service(s) you offer. Learn how to engage the community, build your brand, and recognize valuable partnership opportunities that exist within your community. Use your next event to move from a special district no one understands to a trusted community partner with an interest in giving back.



Great for Young Professionals!

You Can (Central) Bank On It: The Importance and Impact of the Federal Reserve System to Your District's Investment Program

Brent Turner, California CLASS

How much do you really know about how the Federal Reserve works? While we have all seen "the Fed" in the news, how do its decisions impact the economy and the investor? In this session, attendees will gain a fuller understanding of the role that the Federal Reserve System plays in managing the nation's money supply, influencing the economy, and serving as a lender of last

resort. This session is meant to demystify a subject that is often presented and discussed in unnecessarily incomprehensible jargon, so if you are curious to learn more about the Federal Reserve and monetary policy in plain-English terms, please consider attending.

The Brown Act in a Modern World

Chelsea Straus, Richards Watson Gershon

This presentation will review the following:

- ▶ The Brown Act's new virtual meeting rules, including AB 361, AB 2449, and the Brown Act's traditional teleconferencing options
- ▶ AB 992's rules for commenting on social media about agency business
- ▶ Avoiding constitutional issues when monitoring your social media pages

What's All the Buzz About? How Partnerships Fuel Drone Innovation

Joshua Metz and Sophia Selivanoff, Regional Government Services
Chris Bley, Insight Up Solutions
Becca Fenwick, UCSC CITRIS Institute for Drone Education & Research

Come see what all the buzz is about with this budding industry before it takes off! We're on the cusp of a workforce transformation - and Monterey Bay, industry, governments, and academia have joined forces to chart a path for drones and robotics to automate work while strengthening community. A panel of leaders will share their lessons learned on strategic coalitions and working across organizations and sectors to craft a common vision for the future.

Required Ethics AB1234 Compliance Training (Part 2)*

Richard D. Pio Roda and Alex J. Mog, Meyers Nave

See previous session description.

**Must attend both sessions to receive your digital certificate.*

Hearings, Protests and Elections, Oh My! Implementing a Property-Related Fee

Kevin King, Reclamation District No. 1000
Eric Grotenhuis, Page Design
Greg Ghironzi, NBS

Aging infrastructure and increasing costs of service are common problems for many local agencies and the procedural challenges presented by Prop. 218 for property-related fees can be daunting. With a thoughtful approach to fee setting and

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implementation, funding for operation, maintenance and capital needs is possible to achieve. This session will discuss considerations for the fee-setting process, the approval procedure to include both the hearing and election steps, and public outreach efforts exemplified using a case study of Reclamation District No. 1000's stormwater fee.

3:45 – 4:45 p.m.

Scheduled Breakout Sessions

Leadership of Management

Robert Gutierrez, Rainbow Municipal Water District
Steve Hernandez, WaterWisePro Training LLC

Understanding the critical differences between leadership and management is an essential tool in efficiently operating any organization. Management is a form of control, while leadership is a form of influence. Persons in positions of authority need help to understand the dynamics of these two styles, impacting their ability to get the most out of their staff. This session will explore the concepts of servant leadership and how to leverage this leadership style to increase production, morale, and the willingness to stay with the organization.



Great for Young Professionals!

Pricing Debt: Interest Rates, Fees, and Other Variables

Consultants of CSDA Finance Corporation
Don Bartz, Phelan Pinon Hills Community Services District

When an agency considers financing, interest rates are often the first concern and can vary based on several factors. In this interactive panel discussion, CSDA Finance Corporation consultants explain how financings are priced and interest rates are set in both the bond market and the bank placement market. We'll be joined by a special district general manager who will share insight into the financing process and the importance of communicating to board officials each step of the way.

How to Recruit When No One Knows What You Do

Kylie Sun, Tripepi Smith
Cathy Thompson, Tripepi Smith (TS) Talent Solutions

Many agencies are finding it difficult to not only keep employees engaged, but to find new, motivated talent to join their team. The challenge of finding new

employees increases when it isn't clear what exactly your organization does or what it values. Finding qualified candidates goes hand in hand with your ability to clearly communicate your organization's mission, culture, expectations, and responsibilities.

Presenters will share their tips and tricks for creating a seamless and successful recruiting process that educates the public on your organization and brings in top talent prospects.

Embracing Diversity, Equity, Inclusion, and Belonging as The Cultural Norm

Knickeita V. Bullock, UKG

Implementing Diversity, Equity, Inclusion, and Belonging (DEI&B) initiatives today isn't just the right thing to do. It's a business imperative that positively impacts the workforce and drives employee retention and engagement. To attract and retain talent in the post-pandemic world of work, governmental organizations need to move beyond DEI&B checkboxes and create inclusive cultures where employees feel valued and know they belong. This session will show you how to assess your organization's DEI&B progress, facilitate real organizational change through honest dialogue, and enable true inclusivity. Most importantly, you'll learn how to build a DEI&B practice that lasts.

Privacy and the Need to Share Information in the Workplace

Ryan Quadrel and Rob Cutbirth, Slovak Baron Empey Murphy & Pinkney LLP

Employees regularly provide confidential, personal health information (PHI) to employers and claims administrators through the onboarding process, requests for leaves of absence (LOA) or disability accommodation, and in response to workers' compensation claims. PHI might then be stored, shared, and used by Human Resources, Benefits, Risk Management, Claims Administrators, and others. Even with good intentions, such acts (and omissions) may create risk exposures in terms of statutory privacy violations, may harm or negate your ability to best manage LOA/disability accommodation requests, or result in a loss of defense to claims.



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Avoiding Conflicts of Interest and Maintaining Public Trust

Alex J. Mog, Meyers Nave

Maintaining public trust is critical to successfully serving as a public official. Conflicts of interest, both real and perceived, are a quick way for public officials to lose that trust. This session will provide an explanation of the requirements of SB 1439, which establishes significant new conflict of interest rules regarding campaign contributions, as well as tips for maintaining public trust.

This presentation has been approved for 1 hour of MCLE credit by the State Bar of California. Meyers Nave, a Professional Law Corporation, is a MCLE licensed provider. PN #10416

Learn How to Make Your Website Accessible Before a Costly Lawsuit Forces You

*Martin Rauch, Rauch Communication Consultants, Inc.
Mac Clemmens, Streamline*

State and federal laws and a growing number of legal judgments are pushing special districts to make their websites, media, and documents accessible to people with disabilities. If you don't know if your district's website and documents are Americans With Disabilities Act (ADA) compliant, they probably are not. And it could cost your district up to \$4,000 per day in fines. Join us at this fast-paced session where you will learn what is web and document accessibility and how it affects members of your district, why your district should care, and guidance on how your district can get and stay compliant.

5:00 – 6:30 p.m.

Mix and Mingle in the Exhibit Hall

(all registered attendees welcome)

Stop by the exhibit hall for a drink and hors d'oeuvres. Be sure to enter for one more chance to win one of our fabulous prizes!

*The exhibit hall closes on
Tuesday, August 29th at 6:30 p.m.*





Wednesday, August 30, 2023

8:00 – 8:30 a.m.

SDRMA Sponsored Full Plated Breakfast

All registered attendees and exhibitors are welcome.

Breakfast is included in full conference registration.



8:30 – 10:30 a.m.

General Session Keynote



Matthew Luhn

*Formerly with Pixar, Story Artist,
Creativity Expert & Author*

Storytelling for Business

Storytelling is the #1 business skill necessary to connect, motivate, and lead people in today's world. Stories compel us to engage in experiences, learn lessons, and define our values and ourselves within our organization. Matthew Luhn, a 20-year Pixar story veteran, brings his experience creating and developing 10 blockbuster films at Pixar and provides practical strategies that teach and inspire people and teams to connect more effectively with audiences

on an emotional level. Matthew uses the power of storytelling to bridge the gap between business and heart, driving your story toward one unforgettable selling point.



Awards Presented:

- ▶ SDRMA Awards
- ▶ SDRMA New and Renewing Transparency Certificate of Excellence
- ▶ SDRMA New and Renewing District of Distinction

10:45 a.m. – 12:00 p.m.

Scheduled Breakout Sessions

Understanding Board Member Liability

*Peter Glaessner, Esq., Allen, Glaessner,
Hazelwood & Werth
Debbie Yokota, Special District Risk
Management Authority*

The goal of this presentation is to provide current and newly elected or appointed board members with a working understanding of the role of an elected official in the day-to-day governance of district operations. Public board members are covered by Public Officials Errors & Omissions policies. This session will inform board members what activities and actions are and are not covered by this policy.

The California Public Records Act: Don't Get Caught Unaware!

Sarah Lustig, Atkinson, Andelson, Loya, Ruud & Romo

It is imperative that public agencies know how to respond to and comply with requests for records under the California Public Records Act (CPRA). This session will provide an overview of the CPRA, including deadlines and methods for responding and a discussion of exemptions and statutory objections. It will also highlight trending legal developments surrounding the California Public Records Act and give tips and advice for responding to requests.

Blueprint for a Changing Workplace

Terri Bianco, CPS HR Consulting

Never has there been a better opportunity to create positive changes in your workplace. Everyone in your organization was affected by recent external events. No one is the same as they were before. People have adapted to working from home. They have become more independent, flexible, and more productive. Now it will change again and keep changing. As a

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manager or supervisor, you are in a position to plan, to guide, and to influence the success of a new work culture. But how? This class offers ideas, processes, techniques, and behaviors to move things along in the right direction from the get-go.

Current IRS Audits Focused on Special District Issues

Judith Boyette and Mikaela Habib, Hanson Bridgett, LLP

This session will be focused on current increased IRS audits and compliance reviews dealing with areas that are of concern to California special districts. These IRS actions create the risk of potential large monetary penalties for special districts, as well as risk of damage to the public's perception of the special district.

Difficult Conversations - Ethics Complaints Against a Board Member

Steven Miller, Hanson Bridgett, LLP

Few issues are as sensitive and difficult as how to handle a complaint lodged against a sitting board member. Such a complaint usually raises legal challenges for an agency as well as political and emotional challenges for board members and staff. Maintaining internal cohesion and public trust can be extremely difficult. The process is often shrouded in secrecy, without the transparency often necessary to learn any meaningful lessons. Learn some best practices and identify key issues from an experienced ethics investigator and advisor. This session will explore how to address key legal issues and protect the agency, what an agency's goals should be, and how to establish protocols for the greatest chance of success.

What to Expect from Your Finance Department

Cindy Byerrum, Eide Bailly CPAs
Paul Kaymark, Nigro & Nigro PC
Larry McKenney, Amador Water Agency

This interactive session will help demystify the mysteries of the accounting and auditing world. A special district finance director will walk through what leadership should expect from the finance department, when to expect it, and talk about typical compliance reports expected from your finance professionals and common issues found with each.

10 Best Practices Every Board Member Should Know

Brent Ives, BHI Management Consulting

This session will cover:

- ▶ What correlates as critically important to boards.
- ▶ What are the most difficult aspects of working with the board?
- ▶ What are the most challenging issues of working with your GM and staff?
- ▶ What practices have you learned about being productive in the public environment?
- ▶ What have you learned about yourself in this job?

11:00 a.m. – 12:00 p.m.

SDLF Board and Annual Meeting

12:15 – 2:00 p.m.

Legislative Update Luncheon

(All attendees welcome)

CSDA's legislative and legal affairs team will present attendees with the most up-to-date information on the outcome of the biggest state and federal budgetary, legislative, and legal issues impacting special districts in 2023, as well as a sneak peek of what to expect in 2024. Learn about significant new laws coming your way and what they mean for special districts going forward.

Awards Presented:

- ▶ Innovative Project/Program of the Year Award (large district)
- ▶ Innovative Project/Program of the Year Award (small district)
- ▶ Exceptional Public Outreach & Advocacy Award (large district)
- ▶ Exceptional Public Outreach & Advocacy Award (small district)
- ▶ Recognition of Previous and Outgoing Board Members
- ▶ Ralph Heim Exceptional Outreach & Advocacy Award
- ▶ William Hollingsworth Award of Excellence

Lunch is included in the conference registration.

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2:15 – 3:30 p.m.

CSDA Finance Corporation Board and Annual Meeting

2:15 – 3:30 p.m.

Scheduled Breakout Sessions

Cal/OSHA Requirements Made Simple

Enriqueta (Henri) Castro, CSP, Special District Risk Management Authority

While the ultimate goal of Cal/OSHA is to protect employees, we recognize how challenging it is to figure out which of the many Cal/OSHA regulations may apply to your district. There are regulations that apply to all employers, there are some that require written programs, there are those that apply only if there is an "occupational exposure", the list goes on and on. During this session we'll focus on Cal/OSHA regulations that commonly apply to special districts. We'll review the requirements based on operations and employee exposures, and then we'll review a step-by-step approach on how to break down the requirements to help simplify implementation. Participants will receive tools to easily navigate the requirements of 20 common regulations, as well as implementation guidance.

Cybersecurity Best Practices for Special Districts

Corey Kaufman, VC3

With ransomware attacks threatening local governments more than any other industry—even more than schools or healthcare organizations—a perfect storm exists as local governments are also often the least-equipped to handle a cyberattack. Many local governments do not even have the "basic basics" in place such as multi-factor authentication (MFA), endpoint detection and response (EDR), and data backup. We will answer the question, "Where do I begin with cybersecurity?" and present a checklist that distills tips, best practices, and recommendations that organizations can use to score themselves, find cybersecurity gaps, and create an action plan.

Surplus Land Act and Special Districts: Know the Impact

*Larry J. Kosmont, Kosmont Financial Services
Matt Cody, Best Best & Krieger LLP*

California is faced with a housing crisis. The State has revved up enforcement to accelerate the

production of affordable housing including the use of public agency-owned land. Effective in 2020, the Surplus Land Act (SLA) requires ALL public agencies including special districts to follow a process to sell or lease any public property by first offering it to a state-controlled list of affordable housing developers. The State Department of Housing & Community Development manages the process and now has an enforcement unit to ensure compliance. Learn how the SLA process will impact re-use of district properties and how to navigate the sale/lease/licensing of special district public agency property.

Leading a Values-Based Organizational Culture

Sean Barclay, Tahoe City Public Utility District

Creating alignment around a shared set of values at an organizational level requires so much more than just adopting a "set of words on a wall." This session will examine one district's journey towards implementing a set of shared values and behaviors that guide decision-making, from strategic planning to everyday customer interactions. The session will share actual experiences along the way towards implementation, including the challenges and real benefits realized over time. Come learn firsthand from our mistakes and successes and take-home practical tips to help you understand if a values-based organizational culture is the right fit for your district.



Great for Young Professionals!

A Step-by-Step Guide to Building an Effective Multi-Year Strategic Plan

Martin Rauch, Rauch Communication Consultants, Inc

Whatever the challenges facing your district, it is critical to build a realistic and well-supported plan to get there. Whether your district has an existing planning process or is looking to start one for the first time, this session will provide proven methods for evaluating the issues, challenges, and opportunities facing your district, and developing clear and practical direction for the future. It will distinguish the roles of the board and staff in the process. This lively session will also feature sharing of experiences (good and bad) by the participants and presenter, and practical tips that you can bring home. We will also explore how to successfully engage the board, executive team, staff, and public in this process.

Skilled and Trained Workforce: When is it Triggered and What Are My Agency's Responsibilities?

Deborah Wilder, Contractor Compliance and Monitoring, Inc.

Skilled and Trained Workforce (STW) requirements now attach to 15 different types of projects from school lease back contracts to design build contracts of one million dollars or more. As more and more construction projects include STW requirements, join us for an educational session to determine if and when your project will be subject to STW, what the agency's obligation is to monitor and collect monthly reports, and when progress payments should be withheld. Finally, learn the requirements for mandatory reporting of non-compliant contractors to the Department of Industrial Relations.

Sexual Harassment Prevention (Part 1)*

Victoria Danna, Best Best & Krieger LLP

This training satisfies California Assembly Bills 1825, 2053, and 1661 biannual requirements. This training applies to supervisory and private business professionals with 50 or more employees, as well as elected officials. Attendees will learn what constitutes sexual harassment and discrimination in the workplace, how to recognize and prevent harassment, what procedures to follow if you witness harassment or are harassed yourself, the potential consequences of harassment, and a discussion about gender identity and gender expression in the workplace, in compliance with Senate Bill 396.

**Must attend both sessions to receive your digital certificate.*

3:45 – 5:00 p.m.

Scheduled Breakout Sessions

Reserves: What Every Board Member, General Manager, Finance Staff AND Taxpayer Should Know

Tom Scaglione, Grossmont Healthcare District

This interactive session will explore real reserve policies from a variety of California special districts to consider policy provisions worthy of imitation and those to avoid. We'll discuss the foundation provided by California law and industry guidelines and discover how to write a policy that doesn't sound like it was written by an accounting nerd. As stewards of the people's money, we need to communicate effectively on how our reserve

policies meet the unique financial and operational objectives of each district. Participate in this important session and gain the confidence you need to know what reserve policy is best for your district and your customers.

Building an Effective Board Management Team – Here's How

Martin Rauch, Rauch Communication Consultants, Inc.

This session will provide best practices, review case studies, and allow participants to discuss strategies for building an effective board and management team. You will take home ideas for change and improvement, including how to evaluate whether to have committee meetings and if so, how to structure them; how to ensure your board is focusing on the right information and issues; how to provide clear policy direction to the manager; and how to develop a pain-free and productive method for evaluating the manager's performance.

Sexual Harassment Prevention (Part 2)*

Victoria Danna, Best Best & Krieger LLP

See previous session description.

**Must attend both sessions to receive your digital certificate.*

Understanding CEQA's Requirements Regarding Tribal Cultural Resources and AB 52 Tribal Consultation

Amy Hoyt and Sarah Owsowitz, Best Best & Krieger LLP

The California Environmental Quality Act ("CEQA") requires lead agencies to analyze a project's potentially significant impacts on Tribal Cultural Resources. And before releasing any negative declaration, mitigated declaration or environmental impact report to the public, CEQA requires lead agencies to invite any California Native American tribe, who has previously submitted a written request, to consult with the lead agency pursuant to AB 52. AB 52 consultation recognizes that California Native American Tribes have valuable expertise regarding their tribal history and practices that should be considered when studying potentially significant impacts on Tribal Cultural Resources.

This session will discuss CEQA's requirements regarding analysis of Tribal Cultural Resources, including requirements regarding AB 52 consultation.

When the Gavel Strikes: Tips for Efficient and Effective Board Meetings

Craig Steele, Richards Watson Gershon

Public meetings influence how your agency is perceived by the public. Meeting management strategies can make board meetings more effective and promote an image of efficiency and transparency. In this session, we share tips for minimizing disruptions, facilitating public participation, and fostering a thoughtful-yet-convivial atmosphere during board meetings.



6:00 – 9:00 p.m.

Taste of the City

(all registered attendees welcome)

The Dueling Pianos are back to take your requests while you dance the night away, sample local food and beverages, and enjoy a silent auction.

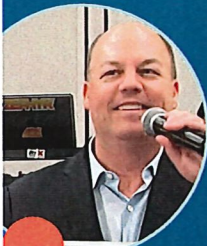


9:00 – 11:00 p.m.

Karaoke After Party

Let's keep the party going... Join us for the ultimate Taste of the City After Party! Belt out your favorite tunes as we let loose to celebrate a great Annual Conference!

\$25 includes admission and 2 drinks. All proceeds support the Special District Leadership Foundation.*



Contracting Do's and Don'ts: Public Works, Services, Materials, Supplies, and Equipment

Gary Bell, Colantuono Highsmith & Whatley, PC

All special districts contract for services, materials, supplies, and equipment and frequently public works, too. There are different procedures in principal acts and other provisions of state law for each, required policies for some, and pitfalls if procedures aren't followed. This session will distinguish between the different types of procurement, discuss the rules that apply to each, and provide practical advice for board members and staff regarding these processes.

5:00 – 6:00 p.m.

SDRMA Member Reception

Light appetizers and drinks will be served.

Electronic Invitation to SDRMA Members to follow – approximately one month prior to the event.

Thursday, August 31, 2023

8:00 – 10:00 a.m.

Closing Breakfast: Connect and Collaborate

We've saved the best for last! Join us for a unique and valuable opportunity to spend time with your special district peers, discuss issues unique to your particular district type, trade ideas and best practices, and listen to one another's stories. Continental breakfast will also be provided. It's the perfect way to wrap up the Annual Conference!



Awards Presented:

- ▶ Excellence in Technology
- ▶ Chapter of the Year
- ▶ Beacon Awards

10:00 a.m.

Conference Adjourns





Attendee Registration Form

Hotel Reservations *Marriott and Portola Hotel & Spa*

CSDA room reservations within the CSDA Room Block for the Annual Conference and Exhibitor Showcase are available at the Marriott and Portola Hotel & Spa starting at the rate of \$229 plus tax. The room reservation cut-off is August 5, 2023; however, space is limited and may sell out before this date. Information regarding hotel reservations and links to book in the CSDA room block will be emailed to the attendee only (not the individual registering the attendee) within 24 hours of registration.

Full Conference Registration Fees Include:

- President's Reception with the Exhibitors
- Keynote Sessions
- Continental Breakfast with the Exhibitors
- Lunch with the Exhibitors
- Mix and Mingle in the Exhibit Hall
- SDRMA Full Plated Breakfast
- Legislative Update Luncheon
- All Breakout Sessions
- "Taste of the City" Reception
- Closing Breakfast

Three Ways to Register

- 1** ONLINE by visiting the CSDA Annual Conference website at conference.csdanet.org.
- 2** FAX your registration form to 916-520-2465. (All faxed forms must include payment)
- 3** MAIL to CSDA, 1112 I Street, Suite 200, Sacramento, CA 95814. (please include registration form along with payment. Check should be made payable to: California Special Districts Association).

Name:		Title:	
District:			
Address:			
City:		State:	Zip:
Phone:		Fax:	
Email:		Website:	
Special Needs (include dietary):			
Emergency Contact:			
Conference Registration Fees		Early Bird (on/before August 5, 2023)	Regular (after August 5, 2023)
<input type="checkbox"/> CSDA Member - Full Conference		\$ 675.00	\$750.00
<input type="checkbox"/> Non-member - Full Conference		\$ 1,010.00	\$ 1,125.00
<input type="checkbox"/> Guest of a Member - Full Conference (Cannot be from a district/company) <input type="checkbox"/> Vegetarian		\$ 350.00	\$ 425.00
<input type="checkbox"/> Guest of a Non-member - Full Conference (Cannot be from a district/company) <input type="checkbox"/> Vegetarian		\$ 525.00	\$ 635.00
<input type="checkbox"/> CSDA Member - One-day registration <input type="checkbox"/> Tuesday <input type="checkbox"/> Wednesday <input type="checkbox"/> Thursday		\$ 375.00 each day	\$ 400.00 each day
<input type="checkbox"/> Non-member - One-day registration <input type="checkbox"/> Tuesday <input type="checkbox"/> Wednesday <input type="checkbox"/> Thursday		\$ 560.00 each day	\$ 600.00 each day
Separate Registration Fees		Member	Non-member
<input type="checkbox"/> Pre-Conference Workshop: SDLA Module 1: Governance Foundations - Aug. 28		\$ 250.00	\$ 375.00
<input type="checkbox"/> Pre-Conference Workshop: So, You Want to Be a General Manager? - Aug. 28		\$ 100.00 CSDA Member/Non-member	
<input type="checkbox"/> SDF Scramble for Scholarships Golf Tournament - Aug. 28		\$ 110.00 (includes lunch)	
<input type="checkbox"/> Pre-Conference Tour: Elkhorn Slough Safari Boat Tour and Moss Landing Harbor District Tour - Aug. 28		\$ 50.00 CSDA Member/Non-member	
<input type="checkbox"/> Young Professionals Pre-Conference Tour: Elkhorn Slough Kayak Tour and Moss Landing Harbor District - Aug. 28		\$ 90.00 CSDA Member/Non-member	
<input type="checkbox"/> "Taste of the City" Reception (Guests only) - Aug. 30		\$ 80.00	\$ 120.00
<input type="checkbox"/> Karaoke After Party - Aug. 30		\$ 25.00 CSDA Member/Non-member	
		TOTAL	
Payment Information			
Payment type: <input type="checkbox"/> Check <input type="checkbox"/> Visa <input type="checkbox"/> MasterCard <input type="checkbox"/> AMEX <input type="checkbox"/> Discover			
Account name:		Account Number:	
Expiration date:	CVC:	Authorized Signature:	

Cancellations/Substitution Policy: Cancellations must be in writing and received by CSDA no later than Saturday, August 5, 2023. All cancellations received by this date will be refunded less a \$75 processing fee. There will be no refunds for cancellations made after August 5, 2023. Substitutions are acceptable and must be done in writing no later than August 18, 2023 at 5:00 p.m. Please submit any cancellation notice or substitution request to jennifers@cscda.net or fax to 916-520-2465.

Consent to Use Photographic Images: Registration and attendance at, or participation in, CSDA meeting and other activities constitutes an agreement by the registrant to CSDA's use and distribution (both now and in the future) of the registrant or attendee's image or voice in photographs, videotapes, electronic reproductions, and audiotapes of such events and activities.

Anti-Discrimination and Harassment Policy: CSDA is dedicated to a harassment-free event experience for everyone. Our Anti-Discrimination and Harassment Policy can be found under "CSDA Transparency" at



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The Leadership Conference for Special Districts

📅 August 28 – 31, 2023 | 📍 Monterey, California



STAFF REPORT

To: Board of Directors

Meeting Date: July 27, 2023

From: Dennis Cafferty, General Manager

Subject: Increases to Certain Water, Sewer and Recycled Water Service Rates and Charges

At the July, 2023 Board meeting, the Board will consider increases to the District's Water, Sewer and Recycled Water service rates and charges. The implementation of these rate increases will be accomplished through the modification of several Schedules within the District's Rules and Regulations.

Changes are proposed to the following service rates and charges:

- Potable Water Tiered Water Usage Rate
- Water Operations & Maintenance Charge
- Sewer Operations & Maintenance Charge
- Recycled Water Operations & Maintenance Charge
- Private Fire Operations & Maintenance Charge
- Potable Water Capital Replacement & Refurbishment Charge
- Sewer Capital Replacement & Refurbishment Charge
- Recycled Water Capital Replacement & Refurbishment Charge

Redline versions of the following Schedules are attached describing the proposed changes in the rates.

- Schedule 1-W General Metered Potable Water Service
- Schedule 1-S General Sewer Service
- Schedule 2-S Commercial, Industrial, Public Authority and Homeowner Association Recreational Facility Sewer Service
- Schedule 3-S Recycled Water Sales and Service
- Schedule 4-W Private Fire Protection Service

The 2023-24 Proposition 218 Notice is also attached for reference.

EL TORO WATER DISTRICT

Page 1 of 5

Schedule No. 1-W

GENERAL METERED POTABLE WATER SERVICE

Water Usage Charge: Applicable to all residential and potable irrigation metered water service.

Water use is charged on a Water-Budget Based Tiered Conservation Rate Structure. Water Budgets for each residential and potable irrigation customer includes an Indoor Budget and an Outdoor Budget.

Budgets are based on the following:

Indoor Budget:

55 gallon / person / day * number of ~~occupancies~~ occupants * number of days in the billing _____ cycle / 748 gallon per billing units plus approved variances.

Occupancy is assumed to be four residents for single family detached, three residents for attached unrestricted and two residents for attached and detached restricted residential communities. Occupancy adjustments will be made where warranted.

The calculation of the Indoor budget is subject to a Drought Factor as determined by the Board. The current Drought Factor is 1.0.

Outdoor Budget:

Landscape area * weather factor * efficiency factor / 1200 per billing unit plus approved variances.

The calculation of the Outdoor budget is subject to a Drought Factor as determined by the Board. The current Drought Factor is 1.0.

The Indoor water budget, as determined above, will be billed at Tier I (“Indoor – Efficient”) rates. The Outdoor water budget, as determined above, will be billed at Tier II (“Outdoor – Efficient”) rates. Water use in excess of the Tier I and II water budget would be deemed inefficient and/or excessive. Tier III (“Inefficient”) water use would be usage between 100% and 130% of the total Tier I and II water budget and Tier IV (“Excessive”) usage would be consumption over Tier III.

Approved by Resolution 23-7-2

Approved by Resolution 22-7-2
Approved by Resolution 21-6-1
Approved by Resolution 20-9-1
Approved by Resolution 20-1-2
Approved by Resolution 19-6-1
Approved by Resolution 18-6-1
Approved by Resolution 17-6-1
Approved by Resolution 16-6-2
Approved by Resolution 15-7-1

Effective 08/01/23

Effective 08/01/22
Effective 07/01/21
Effective 10/01/20
Effective 01/21/20
Effective 07/01/19
Effective 07/01/18
Effective: 07/01/17
Effective: 07/01/16
Effective: 08/01/15

EL TORO WATER DISTRICT

Page 2 of 5

Schedule No. 1-W

Effective August 1, ~~2022~~ 2023 Potable Water Usage Rates will be:

Tier I – Indoor – Efficient	\$2.82/CCF <u>\$3.00/CCF</u>
Tier II – Outdoor – Efficient	\$3.18/CCF <u>\$3.37/CCF</u>
Tier III – Inefficient	\$6.50/CCF <u>\$6.70/CCF</u>
Tier IV – Excessive	\$8.35/CCF <u>\$8.67/CCF</u>

Water Budget - Variance/Adjustment Process

Adjustments – Individual water budgets are primarily based on permanent residency (occupancy) and landscape irrigation area in square feet.

Occupancy - In general, residency is assumed to be as follows

- 1) Single Family – 4 permanent ~~residence~~ residents
- 2) Multi-family, unrestricted (including condo, trailer parks and townhomes)
- 3 permanent ~~residents~~ residence
- 3) Multi-family, restricted (restricted due to age limitations)
– 2 permanent ~~residents~~ residence, and
- 4) Multi-family, apartments – 2 permanent ~~residents~~ residence

Customers who believe their permanent occupancy differs from the above may request an adjustment to their occupancy factor. All adjustment requests must be in writing on forms provided by the District and signed by the customer (Account Holder.) The General Manager may require supporting documentation to support a claim for additional permanent occupants.

Requests for additional permanent occupants will be granted based on criteria established by the General Manager.

Landscape Irrigation Area – Each customer's landscape irrigation area was established based on the county of Orange Assessor's parcel data, on-line parcel information, customer representations and/or independent measurements.

Customers who believe their landscape irrigation area is incorrect may request an adjustment. All adjustment requests must be in writing on forms provided by the District and signed by the customer (Account Holder.) The General Manager may require supporting documentation to support a claim for additional landscape irrigation area.

Requests for adjustments to landscape irrigation area will be granted based on criteria established by the General Manager.

EL TORO WATER DISTRICT

Page 3 of 5

Schedule No. 1-W

Variances – Water budgets have been developed using industry standards to provide all customers with the appropriate amount of water given then current hydrological conditions. If, for any reason a customer believes that their water budget is inadequate due to extenuating circumstances they may request a temporary or permanent variance for additional water. All variance requests must be in writing on forms provided by the District and signed by the customer (Account Holder.) The General Manager may require supporting documentation to support a claim for an increase in the water budget.

Requests for temporary or permanent variances will be granted based on criteria established by the General Manager.

General - All requests for variance/adjustments must be in writing and signed by the customer (account holder). The District reserves the right to request additional documentation in support of the request. Approved variances/adjustments will become effective at the beginning of the billing period after approval, and will remain active for a period of 24 months, at which time the customer will be required to re-confirm the circumstances surrounding the original request.

The General Manager must act upon any completed application no later than ten (10) days after submittal and may approve, conditionally approve, or deny the request for variance/adjustment. The customer requesting the variance/adjustment must be promptly notified in writing of any action taken. The decision of the General Manager will be final.

Potable Water Usage Charge: Applicable to all commercial, institutional and industrial (CII) metered water service.

Effective August 1, ~~2022~~2023, the uniform CII Potable Water Usage Rate will be ~~\$3.31/CCF~~\$3.49/CCF.

Water Operations & Maintenance (O&M) Charge

Effective ~~July-August~~ 1, ~~2021~~2023, the Water O&M Charges are as follows:

	<u>Per Meter Per Month</u>
For 5/8 inch meter	\$17.46 <u>\$18.07</u>
For 3/4 inch meter	\$23.62 <u>\$24.72</u>
For 1 inch meter	\$35.93 <u>\$38.02</u>
For 1 ½ inch meter	\$66.70 <u>\$71.27</u>
For 2 inch meter	\$128.25 <u>\$137.76</u>

EL TORO WATER DISTRICT

Page 4 of 5

Schedule No. 1-W

<u>10 inch meter</u>	<u>\$1,360.00</u>
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Capital Replacement and Refurbishment (R&R) Charge – Water

Effective ~~July-August~~ 1, ~~2018~~2023, the Capital R&R Charges - Water are as follows:

	<u>Per Meter</u> <u>Per Month</u>
For 5/8 x 3/4 inch meter	\$5.09 <u>\$5.56</u>
For 3/4 inch meter	\$5.09 <u>\$8.33</u>
For 1 inch meter	\$8.50 <u>\$13.88</u>
For 1 ½ inch meter	\$20.65 <u>\$27.76</u>
For 2 inch meter	\$51.84 <u>\$55.52</u>
<u>10 inch meter</u>	<u>\$640.00</u>

The Water O&M Charge and the Capital R&R Charge are applicable to all active general metered water service, which is added to the charge for water used during the month computed at the Water Usage Charge.

EL TORO WATER DISTRICT

Page 5 of 5

Schedule No. 1-W

SPECIAL PROVISIONS:

1. LIFE LINE RATE ASSISTANCE PROGRAM:

Customers providing the District with satisfactory evidence of having a household income of \$15,000 or less per calendar year may qualify for the Life Line Rate Assistance program. The Life Line Rate Assistance Program provides a waiver for the Water O&M Charge for qualified customers. In order to qualify, a customer must submit an application and Statement of Eligibility (Form 3/98 attached).

An approved application is valid for three years from the date of acceptance and is not automatically transferred or renewed.

The waiver will apply only to the customer's primary residence.

Proof of eligibility may be required.

2. NON-REGISTERING METERS:

The District may bill the customer for water consumed while the meter was non-registering. Billing will be based upon an estimate of the consumption according to the customer's prior use during the same season of the year, or upon an estimate based upon a reasonable comparison with the use of other customers during the same period receiving the same class of service under similar circumstances and conditions. Billing estimation will not exceed two consecutive billings.

EL TORO WATER DISTRICT

Page 1 of 2

Schedule No. 1-S

GENERAL SEWER SERVICE

Applicability

Applicable to General Sewer Service.

Sewer Operations & Maintenance (O&M) Charge/Rates

Effective August 1, ~~2022~~2023, the sewer O&M Rates are as follows:

<u>User Category</u>	<u>User Rate</u>	<u>Billing Unit</u>
Single Family Residential	\$34.67 <u>\$37.98</u>	\$/Month
Multi-Family Restricted	\$16.47 <u>\$18.05</u>	\$/Month
Multi-Family Unrestricted	\$25.34 <u>\$27.76</u>	\$/Month
Low Strength Commercial	\$4.10 <u>\$4.45</u>	\$/CCF
Medium Strength Commercial	\$5.07 <u>\$5.54</u>	\$/CCF
High Strength Commercial	\$9.49 <u>\$10.58</u>	\$/CCF
Restaurants	\$5.07 <u>\$5.65</u>	\$/CCF

Approved by Resolution No. 23-7-2

Effective: 08/01/23

Approved by Resolution No. 22-7-2

Effective: 08/01/22

Approved by Resolution No. 21-6-1

Effective: 07/01/21

Approved by Resolution No. 18-6-1

Effective: 07/01/18

Approved by Resolution No. 17-6-1

Effective: 07/01/17

Approved by Resolution No. 16-6-2

Effective: 07/01/16

Approved by Resolution No. 15-7-1

Effective: 08/01/15

Approved by Resolution No. 14-6-2

Effective: 07/01/14

Approved by Resolution No. 13-6-2

Effective: 07/01/13

Approved by Resolution No. 12-6-3

Effective: 07/01/12

Approved by Resolution No. 11-6-3

Effective: 07/01/11

EL TORO WATER DISTRICT

Page 2 of 2

Schedule No. 1-S

Capital Replacement and Refurbishment (R&R) Charge – Sewer:

Effective August 1, ~~2022~~2023, the Capital R&R - Sewer Charges are as follows:

<u>User Category</u>	<u>User Rate</u>	<u>Billing Unit</u>
Single Family Residential	\$7.09 <u>\$8.87</u>	\$/Month
Multi-Family Restricted	\$3.37 <u>\$4.21</u>	\$/Month
Multi-Family Unrestricted	\$5.18 <u>\$6.48</u>	\$/Month
Commercial:		
Low Strength Commercial	\$0.84 <u>\$1.04</u>	\$/CCF
Medium Strength Commercial	\$1.04 <u>\$1.29</u>	\$/CCF
High Strength Commercial	\$1.93 <u>\$2.47</u>	\$/CCF
Restaurants	\$1.05 <u>\$1.32</u>	\$/CCF
Public Authority	\$1.04	\$/CCF

Associations, Apartments, Condominiums, and other Multiple Residences

When more than one residential dwelling unit is connected to the system by single service connections (meter), the rates per residential dwelling unit, as set forth above, shall be due and payable for each and every living or dwelling unit connected to the system.

Restricted Multi-Family Residences are residences within developments, which shall, pursuant to recorded restrictions or leases, be occupied only by adults.

Unrestricted Multi-Family Residences are all residences other than Restricted Family Residences.

EL TORO WATER DISTRICT

Page 1 of 4

Schedule No. 2-S

COMMERCIAL, INDUSTRIAL, PUBLIC AUTHORITY AND HOME-OWNER ASSOCIATION RECREATIONAL FACILITY SEWER SERVICE

Applicability

This Rate shall apply to Commercial, Industrial and Public Authority sewer service inclusive of Recreational Facilities owned by Homeowners' Associations requiring sanitary sewer services (hereinafter referred to as "Customer(s)").

Capital Replacement and Refurbishment (R&R) Charge

The Capital R&R Charge is billed based on a flow charge which is determined by a combination of the quantity of domestic water delivered to the customer combined with the classification of the customer's sewage discharge into Low, Medium, High and Restaurant categories.

Sewer Operations & Maintenance (O&M) Charges

- (a) The O&M charge to commercial, industrial, public authority and Homeowner Association Recreational facility customers shall be based on the amount of sewage discharged into the system, the Biochemical Oxygen Demand (BOD), and the total Suspended Solids (TSS).
- (b) A minimum O&M charge shall be the amount equal to the minimum flat rate O&M charge for a single family residential customer as set forth in Schedule No. 1-S.
- (c) The amount of sewage discharged shall be defined and determined in accordance with one of the following methods:

Approved by Resolution No. 23-7-2

Effective 08/01/23

Approved by Supersedes Resolution No. 22-7-2
08/01/22

Effective

Supersedes Resolution No. 09-6-2
Supersedes Resolution No. 05-6-2
Supersedes Resolution No. 03-09-1
Supersedes Resolution No. 99-02-4
Supersedes Resolution No. 98-11-1
Supersedes Resolution No. 98-06-2
Supersedes Resolution No. 96-06-3
Supersedes Resolution No. 94-06-2
Supersedes Resolution No. 93-06-2

EL TORO WATER DISTRICT

Page 2 of 4

Schedule No. 2-S

Method 1:

Customer Accounts shall be classified according to the nature of the business activity conducted at the site. Each customer will be assigned to one of four categories of flow strength, ~~low~~Low, ~~medium~~Medium, ~~high~~High and ~~restaurant~~Restaurant. These categories are based on the BOD and TSS characteristics of the activity occurring at the customer's site.

The volume of sewage returning to the District's Water Recycling Plant shall be based upon the quantity of domestic water delivered to the site through a metered water service line.

- (a) The basic rate for sewer service shall apply where sewage discharge is equivalent in strength to ordinary domestic sewage. For the purpose of these rules, ordinary domestic sewage shall be defined as sewage continually having a suspended solids concentration not exceeding 300 ppm, a five-day BOD of not more than 300 ppm, and having no unusual concentration of chemicals and minerals which would have an adverse effect on the District's sewage system.
- (b) The District may require from any prospective commercial customer, and prior to commencement of service to that customer, a statement as to the quantity and quality of sewage to be discharged into its system. At the option of the District the statement will be used to any degree in determining the category of service and the charge for service to be charged to the customer. In the event there is a difference between the basis for the O&M Charge determined by the District and that received from the prospective customer, the District shall make the final determination.

Method 2:

This method shall be used only where water delivered to a customer may be used for purposes other than domestic or commercial applications and where an undetermined amount of water may not return to the sewer system.

Example: A single meter used for irrigation as well a commercial use.

In such cases a Return Factor as determined by the General Manager shall be applied to the quantity of water delivered through the customer's water meter before applying the appropriate rate for service.

Example: A basic commercial customer uses 10 ccf for domestic and irrigation purposes. The General Manager determined a return rate factor of .90. The customer's sewer O&M charge is calculated as follows:

$$10\text{ccf} \times .90 \text{ factor} \times \text{\$22.50} \text{\textcolor{red}{\$5.54}} \text{ per ccf} = \text{\$22.50} \text{\textcolor{red}{\$49.86}}$$

EL TORO WATER DISTRICT

Page 3 of 4

Schedule No. 2-S

Appeals Process for Classification into a Flow Category

In the event a customer believes their account has been misclassified into a ~~low~~Low, ~~medium~~Medium, ~~high~~High, or ~~restaurant~~Restaurant flow category, the customer may appeal the District's classification.

1. Appeals will be allowed for purposes of determining proper classification only.
2. All appeals must be in writing and in a form acceptable to the District. Appeals are limited to one per 12-month period.
3. Written appeals will be evaluated and acted upon by District Staff.
4. At the District's option, the customer may be required to demonstrate (by sampling) that the strength of their actual discharge (BOD and TSS) consistently meets the requirements of a classification other than the one determined by the District, using District approved sampling methods.
5. If sampling is required all tests must be performed by the District or by a District approved contractor/ consultant/lab.
6. The cost associated with testing will be the responsibility of the customer. In the event the customer demonstrates to the District's satisfaction that it has been misclassified, then the District will reimburse the customer for the cost associated with the testing which allowed that conclusion.
7. Customers may, at their cost, request re-testing at any time. All test results will be averaged and evaluated accordingly.
8. Based on the results of sampling, if required, the Return Factor customer will be classified in the commercial rate classification, which is closest to the sample results. This may result in an increase or decrease in rates.
9. Classification changes will become effective retroactive to the date of the original classification change, but in no event will classification changes be more than three months prior to the date of appeal, nor will rates and/or classifications be changed more than once per 12 month period.
10. Staff classification determinations may be appealed to the Board or a committee of the Board of Directors, whose decision will be final.

EL TORO WATER DISTRICT

Page 4 of 4

Schedule No. 2-S

DISCHARGE OF WASTE BRINE SOLUTION FROM WATER SOFTENERS

The District currently encourages its customers to voluntarily not use or install self-generating water softeners and conditioning appliances because these items discharge brine solution waste to the District's sewer system.

In the future, the District may adopt an ordinance prohibiting the use and installation of self-generating water softeners in accordance with applicable statutes. See Section 11686 of the Health and Safety Code of the State of California.

EL TORO WATER DISTRICT

RULES AND REGULATIONS

Schedule 3-S

RECYCLED WATER SALES & SERVICE

Approved by Resolution No. 23-7-2

Effective 08/01/23

Approved by Resolution No. 22-7-2
Approved by Resolution No. 21-6-1
Approved by Resolution No. 20-9-1
Approved by Resolution No. 19-6-1
Approved by Resolution No. 18-6-1
Approved by Resolution No. 17-6-1
Approved by Resolution No. 16-6-2
Approved by Resolution No. 15-7-1
Approved by Resolution No. 14-6-2
Approved by Resolution No. 14-3-1
Approved by Resolution No. 13-6-2
Approved by Resolution No. 12-6-3

Effective 08/01/22
Effective 07/01/21
Effective 10/01/20
Effective 07/01/19
Effective 07/01/18
Effective 07/01/17
Effective 07/01/16
Effective 08/01/15
Effective 07/01/14
Effective 03/27/14
Effective 07/01/13
Effective 07/01/12

Exhibit A to Resolution ~~22~~23-7-2

EL TORO WATER DISTRICT

Schedule No. 3-S

RECYCLED WATER SALES & SERVICE

Recycled Water Usage Rates

Effective August 1, ~~2022-2023~~ the Recycled Water Usage Rate will be ~~\$2.86/GCF~~ \$3.03/CCF.

Recycled Water Operations & Maintenance (O&M) Charge

Effective August 1, ~~2022~~2023, the Water O&M Charges are as follows:

	<u>Per Meter Per Month</u>
For 5/8 inch meter	\$17.46 <u>\$18.07</u>
For 3/4 inch meter	\$23.62 <u>\$24.72</u>
For 1 inch meter	\$35.93 <u>\$38.02</u>
For 1 ½ inch meter	\$66.70 <u>\$71.27</u>
For 2 inch meter	\$128.25 <u>\$137.76</u>
<u>10 inch meter</u>	<u>\$1,360.00</u>

Capital Replacement and Refurbishment (R&R) Charge –Recycled Water

Effective August 1, ~~2022~~2023, the Capital R&R Charges – Recycled Water are as follows:

	<u>Per Meter Per Month</u>
For 5/8 x 3/4-inch meter	\$5.09 <u>\$5.56</u>
For 3/4 inch meter	\$5.09 <u>\$8.33</u>
For 1 inch meter	\$8.50 <u>\$13.88</u>
For 1 ½ inch meter	\$20.65 <u>\$27.76</u>
For 2 inch meter	\$51.84 <u>\$55.52</u>
<u>10 inch meter</u>	<u>\$640.00</u>

The Recycled Water O&M Charge and the Capital R&R Charge are applicable to all active general metered Recycled Water service, which is added to the charge for Recycled Water used during the month computed at the Recycled Water Usage Rate.

EL TORO WATER DISTRICT

Page 1 of 2

Schedule No. 4-W

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to water service rendered for privately owned fire protection systems other than to fire hydrants on private property.

Effective August 1, ~~2022~~ 2023 the Private Fire Operations and Maintenance Charges will be:

<u>Meter Size</u>	<u>Charge \$/Month</u>
4"	\$16.15 <u>\$17.26</u>
6"	\$23.45 <u>\$24.79</u>
8"	\$36.04 <u>\$37.78</u>
10"	\$54.97 <u>\$57.31</u>

SPECIAL CONDITIONS

1. The fire protection service connection will be installed at the expense of the applicant.
2. The minimum diameter for fire protection service will be four inches, and the maximum diameter will not be more than the diameter of the main to which the service is connected.
3. If a distribution main of adequate size to serve a private fire protection system, in addition to all other normal services, does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity will be installed at the expense of the applicant.
4. The customer's installation must be such as to effectively separate the fire protection system from that of the customer's regular water service.

Approved by Resolution No. 23-7-2

Effective 08/01/23

Approved by Resolution No. 22-7-2

Effective 08/01/22

Approved by Resolution No. 21-6-1

Effective 07/01/21

Approved by Resolution No. 18-6-1

Effective 07/01/18

Approved by Resolution No. 16-6-2

Effective 07/01/16

Approved by Resolution No. 03-9-1

Effective 10/01/03

EL TORO WATER DISTRICT

Page 2 of 5

Schedule No. 4-W

5. As part of the Fire Protection Service installation, there shall be a detector check or other similar device acceptable to the District, which will indicate and/or accurately measure the water flow. Water deliveries to the privately owned fire protection system shall be utilized strictly for fire protection purposes. Unauthorized uses include, but are not limited to construction, domestic, and landscape uses and water flow resulting from pipeline failures within the private fire protection system. Any unauthorized uses will be charged pursuant to the rates contained in Schedule 1-W of the District's Rules and Regulations, and/or may be grounds for the District to discontinue the Fire Protection Service without liability to the District.
6. There shall be no cross connection between the Fire Protection System supplied with water through the District's Fire Protection Service to any other source of supply without the specific approval of the District. This specific approval will require, at the customer's expenses, a special double check valve installation or other device acceptable to the District. Any such unauthorized cross connection may be grounds for immediate disconnection of the Fire Protection Service without liability to the District.



2023 Proposition 218 Notice

EL TORO WATER DISTRICT

SERVING THE PUBLIC, RESPECTING THE ENVIRONMENT

NOTICE OF PUBLIC HEARING ON PROPOSED WATER, SEWER AND RECYCLED WATER RATE/CHARGE INCREASE



PUBLIC HEARING

**Thursday, July 27, 2023,
at 7:00 P.M.**

ATTEND IN PERSON

El Toro Water District Board Room
24251 Los Alisos Blvd.,
Lake Forest, CA 92630

ATTEND VIRTUALLY

<https://zoom.us>
Meeting ID: 870 5663 7760

The El Toro Water District Board of Directors invites you to attend and participate in this public hearing. The Board of Directors will consider adopting the proposed water, sewer and recycled water rate/charge increases.



COMMUNITY INFORMATIONAL MEETINGS

July 12, 2023, 5:30 p.m.

Zoom: <https://zoom.us>
Meeting ID: 849 2397 5659

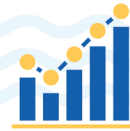
July 19, 2023, 7:00 p.m.

Zoom: <https://zoom.us>
Meeting ID: 899 4122 8892

MEETING LOCATION

El Toro Water District Boardroom
24251 Los Alisos Blvd.
Lake Forest, CA 92630

ETWD will answer customer questions and share information about the rate study and the proposed rate increases at two community meetings.



KEEPING PACE WITH RISING COSTS

Proposed Rate Increases

In compliance with Proposition 218, the District is notifying all customers about proposed changes to the District's water, sewer and recycled water rates and charges. You are receiving this notice because you are a customer of the El Toro Water District.

Each year the District's Board of Directors adopts an annual operating budget. Part of the budgeting process is to assess the adequacy of the District's rates and charges. Of utmost importance is the effort to minimize costs (including rates) while maintaining the integrity and reliability of the District's infrastructure and the District's financial stability. To assist the District in this endeavor, the District retains an independent outside financial consultant who specializes in Cost of Service analysis and rate setting. The District is proposing adopting new rates and charges, beginning August 1, 2023, with future adjustments on July 1, 2024, and July 1, 2025.

The proposed rate increases to support the cost of operations are due to the following cost drivers:



ELECTRICITY



**THE COST TO PURCHASE
AND TREAT WATER**



**WATER
TREATMENT
CHEMICALS**



**DISPOSAL OF TREATED
WASTEWATER AND
BIO-SOLIDS**



**CONSTRUCTION OF CAPITAL
INFRASTRUCTURE IMPROVEMENTS
NEEDED FOR AGING WATER, SEWER
AND RECYCLED WATER SYSTEMS**



**DISTRICT LABOR
NECESSARY TO MAINTAIN
THE OPERATIONS OF
THE DISTRICT**



**ONGOING
MAINTENANCE OF VITAL
INFRASTRUCTURE**



THE PROPOSED 2023/2024 FISCAL YEAR BUDGET CAN BE FOUND ON THE DISTRICT'S WEBSITE WWW.ETWD.COM, UNDER THE GOVERNANCE TAB. FOR ASSISTANCE IN DETERMINING THE IMPACT OF THE PROPOSED RATE INCREASE ON YOUR MONTHLY BILL, YOU MAY ACCESS A WATER BUDGET CALCULATOR ON THE DISTRICT'S WEBSITE UNDER THE CUSTOMER SERVICE TAB, OR CALL OUR CUSTOMER SERVICE REPRESENTATIVES AT (949) 837-0660.

WATER AND SEWER OPERATIONS AND MAINTENANCE CHARGES

The District administers an ongoing operations and maintenance program to responsibly maintain and preserve its water, sewer and recycled water systems, meet stringent regulatory requirements and ensure high quality and reliable services are provided to its customers. As an industry best practice, and to minimize financial impacts to customers and fairly and equitably distribute these costs, the District commissioned an independent Cost of Service Study Report. The District proposes to increase the Water, Wastewater, and Recycled Water Operations and Maintenance Charges to offset significant cost increases associated with operating and maintaining the water, sewer, and recycled water systems. The proposed Water, Sewer, and Recycled Water Operations and Maintenance (O&M) Charges will become effective with the first full billing period after August 1, 2023.

PROPOSED FY 2025-2026 CHARGES - CPI INDEX

The monthly service charges in FY 2025 and FY 2026 will be increased based on the "CPI for Urban Wage and Clerical Workers (CPI-W)" for the Los Angeles-Long Beach-Anaheim area published by the Bureau of Labor Statistics. The most recent CPI figure available prior to the implementation of the service charge increase will be used to calculate the rates. The service charge increases will take effect on July 1, 2024 and July 1, 2025. For more information on the CPI Index, please visit: <https://www.bls.gov/cpi/>.

WATER/RECYCLED WATER (Monthly)

METER SIZE	2022-23 CURRENT CHARGE	2023-24 PROPOSED CHARGE	2024-25 PROPOSED CHARGE	2025-26 PROPOSED CHARGE
5/8"	\$17.46	\$18.07	CPI Index	CPI Index
3/4"	\$23.62	\$24.72	CPI Index	CPI Index
1"	\$35.93	\$38.02	CPI Index	CPI Index
1-1/2"	\$66.70	\$71.27	CPI Index	CPI Index
2"	\$128.25	\$137.76	CPI Index	CPI Index
10"	N/A	\$1,360.00	CPI Index	CPI Index

SEWER - RESIDENTIAL (Monthly)

CUSTOMER CLASS	2022-23 CURRENT CHARGE	2023-24 PROPOSED CHARGE	2024-25 PROPOSED CHARGE	2025-26 PROPOSED CHARGE
Single Family	\$34.67	\$37.98	CPI Index	CPI Index
Multi-family Restricted (1)	\$16.47	\$18.05	CPI Index	CPI Index
Multi-family Unrestricted (2)	\$25.34	\$27.76	CPI Index	CPI Index

(1) Restricted - Attached home (i.e., condominium or townhouse with age restrictions).

(2) Unrestricted - Attached home (i.e., condominium or townhouse).

SEWER - COMMERCIAL (Monthly)

STRENGTH	2022-23 CURRENT CHARGE	2023-24 PROPOSED CHARGE	2024-25 PROPOSED CHARGE	2025-26 PROPOSED CHARGE
Low Strength	\$4.10	\$4.45	CPI Index	CPI Index
Medium Strength	\$5.07	\$5.54	CPI Index	CPI Index
High Strength	\$9.49	\$10.58	CPI Index	CPI Index
Restaurants	\$5.07	\$5.65	CPI Index	CPI Index
DESCRIPTION	STRENGTH			
Animal Kennel/Hospital	Medium Strength			
Car Wash	Medium Strength			
Department/Retail Store	Medium Strength			
Dry Cleaner	Medium Strength			
Golf Course/Camp/Park	Medium Strength			
Health Spa	Medium Strength			
Hospital/Convalescence Home	Medium Strength			
Hotel	Medium Strength			
Market	High Strength			
Mortuary	High Strength			
Nursery/Greenhouse	Medium Strength			
Professional/Financial Office	Medium Strength			
Public Institution	Medium Strength			
Repair/Service Station	Medium Strength			
Restaurant	Restaurant			
School	Medium Strength			
Theater	Medium Strength			
Warehouse/Storage	Low Strength			
Basic Commercial	Medium Strength			

RECYCLED WATER USAGE RATES

To recover the cost of producing and delivering recycled water for irrigation purposes, the uniform Recycled Water Usage Rate (\$2.86/ccf) is proposed to increase by \$0.17/ccf to \$3.03/ccf. The Recycled Water Usage Rate will become effective with the first full billing period after August 1, 2023. The proposed charges for 2024-2025 and 2025-2026 will take effect July 1, 2024, and July 1, 2025.

2022-23 CURRENT RECYCLED WATER USAGE RATE	2023-24 PROPOSED RATE (\$/CCF*)	2024-25 PROPOSED RATE (\$/CCF*)	2025-26 PROPOSED RATE (\$/CCF*)
\$2.86	\$3.03	\$3.20	\$3.38

*1 Billing Unit or "ccf" = 748 gallons

PRIVATE FIRE OPERATIONS AND MAINTENANCE CHARGE



The District provides water service to private entities that have a fire suppression system (usually sprinklers) in their places of business. The District proposes to increase the Private Fire Operations and Maintenance Charge rates to account for the extra capacity demand necessary to fight an average fire in the District. The proposed Private Fire Operations and Maintenance Charge rates, shown below, reflect the proposed changes to the fixed charges, which consider the effective capacity at each fire meter or fire line. This also includes a fire demand rate component calculation to share peaking costs with other water system services. The proposed changes for 2023-2024 in the Private Fire Operations and Maintenance Charge rates reflected below will become effective with the first full billing period after August 1, 2023. The Private Fire Operations and Maintenance Charge increase for 2024-2025 and 2025-2026 will take effect on July 1, 2024 and July 1, 2025.

METER SIZE	2022-23 CURRENT CHARGE (\$/MONTH)	2023-24 PROPOSED CHARGE (\$/MONTH)	2024-25 PROPOSED CHARGE (\$/MONTH)	2025-26 PROPOSED CHARGE (\$/MONTH)
4"	\$16.15	\$17.26	CPI Index	CPI Index
6"	\$23.45	\$24.79	CPI Index	CPI Index
8"	\$36.04	\$37.78	CPI Index	CPI Index
10"	\$54.97	\$57.31	CPI Index	CPI Index

CAPITAL REPLACEMENT AND REFURBISHMENT CHARGE

The District maintains approximately \$500 million of water, wastewater and recycled water infrastructure. The majority of the infrastructure is several decades old, with portions over 60 years old. The District's capital improvement program, which reinvests in or replaces aging facilities and assets, is essential to ensuring the reliability and integrity of the water, wastewater and recycled water services the District provides to its customers. The capital program is funded by the Capital Replacement and Refurbishment Charge. The proposed changes for 2023-2024 in the Capital Replacement and Refurbishment Charge reflected below will become effective with the first full billing period after August 1, 2023. The proposed charges for 2024-25 and 2025-26 will take effect July 1, 2024, and July 1, 2025.



POTABLE AND RECYCLED WATER CAPITAL REPLACEMENT AND REFURBISHMENT CHARGE

METER SIZE	2022-23 CURRENT CHARGE (\$/MONTH)	2023-24 PROPOSED CHARGE (\$/MONTH)	2024-25 PROPOSED CHARGE (\$/MONTH)	2025-26 PROPOSED CHARGE (\$/MONTH)
5/8"	\$5.09	\$5.56	\$6.95	\$8.69
3/4"	\$5.09	\$8.33	\$10.42	\$13.02
1"	\$8.50	\$13.88	\$17.35	\$21.69
1-1/2"	\$20.65	\$27.76	\$34.70	\$43.38
2"	\$51.84	\$55.52	\$69.40	\$86.75
10"	N/A	\$640.00	\$800.00	\$1,000.00

SEWER CAPITAL REPLACEMENT AND REFURBISHMENT CHARGE

USER CATEGORY	2022-23 CURRENT CHARGE (\$/MONTH)	2023-24 PROPOSED CHARGE (\$/MONTH)	2024-25 PROPOSED CHARGE (\$/MONTH)	2025-26 PROPOSED CHARGE (\$/MONTH)
Single Family	\$7.09	\$8.87	\$11.09	\$13.86
Multi-Family Restricted (1)	\$3.37	\$4.21	\$5.27	\$6.59
Multi-Family Unrestricted (2)	\$5.18	\$6.48	\$8.11	\$10.13
COMMERCIAL (FLOW CHARGE \$/CCF)				
Low Strength	\$0.84	\$1.04	\$1.30	\$1.63
Medium Strength	\$1.04	\$1.29	\$1.62	\$2.02
High Strength	\$1.93	\$2.47	\$3.09	\$3.86
Restaurant	\$1.05	\$1.32	\$1.65	\$2.07

(1) Restricted - Attached home (i.e., condominium or townhouse with age restrictions). (2) Unrestricted - Attached home (i.e., condominium or townhouse).



POTABLE WATER BUDGET CALCULATION • RESIDENTIAL CUSTOMERS

A per-meter, customer-specific water budget is calculated to meet the efficient demands for indoor domestic water use as well as outdoor irrigation under normal operating and water supply conditions. In emergencies or water supply shortage conditions, the District may use a Drought Factor (“DF”) to reduce water budgets and further encourage conservation. A water budget is the sum of the indoor and outdoor water budgets.

INDOOR WATER BUDGET



55 GALLONS PER
PERSON PER DAY

X



NUMBER OF PEOPLE
PER HOUSEHOLD

X



NUMBER OF DAYS
IN BILLING CYCLE

X



INDOOR DROUGHT
FACTOR

÷

748

GALLONS TO BILLING UNIT
CONVERSION FACTOR

The indoor water budget is calculated in hundred cubic feet (ccf). 1 billing unit of water is equal to 100 cubic feet, or 748 gallons. The current Drought Factor is set to 100% meaning that there is no current reduction in the indoor water budget due to drought conditions. Household sizes are assumed as follows:

- **SINGLE-FAMILY RESIDENTIAL DETACHED HOMES: 4 PEOPLE**
- **APARTMENTS: 2 PEOPLE**
- **ATTACHED TOWNHOME OR CONDOMINIUM: 3 PEOPLE**
- **ATTACHED TOWNHOME OR CONDOMINIUM WITH AGE RESTRICTIONS: 2 PEOPLE**



OUTDOOR WATER BUDGET



WEATHER
DATA

X



LANDSCAPE
AREA

X



EVAPOTRANSPIRATION
ADJUSTMENT FACTOR/1200

X



OUTDOOR
DROUGHT FACTOR



The **outdoor water budget allocation** is calculated in ccf.

- Weather data is measured by the reference EvapoTranspiration (ET_o) data in inches of water per billing cycle. ET is the amount of water that is lost by plants through evaporation and transpiration, and needs to be replaced for the plants to remain healthy. ET_o data is obtained from California Irrigation Management Information System (CIMIS) Station 75 established by the State of California Department of Water Resources, Office of Water Use Efficiency;
- The landscape area for multi-family accounts, including apartments, condominiums and mobile homes, is 25 square feet of landscape per dwelling unit plus any dedicated landscape area associated with the account;
- The landscape area for single-family detached homes is calculated by taking the building area and dividing it by the number of floors and subtracting that from the parcel area. The result is then multiplied by 70% to obtain the landscape area as follows:
- Landscape area = (lot size - [building area / number of floors]) X 70%
- ET Adjustment Factor (ETAF) is a coefficient that adjusts the EvapoTranspiration (ET_o) values based on type of plants and irrigation system efficiency. Based on the updated Model Water Efficient Landscape Ordinance developed by the California Department of Water Resources, any landscape installed before January 1, 2010, has an ETAF of 0.8, and new landscape has an ETAF of 0.7. New landscape is defined as new or re-developments. Any new construction installed after 1/1/2019 will be assigned an ETAF of 0.55.
- 1200 is the conversion factor from inches of water (derived from weather data) X square feet (landscape area) to ccf (outdoor water budget).
- DF_{outdoor} is the outdoor drought factor set by the Board of Directors. The current drought factor is set to 100% meaning that there is no current reduction in the outdoor water budget due to drought conditions. This factor is not necessarily the same as the DF for indoor.

Under normal water supply conditions and circumstances, customers may request a variance/adjustment to provide an equitable water budget for special circumstances, such as occupancy greater than the assumed baseline, medical needs, establishing new landscaping and changes in irrigation landscape area. In emergency or water supply shortage conditions, variances/adjustments may be limited.

The indoor water budget, as determined above, will be billed at Tier I (“Indoor - Efficient”) rates. The outdoor water budget, as determined above, will be billed at Tier II (“Outdoor - Efficient”) rates. Water use in excess of the Tier I and II water budget would be deemed inefficient and/or excessive. Tier III (“Inefficient”) water use would be usage between 100% and 130% of the Tier I and II water budget (or Total Water Budget) and Tier IV (“Excessive”) usage would be consumption over 130% of Total Water Budget.

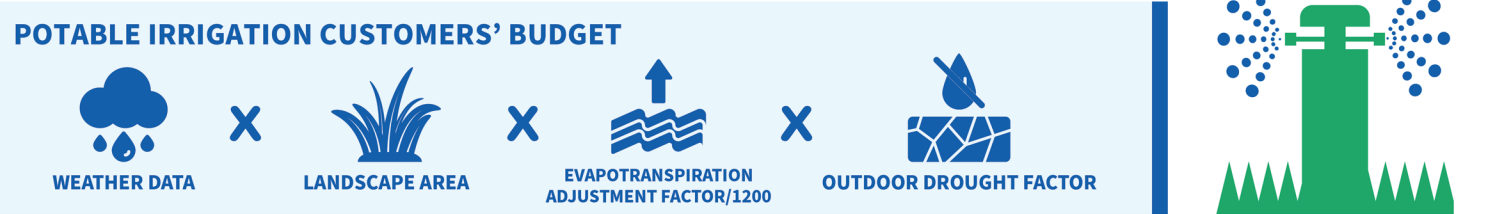
POTABLE IRRIGATION CUSTOMERS

Potable Irrigation customers fall into one of two categories: Recreational or Non-Functional. Recreational irrigation customers are those whose landscape is used mostly for recreational purposes (i.e., parks, golf courses, soccer fields, etc.), while Non-Functional irrigation customers will be those whose landscape is ornamental in nature (greenbelts, medians, etc.).

The irrigation water budget for dedicated irrigation customers in ccf is calculated as follows:

- (Weather data X Landscape area X ETAF/1200) X DF_{outdoor}
- Weather data (ET_o) as described in the section above,
- Landscape area is assumed to be the lesser of 100% of total parcel area or 100% of the measured landscape area served by each meter, ET adjustment factor (ETAF) is equal to 0.8 for Non-Functional irrigation and 1 for Recreational irrigation customers based on the updated Model Water Efficient Landscape Ordinance, and DF_{outdoor} is the outdoor drought factor (set by the Board of Directors). The current drought factor is set to 100% meaning that there is no current reduction in the outdoor water budget due to drought conditions. This factor is not necessarily the same as the DF for indoor.

All of an irrigation customer’s Water Budget will be at Tier II (“Outdoor - Efficient”). Water use in excess of the Tier II water budget would be deemed inefficient and/or excessive. Tier III (“Inefficient”) water usage would be between 100% and 130% of the Tier II budget and Tier IV (“Excessive”) water usage would be consumption over 130% of the Tier II budget.





El Toro Water District
24251 Los Alisos Blvd.
Lake Forest, CA 92630

NOTICE OF PUBLIC HEARING ON PROPOSED WATER, SEWER AND RECYCLED WATER RATE/CHARGE INCREASE

PUBLIC HEARING AND PROTEST PROCEEDING



PUBLIC HEARING

The Governing Board of the El Toro Water District will conduct a public hearing on **July 27, 2023, at 7:00 p.m.** The purpose of the hearing will be to consider adoption of the proposed Potable Water Usage Rate increase, the proposed Recycled Water Usage Rate increase, the proposed Water, Sewer, Recycled Water, and Private Fire Operations and Maintenance Charge increases, and the Water, Sewer, and Recycled Water Capital Replacement & Refurbishment Charges increase.



HOW TO SUBMIT A WRITTEN PROTEST

Property (parcel) owners or customers of record may comment and file a written protest (one vote per parcel) on the proposed increases. California law prohibits the District from increasing charges if protests are filed from a majority of the affected parcels before the end of the public hearing. Written protests must be mailed to the District at **P.O. Box 4000, Laguna Hills, CA 92654**, emailed to the District at **District@etwd.com** or personally submitted on or before the end of the public hearing, which is scheduled for **7:00 p.m. on July 27, 2023**. Each protest must identify the affected property and include the signature of a record property owner unless the protest is emailed, in which case no signature is required. Oral protests at the public hearing will not qualify as a protest, unless accompanied by a written protest. The District's Board of Directors welcomes input from the public during the public hearing. California law (Government Code Section 53759) provides a 120-day statute of limitations for judicially challenging the adoption of the rates and charges which are the subject of this notice.

RESOLUTION NO. 23-7-2

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
EL TORO WATER DISTRICT
APPROVING AN AMENDMENT TO THE DISTRICT'S
RULES AND REGULATIONS WHICH AMENDMENT
1) PROVIDES FOR AN INCREASE TO CERTAIN
WATER, SEWER AND RECYCLED WATER SERVICE RATES AND CHARGES
AND 2) MAKES FINDINGS AND DETERMINATIONS THAT THE ACTION
TAKEN IN THIS RESOLUTION IS EXEMPT FROM THE REQUIREMENTS OF
THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)
(PUBLIC HEARING – JULY 27 2023)**

WHEREAS, the Board of Directors of the El Toro Water District ("District") at a Board Meeting on May 3, 2023, by applicable minute orders (motions) (1) approved the 2023/24 Operating Budget and (2) established for the required Public Hearing to consider adoption of the proposed increases to certain rates and charges; and

WHEREAS, the Board of Directors of the District at a Board Meeting on May 22, 2023, by applicable minute orders (motions) approved the receipt and file of the 2023/24 Water, Recycled Water, and Wastewater Rate Study Final Report prepared by Raftelis Financial Consultants, Inc. ("Raftelis") and (2) approved the 45 day Proposition 218 Notice which set forth proposed increases to certain rates and charges; and

WHEREAS, the Board of Directors of the El Toro Water District has today held a public hearing pursuant to the procedural requirements of Proposition 218; and

WHEREAS, the purpose of today's hearing is to determine whether there is sufficient written protest so as to preclude the adoption of the proposed water, wastewater and recycled water rates and charges; and

WHEREAS, during today's public hearing, public comments were received and written protests were tabulated; and

WHEREAS, the Board of Directors has today carefully reviewed and considered the proposed increases to the Potable Tiered Water Usage Rates, the Recycled Water Usage Rate, the Water, Sewer, Recycled Water and Private Fire Operations and Maintenance Charges and the Water, Sewer and Recycled Water Capital Replacement and Refurbishment Charges.

NOW, THEREFORE BE IT RESOLVED, as follows:

1. RESOLVED, that the findings and determinations set forth in the 2023/24 Water, Recycled Water and Wastewater Rate Study Report prepared by Raftelis Financial Consultants, Inc. ("Rate Study") are hereby approved, ratified and confirmed. Said Rate Study is incorporated herein by this reference as though set forth in full and made a part of this Resolution.

2. RESOLVED FURTHER, that there were not sufficient written protests so as to preclude the adoption of the proposed increases to certain water, wastewater and recycled water rates and charges as set forth and reflected in Schedules 1-W, 1-S, 2-S, 3-S and 4-W of the District's proposed amended Rules and Regulations, which are attached hereto marked Exhibit "A" and made a part of this Resolution; and

3. RESOLVED FURTHER, that the proposed amendment to the District's Rules and Regulations, and the proposed increases to certain water, wastewater and recycled water rates and charges as set forth and reflected in Schedules 1-W, 1-S, 2-S, 3-S and 4-W of said Rules and Regulations which are attached hereto marked Exhibit "A" and made a part of this Resolution, are hereby adopted effective August 1, 2023; and

4. RESOLVED FURTHER, that the action taken herein is exempt from the requirements of the California Environmental Quality Act (CEQA). Reference: Section 21080 of the Public Resources Code and Section 3.10 of the District's Local Guidelines for Implementation of CEQA.

ADOPTED, SIGNED AND APPROVED this 27th day of July 2023.

KAY HAVENS, President
El Toro Water District and of
the Board of Directors
thereof

ATTEST:

DENNIS P. CAFFERTY, Secretary
El Toro Water District and of
the Board of Directors thereof

EL TORO WATER DISTRICT

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Schedule No. 1-W

GENERAL METERED POTABLE WATER SERVICE

Water Usage Charge: Applicable to all residential and potable irrigation metered water service.

Water use is charged on a Water-Budget Based Tiered Conservation Rate Structure. Water Budgets for each residential and potable irrigation customer includes an Indoor Budget and an Outdoor Budget.

Budgets are based on the following:

Indoor Budget:

55 gallon / person / day * number of occupants * number of days in the billing cycle / 748 gallon per billing units plus approved variances.

Occupancy is assumed to be four residents for single family detached, three residents for attached unrestricted and two residents for attached and detached restricted residential communities. Occupancy adjustments will be made where warranted.

The calculation of the Indoor budget is subject to a Drought Factor as determined by the Board. The current Drought Factor is 1.0.

Outdoor Budget:

Landscape area * weather factor * efficiency factor / 1200 per billing unit plus approved variances.

The calculation of the Outdoor budget is subject to a Drought Factor as determined by the Board. The current Drought Factor is 1.0.

The Indoor water budget, as determined above, will be billed at Tier I ("Indoor – Efficient") rates. The Outdoor water budget, as determined above, will be billed at Tier II ("Outdoor – Efficient") rates. Water use in excess of the Tier I and II water budget would be deemed inefficient and/or excessive. Tier III ("Inefficient") water use would be usage between 100% and 130% of the total Tier I and II water budget and Tier IV ("Excessive") usage would be consumption over Tier III.

Approved by Resolution 23-7-2
Approved by Resolution 22-7-2
Approved by Resolution 21-6-1
Approved by Resolution 20-9-1
Approved by Resolution 20-1-2
Approved by Resolution 19-6-1
Approved by Resolution 18-6-1
Approved by Resolution 17-6-1
Approved by Resolution 16-6-2
Approved by Resolution 15-7-1

Effective 08/01/23
Effective 08/01/22
Effective 07/01/21
Effective 10/01/20
Effective 01/21/20
Effective 07/01/19
Effective 07/01/18
Effective: 07/01/17
Effective: 07/01/16
Effective: 08/01/15

EL TORO WATER DISTRICT

Page 2 of 5

Schedule No. 1-W

Effective August 1, 2023 Potable Water Usage Rates will be:

Tier I – Indoor – Efficient	\$3.00/CCF
Tier II – Outdoor – Efficient	\$3.37/CCF
Tier III – Inefficient	\$6.70/CCF
Tier IV – Excessive	\$8.67/CCF

Water Budget - Variance/Adjustment Process

Adjustments – Individual water budgets are primarily based on permanent residency (occupancy) and landscape irrigation area in square feet.

Occupancy - In general, residency is assumed to be as follows

- 1) Single Family – 4 permanent residents
- 2) Multi-family, unrestricted (including condo, trailer parks and townhomes)
- 3 permanent residents
- 3) Multi-family, restricted (restricted due to age limitations)
– 2 permanent residents, and
- 4) Multi-family, apartments – 2 permanent residents

Customers who believe their permanent occupancy differs from the above may request an adjustment to their occupancy factor. All adjustment requests must be in writing on forms provided by the District and signed by the customer (Account Holder.) The General Manager may require supporting documentation to support a claim for additional permanent occupants.

Requests for additional permanent occupants will be granted based on criteria established by the General Manager.

Landscape Irrigation Area – Each customer's landscape irrigation area was established based on the county of Orange Assessor's parcel data, on-line parcel information, customer representations and/or independent measurements.

Customers who believe their landscape irrigation area is incorrect may request an adjustment. All adjustment requests must be in writing on forms provided by the District and signed by the customer (Account Holder.) The General Manager may require supporting documentation to support a claim for additional landscape irrigation area.

Requests for adjustments to landscape irrigation area will be granted based on criteria established by the General Manager.

EL TORO WATER DISTRICT

Page 3 of 5

Schedule No. 1-W

Variances – Water budgets have been developed using industry standards to provide all customers with the appropriate amount of water given then current hydrological conditions. If, for any reason a customer believes that their water budget is inadequate due to extenuating circumstances they may request a temporary or permanent variance for additional water. All variance requests must be in writing on forms provided by the District and signed by the customer (Account Holder.) The General Manager may require supporting documentation to support a claim for an increase in the water budget.

Requests for temporary or permanent variances will be granted based on criteria established by the General Manager.

General - All requests for variance/adjustments must be in writing and signed by the customer (account holder). The District reserves the right to request additional documentation in support of the request. Approved variances/adjustments will become effective at the beginning of the billing period after approval and will remain active for a period of 24 months, at which time the customer will be required to re-confirm the circumstances surrounding the original request.

The General Manager must act upon any completed application no later than ten (10) days after submittal and may approve, conditionally approve, or deny the request for variance/adjustment. The customer requesting the variance/adjustment must be promptly notified in writing of any action taken. The decision of the General Manager will be final.

Potable Water Usage Charge: Applicable to all commercial, institutional and industrial (CII) metered water service.

Effective August 1, 2023, the uniform CII Potable Water Usage Rate will be \$3.49/CCF.

Water Operations & Maintenance (O&M) Charge

Effective August 1, 2023, the Water O&M Charges are as follows:

	<u>Per Meter Per Month</u>
5/8 inch meter	\$18.07
3/4 inch meter	\$24.72
1 inch meter	\$38.02
1 ½ inch meter	\$71.27
2 inch meter	\$137.76
10 inch meter	\$1,360.00

EL TORO WATER DISTRICT

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Schedule No. 1-W

Capital Replacement and Refurbishment (R&R) Charge – Water

Effective August 1, 2023, the Capital R&R Charges - Water are as follows:

	<u>Per Meter Per Month</u>
5/8 meter	\$5.56
3/4 inch meter	\$8.33
1 inch meter	\$13.88
1 ½ inch meter	\$27.76
2 inch meter	\$55.52
10 inch meter	\$640.00

The Water O&M Charge and the Capital R&R Charge are applicable to all active general metered water service, which is added to the charge for water used during the month computed at the Water Usage Charge.

EL TORO WATER DISTRICT

Page 5 of 5

Schedule No. 1-W

SPECIAL PROVISIONS:

1. LIFE LINE RATE ASSISTANCE PROGRAM:

Customers providing the District with satisfactory evidence of having a household income of \$15,000 or less per calendar year may qualify for the Life Line Rate Assistance program. The Life Line Rate Assistance Program provides a waiver for the Water O&M Charge for qualified customers. In order to qualify, a customer must submit an application and Statement of Eligibility (Form 3/98 attached).

An approved application is valid for three years from the date of acceptance and is not automatically transferred or renewed.

The waiver will apply only to the customer's primary residence.

Proof of eligibility may be required.

2. NON-REGISTERING METERS:

The District may bill the customer for water consumed while the meter was non-registering. Billing will be based upon an estimate of the consumption according to the customer's prior use during the same season of the year, or upon an estimate based upon a reasonable comparison with the use of other customers during the same period receiving the same class of service under similar circumstances and conditions. Billing estimation will not exceed two consecutive billings.

EL TORO WATER DISTRICT

Page 1 of 2

Schedule No. 1-S

GENERAL SEWER SERVICE

Applicability

Applicable to General Sewer Service.

Sewer Operations & Maintenance (O&M) Charge/Rates

Effective August 1, 2023, the sewer O&M Rates are as follows:

<u>User Category</u>	<u>User Rate</u>	<u>Billing Unit</u>
Single Family Residential	\$37.98	\$/Month
Multi-Family Restricted	\$18.05	\$/Month
Multi-Family Unrestricted	\$27.76	\$/Month
Low Strength Commercial	\$4.45	\$/CCF
Medium Strength Commercial	\$5.54	\$/CCF
High Strength Commercial	\$10.58	\$/CCF
Restaurants	\$5.65	\$/CCF

Approved by Resolution No. 23-7-2
Approved by Resolution No. 22-7-2
Approved by Resolution No. 21-6-1
Approved by Resolution No. 18-6-1
Approved by Resolution No. 17-6-1
Approved by Resolution No. 16-6-2
Approved by Resolution No. 15-7-1
Approved by Resolution No. 14-6-2
Approved by Resolution No. 13-6-2
Approved by Resolution No. 12-6-3
Approved by Resolution No. 11-6-3

Effective: 08/01/23
Effective: 08/01/22
Effective: 07/01/21
Effective: 07/01/18
Effective: 07/01/17
Effective: 07/01/16
Effective: 08/01/15
Effective: 07/01/14
Effective: 07/01/13
Effective: 07/01/12
Effective: 07/01/11

EL TORO WATER DISTRICT

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Schedule No. 1-S

Capital Replacement and Refurbishment (R&R) Charge – Sewer:

Effective August 1, 2023, the Capital R&R - Sewer Charges are as follows:

<u>User Category</u>	<u>User Rate</u>	<u>Billing Unit</u>
Single Family Residential	\$8.87	\$/Month
Multi-Family Restricted	\$4.21	\$/Month
Multi-Family Unrestricted	\$6.48	\$/Month
Commercial:		
Low Strength Commercial	\$1.04	\$/CCF
Medium Strength Commercial	\$1.29	\$/CCF
High Strength Commercial	\$2.47	\$/CCF
Restaurants	\$1.32	\$/CCF

Associations, Apartments, Condominiums, and other Multiple Residences

When more than one residential dwelling unit is connected to the system by single service connections (meter), the rates per residential dwelling unit, as set forth above, shall be due and payable for each and every living or dwelling unit connected to the system.

Restricted Multi-Family Residences are residences within developments, which shall, pursuant to recorded restrictions or leases, be occupied only by adults.

Unrestricted Multi-Family Residences are all residences other than Restricted Family Residences.

EL TORO WATER DISTRICT

Page 1 of 4

Schedule No. 2-S

COMMERCIAL, INDUSTRIAL, PUBLIC AUTHORITY AND HOME-OWNER ASSOCIATION RECREATIONAL FACILITY SEWER SERVICE

Applicability

This Rate shall apply to Commercial, Industrial and Public Authority sewer service inclusive of Recreational Facilities owned by Homeowners' Associations requiring sanitary sewer services (hereinafter referred to as "Customer(s)").

Capital Replacement and Refurbishment (R&R) Charge

The Capital R&R Charge is billed based on a flow charge which is determined by a combination of the quantity of domestic water delivered to the customer combined with the classification of the customer's sewage discharge into Low, Medium, High and Restaurant categories.

Sewer Operations & Maintenance (O&M) Charges

- (a) The O&M charge to commercial, industrial, public authority and Homeowner Association Recreational facility customers shall be based on the amount of sewage discharged into the system, the Biochemical Oxygen Demand (BOD), and the total Suspended Solids (TSS).
- (b) A minimum O&M charge shall be the amount equal to the minimum flat rate O&M charge for a single family residential customer as set forth in Schedule No. 1-S.
- (c) The amount of sewage discharged shall be defined and determined in accordance with one of the following methods:

Approved by Resolution No. 23-7-2
Supersedes Resolution No. 22-7-2
Supersedes Resolution No. 09-6-2
Supersedes Resolution No. 05-6-2
Supersedes Resolution No. 03-09-1
Supersedes Resolution No. 99-02-4
Supersedes Resolution No. 98-11-1
Supersedes Resolution No. 98-06-2
Supersedes Resolution No. 96-06-3
Supersedes Resolution No. 94-06-2
Supersedes Resolution No. 93-06-2

Effective 08/01/23

EL TORO WATER DISTRICT

Page 2 of 4

Schedule No. 2-S

Method 1:

Customer Accounts shall be classified according to the nature of the business activity conducted at the site. Each customer will be assigned to one of four categories of flow strength, Low, Medium, High and Restaurant. These categories are based on the BOD and TSS characteristics of the activity occurring at the customer's site.

The volume of sewage returning to the District's Water Recycling Plant shall be based upon the quantity of domestic water delivered to the site through a metered water service line.

- (a) The basic rate for sewer service shall apply where sewage discharge is equivalent in strength to ordinary domestic sewage. For the purpose of these rules, ordinary domestic sewage shall be defined as sewage continually having a suspended solids concentration not exceeding 300 ppm, a five-day BOD of not more than 300 ppm, and having no unusual concentration of chemicals and minerals which would have an adverse effect on the District's sewage system.
- (b) The District may require from any prospective commercial customer, and prior to commencement of service to that customer, a statement as to the quantity and quality of sewage to be discharged into its system. At the option of the District the statement will be used to any degree in determining the category of service and the charge for service to be charged to the customer. In the event there is a difference between the basis for the O&M Charge determined by the District and that received from the prospective customer, the District shall make the final determination.

Method 2:

This method shall be used only where water delivered to a customer may be used for purposes other than domestic or commercial applications and where an undetermined amount of water may not return to the sewer system.

Example: A single meter used for irrigation as well a commercial use.

In such cases a Return Factor as determined by the General Manager shall be applied to the quantity of water delivered through the customer's water meter before applying the appropriate rate for service.

Example: A basic commercial customer uses 10 ccf for domestic and irrigation purposes. The General Manager determined a return rate factor of .90. The customer's sewer O&M charge is calculated as follows:

$$10\text{ccf} \times .90 \text{ factor} \times \$5.54 \text{ per ccf} = \$49.86$$

EL TORO WATER DISTRICT

Page 3 of 4

Schedule No. 2-S

Appeals Process for Classification into a Flow Category

In the event a customer believes their account has been misclassified into a Low, Medium, High, or Restaurant flow category, the customer may appeal the District's classification.

1. Appeals will be allowed for purposes of determining proper classification only.
2. All appeals must be in writing and in a form acceptable to the District. Appeals are limited to one per 12-month period.
3. Written appeals will be evaluated and acted upon by District Staff.
4. At the District's option, the customer may be required to demonstrate (by sampling) that the strength of their actual discharge (BOD and TSS) consistently meets the requirements of a classification other than the one determined by the District, using District approved sampling methods.
5. If sampling is required all tests must be performed by the District or by a District approved contractor/ consultant/lab.
6. The cost associated with testing will be the responsibility of the customer. In the event the customer demonstrates to the District's satisfaction that it has been misclassified, then the District will reimburse the customer for the cost associated with the testing which allowed that conclusion.
7. Customers may, at their cost, request re-testing at any time. All test results will be averaged and evaluated accordingly.
8. Based on the results of sampling, if required, the Return Factor customer will be classified in the commercial rate classification, which is closest to the sample results. This may result in an increase or decrease in rates.
9. Classification changes will become effective retroactive to the date of the original classification change, but in no event will classification changes be more than three months prior to the date of appeal, nor will rates and/or classifications be changed more than once per 12 month period.
10. Staff classification determinations may be appealed to the Board or a committee of the Board of Directors, whose decision will be final.

EL TORO WATER DISTRICT

Page 4 of 4

Schedule No. 2-S

DISCHARGE OF WASTE BRINE SOLUTION FROM WATER SOFTENERS

The District currently encourages its customers to voluntarily not use or install self-generating water softeners and conditioning appliances because these items discharge brine solution waste to the District's sewer system.

In the future, the District may adopt an ordinance prohibiting the use and installation of self-generating water softeners in accordance with applicable statutes. See Section 11686 of the Health and Safety Code of the State of California.

EL TORO WATER DISTRICT

RULES AND REGULATIONS

Schedule 3-S

RECYCLED WATER SALES & SERVICE

Approved by Resolution No. 23-7-2	Effective 08/01/23
Approved by Resolution No. 22-7-2	Effective 08/01/22
Approved by Resolution No. 21-6-1	Effective 07/01/21
Approved by Resolution No. 20-9-1	Effective 10/01/20
Approved by Resolution No. 19-6-1	Effective 07/01/19
Approved by Resolution No. 18-6-1	Effective 07/01/18
Approved by Resolution No. 17-6-1	Effective 07/01/17
Approved by Resolution No. 16-6-2	Effective 07/01/16
Approved by Resolution No. 15-7-1	Effective 08/01/15
Approved by Resolution No. 14-6-2	Effective 07/01/14
Approved by Resolution No. 14-3-1	Effective 03/27/14
Approved by Resolution No. 13-6-2	Effective 07/01/13
Approved by Resolution No. 12-6-3	Effective 07/01/12

Exhibit A to Resolution 23-7-2

EL TORO WATER DISTRICT

Schedule No. 3-S

RECYCLED WATER SALES & SERVICE

Recycled Water Usage Rates

Effective August 1, 2023 the Recycled Water Usage Rate will be \$3.03/CCF.

Recycled Water Operations & Maintenance (O&M) Charge

Effective August 1, 2023, the Water O&M Charges are as follows:

	<u>Per Meter Per Month</u>
5/8 inch meter	\$18.07
3/4 inch meter	\$24.72
1 inch meter	\$38.02
1 ½ inch meter	\$71.27
2 inch meter	\$137.76
10 inch meter	\$1,360.00

Capital Replacement and Refurbishment (R&R) Charge –Recycled Water

Effective August 1, 2023, the Capital R&R Charges – Recycled Water are as follows:

	<u>Per Meter Per Month</u>
5/8 inch meter	\$5.56
3/4 inch meter	\$8.33
1 inch meter	\$13.88
1 ½ inch meter	\$27.76
2 inch meter	\$55.52
10 inch meter	\$640.00

The Recycled Water O&M Charge and the Capital R&R Charge are applicable to all active general metered Recycled Water service, which is added to the charge for Recycled Water used during the month computed at the Recycled Water Usage Rate.

EL TORO WATER DISTRICT

Page 1 of 2

Schedule No. 4-W

PRIVATE FIRE PROTECTION SERVICE

APPLICABILITY

Applicable to water service rendered for privately owned fire protection systems other than to fire hydrants on private property.

Effective August 1, 2023 the Private Fire Operations and Maintenance Charges will be:

<u>Meter Size</u>	<u>Charge \$/Month</u>
4"	\$17.26
6"	\$24.79
8"	\$37.78
10"	\$57.31

SPECIAL CONDITIONS

1. The fire protection service connection will be installed at the expense of the applicant.
2. The minimum diameter for fire protection service will be four inches, and the maximum diameter will not be more than the diameter of the main to which the service is connected.
3. If a distribution main of adequate size to serve a private fire protection system, in addition to all other normal services, does not exist in the street or alley adjacent to the premises to be served, then a service main from the nearest existing main of adequate capacity will be installed at the expense of the applicant.
4. The customer's installation must be such as to effectively separate the fire protection system from that of the customer's regular water service.

Approved by Resolution No. 23-7-2
Approved by Resolution No. 22-7-2
Approved by Resolution No. 21-6-1
Approved by Resolution No. 18-6-1
Approved by Resolution No. 16-6-2
Approved by Resolution No. 03-9-1

Effective 08/01/23
Effective 08/01/22
Effective 07/01/21
Effective 07/01/18
Effective 07/01/16
Effective 10/01/03

EL TORO WATER DISTRICT

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Schedule No. 4-W

5. As part of the Fire Protection Service installation, there shall be a detector check or other similar device acceptable to the District, which will indicate and/or accurately measure the water flow. Water deliveries to the privately owned fire protection system shall be utilized strictly for fire protection purposes. Unauthorized uses include, but are not limited to construction, domestic, and landscape uses and water flow resulting from pipeline failures within the private fire protection system. Any unauthorized uses will be charged pursuant to the rates contained in Schedule 1-W of the District's Rules and Regulations, and/or may be grounds for the District to discontinue the Fire Protection Service without liability to the District.
6. There shall be no cross connection between the Fire Protection System supplied with water through the District's Fire Protection Service to any other source of supply without the specific approval of the District. This specific approval will require, at the customer's expenses, a special double check valve installation or other device acceptable to the District. Any such unauthorized cross connection may be grounds for immediate disconnection of the Fire Protection Service without liability to the District.



STAFF REPORT

To: Board of Directors

Meeting Date: July 27, 2023

From: Dennis Cafferty, General Manager

Subject: ACWA 2023 Board Officers Election

ACWA has launched two separate but concurrent election processes for the 2024-'25 term: the Board officers' election for President and Vice President and the region board elections.

Cathy Green is the sole candidate for President.

There are two candidates for the Vice President position.

- Ernesto "Ernie" A. Avila
- Michael Saunders

Biographical information for each of the above candidates is attached.

The candidates for the Region 10 election are described in the attached ballot which also describes the nominating committee's recommended slate.

This item is presented for information only. The ACWA election will be agendized at the District's August Board meeting at which the Board will be requested to provide specific direction regarding the District's vote in the ACWA election process.



COMMITMENT · EXPERIENCE · LEADERSHIP

ACWA BOARD MEMBER

- ACWA Vice President (2022-current)
- Executive Committee (2020-current)
- Region 10 Chair (2018-2019)
- Region 10 Vice Chair (2016-2017, 2020-2021)
- Region 10 Board Member (2012-2021)

ACWA COMMITTEES

- Water Quality Committee (2012-current)
- Energy Committee (2019-current)
- State Legislative Committee (2012-2015)

ORANGE COUNTY WATER DISTRICT

- President (2015-2016, 2022-current)
- 1st Vice President (2013, 2014, 2019-2022)
- Director (2010-current)
- Joint Planning Committee: Chair
- Labor Ad Hoc Committee: Chair
- Communications/Legislative Liaison Committee: Vice Chair

CIVIC AND PROFESSIONAL EXPERIENCE

- Santa Ana River Flood Protection Agency: Chair
- CalDesal: Director
- City of Huntington Beach Mayor (2003, 2009)
- Councilwoman (2002-2010)
- Registered Nurse
- Law degree

My vision for ACWA is to embrace its motto -- Bringing Water Together -- which, for me, is about unifying ACWA members and working collaboratively with diverse stakeholders to find smart solutions to the challenges we are now facing.



CATHY GREEN BIOGRAPHY

In December of 2021, Cathy Green was elected vice president of the Association of California Water Agencies (ACWA) for a two-year term. She has served as an active member of ACWA since 2012, including serving on ACWA's executive committee since 2020, the ACWA Board since 2016, and the Region 10 Board from 2012-2021. She held the position of ACWA Region 10 chair from 2018-2019 and served as vice chair from 2016-2017 and 2020-2021. Cathy Green has also served on several ACWA committees including the water quality committee since 2012, the energy committee since 2019, and the state legislative committee from 2012-2015.

Cathy Green was elected to the Orange County Water District (OCWD) Board of Directors in November 2010 and was re-elected in 2012, 2016 and 2020. She was selected by the Board to serve as its 2015, 2016 and 2023 president. She served as 1st vice president in 2013, 2014 and from 2020 to 2022.

Cathy Green currently serves as vice chair of National Water Research Institute, a 501c3 nonprofit that collaborates with water utilities, regulators, and researchers in innovative ways to help develop new, healthy, and sustainable sources of drinking water.

Prior to Cathy Green's service on OCWD's Board, she was elected to two consecutive terms on the Huntington Beach City Council where she served two terms as mayor. Cathy Green has been involved as a council liaison and committee member on many city boards, commissions and committees. She served on the Orange County Transportation Authority Board and was a director of OC Clean Tech.

Cathy Green serves on the boards of the Huntington Valley Boys and Girls Club and the Orange County Explorer Program; serves on the Huntington Beach City School District Medi-Cal Collaborative; is a director of the Prime Health Foundation and the Huntington Beach Hospital; is a member of the American Legion Unit 133 Auxiliary, Huntington Beach Community Emergency Response Team (CERT) and the Elks Lodge 1959; and is on the advisory board of the Bolsa Chica Conservancy. She is a founding member of Amigos de Bolsa Chica.

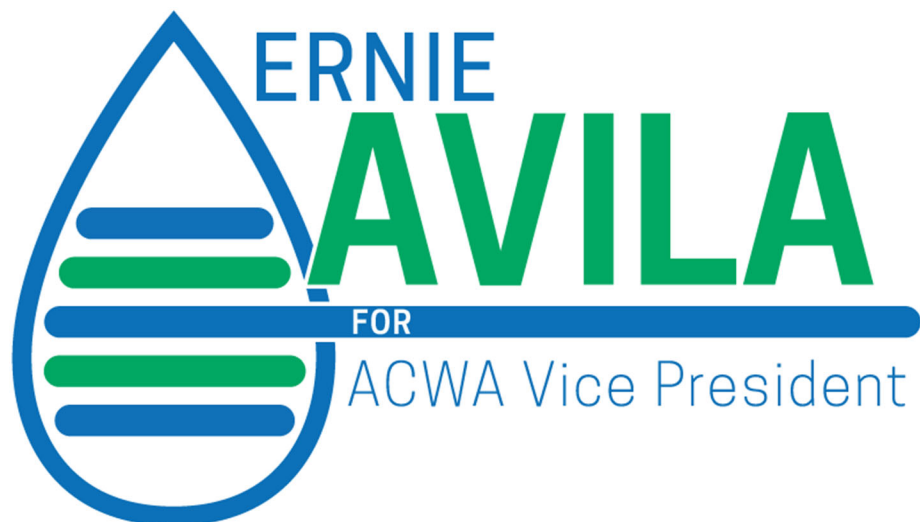
In addition, her community involvement has included serving as president of the Therapeutic Riding Center and the Huntington Beach Community Clinic, chair of the Orange County Emergency Medical Care Committee and of Explorer's/Learning for Life, first aid chair of Huntington Beach CERT, and board member of the OC Boy Scouts of America Council and American Family Housing.



Cathy Green is the recipient of many awards. Her most recent is a 2020 Boys and Girls Clubs of America National Service to Youth Award. In 2010, she was the recipient of the Spurgeon Award, and, in 2005, she was named Woman of the Year by then State Senator John Campbell. Other awards include the 2006 United Way Excellence in Child Care Planning, the 2007 Peace Maker Award from the Greater Huntington Beach Interfaith Council and the Golden West College Pillar of Achievement Award. She has also been recognized as Huntington Beach's Citizen of the Year by the Huntington Beach Chamber of Commerce, a Huntington Beach Soroptimist's Woman of Distinction and a Bolsa Chica Conservancy Conservator of the Year.

Cathy Green is a registered nurse and holds a degree in law. As a nurse, she worked in the health care areas of intensive care, student health, community health, and patient advocacy. In addition to nursing, she gained experience with a variety of environmental projects while associated with Lockhart and Associates.

Cathy Green has been a resident of Huntington Beach since 1970 where she raised her two children, Teresa and Tom, with her late husband Peter.



“The Association of California Water Agencies (ACWA) truly represents the nexus of knowledge and leadership in water for California. We are emerging from difficult times on many fronts, notably a multi-year drought and we need to lock into strategies to keep water in the public eye with ACWA and member agencies as the trusted sources of information. With over 40 years of experience in the water world, I am dedicated to continuing ACWA’s leading role on state-wide water issues, including the protection of water rights. United between all water users, we can inform the needed investments state-wide in storage, groundwater recharge, conveyance, desalination, recycling, reuse and conservation to strengthen our water systems for future generations.” – *Ernesto (Ernie) Avila, P.E.*

ACWA BOARD MEMBER

- Executive Committee of the ACWA Board of Directors
- ACWA Board of Directors
- ACWA Region 5 Board of Directors
- ACWA Foundation Steering Committee

ACWA COMMITTEES

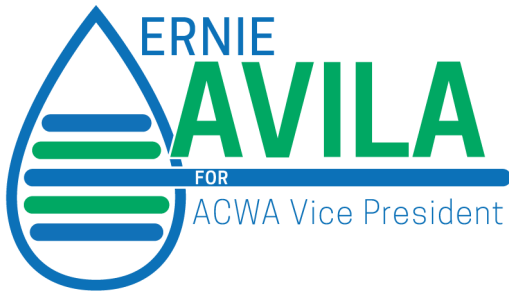
- Local Government Committee, Chair
 - Property Tax Working Group
 - Housing Densification Working Group
 - Paving Standards Working Group
- Federal Affairs Committee
- Foundation Fundraising Working Group

CONTRA COSTA WATER DISTRICT

- Contra Costa Water District, Board President
- Operations & Engineering, Committee Chair
- East Bay Leadership Council, Director
- Los Vaqueros Reservoir Joint Powers Authority, Director

PROFESSIONAL EXPERIENCE

- Vice-President, Avila and Associates Consulting Engineers, Inc.
- Monterey Peninsula Water Management District, General Manager
- Director of Engineering, Contra Costa Water District
- Northern California Salinity Coalition, Executive Director
- California Urban Water Agencies, Executive Director



Ernesto (Ernie) Avila, PE
Board President
Contra Costa Water District

Recent ACWA and Regional Water Coalition Experience

Association of CA Water Agencies (ACWA). I have had the pleasure of supporting ACWA over twenty years at the regional and state level. My recent ACWA experience has included serving on ACWA's:

- Executive Committee of the ACWA Board of Directors
- Board of Directors
- Region 5 Board
- Local Government Committee (Chair)
 - Property Tax Working Group
 - Housing Densification Working Group
 - Paving Standards Working Group
- Federal Affairs Committee
- Foundation Steering Committee
 - Foundation Fundraising Working Group



As part of these efforts, I led ACWA's assessment of potential water industry impacts associated with Sacramento-based housing initiatives including Auxiliary Dwelling Units, Commercial Properties and Transit Center Hubs and led a workshop to consider potential ACWA next steps associated with these new initiatives and their related changes to water agency fees and charges. I led the ACWA Region 5 session on *Safe Drinking Water Issues Affecting Disadvantaged Communities*, and helped with the development of the *ACWA New Water System Approval Fact Sheet*. I also participated in the ACWA Foundation Steering Committee including several related Ad Hoc committees and contributed to Federal Affairs Committee work groups associated with the Water Infrastructure Finance and Innovation Act (WIFIA) .

Multi-State Salinity Coalition (MSSC). For over 20 years, I have served as Program Director and Board member of MSSC which consists over 30+ water agencies from New Mexico, northern and southern California, Nevada, Colorado, Arizona and Texas. The MSSC mission is to promote advancements in technologies for desalination, reuse, salinity control strategies (watersheds and agriculture), water/energy efficiencies and related policies that will assist communities in meeting their water needs. I also helped to establish relationships regarding salinity management and desalination with water agencies in Australia, Mexico and Israel. In February 2023, the MSSC awarded me with the **MSSC "Salt of the Earth" National Award** for outstanding commitment, leadership, vision and dedication to our water industry.

Contra Costa Water District (CCWD). As President of CCWD, I helped to form the coalition of eight northern California water agencies that make up the Los Vaqueros Reservoir Joint Powers Authority (LVJPA). Once completed, the expanded reservoir will improve the Bay Area's regional water supply reliability and water quality while protecting Delta fisheries and providing additional Delta ecosystem benefits. I currently serve as the CCWD Director to the LVJPA.

California Urban Water Agencies (CUWA). As Executive Director, I led CUWA's effort in the development of Department of Water Resources (DWR) Methodologies for Calculating Baseline and Compliance Urban Per Capita Water Use as part of the Water Conservation Act of 2009 (Senate Bill X7-7) with our southern and northern California water agency members. I also made certain that CUWA's finances and practices were sound and transparent.

Northern California Salinity Coalition. As Executive Director, I led a coalition of ten San Francisco Bay Area water agencies in crafting grant application strategies and DWR outreach that would demonstrate the value of supporting watershed management, brackish desalination and groundwater project associated with salinity management. Working with the Coalition agencies, we secured the largest Proposition 50 grant funding for our region.

Professional Work Experience (40 years)

- Vice-President, Avila and Associates Consulting Engineers, Inc.
- General Manager, Monterey Peninsula Water Management District
- Director of Engineering, Contra Costa Water District
- Associate Engineer, East Bay Municipal Water District
- Construction Manager, CH2M Hill
- Professional Civil Engineer (California – C41727)

Community Service Experience

- Contra Costa Water District, President of the Board
- John Muir Community Health Fund Board of Directors (Treasurer)
- Association of California Engineering Companies – Chair of the Healthcare Trust (non-profit)
- Knights of Columbus, Scholarship Chair
- St. Francis of Assisi School Board, President
- City of Concord, CA – Planning Commission, Chair
- City of Concord, CA – Design Review Board
- City of Walnut Creek, CA – Transportation Commission, Vice-Chair

Education and Related Credentials

- B.S. – Civil Engineering, Santa Clara University
- M.B.A. – St. Mary's College of California
- Professional Civil Engineer (California – C41727)
- California Farm Bureau Member



Michael Saunders, MD
Georgetown Divide Utility District, Director
Candidate ACWA Vice-President
Outline and Statement of Qualifications

Appointed Offices:

Georgetown Divide Public Utility District - Finance Committee (2018)

Elected Offices:

Georgetown Divide Public Utility District - 5 years (2018-2022), (2022-2026)

Served as Treasurer, Vice-President, President

Currently Legislative Liaison

El Dorado County LAFCO - Alternate Special District Commissioner (2019 to present)

Budget Workgroup, Small to Medium Water District MSR workgroup, Recruitment Committee, Grand Jury committee

Regional Offices

Mountain Counties Water Resources Association - WUE workgroup

Regional Water Authority (RWA) - Board Member, Executive Board Member

Regional Activities:

Consumnes, American, Bear, Yuba (CABY) Integrated Regional Water Management Group

Participated in helping to define the vulnerability, economic, and support levels for the communities within El Dorado County.

State Level Workgroups

Department of Water Resources

DWR Workgroup Member for Water Use Efficiency Workgroups

- Water Loss Workgroup
- Annual Water Supply and Demand Assessment Workgroup

DWR Stakeholder participant

- County Drought Advisory Group
- Water Use Studies (LAM, Variances; Indoor, Outdoor, CII budgets)

Association of California Water Agencies (ACWA)

Workgroups:

- Diversity, Equity, and Inclusion Workgroup
- Headwaters Workgroup
- Water Use Efficiency Workgroup
- State Infrastructure Workgroup

Committees:

- Membership Committee

ACWA Region 3

- ACWA Region 3 Board Member (2022 - present)
- ACWA Region 3 Regional Issue Forum Planning workgroup
 - *"Protecting Communities in the New Era of Wildfire: The Important Role of Water Purveyors"*

My background includes a Bachelor of Science (BS) in Nutritional Biochemistry from Cornell University and a Doctor of Medicine (MD) from Howard University. My journey in water issues began with an empty horse water trough one hot summer day when there was no water. I began as a community volunteer on the Finance Committee where I began to learn about the finances of my water District. I was elected to the Georgetown Divide Public Utility District (GDPUD) Board in 2018. I am now in my 5th year as a Board member in my second term of office. I have served as the Treasurer, Vice-President, and President of the Board. I currently serve as the Board's Legislative Liaison.

I learned about water systems, delivery, infrastructure and our issues starting at the local level as a Board member, becoming more expansive through working with our Urban Water Management Plan and managing the District's water supply through drought mandates, water contingency plans, and wildfires. My understanding of the County water issues began as I actively participated in the Consumnes, American, Bear, Yuba (CABY) Integrated Regional Water Management Group including helping to define all of the vulnerability, economic, and support levels for the communities within El Dorado County. At the County level, I am the Alternate Special District Commissioner for LAFCO. I was part of the LAFCO workgroup for Small to Medium Water Districts Municipal Service Reviews and I have reviewed all the MSRs for the County learning of all of our County water districts infrastructures, finances, and challenges. As an Executive board member of the Regional Water Authority, I have had the opportunity to learn more on groundwater basins, and working on trying to get a Federally recognized water bank and working on conjunctive use efforts between surface water storage and groundwater storage.

At the State Level, I have worked on the Water Use Efficiency and County Drought Advisory Groups with the Department of Water Resources (DWR) beginning in 2019. This experience allowed me to understand about the challenges and issues throughout the State. This also gave me the opportunity to provide recommendations and solutions specific to rural, mountain counties that were not being addressed and began my active role in advocating for rural, mountain water agencies.

I have been an active participant with ACWA, attending conferences, workgroups, webinars, regional tours, board meetings, symposiums. I have been an advocate for issues attending State and Federal symposiums and legislative days, working and advocating through County, Regional, State and National committees, workgroups, task forces, legislative meetings, testimonies, letters, coalition letters, and hearings. The work with the DEI workgroup helped form ACWA's new foundation.

The ACWA Regional Board has allowed me to play a leadership role in our Region. Working closely with our regional board members and member agencies, we gathered information on issues in which we were able to work with ACWA staff to facilitate a meeting with State Water Resource Control Board members. I continue to outreach and work with our members and agencies to highlight the issues and challenges that our region faces and bring them to the various committees and workgroups.

OFFICIAL

REGION 10 Board Ballot

2024-2025 TERM



**Please return completed ballot by
Sept. 15, 2023**

E-mail: regionelections@acwa.com

Mail: ACWA
980 9th Street, Suite 1000
Sacramento, CA 95814

General Voting Instructions:

1 You may either vote for the slate recommended by the Region 10 Nominating Committee, or vote for individual candidates to serve as chair, vice chair, and board members for each county (please note rules & regulations for specific qualifications). Mark the appropriate box to indicate your decision.

2 Complete your agency information. The authorized representative is determined by your agency in accordance with your agency's policies and procedures.

Region 10 Rules & Regulations:

The chair and vice chair shall be from different counties. At least one of the chair or vice chair positions must be an elected/appointed director from a member agency. The region board members shall alternate every two years with three from one county and two from the other. The county from which the chair comes from shall have two region board members and the county from which the vice chair comes from shall have three region board members.

Submitted board candidate bios and headshots are available on www.acwa.com/elections/2023-region-elections/.

1

Nominating Committee's Recommended Slate

☐ I concur with the Region 10 Nominating Committee's recommended slate below.

CHAIR:

- **Dana Frieauf**, Board Member, Santa Fe Irrigation District (SD)

VICE CHAIR:

- **Charles T. Gibson**, Director, Santa Margarita Water District (OC)

BOARD MEMBERS:

- **Marice H. DePasquale**, Vice President, Board of Directors, Mesa Water District (OC)
- **George Murdoch**, Vice President, East Orange County Water District (OC)
- **Deborah Neev**, Commissioner, Laguna Beach County Water District (OC)
- **Jose Martinez**, General Manager, Otay Water District (SD)
- **Jennifer DeMeo**, Vice President, Fallbrook Public Utility District (SD)

OR

Individual Board Candidate Nominations

(See Rules & Regulations before selecting)

☐ I do not concur with the Region 10 Nominating Committee's recommended slate. I will vote for individual candidates below as indicated.

CANDIDATES FOR CHAIR: (CHOOSE ONE)

- ☐ **Dana Frieauf**, Board Member, Santa Fe Irrigation District (SD)

CANDIDATES FOR VICE CHAIR: (CHOOSE ONE)

- ☐ **Charles T. Gibson**, Director, Santa Margarita Water District (OC)

SAN DIEGO COUNTY CANDIDATES FOR BOARD MEMBERS: (MAX OF 2 CHOICES)

Alexandra (Ally) Berenter, Senior Manager, External Affairs & Water Policy, City of San Diego (SD)

Manny Delgado, Director, Sweetwater Authority (SD)

Jennifer DeMeo, Vice President, Fallbrook Public Utility District (SD)

Jose Martinez, General Manager, Otay Water District (SD)

ORANGE COUNTY CANDIDATES FOR BOARD MEMBERS: (MAX OF 3 CHOICES)

Marice H. DePasquale, Vice President, Board of Directors, Mesa Water District (OC)

George Murdoch, Vice President, East Orange County Water District (OC)

Deborah Neev, Commissioner, Laguna Beach County Water District (OC)

2

AGENCY NAME

AUTHORIZED REPRESENTATIVE

DATE



STAFF REPORT

To: Board of Directors

Meeting Date: July 27, 2023

From: Dennis Cafferty, General Manager

Subject: Orange County Grand Jury Report "Historic Rain, Yet Drought Remains"

The Orange County Grand Jury recently released the attached report titled "Historic Rain, Yet Drought Remains".

The District is requested, but not required, to respond to the findings and certain of the recommendations in the report.

Staff will lead a discussion regarding the report and seek concurrence with the Board regarding a response.

A WET WINTER IN THE WEST HASN'T
CHANGED CALIFORNIA'S WATER
CHALLENGES

Historic Rain, Yet Drought Remains



County of Orange

Grand Jury 2022-2023

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SUMMARY

The “atmospheric river” of winter 2022-23 in California, causing floods in the lowlands and record snowpack in the mountains, has many people assuming that the “drought is over.” *This assumption is far from the truth.* Drought conditions are here to stay. While Orange County dams and reservoirs are currently at full capacity and the Sierra snowpack is at its deepest level in many years, there has been limited impact on the Western Rockies, the Colorado River, Lake Powell, and Lake Mead from which Southern California draws a significant amount of its potable water supply.

For the purposes of this report, the Orange County Grand Jury differentiated between source and supply. The source of water is the ocean and the resultant precipitation. The supply of water is how precipitation is captured and delivered to consumers of water, including recycling and reuse of this water.

Climatologists, water experts, and water managers agree we must adapt to climate change because longer droughts and extreme weather patterns are inevitable, adding urgency towards finding new methods for obtaining additional water sources.

In Orange County, the lack of available water over the past few years has frequently been identified as a “Water Crisis”, yet the phrase has failed to capture the scope of how dire the situation is. Generally, people don’t think about having enough water because it has been reliably available their entire lives. Throughout the county, there are numerous innovative water projects under consideration or development, but they may not be timely enough to avoid people running short of water and having to conserve much more, ultimately leading to mandated rationing.

Approximately half of all water used in Southern California is imported from the Colorado River and from the California Aqueduct. This imported water is severely constrained and unreliable. With infrequent and unreliable amounts of precipitation supplying both the Northern California Water Project and the Colorado River, the situation is becoming more critical. Several South Orange County cities rely almost solely on these imports. Locally, significant efforts are being made to re-use wastewater. These efforts are limited by the amount of water available from everyday use and do not create a new water source.

North and Central Orange County are served by a well-managed supply of water in underground storage, but it cannot meet the needs of the entire County. South County is entirely dependent on imported water.

The State of California mandated local governments to provide more affordable housing and is also promoting higher density development. This does not recognize the limitations of the current water supply and its social and economic impacts. The State has failed to provide a supply of water to support these mandates.

Public awareness must be expanded to encourage better management of our water by expediting the process for planning and construction of new water sources such as desalination and prioritizing funding.

The Orange County Grand Jury recommends the creation of a “Climate Resiliency District” to lessen the County’s dependence on State and regional water projects. Just as Orange County supported Measure M and created the Orange County Transportation Authority to solve the county’s transportation crisis, the same bold leadership is needed to solve the county’s water crisis.

This report presents information about the current crisis in water planning, existing projects to increase the supply of non-potable water for irrigation, and storage issues. The report makes recommendations for a reliable source of potable water through desalination of ocean water.

BACKGROUND

Water is our most precious resource, but due to shifts in climatic weather patterns, the reliability of traditional water supplies is under intense pressure in Orange County. Many water business insiders are stating privately that these systemic events are now at a “crisis” stage, despite the recent precipitation.

To date, traditional water suppliers in Orange County have not addressed the implications of this systemic shift. They have maximized local resources by recycling, capturing flood water runoff, and finding new areas for storage. However, they have yet to fully develop a transformational drought-resistant water resource outside the status quo.

Numerous past Orange County Grand Jury reports¹ have dealt with the internal governance and organizational structure or the need for conservation efforts to maximize water utilization. This report elaborates on the dependency on outside water supplies such as the California Water Project and the Colorado River Basin that provide over 50% of our county’s local water supply. South Orange County lacks a bountiful aquifer that provides North and Central Orange County with 70% of its water supply.²

South Orange County depends on imported water for 90% of its needs. These imported water supplies are becoming less reliable, with annual reductions occurring in both the California Water Project and the Colorado River Basin creating major disruptions. Conservation measures have been put in place throughout Orange County to maximize existing supplies to help mitigate these concerns. This is simply inadequate to resolve the long-term supply issue. One of the ways to resolve this issue is desalination, a proven alternative that has not yet been fully implemented in Orange County.



REASON FOR STUDY

The Western United States is experiencing a water crisis. The climate is changing, and our supply of water has diminished while our population has increased. This situation did not occur overnight and the efforts to mitigate the crisis have been slow and ineffective.

Existing water agencies in Orange County are not adequately structured or managed to implement the transformational strategies necessary to create a new source of potable water, specifically through desalination. It is possible that a merger of two or more agencies could pivot this new source, but they are already performing the functions for which they were created and it might be difficult to assimilate new functions. The Orange County Grand Jury recommends the creation of a new agency, a Climate Resiliency District, to develop and manage this drought-resistant resource.

Local water suppliers, including cities and special districts, are to be commended for attempting to meet the crisis within constraints. The Orange County Water District very

successfully manages the ground water basin serving North and Central Orange County. These efforts include actively pursuing water transfer and water banking agreements outside of Orange County. Local water suppliers need to expand their portfolio to meet demands. Additional capture of precipitation, supplying groundwater through infiltration, additional storage systems, development of ocean desalination, and recycling and reuse of water all need to be considered and improved and implemented.

The general public, the ultimate users of the water, need to continue their efforts to conserve water by installing low-flow toilets and showerheads, appliances that use less water, using recycled water for landscape irrigation, and eventually accepting the use of recycled water purified for drinking purposes. They also need to support and expedite the development of desalination plants to create a new source of water for the future. It will be necessary for the water suppliers to develop effective public awareness programs to help the public understand the need and desirability of this new paradigm.

METHOD OF STUDY

The Orange County Grand Jury (OCGJ) took the following steps in investigating this issue:

- Identified and interviewed key personnel:
 - Persons or entities responsible for providing potable water to their Orange County constituents
 - Persons knowledgeable in projects to improve capture, reclamation, recycling, delivery, and infrastructure improvements
 - Persons involved in the planning and execution of providing new habitable dwellings
 - Persons who are reputable in the field of climatology – past, present, and future
- Reviewed information from the various water districts and interested parties including:
 - Orange County Water District (OCW)
 - Orange County Coast Keepers
 - California Department of Water Resources
 - Miscellaneous Water Districts
 - Municipal Water District of Orange County (MWDOC)
 - Metropolitan Water District (MET)
- Reviewed numerous documents pertaining to this report (see bibliography for complete list)
- Members of the OCGJ toured the following facilities:
 - Municipal Water District of Orange County Headquarters
 - Orange County Water District Ground Water Recovery Facility
 - Metropolitan Water District
 - Headquarters

- F.E. Weymouth Water Treatment Plant and Quality Control Laboratory
- Pure Water Southern California Demonstration Plant in Carson

INVESTIGATION AND ANALYSIS

Climate

The current state of our climate is a prolonged drought. To survive, local sources of water need to be more resilient.

Throughout Earth's evolution, there have been and continue to be impacts on its climate. The continents have been drifting since there was a super continent, Pangea, 175 million years ago. The resulting different geographic locations have differing climate conditions which are still evolving. These "climate changes" have been extensively studied and documented by paleo-climatologists, and their data has been used to forecast what climate conditions will most probably be in the future.

“The current state of our climate is a prolonged drought. To survive, local sources of water need to be more resilient. “

Today's scientists and climatologists agree that Earth is changing due to evolutionary cycles and that climate warming is being acutely exacerbated and accelerated by the effects of human activities. Worldwide, glaciers are receding, sea levels are rising, and permafrost melting. Many global regions that were historically self-sufficient for potable water are now in periods of extended drought where precipitation is a declining resource. Orange County is directly affected by the resulting effects of climate change, evidenced by water reduction mandates and the various proposed means and methods to capture, recycle, and store more water.

This report acknowledges climate change and its effects on the people of Orange County. It examines whether the current proposed means and methods for securing more water are sufficient to sustain the projected growth in the county and support the green and vibrant lifestyle to which its inhabitants have become accustomed.

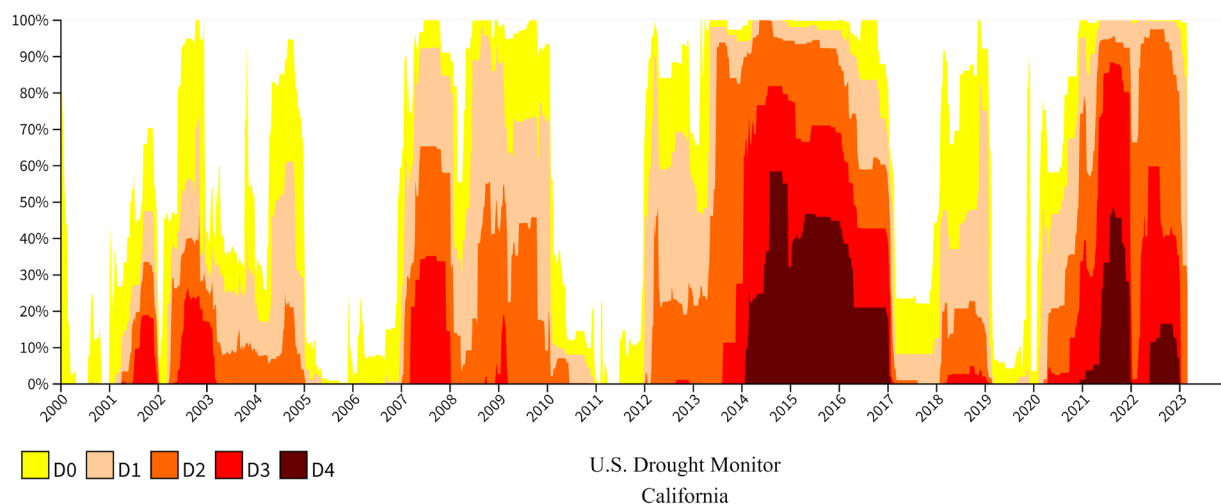
As evidenced over the past five decades, the durations and resulting expectations from the seasons in this geographic region of the U.S. (Western) have dramatically changed. Winters have seen declining periods of sustained precipitation, and summers are hotter, longer, and drier. This has directly affected the rivers, lakes, streams, dammed reservoirs above ground and aquifers below ground that rely on melted snow and rain for continued and reliable replenishment. Paleo-climatologists have validated the past

climate drought trends, and today's climatologists are predicting the same, punctuated by infrequent periods of precipitation, like the precipitation events of this past winter (2022-23). This all points to the current supplies of water not being dependable.

Key facts and predictions identified during interviews and the numerous climate articles reviewed are:

- The current Western United States drought is the longest in 1,200 years
- The drought is likely to continue for the next 100 years.
- The current Southern California climate is characterized as “drought” but this is likely to be interrupted by infrequent wet years.
- Human activities have affected the climate. The Southern California climate is expected to enter a cooler phase based upon long-term historic trends, rather than the current warming.
- Even if carbon emissions are suddenly decreased, the climate could take up to 100 years to adjust.

The following graph illustrates the current tendency of the climate. It shows five categories: Abnormally Dry (D0), showing areas that may be going into or are coming out of drought, and four levels of drought (D1–D4). The darker the color, the deeper the drought. It clearly shows increased and more frequent levels of drought for California.



Drought as the norm has reduced precipitation as a source of water and Orange County needs to respond to it by providing a more drought resilient supply of water.

Water Demands

- In the past fifty years, California's population has nearly doubled. Water is needed, and expected, to sustain the current population in all aspects: quality of life, commerce, industry, agriculture, etc., and promote growth and development. However, current, and foreseeable circumstances regarding water availability

have severely impacted modern Californians' expected way of life. To preserve the status quo, water reduction mandates are used to facilitate further development.

- Some water agencies are paying farmers to not grow crops. They are transferring the farmer's water rights to the water agency to feed the thirst of metropolitan areas. Many projects to capture, transport, and store water have been proposed but not yet constructed due to various political and environmental obstructions. The projects that have been approved to capture, store, recycle, and transport more water will only succeed if there is enough water to do so. Precipitation is a declining source of water. Interviews with water experts, e.g., wholesalers, retailers, and suppliers have said that "we cannot conserve our way out of the drought" but they have yet to make Orange County self-sufficient.

Overview of Water Suppliers and Agencies

The water supply for Orange County is primarily managed by three entities – Orange County Water District (OCWD), Municipal Water District of Orange County (MWDOC), and Metropolitan Water District (MET).

Consumers receive their water from 29 independent water districts and cities. The suppliers primarily receive water from either the groundwater basin managed by OCWD, directly from MET, or through MWDOC. The water agencies also have additional minor supplies of water, including treated surface waters and supplies obtained from agreements with other entities. Some of the water agencies provide treated wastewater for landscaping and industrial uses (recycling).

Metropolitan Water District (MET) – (Water Wholesaler)

The Metropolitan Water District (MET) serves the water needs of Southern California by securing and transporting water. This includes overseeing the importation of water from the Colorado River Basin since 1941 and the State Water Project since 1971. MET is a wholesaler which sells and allocates this water to other water agencies, municipalities,³ and counties from Ventura to San Diego. Orange County receives its purchased allocation through the Municipal Water District of Orange County. Recognizing the long-term effects of drought and reduced flows from the Colorado river and California Aqueduct, the MET has initiated major water conservation and recycling programs to make water management a priority. They have attempted to create storage capability and negotiate contracts with the agricultural entities within the Colorado basin to limit their water usage and acquire their allocations.

The long-term threat of climate change and historic droughts have challenged MET and they have failed to identify new supplies of water beyond their historic charter. The State Water Project is delivering only 10% of the historical allocation and the Colorado River supply allocation was reduced 25% in 2022.

Metropolitan Water District is in the water movement business and is not historically tasked with securing new sources of water. As the leading water agency in Southern California, MET has not taken on this responsibility. Their supply of water is dependent on precipitation. When the water allocation was reduced from the State Water Project, MET had to switch many of its customers to the Colorado River. However, numerous articles have documented that the lakes on the Colorado River (Mead and Powell) are at the lowest levels since they were built, and their future viability is at question due to a decade's long drought in the west.



The State Water Project⁴ includes 700 miles of delivery canals (California Aqueduct) that serves 27 million people and irrigates 750,000 acres of farmland, which supplies fifty percent of the United States' produce. The project originated in 1960 and although it is well maintained, it has not been upgraded in years. The water for the State Water Project comes primarily from the Sacramento-San Joaquin Delta. When forming its water strategies, Orange County needs to recognize that the State Water Project's reliability is in doubt due to its 53-year history of not being adequately maintained.

The Colorado River has been in the news due to the drought reducing its flow over the past twenty years. The agreements regarding the allocation of Colorado River water are set to expire in 2026 and are currently being renegotiated. Water levels at Lake Mead and Lake Powell have dropped significantly, and experts say it would take at least 10 years of above average precipitation to restore them. Orange County should simply not rely upon the Colorado River as a dependable supply, now or in the future.

Following numerous interviews and a thorough review of project documentation, the Grand Jury reached several conclusions regarding MET programs to replace dwindling

water supplies. Most notable is that the Carson wastewater reclamation project is years away from being completed and 20 years behind similar projects in Orange County. Overall, MET cannot be expected to significantly replace the reductions in water allocations from the Colorado River and the State Water Project within the next decade.

“MET water will not be reliable for at least a decade and Orange County needs to consider developing other resources to make up for this lack of reliability.”

Municipal Water District of Orange County (Water Wholesaler)

The Municipal Water District of Orange County (MWDOC) is primarily a wholesale water provider and, to a lesser extent, a water resource development and planning agency for nearly 3.2 million Orange County residents, and businesses. MWDOC buys imported water from the California State Water Project in Northern California and the Colorado River through the Metropolitan Water District of Southern California. MWDOC has four representative seats on the Metropolitan Water District (MET) Board. Through its member agencies, MWDOC covers all of Orange County except the Cities of Anaheim, Fullerton, and Santa Ana.

Orange County must import water due to limited local water supplies. Central and North County import approximately 30% of their water to supplement its existing supply. However, South County is highly reliant on the Municipal Water District, as South County water districts must import 90% of their water supply from outside of Orange County.

The Municipal Water District of Orange County is extremely important as a wholesaler or broker to the retail water districts in Orange County and as a representative of Orange County’s interest on the Metropolitan Water District Board.

MWDOC has completed a comprehensive study of Orange County’s water reliability needs that could serve to achieve a climate resilient water supply. The study covers MET system reliability and Orange County projects including desalination projects, water shed projects, and water banking projects. The study also identifies the crisis Orange County is facing – by 2030, eight out of every ten years can be expected to be in drought. However, the study is devoid of information about financing and implementation, and its conclusions rely too much on MET efforts that are decades behind where they should be.

Based upon this study and MWDOC’s countywide area of responsibility, MWDOC could conceivably lead Orange County’s efforts to plan, finance, and implement water source and supply projects.

MWDOC serves no other purpose than to distribute water and has not attempted to expand its supply of water beyond its engagement with the MET. Previous Orange

County Grand Juries have recommended that the MWOC and OCWD merge for a more efficient and streamlined approach towards water management.

Orange County Water District (Water Wholesaler)

The Orange County Water District (OCWD) provides water to 2.5 million residents in North and Central Orange County. The District effectively manages the Orange County groundwater basin that provides approximately 77% of water used in the region. It supplies the 19 cities and retail water agencies in Central and North Orange County with potable water. As the sole adjudicator of Orange County's ground water basin, the agency plays a vital role in assuring the aquifer is effectively managed.

The Orange County Water District has been a true innovator in water management and operates the world's largest water purification replenishment system for indirect potable water use. Over 130 million gallons per day are recycled into the Orange County aquifer, thus replenishing this vital resource. It has exhausted the wastewater supply available for recycling through its comprehensive efforts.

The management of Orange County's underground reservoir has been exceptional. OCWD has also implemented a regional groundwater banking program to assure long-term reliability and increasing stormwater capture behind Prado Dam where water eventually gets released and recharged into the Orange County aquifer, thus becoming part of the local water supply.

Despite its absolute success at recycling, the Orange County Water District must still import 23% of its water brokered by the Municipal Water District of Orange County through the Metropolitan Water District. The local Orange County ground water basin is simply not large enough to meet demand.

Water Retailers

The **Irvine Ranch Water District** serves a large Orange County populace of 600,000, primarily in the Cities of Irvine, Lake Forest, parts of the Cities of Orange, Costa Mesa, Tustin, and Newport Beach. IRWD provides water as well as reliable sewage collection and treatment. The combination of being a water retailer combined with managing sewage treatment has allowed IRWD to implement groundbreaking recycling water programs for non-potable use and innovative urban runoff programs. The district relies partially on the Orange County basin for its water supply, but also is dependent on 20% of imported water from the Municipal Water District of Orange County.

As an innovator, the IRWD secured rights to the Kern water basin for water storage. This storage reduces its reliance on Metropolitan Water District and provides access to a potential supply of water in an emergency. Through conservation and water efficiency programs, IRWD has reduced overall water consumption year over year allowing development to continue to move forward unabated within the jurisdiction it serves. However, growth in community development exposes IRWD to shortages as its allocation of imported water is determined by Municipal Water District of Orange County.

The **Moulton Niguel Water District** serves 170,000 residents in South Orange County, and is highly dependent on imported water from the Municipal Water District of Orange County (in excess of 90% of its potable water). Therefore, the District has made a major effort to drive efficiency and conservation efforts, which have been successful in reducing water utilization and continue to allow local development. Negotiations are underway with local sanitation districts to attempt to initiate recycling programs for the betterment of the community. The collaboration with South Orange County Wastewater Authority (SOCWA) has been less than cooperative thereby impeding recycling efforts. Should the Municipal Water District of Orange County fail to deliver the required water, Moulton Niguel Water District is highly vulnerable to supply disruption.

The **Rancho Santa Margarita Water District** (RSMWD) imports 100% of its potable water from the Municipal Water District of Orange County and services over 200,000 residents in south Orange County, primarily the eastern portion of Orange County from Mission Viejo to San Clemente. As a result, the District has committed to developing local reliable drinking water supplies. RSMWD constantly monitors opportunities to enhance its water portfolio. The current major effort is the San Juan Watershed project that will capture local stormwater runoff as well as directing recycled water to recharge the local underground aquifer.

Conservation water efficiency efforts have also played a major role to minimize water usage. Within RSMWD's service area, there are major communities being planned. The planned communities under development, Los Flores and the Ranch, will add 15,000 homes or approximately 60,000 additional residents to the District's customer base. With this development the water demand will increase and therefore will increase the need to import water. Should Municipal Water District of Orange County fail to deliver required water, RSMWD is highly vulnerable to supply disruption.

The **South Coast Water District** (SCWD), like other south Orange County water districts, is highly dependent on imported water from the MWDOC. SCWD serves 35,000 residents and 2 million visitors a year. SCWD relies on 90% of its potable water being supplied by the MWDOC. SCWD is to be applauded in its attempt to expand its efforts to decrease its dependence on imported water. Recently, SCWD was granted approval to proceed with an ocean desalination plant of 5 million gallons of water a day. The plant is to be built within the next five years. SCWD is working to maximize recycling efforts to minimize reliance on imported water. Major conservation and water efficiency programs have been implemented locally. Until the desalination plant comes online, and should MWDOC fail to deliver required water, SCWD is highly vulnerable to supply disruption.

Until the desalination plant comes online, and should MWDOC fail to deliver required water, SCWD is highly vulnerable to supply disruption.

Other Orange County Water Suppliers. Water wholesalers in Orange County work with local water retailers to provide water to their residents. The Orange County local retailers include 29 cities and local water districts.

Most of the cities and water agencies have implemented programs to minimize water utilization to become more efficient. They are to be applauded for their efforts.

South Orange County retailers Moulton Niguel Water District, Rancho Santa Margarita Water District, and South Coast Water District are highly dependent on the importation of water, in excess of 90% of total local demand.

Irvine Ranch Water District is included because of the unique characteristics that were identified during the course of this investigation. Specifically, the Grand Jury noted its creativity in securing potential sources of water coupled with the continued development of the Irvine Ranch and water required to serve new residents.

South Orange County retailers are highly dependent on the importation of water for more than 90% of local demand. The Grand Jury's investigatory efforts have included a focus on this dependency.

State of California Managed Supplies

The State of California is responsible for operating the State Water Project, planning and implementation of statewide projects for water supply, State bond financing for projects, and management of federal and State funding programs. These have been insufficient to address the threats to Orange County water supply.

Water management in California is very complex. There are numerous constituents placing a huge demand on water resources: agriculture, urban centers, industry, business, developers, tourism, and residents. This pressure coupled with an antiquated water structure with hundreds of water wholesalers and retailers makes a challenging dynamic.

Environmental pressure exacerbates the challenge. The State's lack of long-term solutions to California's water needs is not new. No new reservoirs have been built since the 1970's when the population was 20 million people. 50 years later, California's population has almost doubled to 39 million. For years, the State has studied proposals to secure additional supplies of water by moving water from the Sacramento delta to Southern California through the California Water Project, with no discernable results. The project is needed to protect the existing water supply and secure additional water but has been bogged down by debate about approach and environmental review.

No new reservoirs have been built since 1970 when the population was approximately 20 million, yet California's population has almost doubled to 39 million.

In 2014, a bond initiative was passed to provide \$7.3 billion in funding for 10 new reservoirs and other water related projects, yet the reservoirs have not been completed. The recent rains that swept California this winter resulted in billions of gallons of water flowing out to sea.⁵ The California Natural Resources Agency maintains a web page that shows the progress of the bond issue.⁶ The web page shows most of the funds have been committed but lacks information regarding what has been accomplished.

In terms of planning, in August 2022, the California Environmental Protection Agency issued a major report entitled “California Water Supply Strategy – Adapting to a Hotter, Drier Future, California Agencies.”⁷ But the strategy does not detail schedules or actions or assign resources or funding. In the report, the Newsom administration points out that in order to deliver the pace and scale of projects necessary to meet California’s water crisis, the State’s regulatory structures must be modernized so that “State agencies can assess, permit, fund and implement projects at the pace this climate emergency warrants.” The report does not describe how Newsom’s directive is to be understood or executed. Other relevant State reports touching upon State water resources include those on climate change, water supply assessment, and an analysis of recent droughts. While all these reports help identify problems, they provide few and limited actionable recommendations.

The California State Water Control Board is the State’s key water agency, yet its focus on water supply is not clear. Other State agencies that have water oversight include: the Department of California Water Resources, the California Water Commission, and the National Resources Agency, and State Conservancies, such as the Sacramento-San Joaquin Delta Conservancy that are involved in water grants and planning. The State environmental and river basin authorities also complicate planning and actions. There seems to be no coordinated focus on water supply.

The Sacramento-San Joaquin levees are very important to the State Water Project. They protect the integrity of the system. For decades, the levees have been identified as needing bolstering, yet this has not been done. If the levees fail or are breached there will be an influx of brackish water from the San Joaquin Delta that will contaminate the fresh water in the Project, making it unusable. The recent rains have focused the need for action, yet nothing is likely to be done anytime soon. As an example, the need to capture and store rainwater in aquifers has been recognized for decades, yet the recent rainfalls show little has been done.

Recently, the State initiated the Delta Conveyance Project (DCP). This is a joint powers authority formed to help ensure water supply reliability for the State Water Project and to adapt to forecasts of future changes in precipitation and seasonal flow patterns due

to climate change. An important part of the DCP is a proposed tunnel under the Delta. The concept for the project originated in the 1970s and subsequent versions included the Trans-Delta System, Peripheral Canal, Bay Delta Conservation Plan, and the California Water Fix (a dual tunnel). The Delta Conveyance Project faces strong opposition from environmentalists. The prospect of the project being completed in a timely manner, if at all, is doubtful.

Governor Newsom himself noted the difficulty of getting water projects going in his statement at an August 2022 news conference: “The time to get these damn projects is ridiculous,” Newsom said. “It’s absurd. It’s reasonably comedic. In so many ways, the world we invented from an environmental perspective is now getting in the way of moving these projects forward.”⁸ Projects take decades to accomplish, if they are completed at all. The State cannot be relied upon for consistent water delivery in wet or dry years.

Water management in California can best be summed up as always studied but never resolved. The impacts of this paralysis mean that Orange County cannot currently rely on the State to identify or secure a new source or supplies of water.

Federal Intervention

California may have to reduce its reliance on Colorado river water under a proposal by the U.S. Department of the Interior, unveiled on April 11, 2023, that upends the longstanding system of water rights. The Department proposed two methods for reducing water usage by as much as 25% in 2024. The seven states utilizing the Colorado river have been negotiating with each other since August 2022 to make voluntary cuts. To date no agreement has been reached.

The U.S. Bureau of Reclamation, part of the U.S. Department of the Interior, warned that it would impose large cuts if the states relying on the river did not come up with a plan by January 31, 2023. The states failed to do so. Although California has experienced an unusually wet winter, this has not changed the Colorado River’s longstanding challenges amid a much drier climate.

The rationing of water from the Colorado River basin appears inevitable at the time of this report, disrupting the long-tenured stability of Southern California’s imported water supply. It reinforces the idea that the time to act for securing a new source of water for Orange County is now.

Water Justice

As the demand for water increases, not only to sustain the status quo but also for development, equal access to water must also be addressed. What regions will be entitled to preserve their way of life and what regions will have to compromise?

The cost of obtaining and distributing water is equally important to water justice. The projects required to ensure a reliable water supply are costly and, if delegated to the ratepayers, may have a significant impact on lower income households. Traditionally,

major water projects have been financed through state and federal governments or through special tax assessments. This is an easier burden on lower income groups than strictly through rate structures. Orange County should develop a funding strategy for water projects that is acceptable to rate-payers and does not overly burden lower income groups.

Orange County should develop a funding strategy for water projects that is acceptable to rate-payers and does not overly burden lower income groups.

Actions to Secure and Strengthen Supply

Numerous initiatives and projects have been planned to improve and strengthen the existing supply systems:

- 1) water banking,
- 2) purchasing water rights,
- 3) recycling water,
- 4) reuse of water for potable purposes,
- 5) aquifer management,
- 6) utilization of other supplies, and
- 7) water efficiency.

However, these projects are years behind schedule and taking an extraordinarily long time to complete. These initiatives are important to point out as efforts, but it must be noted that by themselves, they are not solutions to Orange County's water reliability. The Grand Jury's evaluation of these efforts is included in Appendix A "Local Agency Action to Secure Water Supply."

The efforts to diversify the water portfolio and make the existing supply more resilient are commendable, but a new source is also needed.

Effective Management of Initiatives

Orange County needs an entity to champion and lead the efforts to develop a water source that will enhance the reliability of existing water supplies. Orange County water suppliers have completed and are engaged in several projects to improve the resilience of our water supply, but efforts for the whole County have been limited. A countywide effort to develop a drought-resistant source of water is necessary due to climate change.

Effective countywide management of water resources would alleviate the jurisdictional issues that have hampered the development of recycled water in South County including shared use of the aquifer for all of Orange County. A Climate Resiliency District could serve this purpose.

A Climate Resiliency District is authorized by the Climate Resilience District Act, codified in California Government Code Sections 62300-62312. Section 62301 describes the legislative intent of the Act:

It is the intent of the Legislature in enacting this division to provide the ability for local governments to create districts for the purpose of addressing climate change effects and impacts through activities and actions that include mitigation and adaptation, as necessary and appropriate, to achieve all of the following:

(a) Providing a sustained and certain level and source of funding at the local level.

(b) Allowing activities and actions on an appropriate geographic basis.

(c) Facilitating the receipt and use of federal, state, local, and private funds.

The purpose of the Climate Resiliency District would be to promote a project that addresses drought, including multiuse land repurposing, groundwater replenishment, groundwater storage, or conjunctive use.⁹ It is envisioned that a Climate Resiliency District would be capable of planning and financing water source projects such as desalination that are beyond the means of existing Orange County water agencies.

There were concerns about a Climate Resiliency District expressed by some water district leaders interviewed by the Grand Jury. They stated that a Climate Resiliency District might be another level of bureaucracy that could impede the pursuit and development of their own projects. However, these concerns would carry more weight if planned projects were actually being implemented.

Alternative structural entities could be a joint powers authority (JPA) created for this purpose, either spearheaded by Orange County Water District (OCWD) or Municipal Water District of Orange County (MWDOC), or a collaborative effort between both.

The Joint Exercise of Powers Act, codified in California Government Code Section 6500 et seq., authorizes two or more public agencies, by agreement, to exercise any power common to the agencies to provide more effective or efficient government services or to solve a service delivery problem. A JPA could plan, finance, and implement water source and water supply projects. Similarly, Orange County Transportation Authority (OCTA) was created in 1991 to fund, plan, and implement transit and capital projects. OCTA has been successful in solving some of Orange County's transportation needs. A JPA focused on Orange County's water needs could similarly succeed.

Forming a JPA to comprehensively address all of Orange County's water needs would ultimately require the cooperation of 29 entities including special water districts and cities that supply water. The political effort required for this cooperation would be significant and would require a new approach towards such collaboration.

Either separately or cooperatively, OCWD or MWDOC could take the lead for the planning, financing, and implementing of water source and supply projects to the benefit

for all of Orange County. Unifying the water districts is also a possibility, as previously reported by the 2021-2022 Grand Jury.¹⁰

Through its member agencies, MWDOC covers all of Orange County except the Cities of Anaheim, Fullerton, and Santa Ana. MWDOC has completed a comprehensive study of Orange County's water reliability needs that could serve as means to achieve a climate resilient water supply.¹¹ The study covers MET system reliability and Orange County projects including desalination projects, watershed projects, and water banking projects. The study clearly identifies that Orange County is facing a water crisis, and forewarns that by the year 2030, eight out of every ten years can be expected to be dry. Based upon this study and MWDOC's countywide charter, MWDOC could accept responsibility to lead Orange County's efforts to plan, finance, and implement water source and supply projects. However, the study would need to be updated, as it is totally devoid of financing and implementation data, and it relies too much on MET efforts that are decades behind where they should be.

Orange County needs a champion to lead the efforts to develop a water source and to enhance the reliability of existing water supplies. OCWD and MWDOC have planned but failed to implement a solution, and a joint powers authority requires a level of political cooperation that may not be possible with 29 separate water agencies. Therefore, the County of Orange should initiate the Climate Resiliency District to plan, finance, and implement water supply projects to meet future conditions and needs.

Orange County needs a champion to lead the efforts to develop a water source and to enhance the reliability of existing water supplies

Public Awareness of the Need for Action



Public awareness of the consequences of current and future climate change is important as a catalyst for adapting to the change. In the past several months, there have been numerous newspaper and magazine articles on water concerns in California and the Western United States. There have also been at least two television documentaries. Many local water agencies have included fact sheets and other information on their web pages and in monthly statements warning of the water “crisis”. These messages have resulted in increased public awareness but more needs to be done. Public education to promote projects to address the crisis is a must.

As a result of increased public awareness, water agencies have noticed a decrease in per-capita water usage. The public is using water more efficiently. However, several Grand Jury interviewees noted that we cannot conserve our way out of the drought. Solving Orange County’s future water shortfall through conservation alone would require drastic changes in water usage and would likely meet strong public resistance. Additional efforts are needed to inform the public of potential lifestyle changes if additional water sources and supplies are not developed.



Some water agencies in Orange County have conducted public campaigns to make the public aware of the need to increase rates. The rate increases are for projects to increase the water supply and source resiliency of the agency. South Coast Water District's outreach to its customers has been most notable and enabled the District to proceed with community support for the Doheny Desalination Project.

The public needs to be galvanized to move forward. The Grand Jury recommends that the County Board of Supervisors lead a countywide campaign to mobilize the public in support of new water sources that will make the supply systems more efficient and resilient.

Effect on Local Economy

If no new sustainable source of potable water is developed there will be an adverse impact on Orange County. While North Orange County has an underground aquifer with a substantial amount of water, South County is almost entirely dependent upon external supplies. Major strides have been made in recycling water for industrial and landscaping purposes, but there is still a shortage of potable water with the only current source of "new" water being the Doheny Desalination plant, which will take years to complete and probably not begin operations until 2028. Capital costs of building a desalination plant are generally beyond the capability of a single water district.

Water supplies collected through precipitation are the most economical but the most unreliable. There are insufficient storage facilities in Orange County for capturing precipitation and there are no aquifers in South County.

The State of California has mandated that municipalities create new housing opportunities, particularly low-income housing. Developers are required to install water saving features such as low-flow toilets and showers, water-saving washing machines and drought-resistant landscaping, all of which increase the cost of building. These features do not offset the effects of the drought, and experts predict an eventual shortage of water would result in a moratorium on development.

Businesses and industries such as retailers, manufacturers, and theme parks rely on clean and dependable water. If they cannot depend on the local suppliers their enterprises are at risk. Homeowners, as ratepayers, are likely to see increases in their water bills due to increased costs of purchased water by the wholesalers and retailers.

Severe drought, causing major reductions in river flow, has an adverse effect on hydroelectric plants resulting in shortages of power to the grid. Developing an alternative source of water (desalination) reduces the reliance on this supply for consumption, thus making more available for power generation.

... experts predict an eventual shortage of water would result in a moratorium on development.

Drinking Water Obtained from the Sea

South Orange County imports 90% of its drinking water, with most of it currently coming from the Colorado River. The allotment of water from the river is at serious risk and will likely be significantly reduced. In recent years, not enough precipitation has fallen to meet Orange County's drinkable water needs, and there is no way to make it rain or snow.

Seawater can be made into fresh potable water in a process called desalination, one of the solutions being considered to resolve this looming crisis. However, the Grand Jury determined that desalination is not being implemented fast enough. Although ocean desalination currently requires an initial capital investment and high operating costs and raises environmental challenges, critics acknowledge it would make a significant contribution to Orange County's water portfolio.¹²

Desalination is being used increasingly around the world to provide people with needed freshwater.¹³ According to the International Desalination Association, more than 300 million people around the globe receive their water from desalination plants.¹⁴

Multiple desalination plants are under consideration in California, with only a few in operation. The Carlsbad Desalination Plant, near San Diego, provides approximately ten percent of the freshwater used in the region, and Santa Barbara is currently

upgrading an older plant. Recently, two new seawater plants have received approval to begin construction: one on the Monterey Peninsula, and the Doheny Plant in Dana Point. Orange County must consider the benefits of a high-capacity facility as a means towards self-sufficiency.

Current challenges to desalination include planning, construction costs, impact on marine life from saltwater intake, high energy demands, operating complexities, difficulty of cycling plants on and off, and disposal of concentrated salt brine.

Desalination challenges are mitigated by creating economies of scale with high volume production and careful planning, selecting suitable locations, and technological improvements. For example, the Carlsbad plant produces 50 million gallons per day or more than 56,000 acre feet (AF) per year. The plant started operation in 2015 and reports that it produces water for ½ cent per gallon, or \$1600 per AF, in large part due to its high volume.¹⁵ For comparison, the MWDOC published rate as of January 1, 2023, is \$1,209 per acre foot.¹⁶ If Orange County were to establish a similar facility, it would offset the need for imported water and allow imported water to be redirected to other Southern California communities relying on importation, such as Inland Empire.

The length of time to plan, obtain permits, and construct a desalination plant can take decades. A proposed plant at Huntington Beach was in planning and permitting for over twenty years and ultimately was not approved. South Coast Water District began the initial steps for the Doheny Plant at Dana Point in 2016 and it is expected to be in operation by 2028.

Unless the State of California initiates methods for expediting the planning and approval processes, it can take at least as long as these two projects for any new ocean desalination plants. The State has shown it can accelerate the approval process as evidenced by the approval of SoFi Stadium¹⁷ in record time by enacting legislation that expedited the permit and environmental requirements without compromise.

It is well known that desalination has an impact on the environment, and we are fortunate to live in a state where protecting the environment is important. Engineers and water experts are researching how to integrate more renewable energy into the next generation of plants. The environmental impacts and costs of desalination should be compared against the full environmental impacts and costs of importing water from 700 miles away, not just wholesale rate costs as is usually done.

Orange County cannot continue to rely on imported water, nor can it ignore the fact that there is an immediate need to take advantage of the ocean as a drought-resistant source of water. According to the Grand Jury's research and interviews, the environmental concerns, surrounding intake and outflow of saltwater, and high electricity demand are being met as evidenced by the Doheny approval, therefore allowing desalination plants to operate. Orange County should embrace desalination as a major part of an overall local plan, not just a last resort.

COMMENDATIONS

South Coast Water District is to be commended for its strategic foresight. The District has recently gained approval for the Doheny Ocean Desalination Project for which they initiated feasibility studies in 2008. The plant is now anticipated to be operational in 2028. The Doheny Ocean Desalination Project is a new, reliable, local, and drought-proof water supply. The Doheny Ocean Desalination Project is the first desalination project in the State of California to be fully compliant with the California Ocean Plan.¹⁸

Orange County Water District successfully manages the aquifer under Central and North Orange County for the benefit of multiple water suppliers. It has also built the Groundwater Recovery System (GWRS) to treat wastewater to potable levels for supplementing the aquifer. Recently, it expanded and commissioned the GWRS. The Orange County Grand Jury commends OCWD for its work.

The water suppliers for Orange County have undertaken numerous initiatives to increase the resiliency of their water supplies. The Orange County Grand Jury commends these suppliers for their efforts and encourages them to continue pursuing expanded opportunities.

The Orange County public has significantly reduced the per-capita water usage through conservation efforts. This is important to maximizing the water supply. The Orange County Grand Jury commends the public for these efforts.

The Orange County Grand Jury commends the leadership of MWDOC and OCWD for their continued negotiations regarding merger.

The Orange County Grand Jury commends the Southern California news media for their continued efforts in reporting on the critical nature of our water supply.

FINDINGS

In accordance with California Penal Code Sections 933 and 933.05, the 2022-2023 Grand Jury requires (or, as noted, requests) responses from each agency affected by the findings presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation titled “**Historic Rain, Yet Drought Remains**,” the 2022-2023 Orange County Grand Jury has arrived at the 12 principal findings, as follows:

- F1** Future water supplies are impacted by climate change and current supplies will not meet future demands.
- F2** Climatologists predict future extended periods of low moisture with occasional wet years.
- F3** Climate change is inevitable and is exacerbated by human behavior.

- F4 South Orange County relies primarily on the importation of water.
- F5 Local water suppliers recognize that enhanced stormwater capture and storage, wastewater recycling, and infrastructure improvements will not be sufficient to address the long-term forecast of drought and its effects on supply.
- F6 There is significant water infrastructure planning, but inadequate implementation.
- F7 The review and approval process for major water capital projects is cumbersome and overly restrictive.
- F8 Failing to find solutions to water shortages will have a significant impact on the Orange County economy.
- F9 Continued development in Orange County creates additional water supply needs.
- F10 Conservation and efficient use of water is essential.
- F11 Increased outreach and public education are necessary.
- F12 Desalination has proven to be technologically and environmentally feasible and is slowly being embraced as a drought-resistant source of water.

RECOMMENDATIONS

In accordance with California Penal Code Sections 933 and 933.05, the 2022-2023 Grand Jury requires (or as noted, requests) responses from each agency affected by recommendations presented in this section. The responses are to be submitted to the Presiding Judge of the Superior Court.

Based on its investigation titled “**Historic Rain, Yet Drought Remains**,” makes the following four recommendations:

- R1 The County of Orange Board of Supervisors should take a leadership role by the end of calendar year 2023 to explore the establishment of a “Climate Resiliency District” or Joint Powers Authority to fund and expedite implementation of a drought-resistant source of water. F1, F2, F3, F4, F5, F6, F7, F8, F9, F12
- R2 Orange County water agencies should expedite the planning, development, and construction of desalination plants over the next five years to insure a sustainable and reliable drought-resistant source of water. F1, F2, F3, F4, F5, F6, F7, F8, F9, F11, F12
- R3 The County of Orange and all Orange County cities should formulate an emergency development moratorium plan in anticipation of the Colorado River water supply being constrained. The emergency moratorium plan should be developed by the end of calendar year 2023. F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12

- R4** Orange County water agencies should update their public communication strategies, by calendar year end 2023, to inform the public of lifestyle changes if additional water sources are not developed. F10, F11, F12

REQUIRED RESPONSES

Findings – 90 Day Response Required

County of Orange Board of Supervisors	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
Municipal Water District of Orange County	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
Orange County Water District	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
Irvine Ranch Water District	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
Moulton Niguel Water District	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
Santa Margarita Water District	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
South Coast Water District	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12

Recommendations – 90 Day Response Required

County of Orange Board of Supervisors	R1, R3
Municipal Water District of Orange County	R2, R4
Orange County Water District	R2, R4
Irvine Ranch Water District	R2, R4
Moulton Niguel Water District	R2, R4
Santa Margarita Water District	R2, R4

Recommendations – 90 Day Response Required

South Coast Water District

R2, R4

REQUESTED RESPONSES

Findings – 90 Day Response Requested

East Orange County Water District	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
El Toro Water District	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
City of Anaheim	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
City of Santa Ana	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
City of Fullerton	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
Emerald Bay Service District	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
Golden State Water Company	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
Laguna Beach County Water District	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
Mesa Water District	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
Serrano Water District	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
Trabuco Canyon Water District	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
Yorba Linda Water District	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
City of San Juan Capistrano	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
City of San Clemente	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
City of Tustin	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
City of Fountain Valley	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12

Findings – 90 Day Response Requested

City of Westminster	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
City of La Habra	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
City of Brea	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
City of Buena Park	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
City of La Palma	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
City of Seal Beach	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
City of Huntington Beach	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
City of Garden Grove	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
City of Newport Beach	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12
Santa Ana Water Shed Project Authority	F1, F2, F3, F5, F6, F7, F8, F9, F10, F11, F12
Metropolitan Water District of Southern California	F1, F2, F3, F4, F5, F6, F7, F8, F9, F10, F11, F12

Recommendations – 90 Day Response Requested

East Orange County Water District	R2, R3, R4
El Toro Water District	R2, R3, R4
City of Anaheim	R2, R3, R4
City of Santa Ana	R2, R3, R4
City of Fullerton	R2, R3, R4

Recommendations – 90 Day Response Requested

Emerald Bay Service District	R2, R3, R4
Golden State Water Company	R2, R4
Laguna Beach County Water District	R2, R3, R4
Mesa Water District	R2, R3, R4
Serrano Water District	R2, R3, R4
Trabuco Canyon Water District	R2, R3, R4
Yorba Linda Water District	R2, R3, R4
City of San Juan Capistrano	R2, R3, R4
City of San Clemente	R2, R3, R4
City of Tustin	R2, R3, R4
City of Fountain Valley	R2, R3, R4
City of Westminster	R2, R3, R4
City of La Habra	R2, R3, R4
City of Brea	R2, R3, R4
City of Buena Park	R2, R3, R4
City of La Palma	R2, R3, R4
City of Seal Beach	R2, R3, R4
City of Huntington Beach	R2, R3, R4
City of Garden Grove	R2, R3, R4
City of Newport Beach	R2, R3, R4
Santa Ana Water Shed Project Authority	R2, R3

Recommendations – 90 Day Response Requested

Metropolitan Water District of R2, R3, R4
Southern California

GLOSSARY

Acre-feet

The unit of volume typically used to describe the quantity of water stored in large reservoirs and aquifers and delivered through large conveyance systems for irrigation use and for treating for public use. An acre-foot is one surface acre that is one foot deep and is equal to 325,851 gallons.

Aquifer

An underground layer or body of permeable rock, sediment, or soil that can store and yields water. Orange County has a large aquifer underlying North and Central County.

California State Water Project (CSWP)

A multi-purpose water storage and delivery system that extends more than 705 miles and includes a collection of canals, pipelines, and reservoirs to deliver water to 27 million Californians, 750,000 acres of farmland, and businesses throughout the state.

Conjunctive Use

Using surface water in wet years and storing as groundwater for use in dry years. Surface water is injected directly into aquifers and wells to be used as needed as part of groundwater banking or is stocked in ponds or basins and then allowed to percolate naturally into aquifers.

Desalination

The process of removing salt from brackish water or seawater. For the purposes of this report, desalination is used primarily in terms of sea or ocean water.

Direct Potable Water Reuse

The process by which recycled wastewater is treated to a high degree suitable for potable use and placed directly into potable distribution systems. California has recently created regulations for direct potable water reuse.

Drought

A prolonged period of low or no rainfall that causes water scarcity and affects ecosystems, agriculture, and human health.

Gray Water

Wastewater from bathtubs, shower drains, sinks, washing machines and dishwashers; however, some plumbing codes exclude water from sink and dishwasher as being classified as gray water.

Ground Water Recovery System (GWRS)

Operated by Orange County Water District, the system takes highly treated wastewater that would have previously been discharged into the Pacific Ocean and purifies it to potable standards.

Potable Water Reuse Indirect

Treatment of water such as recycled wastewater, to a high degree suitable for potable purposes and uses an environmental buffer, such as a lake, river, or a groundwater aquifer, before the water is treated again and utilized as potable water. This process is used by Orange County Water District at GWRS to treat water and replenish the aquifer under North and Central Orange County.

Recycled Water

Water reuse (also commonly known as water recycling or water reclamation) reclaims water from a variety of sources then treats and reuses it for beneficial purposes such as agriculture and irrigation, potable water supplies, groundwater replenishment, industrial processes, and environmental restoration. For the purposes of this report, recycled water comes primarily from highly treated wastewater.

Reverse Osmosis

A process of producing pure water by forcing it through a semipermeable membrane that only allows water to pass. It is the primary method for large scale desalination and is also used as one of the final treatment steps for producing potable water from wastewater.

Sustainability

The long-term viability of a community or practice.

Urban Runoff

As commonly referred to in Orange County, surface runoff during dry weather of landscape irrigation, and car washing created by urbanization. It can also refer to the stormwater runoff over impervious surfaces (roads, parking lots and sidewalks). The concern with urban runoff is possible contamination of surface and groundwater.

Water Banking

The practice of forgoing water deliveries during certain periods, and “banking” either the right to use the water in the future or saving it for someone else to use in exchange for a fee or delivery in kind. Typically, in Southern California, it is stored in aquifers.

Water Source

As used in this report, a water source is defined as the ocean or precipitation.

Water Suppliers

As used in this report, water suppliers include water districts and cities that provide water to the public.

Water Supply

As used in this report, water supply includes water derived from a water source and that is stored, conveyed, and utilized by the public.

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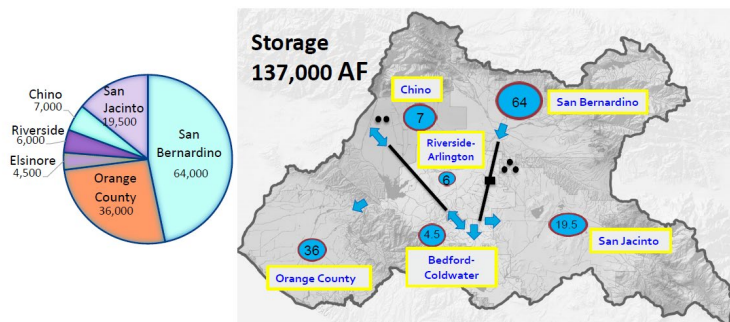
APPENDIX A: ACTIONS BY LOCAL AGENCIES TO SECURE SUPPLY

Water Banking:

Water banking may help with droughts but is only a part of the solution and it has yet to prove itself.

Water banking is being pursued Metropolitan Water District and various water suppliers. Simply put, water banking is a voluntary, market-based tool that could facilitate water transactions between willing sellers and buyers. Water right owners, who are willing to free up some of their water in a particularly dry year or years, would temporarily lease it to those who simply cannot afford to be without water. Water banking also takes water during periods when it is available and stores it. Banking water during wet years provides water districts with a cushion of protection during droughts. It also conserves any unused water, rather than letting it run out to the sea or be lost to evaporation. The storage is usually done in aquifers and generally not within the individual agencies area. The water banking agreements can be complex and depend upon broad cooperation among various agencies for delivery and storage.

SARCCUP Water Bank Storage

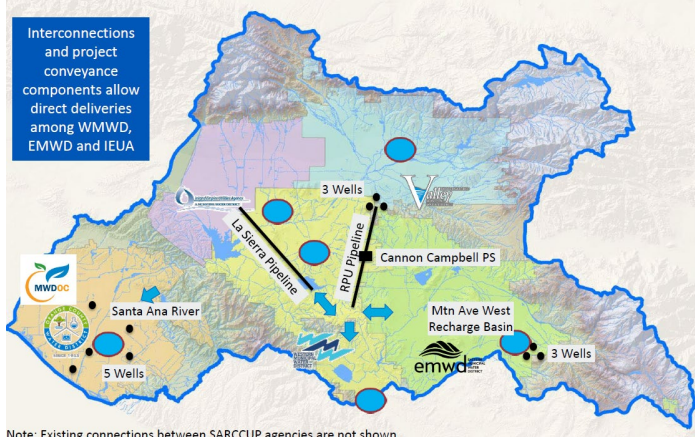


Conjunctive use is a catchphrase for coordinated use of surface water and groundwater. The state considers water banking a “conjunctive use” and encourages such uses.¹⁹

On a statewide level, California has 517 groundwater basins.

Stanford’s Water in the West institute estimates that the capacity of underground water storage in California is at least 20 times greater than that of the state’s reservoirs and lakes. However, the means to store surplus water and return it in dry years is lacking. The Sustainable Groundwater Management Act of 2014 has created the opportunity to expand recharge basins and banking particularly in agricultural areas but to date, action is lagging.

SARCCUP Facilities



The largest water banking project underway that affects Orange County is the Santa Ana River Conservation and Conjunctive Use Program (SARCCUP). It is a regional program that involves several agencies in Orange County, Riverside County, and San Bernardino County. While a logical program to undertake, there are technical and distribution issues that must be worked out and these items may

take several years.

A more controversial banking program is the Cadiz project. The Cadiz Water Project is a water supply project to manage the groundwater basin underlying a portion of the Cadiz and Fenner Valleys in California's Mojave Desert. At least one water agency in Orange County has considered this program as a potential source of water to meet their needs. The program has been promoted since 1997 and has yet to move forward. There are several environmental concerns with the program and concerns about transferring water between basins, particularly one under a desert. The Cadiz project currently is not viable supply of water.



There are criticisms of water banking and its effect on local communities. A Georgetown Environmental Law Review article in March 2022 stated, "While advocates of water banking believe its market-based approach will efficiently allow a reduction of use of water, especially during droughts, opponents may cite some examples of how letting the market take over may be detrimental to local communities." Such concerns are valid and need to be considered prior to relying on water banking as the only solution to ensure water supply during times of drought.

Purchase of water rights

Temporary transfers of water from one water user to another have been used increasingly as a way of meeting statewide water demands, particularly in drought years. This has been done through the purchase of water rights. There are numerous articles concerning the possible negative effects of this practice, including the effects on less wealthy communities and agricultural. Due to these concerns, this practice should be limited. Farms in western Arizona are growing alfalfa – one of the most water-

intensive crops – in an area where there's a shortage of water. Some farms are foreign-owned and are shipping the crop to Saudi Arabia, where it's illegal to grow because it takes too much water.²⁰

Water sources cannot be bought or sold but the water taken from a lake, river, stream, or creek, or from underground supplies for a beneficial use, requires you have a water right.²¹ The right to use that water can be conveyed on a temporary basis. Temporary transfers of water from one water user to another have been used increasingly as a way of meeting water demands, particularly in drought years.

During interviews, the Grand Jury found the purchase of water rights to be widespread. Agencies stated the cost of acquiring water rights is significantly less than developing new sources. The practice includes asking agricultural users to allow their land to lay fallow.

There are numerous articles about making the agriculture industry more efficient. These effects, if they occur, will take time and be costly. Taking water from a major industry to satisfy urban demands is inherently wrong and will not solve the problem of extended drought.

Recycling Water

Recycled water offers Orange County a way to reduce water requirements but is limited by the amount of wastewater that can be recycled which in turn is dependent upon available water supply. It is an important piece of Orange County water resiliency but not a solution itself.

Recycled water is wastewater that has been treated to a level acceptable for landscaping and certain other industrial uses. The regulations regarding the use and stand for treatment of recycled water are referred to as Title 22.²² Orange County has been a leader in recycling of water through Orange County Water District and Irvine Ranch Water District.²³ Irvine Ranch Water District reports that 25% of the water it supplies is recycled. Recycled water replaces the need for using potable water.

Currently, various water districts are expanding their recycling systems by constructing additional reservoirs and distribution systems. The cities and water districts in Orange County have also been active in sponsoring legislation that supports recycling of water.

South Orange County Wastewater Authority (SOCWA) treats and distributes for reuse roughly six billion gallons of water every year.²⁴ However, not all SOCWA treatment plants are recycling as much as feasible, most notably the JB Latham Treatment Plant does not recycle any treated wastewater. During the interviews, different agencies noted there are jurisdictional friction that is being worked on to increase recycling and potentially water reuse in South Orange County. The Grand Jury strongly encourages cooperation or mergers that would increase recycling in South Orange County.

In summary, water recycling is an important part of Orange County's water supply and needs to be utilized to the maximum extent. However, it will not resolve water resiliency issues by itself and it relies on existing sources of water.

Reuse of Water for Potable Purposes

Reusing wastewater for potable purposes is an important part of North Orange County's water portfolio. Orange County Water District produces 130 million gallons of indirect reuse water per day. However, the amount reused water is dependent upon the diminishing supplies within Orange County.

Water reuse is used to enhance water security, sustainability, and resilience. The process of using treated wastewater for drinking water is called potable water reuse. Potable water reuse provides another option for expanding a region's water supply portfolio.

There are two types of potable water reuse:

- Indirect potable reuse: Uses an environmental buffer, such as a lake, river, or a groundwater aquifer, before the water is treated at a drinking water treatment plant.
- Direct potable reuse: Involves the treatment and distribution of water without an environmental buffer.²⁵

Orange County Water District has been providing indirect potable reuse. In the mid-1990s, OCWD began the planning and construction that created the Groundwater Replenishment System to produce indirect potable water. The process built upon an earlier process to produce water to prevent groundwater intrusion. The process took over ten years to implement and the system is working well. However, it should be noted as being limited because it relies upon a declining supply and it is a lengthy process.

Interviewees have noted that OCWD is considering direct potable reuse. The State of California is currently enacting regulations to enable direct potable reuse. One of the advantages of direct potable reuse is the elimination of the loss due to evaporation at the percolation ponds and the efficiency of direct use.

In summary, water reuse is a vital part of the portfolio of water for Orange County to insure water resiliency. Water reuse should also be expanded to the practical extent possible. The time to complete such projects is lengthy and needs to be started immediately. However, reuse is only part of the water needed by Orange County and the source problem needs to be addressed.

Aquifer Management

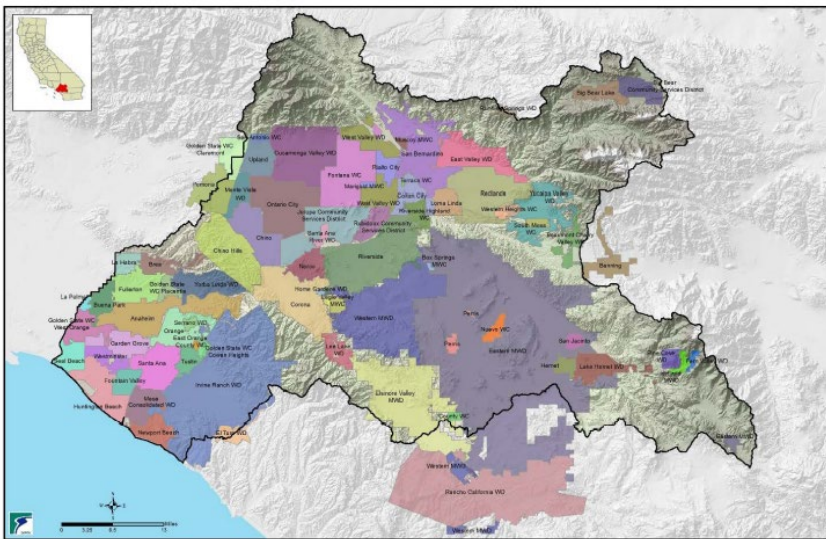
Managing the aquifer underneath North Orange County created a highly resilient source of water, but it is challenged by the climate change. The main and supplemental supplies of water are diminishing with less precipitation. The use of the aquifer for wet

weather storage has not met its potential due to challenges in trapping rainwater and runoff. The aquifer has not been made a regular source of water for all of Orange County which could ease South Orange County's supply problems.

The aquifer supplies approximately 72% of the water for North and Central Orange County. The aquifer is primarily supplied by runoff in the Santa Ana River and supplemented with water from the OCWD's Groundwater replenishment project and water purchased through MWDOT and MET.

OCWD has done well managing the aquifer for North and Central Orange County with existing flows. It has also taken steps to increase the supply of water by working with the Corps of Engineers to better manage the flow of water in the Prado Reservoir, expanding the groundwater replenishment system, and participating in the Santa Ana River Conservation and Conjunctive Use Program.²⁶ All of these steps reinforce the ability of the basin to supply water but do not in themselves assure an increased supply of water.

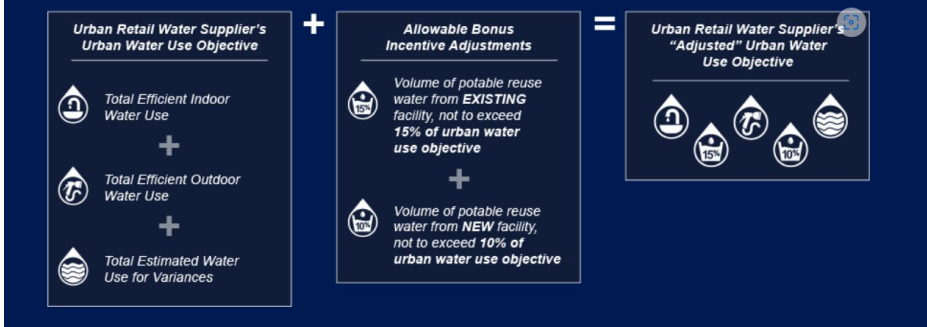
South Orange County can only receive water during times of emergencies but does not have regular access to the water. Interviewees noted there was a lack of ability to move water to South Orange County. Because South Orange County is almost 100% dependent upon water imported from MET, this is highly problematic during drought.



The Santa Ana River water basin covers San Bernardino and Riverside Counties as well as Orange County. The Santa Ana Watershed Project Authority (SAWPA) works to maintain the water quality in the Santa Ana River and is actively working on drought responses. According to its web site, "SAWPA's work in the Santa Ana River

Watershed advances projects and programs that build water resiliency and promote collaborative, innovative responses to water planning, all of which help address drought conditions."²⁷ SAWPA also prepared a water shed management plan.²⁸

Urban Water Use Objective Formula (Simplified)



Weather modification and promoting water efficiency are the primary drought responses of SAWP. Through weather modification (cloud seeding) it hopes to achieve 5% more precipitation in specific types of storms.

The water efficiency approach is to help implement water use efficiency programs and conservation-based rate structures.²⁹ We were provided with no specifics regarding what percentage can be saved, but through interviews the Grand Jury learned that the savings are between 15% to 30%.

None of the initiatives by SAWPA are likely to have an impact on water supplies during prolonged California drought. Interviewees consistently stated that we cannot conserve our way out of a drought.

Adding to the concern about the Santa Ana River ground water supply basin is the Inland Empire's future demands on the water. Development is rapidly taking place and surface water sources and water agencies are recycling water to greater degrees rather than discharging treated wastewater to the Santa Ana River.³⁰ The Inland Empire communities are largely dependent upon Metropolitan Water District supplies which are subject to drought.

Orange County Water District only has rights to withdrawing an adjudicated amount of 34,000-acre feet of water from the Santa Ana River. This is approximately half of the 70,000-acre feet typically used to manage the aquifer levels. OCWD typically purchases 30% of the water added to the aquifer from MWDOC. The water MWDOC supplies comes from Metropolitan Water District (MET). During late 2022, MET reduced the water from Northern California Sources to 5% of previous amounts. The water MET receives from the Colorado River is endangered as discussed elsewhere.

In summary, the Central and North Orange County aquifer has limits on its ability to supply water to Orange County. These include dependencies on water from Metropolitan Water District, which has had problems supplying water, and a potentially dwindling supply of water from the Santa Ana River. The aquifer is not a supply of water for South Orange County. The aquifer limitations reinforce the need for Orange County to provide for a more drought-resistant supply of water.

Utilization of other supplies

Besides the North/Central Orange County aquifer and those obtained from Metropolitan Water District, there are other insignificant supplies of water. These include surface water captured in Irvine Lake and the San Juan Creek Groundwater Basin in South Orange County. Neither of these are significant supplies of water.

Water Efficiency to Increase Supply

Orange County Water Districts have found they can reduce the immediate need for increasing water supplies by more efficient use of water. This certainly stretches the water supplies, but it is limited in its ability. Future water needs will require more than just efficient water use.

During the recent drought from 2011 to late 2022, Orange County Water Suppliers reduced the per-capita water use significantly by more efficient water use and conservation. This has allowed development to continue to occur even as the water supply was reduced.

Irvine Ranch Water District (IRWD) customers reduced their water use from 89 gallons per capita in 2007 to 67 gallons per capita in 2021.³¹ The area served by IRWD is a newer area where much of the landscaping is irrigated by recycled water and is drought tolerant. The IRWD also has extensive use of water saving plumbing in homes. Older areas of Orange County have also reduced per-capita water use. North and Central Orange County reduced water use from 330 acre-feet in water year 1999-2000 to 230 acre-feet in water year 2022-2023³² while the population grew slightly.³³

Water efficiency savings have been achieved by adopting water saving devices, changes in landscape practices, greater recycling of water, tiered water rates (higher users, higher rates) and the public's participation. Water suppliers have worked with users to identify the need for greater efficiency by promoting these changes. The State of California also mandated a 20 percent reduction in urban per-capita water use by 2020 in the Water Conservation Act of 2009.

The change to efficient use of water will need to become the future standard as water supplies diminish and as housing development increases. However, it is not reasonable to expect greater efficiency to make up for the reduction in supply caused by climate change. Several of the interviewees and many of the reference documents the Grand Jury reviewed stated Orange County cannot conserve its way out of a drought.

Besides the significant reduction in per-capita water use, greater savings may be made by more drastic changes in lifestyle. None of the information supplied by water suppliers and reviewed by the Grand Jury addressed these changes. As an example of lifestyle changes, areas such as Phoenix and Las Vegas have either adopted or are in the process of adopting drastic restrictions on landscape water use as a long-term

climate mitigation. Among these restrictions is a moratorium on development by restricting new water connections.³⁴

Continue efficient water use is needed for the future. Orange County has made significant changes in per-capita water use by being efficient, but any additional savings will only come through changes to lifestyle. This needs to be made clear to residents if additional efficiency is to be achieved, but even additional efficiency will not mitigate the effects of climate on Orange County's current water supply. Ocean desalination is recommended as the ultimate answer to an untapped source of water and can secure Orange County's future.

APPENDIX B: graphics of interest

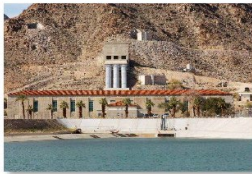
Metropolitan Water District of Southern California, Municipal Water District Orange County and Orange County Water District Information Sheets

COLORADO RIVER AQUEDUCT (CRA)



242 MILES LONG

The Colorado River is an essential water supply for Orange County.



The CRA transports water 242 miles west from Lake Havasu on the California/Arizona border to Lake Mathews in Riverside County.



Owned and operated by MWD, the CRA began delivering water to southern California in 1941 and was the largest public works project in southern California during the Great Depression.

Five pumping plants push water through the aqueduct and up over 1,617 feet of mountainous terrain.

DIAMOND VALLEY LAKE (DVL)

6 MONTHS OF EMERGENCY SUPPLY

Located in Riverside County, near Hemet, DVL is Southern California's largest drinking water reservoir. DVL nearly doubles Southern California's surface storage and provides six months of emergency water supplies for the region, protecting it against water shortages caused by drought and earthquakes.

DVL measures 4.5 miles long and over 2 miles wide, with a maximum depth of 285 feet. The lake holds up to 264 billion gallons of water and is home to one of 16 hydroelectric plants along the MWD distribution system.

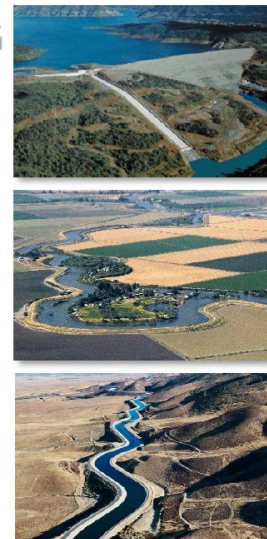


STATE WATER PROJECT (SWP)

700+ MILES LONG

The State Water Project (SWP) is a water storage and delivery system that facilitates the transfer of water from the lakes and rivers of Northern California to residential communities, agricultural districts, and businesses in the San Francisco Bay area, Central Valley, and Southern California.

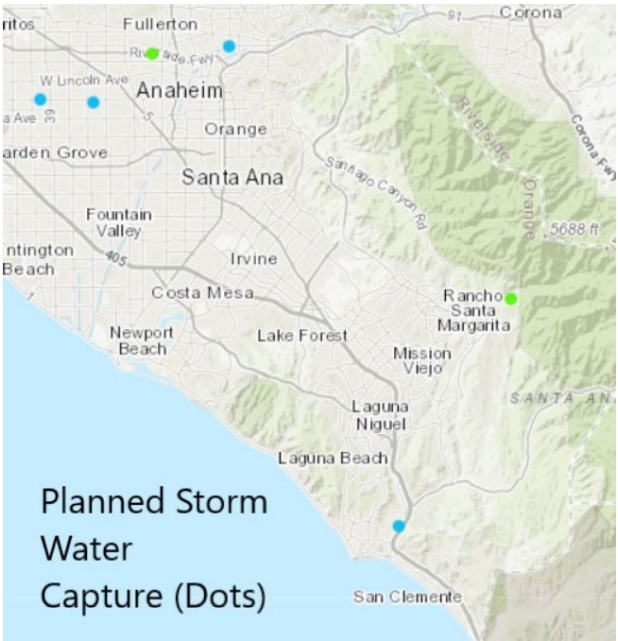
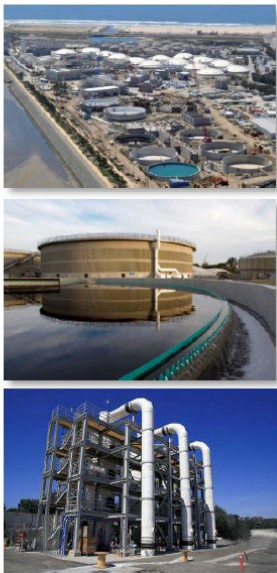
The SWP is the largest state built water delivery and power generation system in the nation, consisting of more than 30 lakes and reservoirs, over 20 water pumping plants, 5 hydroelectric power plants, several dams, and over 700 hundred miles of canals and pipelines.



WATER RECLAMATION

Wastewater has become an important source of water for California. Wastewater is processed at a water reclamation facility to remove solids and impurities, increasing the quality of water. The water, now clean, can be used for a variety of applications.

Reclaimed water is used for irrigation, toilet flushing, industrial purposes, and groundwater replenishment.



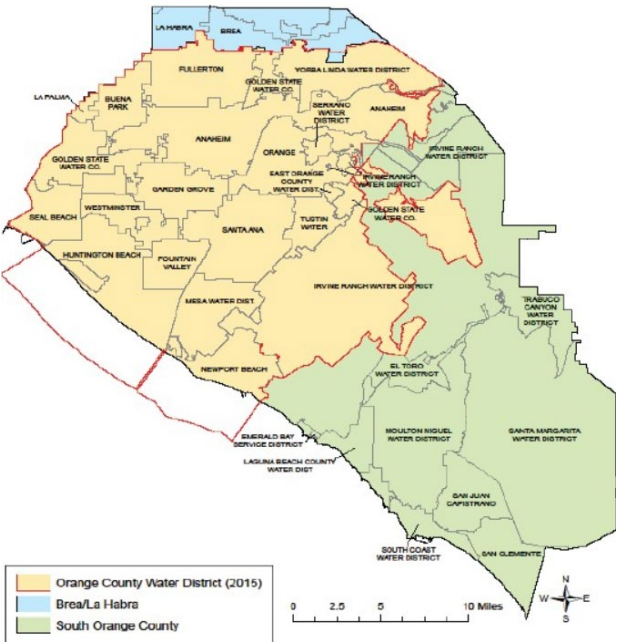
DIEMER WATER TREATMENT PLANT

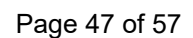


The Robert B. Diemer Treatment Plant (Diemer) is located in Yorba Linda. The plant's hilltop location is well suited for gravity-flow distribution of water to homes and businesses throughout Los Angeles and Orange counties. Most water brought to Diemer for treatment comes from the Colorado River via the 242-mile long Colorado River Aqueduct. To a lesser degree, the plant also receives water from Northern California through the State Water Project.

Diemer delivers up to **520 MILLION GALLONS** of clean drinking water a day to Orange and Los Angeles counties.

Three Study Regions in Orange County
Based on Mix of Local and Imported Water Sources





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NOTICE

Reports issued by the Grand Jury do not identify individuals interviewed. Penal Code section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Grand Jury.

ENDNOTES

¹ The Groundwater Replenishment System - Providing Water for The Future. 2003-2004; Water Budgets, Not Water Rationing 2007-2008; “Paper Water” — Does Orange County Have A Reliable Future? 2008-2009; Orange County Water Sustainability: Who Cares? 2012-2013; Sustainable and Reliable Orange County Water Supply: Another Endangered Species? 2013-2014; Increasing Water Recycling: A Win-Win for Orange County 2014-2015

² Metropolitan Water District Web Site See Metropolitan Water District Web Site MWD | Homepage (mwdh2o.com)

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⁴ California Department of Water Resources State Water Project Web Page State Water Project (ca.gov)

⁵ Washington Examiner Article “\$2.7 billion bond fund to build water reservoirs sits idle in California” dated August 16, 2021

⁶ Natural Resources Bond Accountability Web Page Proposition One (ca.gov)

⁷ California Environmental Protection Agency – Indicators of Climate Change in California – 4th Addition, California’s Water Supply Strategy – Adapting to A Hotter, Drier Future – Introduction – August 2022.

- ⁸ Newsom calls for funding for water – Bay Area News Group Article dated August 11, 2022
- ⁹ California Government Code (Beginning with Section 62300) to Title 6 of the Government Code
- ¹⁰ Water in Orange County Needs “One Voice” Orange County Grand Jury Report 2021-2022
- ¹¹ 018 OC Study Report Final Report_02-01-2019 td with apendices.pdf (mwdoc.com)
- ¹² See Treehugger Sustainability for All article dated April 15, 2021
- ¹³ United States Geological Survey Web Page on Desalination | U.S. Geological Survey (usgs.gov)
- ¹⁴ International Desalination Association web page IDA | The Global Desalination and Water Reuse Community (idadesal.org)
- ¹⁵ Claude Lewis Carlsbad Desalination Plant, “Homepage.” <https://www.carlsbaddesal.com>
- ¹⁶ Municipal Water District of Orange County webpage Water Rates and Charges | MWDOC
- ¹⁷ SoFi Stadium is a sports and entertainment destination built in Inglewood, California
- ¹⁸ Ocean Plan Requirements for Seawater Desalination Facilities by the California Water Boards – State Water Resources Control Board
- ¹⁹ Conjunctive Use - Water Education Foundation
- ²⁰ Ben Tracy, Saudi company draws unlimited Arizona ground water amid drought, CBS News
- ²¹ California State Water Control Boards Web Site – Water Rights Page
- ²² Water Recycling and Title 22 - Water Education Foundation
- ²³ 50 Years of Recycled Water (irwd.com)
- ²⁴ Recycled Water | SOCWA
- ²⁵ Potable Water Reuse and Drinking Water | US EPA
- ²⁶ Drought - Orange County Water District (ocwd.com)
- ²⁷ Drought Response - SAWPA - Santa Ana Watershed Project Authority
- ²⁸ Wic07Aone-one-watershed-plan-update.pdf (OCWD.com)
- ²⁹ Water Conservation Portal - California Statutes | California State Water Resources Control Board
- ³⁰ Recycled Water Service - Eastern Municipal Water District (emwd.org)
- ³¹ See Irvine Range Water District web site IRWDIs
- ³² See Water Advisory Committee of Orange County Water Supply Report Dated March 3, 2023
- ³³ USA Facts Orange County, CA population by year, race, & more | USAFacts
- ³⁴ Water shortages threaten development throughout the West – AZMirrow Article dated June 10, 20

GENERAL MANAGER'S REPORT

June 2023

I. OFFICE OF THE GENERAL MANAGER

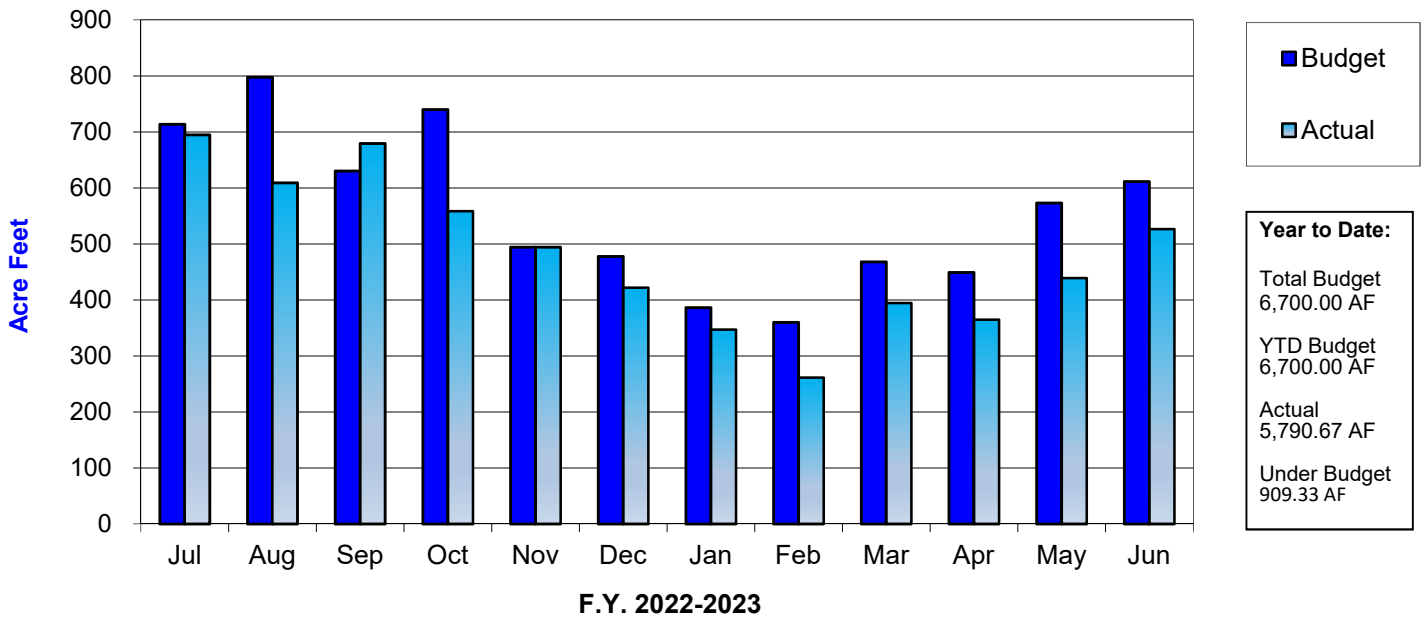
- MWDOC / OCWD Joint Planning Committee Meeting
- MWDOC Board Meeting
- MWDOC Managers Meetings
- MWDOC Policy Forum Dinner
- SOCWA Facilitated Discussion Meetings
- Meeting with Rich Shintaku – South Coast Water District
- Meeting with Dan Ferons – Santa Margarita Water District
- Meeting with Mike Dunbar – Emerald Bay Service District
- Meeting with Sarah Hodge – ACWA
- ACWA Region 10 Event
- R-6 Cover & Liner Replacement Project Construction Meetings
- Meeting with Chris Dull – President of Brady
- MNWD Executive Officers Meeting
- South Orange County Agencies Group Meeting
- Meeting with ETWD President & Vice President
- ETWD Agenda Review Meeting
- ETWD All Employee Meeting
- ETWD Community Informational Meetings
- ETWD Regular Engineering & Finance Committee Meetings
- ETWD Regular Board Meeting

II. DOMESTIC AND RECYCLED WATER SALES

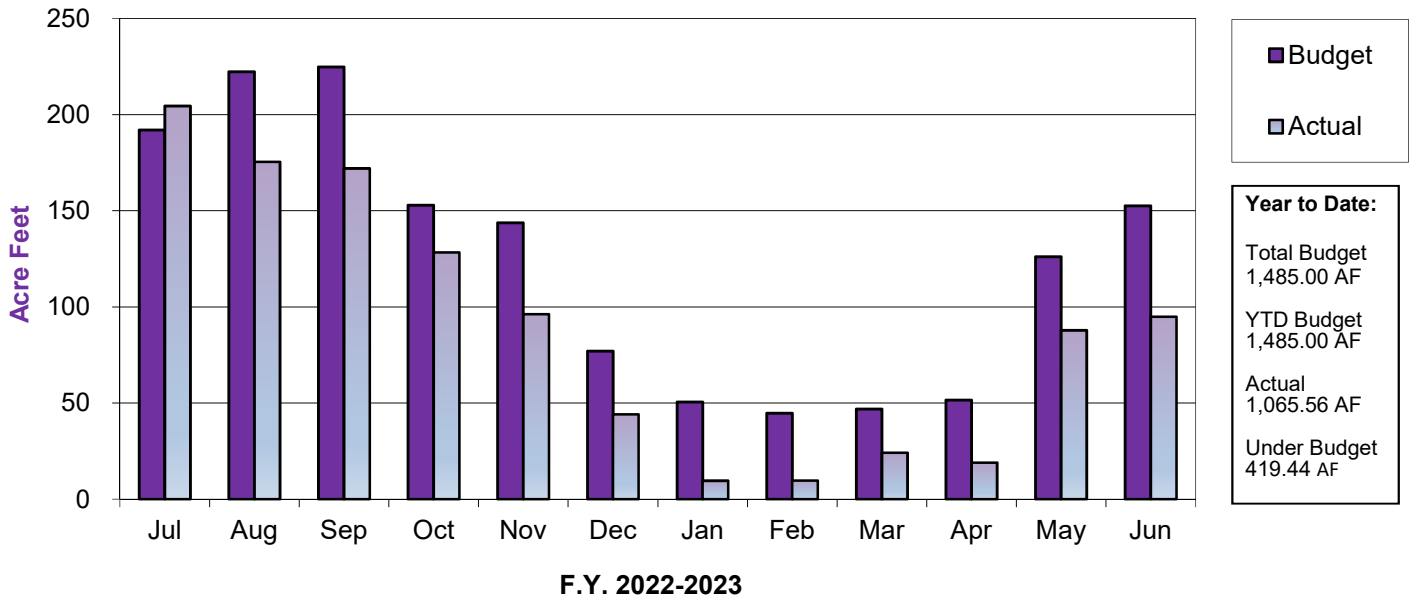
Actual domestic sales for the year-to-date as of June 30, 2023 are 5,790.67 acre-feet. This compares to year-to-date budgeted domestic sales of 6,700 acre-feet. The year-to-date variation in actual to budgeted sales reflects a decrease of 909.33 acre-feet. Actual sales are 995.47 acre-feet lower than last year-to-date actual sales for the same period.

Actual recycled sales for the year-to-date as of June 30, 2023 are 1,065.56 acre-feet. This compares to year-to-date budgeted recycled sales of 1,485 acre-feet. The year-to-date variation in actual to budgeted sales reflects a decrease of 419.44 acre-feet. Actual sales are 566.42 acre-feet lower than last year-to-date actual sales for the same period.

POTABLE WATER SALES



RECYCLED WATER SALES



Customer Service Activity Report

Regular Service Calls	JUNE 2023	JUNE 2022	Telephone Calls	JUNE 2023	JUNE 2022
Serviceman Dispatched to Read, Connect/Disconnect Service	86	93	Change of Service: Connections and Disconnections	80	89
Field Investigations:			Billing / Payments & Graph Inquires	165	211
Check for leaks - calls to CS Office:(irrigation,meter,street leaks)			Assistance with online payments and ETWD's portal (cc, e-checks, other.)	33	10
Customer Responsible	15	22	Variance / Adjustment Inquiries	4	24
District Responsible	11	7	Variance / Adjustment Requests		
None found/other	18	13	Processed	7	4
High Reads Checked - High Consumption (Billing Dept.)	47	11	Ordinance Infraction / Water Waste Complaints	0	3
Cust Leaks: 11 No Leaks: 36					
Check Stopped Slowed Meters-Low Consumption (Billing)	32	2	Outside Utility Districts	59	67
Re-Check Read	6	9	Phone calls Transfer to other Departments within ETWD	63	58
Ordinance Infraction	1	7	Phone calls for the Board of Directors	0	0
Recycled Water	0	0	Recycled Water	0	2
Water Quality: Taste / Odor / Color	2	3	Water Quality Taste - Odor - Color	0	4
Phone response: _2_ Field response: _1_			Leaks / Breaks	17	14
Construction (Hydrant) Meters issued	2	2	Construction Meter calls (Hydrant)	3	3
Sewer - Odor/Stoppage/ Manhole Covers	1	5	Sewer Problems (odor / spills)	1	5
Meter Box: Lids / Covers Replaced	20	19			
Meter Box Clean, Digout	5	1	Backflow / Cross Connection (questions or yearly testing forms)	1	3
Raised Meter Box	1	4	ETWD facilities inquiries: Boxes/Covers/Lids/Hydrants/Pump Stations/Graffiti/ "Gen. Maint"	6	14
Trim Bushes / Meter Obstruction	36	60			
General Maintenance Response	9	3	Tyco (ADT) Calls (Alarms to ETWD facilities)	0	0
Fire Hydrants: Hit / Leaks / Caps	1	0	ATT Calls (access to tower sites)	0	3
Pressure(psi) Checks / Reads	2	3	SCE Calls (access to tower sites)	0	1
CSSOV (Angle Meter/Ball Valve/Gate Valve/Globe Valve) chk,repair,replaced	10	11	Pager Calls specifically for Pump Stations - SCADA	1	0
AMS angle-meter-stop replace/repair	0	1			
Bees Removed	1	4			
Backflow / Cross Connection	3	5	Payment Extensions	31	29
Fogged Registers	4	21	Delinquent Payment Calls to Customer 's prior to shut off per billing calendar (automatic courtesy dialer)	38	27
OMCOP: Old Meter Change - Out Program	2	2	Return Calls from customers left on our voice mail system. Ext 500	12	18
Other: (uncommon non-maintenance calls)	7	11	Email Correspondence:	58	79
On-Call After Hrs. CS Response	23	18	Maintenance Service Order Requests (bees, psi, fogged-dirty registers)	4	13
# Posting Notice & 24 Hr. Door Hangers Hung	89	92	Misc. (other: employment, deliveries, sales calls)	33	24
#Shut Offs/Disconnect for Non-Payment (DNP)	15	1	Payment Processing Fee Complaints	0	0
Removed Meter	0	1	Customers Complaints non bill related.	0	0
New Meter	0	0	Billing Disputes	0	0
Unread Meters	1	12			
Total Field Investigations	450	443	Total Telephone Calls	616	705
Uncollectible Accounts:			Credit Card Payments	JUNE 2023	JUNE 2022
Budget YTD	\$20,000.00	\$20,000.00	REGULAR	1,238	\$230,224.12 1,093
Actual YTD	\$10,891.00	\$ 2,097.00			\$232,421.28

(WRP) Tertiary Treatment Plant

June-23

Total Recycled Water Production

Flow, Units	G.C. Irrigation	Main Distribution	WRP Irrigation/Utility	Total, Production
Avg. Daily Q, MGD	0.328	1.191	0.088	1.607
Total Q, MG	9.844	35.731	2.647	48.222
Total Acre Feet	30.210	109.654	8.123	147.987

Note: A total of 2,339,700 gallons of potable make-up water was used to supplement the demand for recycled water in June 2023.

On 6/23, a total of 594,000 gallons of potable water was used to supplement the demand of recycled water.

On 6/24, a total of 575,000 gallons of potable water was used to supplement the demand for recycled water.

On 6/29, a total of 720,000 gallons of potable water was used to supplement the demand for recycled water.

On 6/30, a total of 252,000 gallons of potable water was used to supplement the demand for recycled water.

On 7/1, a total of 198,700 gallons of potable make-up water was used to supplement the demand of recycled water.

Weekly Water Quality System Status

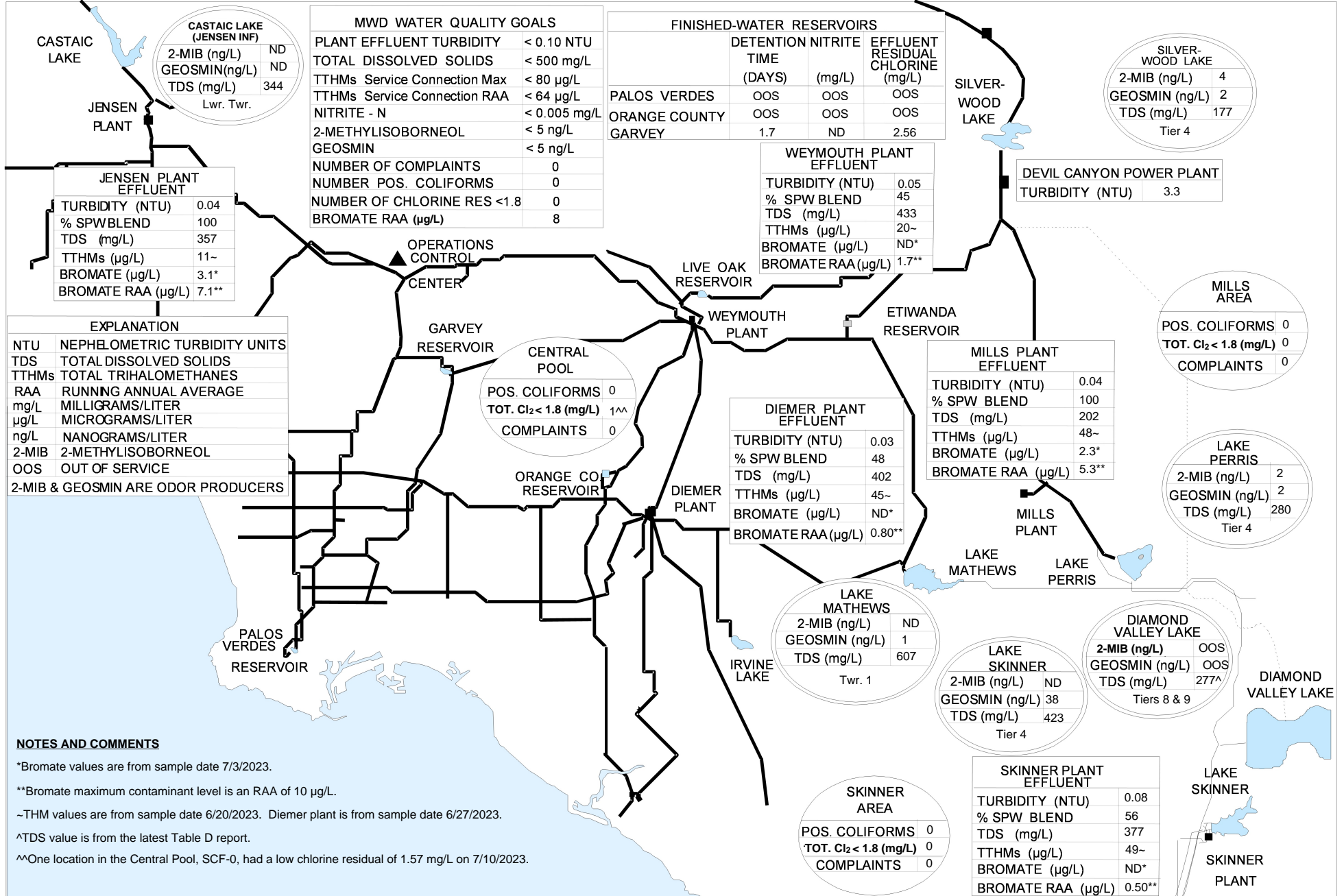
Wednesday, July 12, 2023

Generated On:7/12/2023 10:36:37 AM



THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

No violations of State or Federal regulations were recorded during the current period.



MWD water quality goals meet or exceed all State and Federal regulations.

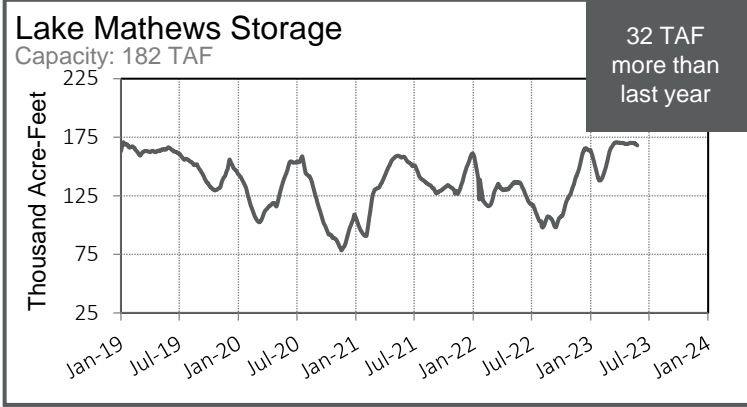
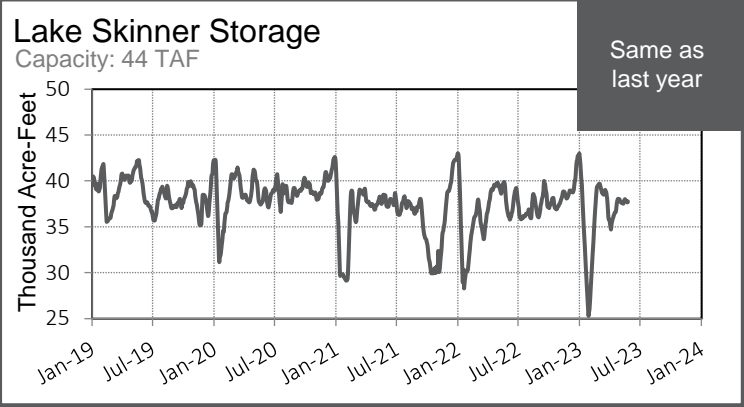
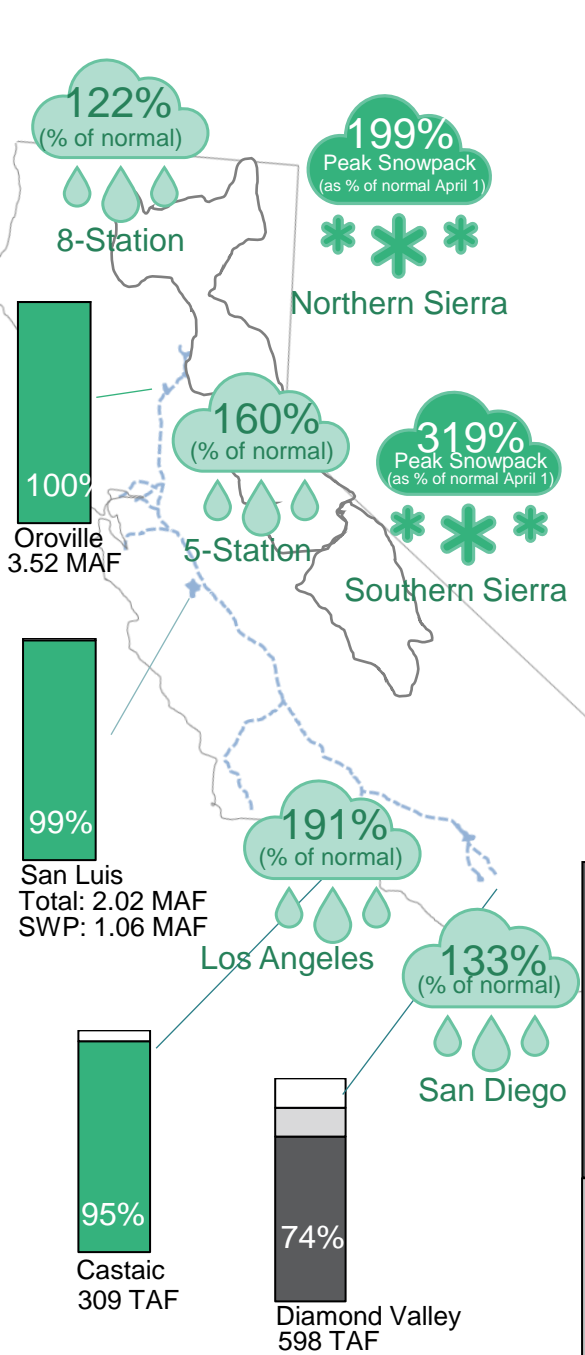
WATER QUALITY INFORMATION LINE: (800) 354-4420
VISIT MWD ON THE WEB AT <http://www.mwdh2o.com>



SWP Table A – 100% - 1,911,500 AF

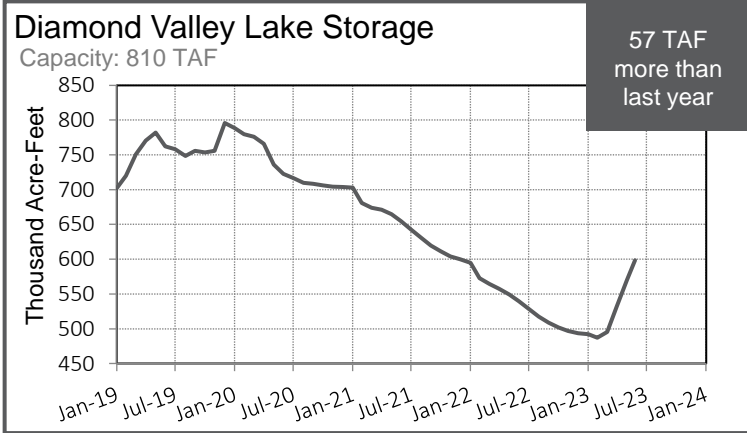
Projected CRA Diversions – 764,000 AF

Metropolitan Resources



MWD WSDM Storage
Calendar Year 2023

	2023 Put Capacity
Colorado River Aqueduct Delivery System	400 TAF
State Water Project System	621 TAF
In-Region Supplies and WSDM Actions	392 TAF
Other Programs	171 TAF
Total WSDM Storage Put Capacity	1,584 TAF



Highlights

- SWP allocation is 100% of contractual amounts (Table A)
- Lake Oroville and San Luis Reservoir are both at capacity



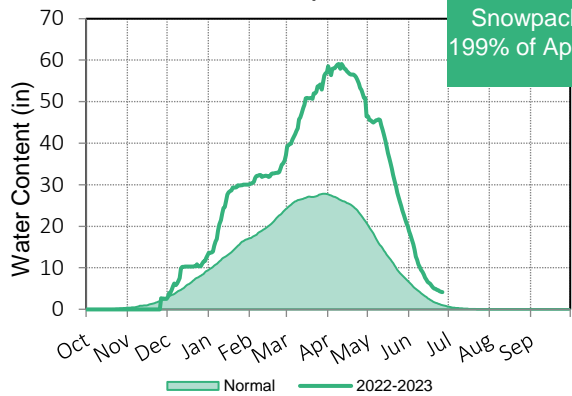
This report is produced by the Water Resource Management Group and contains information from various federal, state, and local agencies. The Metropolitan Water District of Southern California cannot guarantee the accuracy or completeness of this information. Readers should refer to the relevant state, federal, and local agencies for additional or for the most up to date water supply information. Reservoirs, lakes, aqueducts, maps, watersheds, and all other visual representations on this report are not drawn to scale. Questions? Email mferreira@mwdh2o.com

State Water Project Resources

As of: 06/25/2023

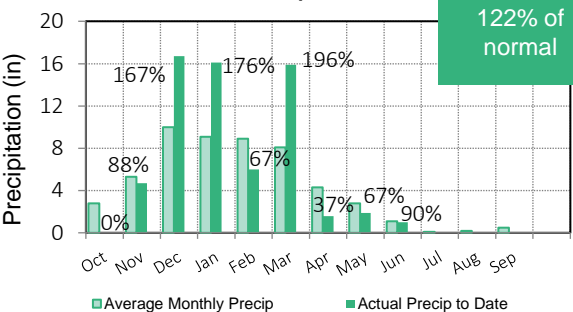
Northern Sierra Snowpack

Peak
Snowpack:
199% of April 1



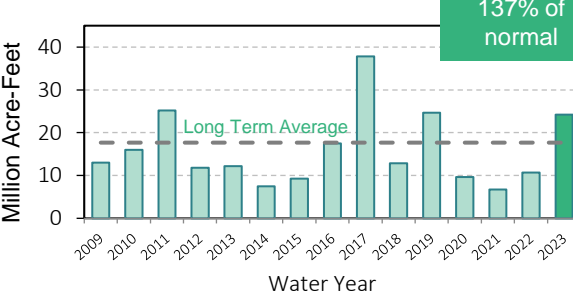
8 Station Index Precipitation

63.9 in
122% of
normal



Sacramento River Runoff

Forecast:
137% of
normal

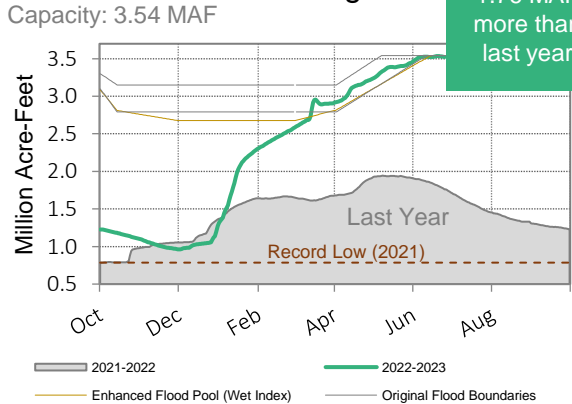


Other SWP Supplies Calendar Year 2023

Carryover 39,000 acre-feet
Article 21 134,000 acre-feet

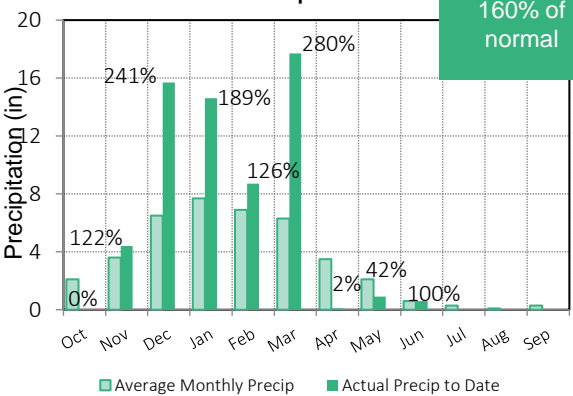
Oroville Reservoir Storage

Capacity: 3.54 MAF
1.76 MAF
more than
last year



5 Station Index Precipitation

62.7 in
160% of
normal

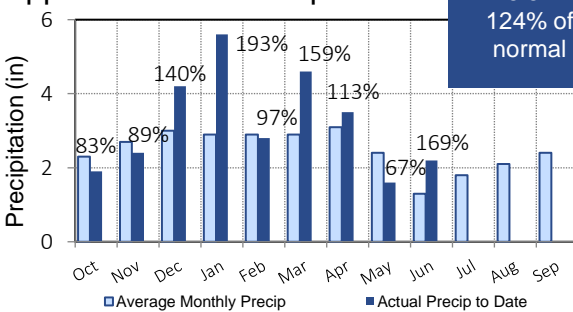


Colorado River Resources

As of: 06/25/2023

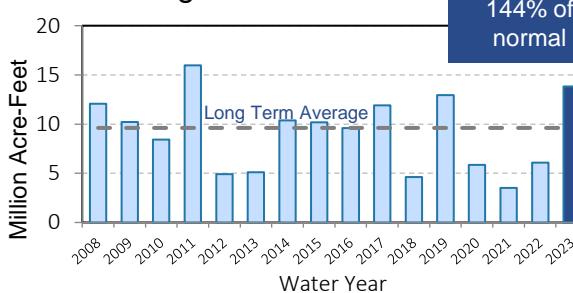
Upper Colorado Precipitation

28.8 in
124% of
normal

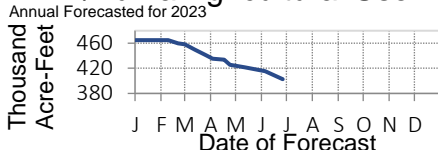


Powell Unregulated Inflow

Forecast:
144% of
normal



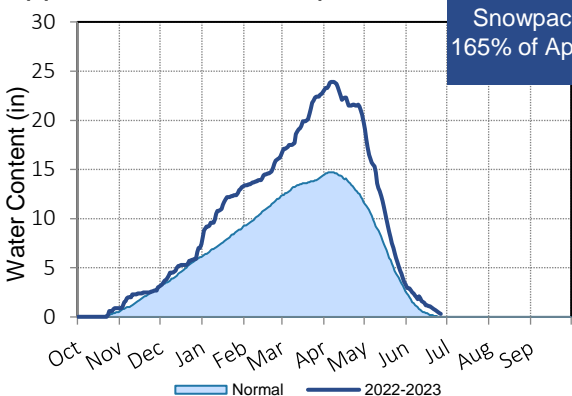
PVID/Yuma Agricultural Use



Forecasted
Use for 2023:
403 TAF

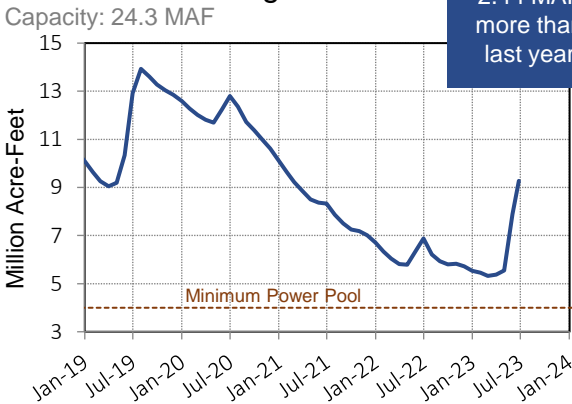
Upper Colorado Snowpack

Peak
Snowpack:
165% of April 1



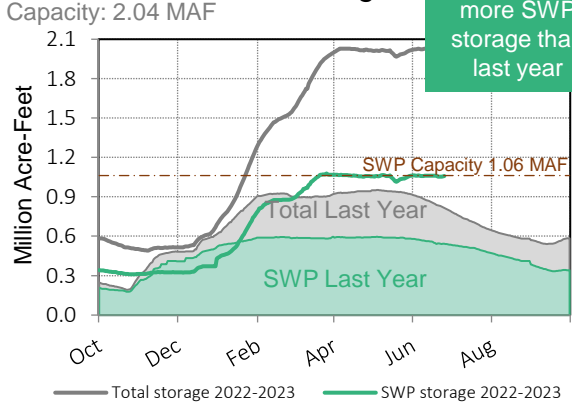
Lake Powell Storage

Capacity: 24.3 MAF
2.44 MAF
more than
last year



San Luis Reservoir Storage

Capacity: 2.04 MAF
516 TAF
more SWP
storage than
last year



Projected Lake Mead ICS

Calendar Year 2023
Put (+) / Take (-)
TBD

Lake Mead Surplus/Shortage Outlook

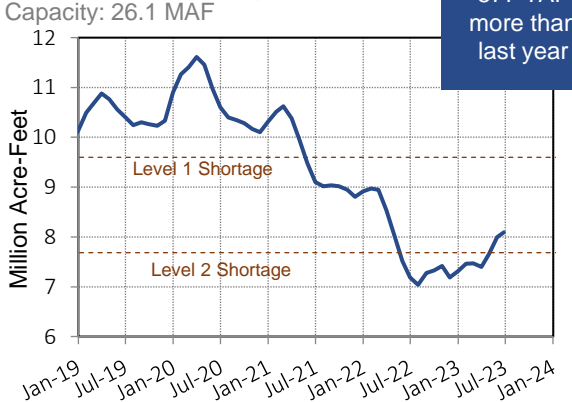
	2023	2024	2025	2026
Surplus	0%	0%	0%	0%
Shortage	100%	93%	57%	47%
Metropolitan			3%	16%
DCP*			180 TAF	252 TAF

Likelihood based on results from the April 2023 CRMS in Ensemble Model/CRSS model run. Includes DCP Contributions.

* Chance of required DCP contribution by Metropolitan. Volume is average contribution when needed.

Lake Mead Storage

Capacity: 26.1 MAF
877 TAF
more than
last year



EL TORO WATER DISTRICT COLLECTION SYSTEM ACTIVITY REPORT



MONTH ENDING: JUNE 2023

ODOR COMPLAINTS	MONTHLY	ANNUAL	LOCATION, ORIGIN, ACTION:		
Outside Laguna Woods Village	0	16			
Laguna Woods Village	0	3			
New World	0	0			
Private System	0	0			
Other: WRP	0	0			
TOTAL	0	19			
ROOT FOAMING	FOOTAGE	CHEMICAL USED	COMMENTS		
Outside Laguna Woods Village	0	0			
Laguna Woods Village	0	0			
New World	0	0			
Other	0	0			
TOTAL	0	0			
ROOT CUTTING	FOOTAGE	COMMENTS:			
Outside Laguna Woods Village	0				
Laguna Woods Village	0				
New World	0				
TOTAL	0				
HYDRO-CLEANING ¹	MONTHLY FOOTAGE	TOTAL CYCLE FOOTAGE	TOTAL CYCLE COMPLETE	PERCENT OF CYCLE COMPLETE	PERCENT OF WEEKS INTO THE 2 YEAR CYCLE
Outside Laguna Woods Village	3,009	344,431	155,777	45%	23%
Laguna Woods Village	36,666	263,336	36,666	14%	23%
New World	0	7,728	0	0%	23%
Private System	0		0		
TOTAL	39,675	615,495	192,443	31%	23%
Hot Spots	16,864		98,675		
COMBINED TOTALS:	56,539		291,118		
TV INSPECTIONS ²	MONTHLY FOOTAGE	TOTAL CYCLE	TOTAL CYCLE COMPLETE	PERCENT CYCLE COMPLETE	PERCENT OF WEEKS INTO THE 5 YEAR CYCLE
Outside Laguna Woods Village	4,518	344,431	213,674	62%	36%
Laguna Woods Village	0	263,336	3,321	1%	36%
New World	0	7,728	17,270	223%	36%
Private System	0		0		
Other	0		0		
TOTAL	4,518	615,495	234,265	38%	36%
Wet Well Cleaning	3	MATHIS WESTLINE DELTA			
Flow Meter/Sampling	0				
Water Tank Fills	57	57,000			
1. The Hydrocleaning Objective is a 2 Year Cycle to Clean the Entire System. The current cycle began on 07/01/2022					
2 The TV Inspection Objective is a 5 Year Cycle to Inspect the Entire System. The current cycle began on 01/25/2021					

**EL TORO WATER DISTRICT
MONTHLY POTABLE WATER QUALITY REPORT**

The quality and safety of drinking water in the U.S. is regulated by the federal government through the U.S. Environmental Protection agency (USEPA). In California, those standards are enforced by the California Department of Public Health (CDPH). Water Quality parameters must meet both primary and secondary water quality standards as established by the CDPH.

PRIMARY STANDARDS - are intended to protect public health against substances in the water that may be harmful to humans if consumed for long periods of time.

SECONDARY STANDARDS - are to ensure esthetic qualities of water such as taste, odor or clarity. Rather than its healthfulness, these standards govern substances that may influence consumer acceptance of water.

Given that 100% of ETWD's potable water resource is fully treated and delivered by Metropolitan Water District of southern California (MWDSC) through an enclosed and protected conveyance system, the majority of the State and federal primary and secondary source water quality monitoring requirements are performed by MWDSC. The District's physical responsibility for water quality monitoring is associated with the distribution system. To monitor the distribution system water quality the District utilizes both in house and outside lab services. Routine distribution analysis conforming to CDPH requirements is conducted for the following constituents:

- 1) **Microbiological** - The number of microbiological samples and the frequency of analysis during the month is based on the population and/or service connections served. Utilizing a population of 50,000, the CDPH requires that 20 "representative" samples be collected and analyzed for coliform bacteria. The objective is to maintain water quality that is absent of coliform bacteria which is a general indicator for the existence of fecal coliform.
- 2) **Chlorine Residual** - The chlorine residual monitoring is performed in conjunction with the microbiological monitoring. The CDPH requirement for treated surface water mandates that the distribution system maintain a "detectable" residual. The number of and frequency of sampling is determined utilizing the same formula applied to microbiological requirements. At a minimum, we are obligated to collect and analyze for chlorine residual each time we collect the representative microbiological samples. Per EPA Disinfectants & Disinfection Byproduct Rule (D/DBP), which was effective January 2002, requires quarterly reporting for all sampling.
- 3) **TTHM & HAA5 Stage 2 DBPR Compliance** The U.S. Environmental Protection Agency (EPA) published the Stage 2 Disinfectants and Disinfection Byproducts Rule (Stage 2 DBPR) on January 4, 2006. The Stage 2 DBPR builds on existing regulations by requiring water systems to meet disinfection byproduct (DBP)* maximum contaminant levels (MCLs) at each monitoring site in the distribution system to better protect public health. The Stage 2 DBP rule is intended to reduce potential cancer and reproductive and developmental health risks from disinfection byproducts (DBPs) in drinking water, which form when disinfectants are used to control microbial pathogens. This final rule strengthens public health protection for customers of systems that deliver disinfected water by requiring such systems to meet maximum contaminant levels as an average at each compliance monitoring location (instead of as a system-wide average as in previous rules) for two groups of DBPs, trihalomethanes (TTHM) and five haloacetic acids (HAA5). The rule targets systems with the greatest risk and builds incrementally on existing rules. This regulation will reduce DBP exposure and related potential health risks and provide more equitable public health protection. The Stage 2 DBPR is being released simultaneously with the Long Term 2 Enhanced Surface Water Treatment Rule to address concerns about risk tradeoffs between pathogens and DBPs.

The mandatory requirement under the Stage 2 DBP rule, known as an Initial Distribution System Evaluation (IDSE) was completed by ETWD in 2008 and a Stage 2 monitoring plan has been approved by CDPH. Full Stage 2 compliance begins in 2012. The IDSE identified the locations with high disinfection byproduct concentrations. These locations will then be used by the District as the 8 sampling sites for Stage 2 DBP rule compliance monitoring. Compliance with the maximum contaminant levels for two groups of disinfection byproducts (TTHM and HAA5) will be calculated for each monitoring location in the distribution system. This approach, referred to as the locational running annual average (LRAA), differs from current requirements, which determine compliance by calculating the running annual average of samples from all monitoring locations across the system. The Stage 2 DBP rule also requires each system to determine if they have exceeded an operational evaluation level, which is identified using their compliance monitoring results. The operational evaluation level provides an early warning of possible future MCL violations, which allows the system to take proactive steps to remain in compliance. A system that exceeds an operational evaluation level is required to review their operational practices and submit a report to the state that identifies actions that may be taken to mitigate future high DBP levels, particularly those that may jeopardize their compliance with the DBP MCLs.

- 4) **Physical Quality** - Physical Quality analysis is associated with the esthetic qualities of the finished water. Primarily, we are performing analysis for taste, odor and Turbidity (Clarity). In accordance with CDPH requirements, the District collects a minimum of 15 samples per month.
- 5) **Nitrites** - Although the chloramine disinfection process has been effective in controlling TTHM levels, it requires increased monitoring and adjustment as a result of its susceptibility to the Nitrification process. Nitrification is a biological process caused by naturally occurring ammonia oxidizing bacteria. Nitrification in chloraminated drinking water can have various adverse impacts on water quality, the most serious of which is the loss of total chlorine residual which is required by the CDPH and the subsequent potential to increase bacteria-logical activity within the finished or treated water system. MWD has developed an effective nitrification monitoring and prevention program which ETWD staff have adopted and incorporated into the District's daily water quality monitoring and action plan. The number and frequency of this type of monitoring is not currently regulated by CDPH. Staff monitor the level of nitrites in source water, reservoirs and the distribution system daily and weekly in conjunction with the microbiological and chlorine sampling program. A nitrite level of between 0.015 and 0.030 would signal an alert. > 0.030 would require action such as the addition of chlorine to produce a chloramine residual.

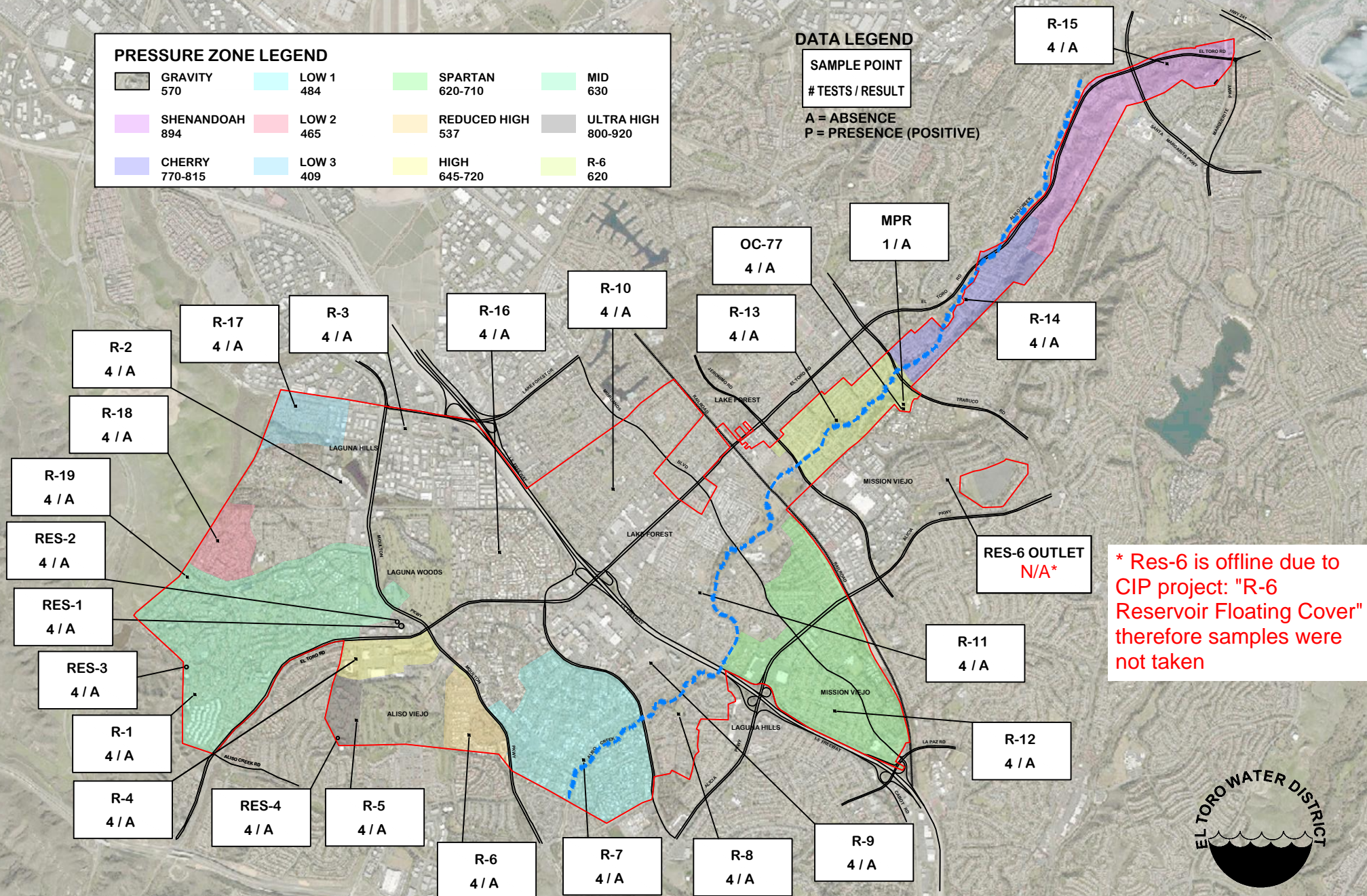
EL TORO WATER DISTRICT MONTHLY POTABLE WATER QUALITY ANALYSIS					
MONTH:		June		YEAR : 2023	
CONSTITUENT ANALYSIS		INSIDE LAB		OUTSIDE LAB	
	MCL	NO.	RESULTS	NO.	RESULTS
1 Microbiological	Pres/Absence	143	Absence		Average
2 Chlorine (ppm) In Field	Detectable Resid	140	Average = 1.46 ppm		
3 TTHM (ppb) (Stage 2)	80 ppb			8	32.05 ppm
3 HAA5 (ppb) (Stage 2)	60 ppb			8	13.09 ppm
4 Physical Quality:			RANGE		
Turbidity (ppm)	5 NTU	20	0.00 to 0.05 Res.		
Odor	3 Units	20	ND<1		
Color	15 Units	20	ND<5		
Temperature	No standard	20	68°F To 75°F		
5 Nitrite (Alert/Action level) ppm	0.015 to 0.030 ppm	126	0.001 to 0.182		

To ensure water quality compliance, the District annually performs approximately 8,750 water quality analytical evaluations of the samples collected from the distribution system.

Abbreviations:

RES	Indicates that the nitrification was isolated to a reservoir and treated
ND	None detected
Pres/Absence	Presence (P) or Absence (A) related to a positive or negative bacteriological result
MCL	Maximum Contaminant Level
NTU	Nephelometric Turbidity Units, a measure of the suspended material in the water
ppm	Parts per million
ppb	Parts per billion
Total Coliform	No more than 5% of the monthly samples may be total coliform-positive
N/A	Not available

June 2023



CHLORINE RESIDUAL MONITORING

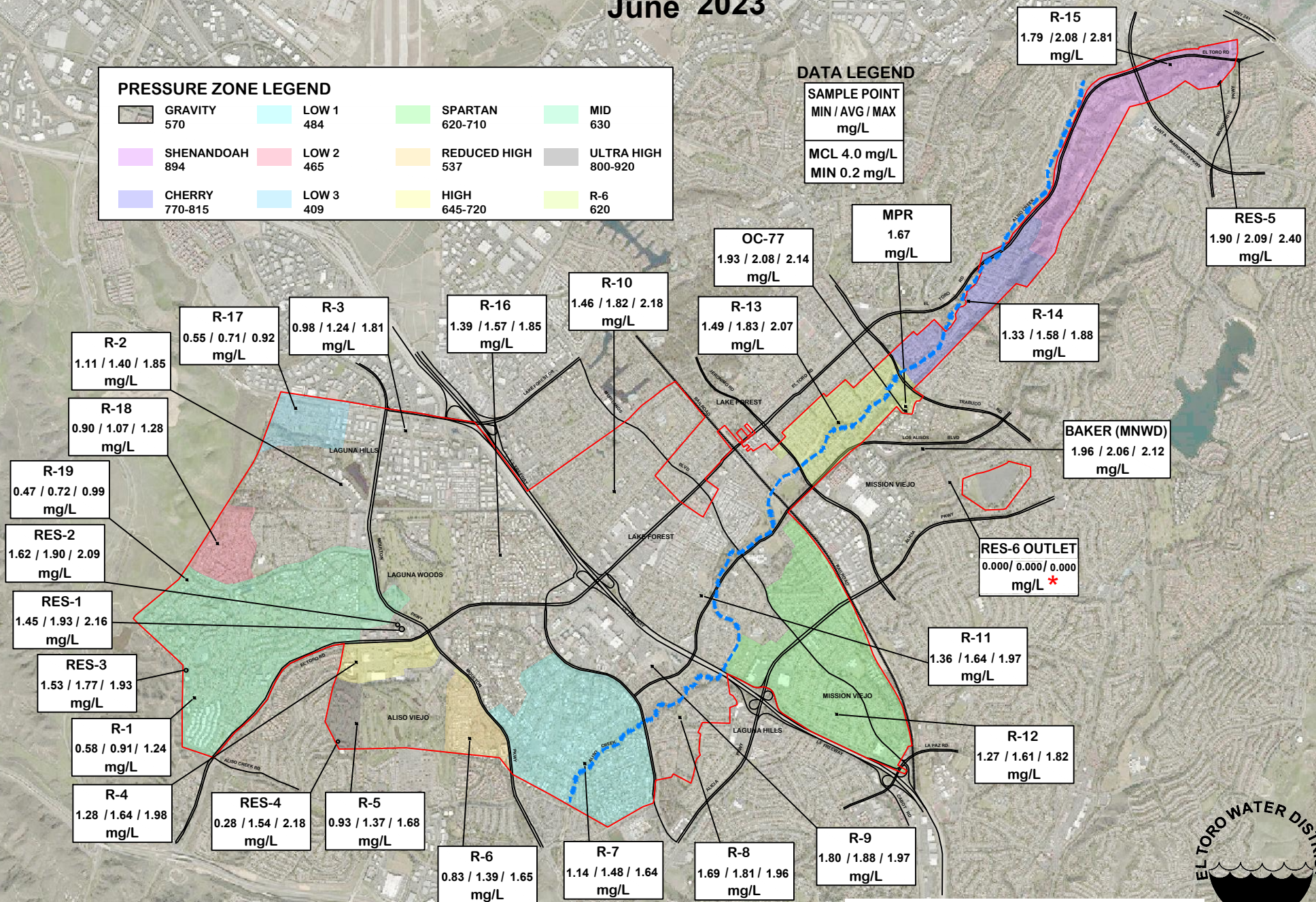
June 2023

PRESSURE ZONE LEGEND

GRAVITY 570	LOW 1 484	SPARTAN 620-710	MID 630
SHENANDOAH 894	LOW 2 465	REDUCED HIGH 537	ULTRA HIGH 800-920
CHERRY 770-815	LOW 3 409	HIGH 645-720	R-6 620

DATA LEGEND

SAMPLE POINT MIN / AVG / MAX mg/L
MCL 4.0 mg/L MIN 0.2 mg/L



* Res-6 is offline due to CIP project:
"R-6 Reservoir Floating Cover"



FLUORIDE MONITORING

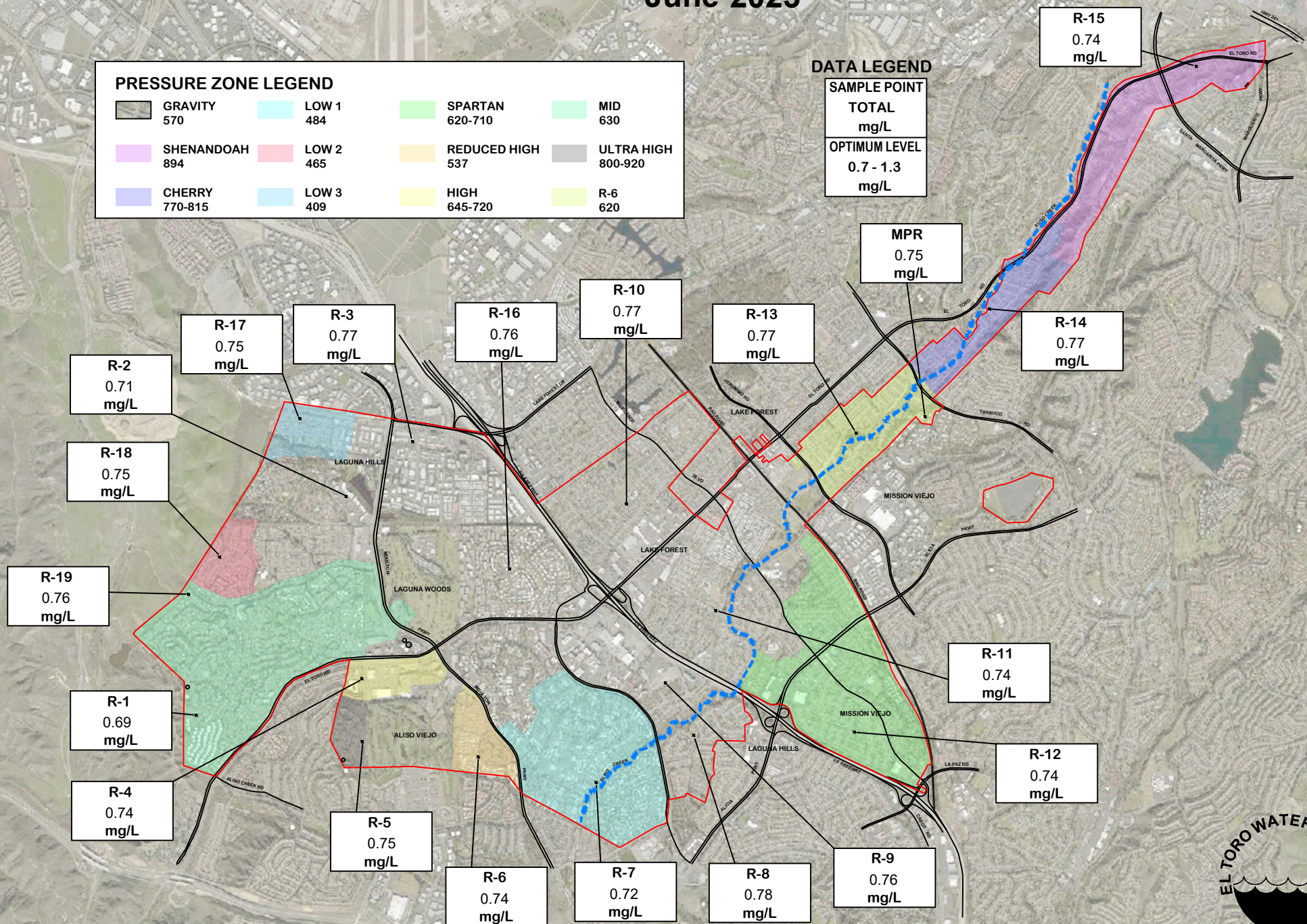
June 2023

PRESSURE ZONE LEGEND

GRAVITY 570	LOW 1 484	SPARTAN 620-710	MID 630
SHENANDOAH 894	LOW 2 465	REDUCED HIGH 537	ULTRA HIGH 800-920
CHERRY 770-815	LOW 3 409	HIGH 645-720	R-6 620

DATA LEGEND

SAMPLE POINT
TOTAL mg/L
OPTIMUM LEVEL 0.7 - 1.3 mg/L



NITRITE MONITORING

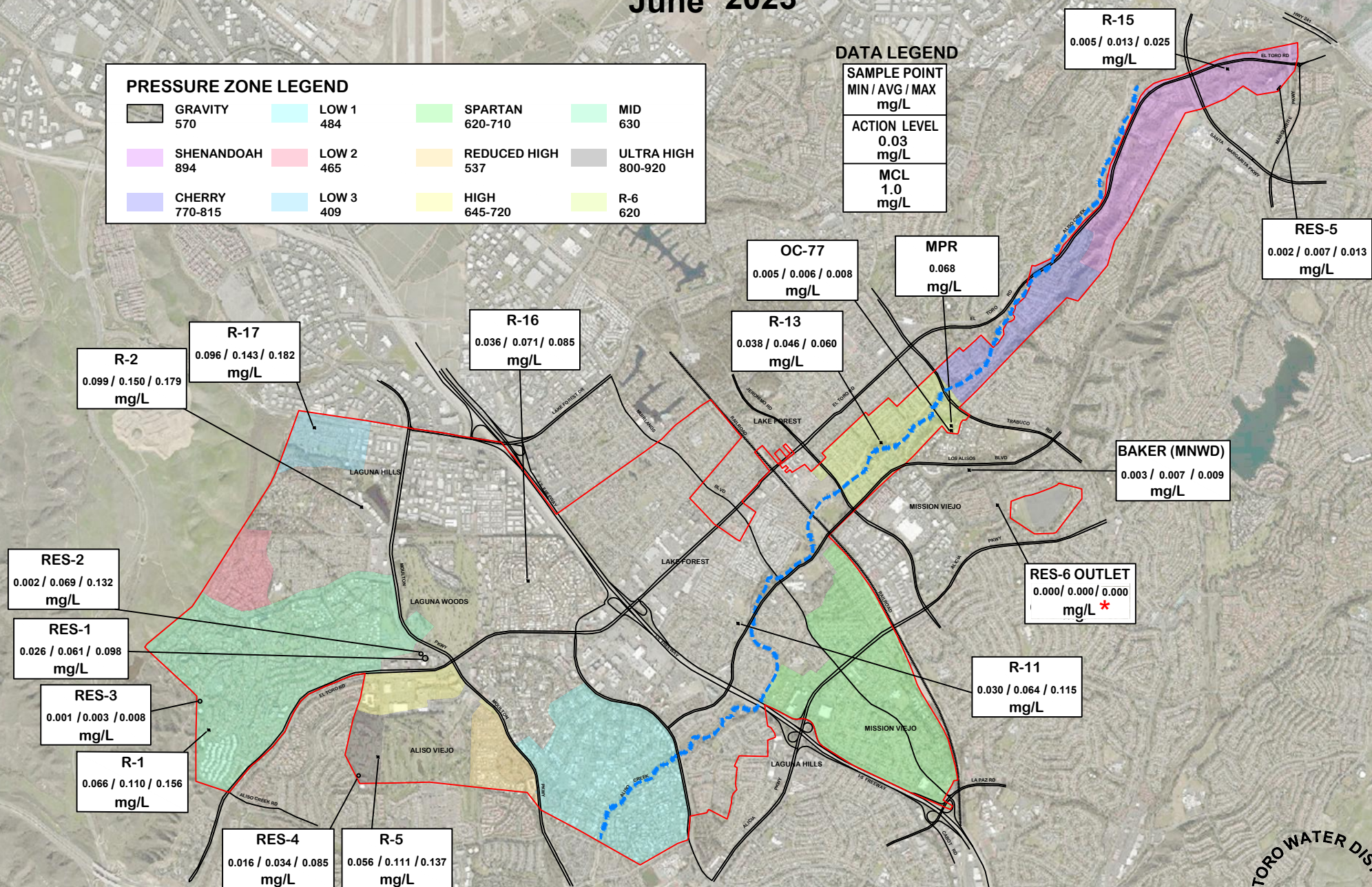
June 2023

PRESSURE ZONE LEGEND

GRAVITY 570	LOW 1 484	SPARTAN 620-710	MID 630
SHENANDOAH 894	LOW 2 465	REDUCED HIGH 537	ULTRA HIGH 800-920
CHERRY 770-815	LOW 3 409	HIGH 645-720	R-6 620

DATA LEGEND

SAMPLE POINT MIN / AVG / MAX mg/L
ACTION LEVEL 0.03 mg/L
MCL 1.0 mg/L















* Res-6 is offline due to CIP project:
"R-6 Reservoir Floating Cover"



STAGE 2 TOTAL TRIHALOMETHANES (TTHM) MONITORING

2nd QUARTER 2023

PRESSURE ZONE LEGEND

 GRAVITY 570	 LOW 1 484	 SPARTAN 620-710	 MID 630
 SHENANDOAH 894	 LOW 2 465	 REDUCED HIGH 537	 ULTRA HIGH 800-920
 CHERRY 770-815	 LOW 3 409	 HIGH 645-720	 R-6 620

DATA LEGEND

SAMPLE POINT
TOTAL ppb
MCL 80 ppb

SITE 2
34.0
ppb

SITE 5
31.2
ppb

SITE 8
31.5
ppb

SITE 7
33.9
ppb

SITE 4
30.3
ppb

SITE 3
34.0
ppb

SITE 1
33.0
ppb













SITE 6
28.5
ppb



STAGE 2 HALOACETIC ACIDS (HAA5) MONITORING

2nd QUARTER 2023

PRESSURE ZONE LEGEND

 GRAVITY 570	 LOW 1 484	 SPARTAN 620-710	 MID 630
 SHENANDOAH 894	 LOW 2 465	 REDUCED HIGH 537	 ULTRA HIGH 800-920
 CHERRY 770-815	 LOW 3 409	 HIGH 645-720	 R-6 620

DATA LEGEND

SAMPLE POINT
TOTAL ppb
MCL 60 ppb

ND : NONE
DETECTED

SITE 2
11.3
ppb

SITE 8
8.5
ppb

SITE 5
11.6
ppb

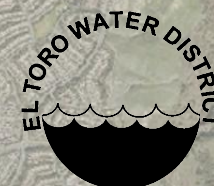
SITE 4
10.6
ppb

SITE 3
22.2
ppb

SITE 1
17.0
ppb

SITE 6
14.0
ppb

SITE 7
9.5
ppb



**EL TORO WATER DISTRICT
UNAUTHORIZED DISCHARGE SUMMARY
YEAR OF 2023**

DATE	PUBLIC / PRIVATE	SPILL TYPE	LOCATION	REASON	IMMEDIATE CORRECTIVE MEASURES	POST-INCIDENT PREVENTIVE MEASURES	RWQCB	DISCHARGED TO	SPILL VOLUME (PUBLIC) Gallons		SPILL VOLUME (PRIVATE) Gallons		REGULATORY NOTIFICATION AND RESPONSE
									CONTAINED	SPILLED	CONTAINED	SPILLED	
January			No Spill										
February			No Spill										
March			No Spill										
April			No Spill										
May			No Spill										

WILL SERVE SUMMARY REPORT

June 2023

PROJECT NAME	PROJECT DESCRIPTION	PHASE	CFF
Arbors Access Ramp	Adding a 1-1/2" water service connection with backflow protection and connecting to the existing sewer system	Construction	\$ 28,785
Burger Town Sewer Connection	Addition of a 4" sewer lateral	Construction	\$ -
Laguna Woods City Hall-Library Project	Addition of a 2,100 sq ft single story library with relocated fire service and relocating a fire hydrant	Close-Out	\$ 4,391
The Village at Laguna Hills (Demo Phase)	Demolition of the various sized water services, irrigation services, fire services, and sewer services at the former mall site.	Close-Out	\$ -
The Village at Laguna Hills (Retail Phase)	Installation of various sized water, fire, and sewer services at the former mall site.	Plan Check	\$ -
The Village at Laguna Hills (Central Residential Phase)	Installation of various sized water, fire, and sewer services at the former mall site.	Plan Check	\$ -
The Village at Laguna Hills (Southern Residential Phase)	Installation of various sized water, fire, and sewer services at the former mall site.	Plan Check	\$ -
Womens Health Pavilion	New construction of a health pavilion with water services, irrigation services, sewer services, and fire water services.	Close-Out	\$ 21,856
Laguna Hills Inn Fire Sprinkler Upgrade	Fire System upgrades including conversion of a fire hydrant to private and addition of a 6-inch DCDA	Construction	\$ -
Mercado El Rey Expansion	Expansion of the market	Plan Check	Not Yet Calculated
Moulton Parkway Commercial Kitchens	Upgrade the existing domestic service, sewer service and installation of a DCDA.	Plan Check	Not Yet Calculated
Oakbrook Village REI	Addition of a backflow prevention device	Construction	\$ -
Moulton Plaza Optum Physical Therapy	Addition of a backflow prevention device	Construction	\$ -
Lunar Orthodontics	Addition of a backflow prevention device	Construction	\$ -
25376 Maximus Group Home	Upgrading the water service	Plan Check	Not Yet Calculated



WRP BATTERY STORAGE SYSTEM

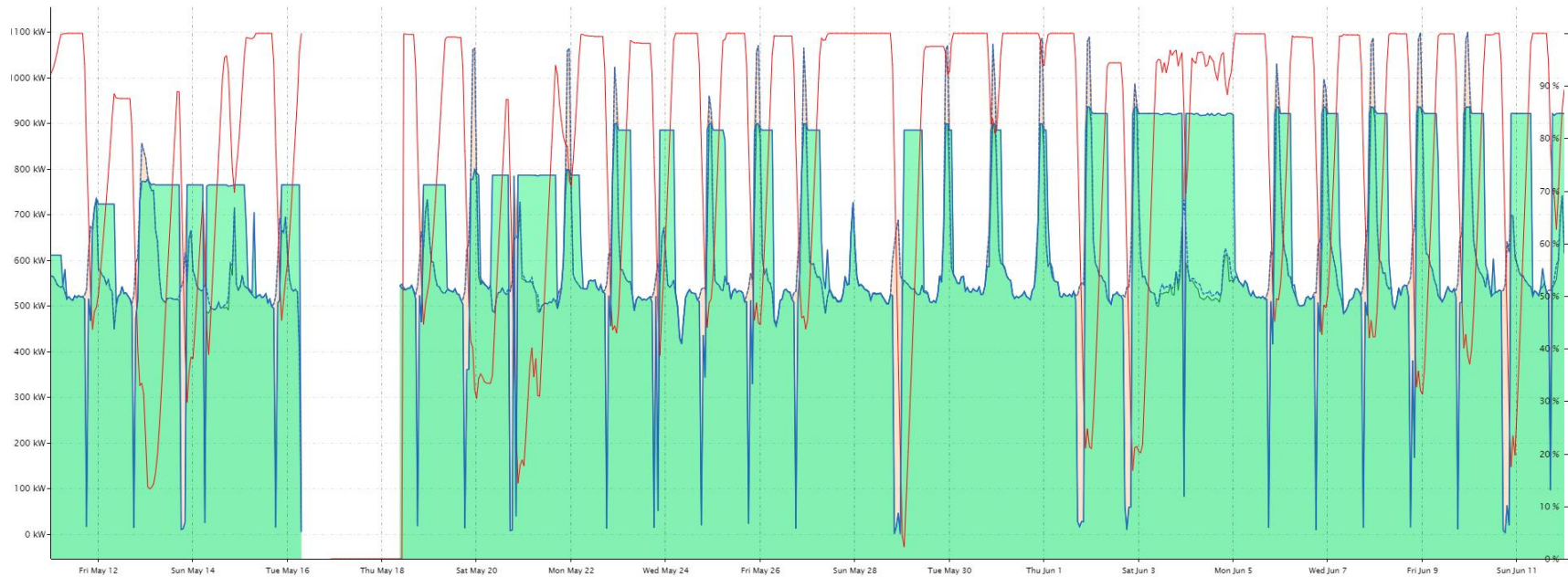
MONTHLY REPORT

June 2023

Year 4

BILLING PERIOD		BILL SAVINGS		NET SAVINGS
08/12/22 - 09/12/22	\$	8,142.76	\$	6,552.76
09/13/22 - 10/12/22	\$	2,943.86	\$	1,353.86
10/13/22 - 11/13/22	\$	2,083.92	\$	493.92
11/13/22 - 12/13/22	\$	1,960.66	\$	370.66
12/14/22 - 01/12/23	\$	(3,571.97)	\$	(5,161.97)
01/12/23 - 02/12/23	\$	311.28	\$	(1,278.72)
02/11/23 - 03/14/23	\$	2,755.08	\$	1,165.08
03/14/23 - 04/12/23	\$	1,994.90	\$	404.90
04/12/23 - 05/11/23	\$	(558.88)	\$	(2,148.88)
05/11/23 - 06/12/23	\$	6,377.33	\$	4,787.33

TOTAL \$ **22,438.94** \$ **6,538.94**



Sewerage Treatment Plant



23542 Moulton Pkwy, Laguna Woods, CA 92637

Savings Report - 2023-06

May 11, 2023 - Jun 12, 2023

SCE TOU 8 Option D (< 2kV)

Demand Charges	Before Storage		After Storage		Savings	
Maximum Demand Charges	1,105kW	\$23,392.55	943kW	\$19,964.60	162kW	\$3,427.95
Summer On-Peak	674kW	\$9,624.30	523kW	\$7,470.97	151kW	\$2,153.33
Winter Mid-Peak (Weekdays)	691kW	\$4,542.90	634kW	\$4,166.32	57kW	\$376.58
Sub-total		\$37,559.74		\$31,601.88		\$5,957.86

Energy Charges	Before Storage		After Storage		Savings	
Summer Mid-Peak	10,944kWh	\$1,832.77	7,385kWh	\$1,236.83	3,558kWh	\$595.94
Summer Off-Peak	123,278kWh	\$15,526.93	145,171kWh	\$18,284.24	(21,892)kWh	\$(2,757.31)
Summer On-Peak	19,431kWh	\$3,516.17	4,492kWh	\$812.91	14,938kWh	\$2,703.26
Winter Mid-Peak	53,959kWh	\$7,100.43	28,255kWh	\$3,718.03	25,704kWh	\$3,382.40
Winter Off-Peak	138,830kWh	\$18,196.46	159,158kWh	\$20,860.86	(20,328)kWh	\$(2,664.40)
Winter Super Off-Peak	82,969kWh	\$7,096.37	92,795kWh	\$7,936.78	(9,826)kWh	\$(840.41)
Sub-total		\$53,269.12		\$52,849.65		\$419.47

Other Monthly Charges	Before Storage		After Storage		Savings	
Customer and Other		\$348.63		\$348.63		\$ -
Sub-total		\$348.63		\$348.63		\$ -

Total	Before Storage		After Storage		Savings	
		\$91,177.49		\$84,800.16		\$6,377.33

Note: The above data is calculated by Genability using utility meter data. If there were any gaps in the utility data, they were filled with Stem meter data. Your actual utility bill may look different from the data displayed above due to either issues in the utility data we were provided or in the Stem meter data collected. Some discrepancies are normal and to be expected. For this reason, Stem completes a thorough review of all data and reconciles discrepancies by comparing the Genability calculations of the energy storage system cost savings and total bill values with your utility bills. If you have an outstanding performance guarantee term, any discrepancies identified are adjusted for differences and reflected in your true up term statement.



To: Board of Directors, *Municipal Water District of Orange County*

From: Natural Resource Results

RE: Monthly Board Report – June 2023

Appropriations

The House is moving forward with the fiscal year 2024 appropriations process, marking up a handful of bills and moving them through the committee process, including Department of Homeland Security and the Energy and Water bill which funds the Bureau of Reclamation. House Republican chose to cut spending below the levels agreed to in the debt limit deal, which puts them on a collision course with the Senate. Some items of note from the Energy and Water bill include the following:

- \$48.5 million for the CVPIA Restoration Fund (FY23 enacted = \$45.7 million)
- \$0 for the WaterSMART Aquatic Ecosystem Restoration Program (FY23 enacted = \$5 million)
- \$13.6 million for WaterSMART Grants (FY23 enacted = \$65 million)
- \$2.25 million for WaterSMART Cooperative Watershed Management (FY23 enacted = \$5 million)
- \$50 million for the Drought Contingency Plan (FY23 enacted = \$50 million)
- \$19.5 million for Salinity Control Title I (FY23 enacted = \$20.3 million)
- \$6 million for Salinity Control Title II (FY23 enacted = \$6 million)
- \$24 million for WaterSMART Drought Response (FY23 enacted = \$38 million)
- \$2 million for Salton Sea Research (FY23 enacted = \$2 million)
- \$19 million for Desal and Water Purification (FY23 enacted = \$17 million)
- \$134 million for the WIIN Act Storage Account (FY23 enacted = \$134 million)

The bill also includes the full text of Congressman Valadao's WATER for California Act, which has been discussed in previous reports but would mandate that the CVP and SWP be operated in accordance with the 2019 biological opinions.

Unfortunately, Congresswoman Kim's earmark request for WEROC's mobile EOC was not included in the Department of Homeland Security bill. There were not any water agencies that received funding for EOCs and the overwhelming majority of funding for EOCs went to states, counties, and local governments.

Feinstein Legislation

Senator Feinstein has introduced her comprehensive water bill, the STREAM Act (S. 2162) which was informally included in last month's report and is cosponsored by Senator Kelly (D-AZ) and Senator Sinema (D-AZ). Broadly speaking, the legislation authorizes funding for surface and groundwater storage, water recycling, desalination, and ecosystem restoration. Many California water agencies have endorsed the bill. Text of the bill and a section by section are included for reference.

She also introduced a bill to fund repairs of the three major canals in California – the Friant Kern Canal, the Delta Mendota Canal, and the California Aqueduct – to address the damage done by subsidence. The bill also authorizes additional funding for the San Joaquin River Restoration Program.

We anticipate that the Senate Energy and Natural Resources Committee will hold an oversight and legislative hearing focused on water in early July when Congress returns. Senator Feinstein's bills could be included in that hearing.

WOTUS

Following the Supreme Court decision in *Sackett v. EPA*, which significantly narrowed the scope of WOTUS, there has been significant uncertainty around what constitutes a jurisdictional water and what doesn't. The Army Corps of Engineers (Corps) has put a pause on jurisdictional determinations, throwing a massive wrench in the regulatory world. The Corps has not publicly released any guidance on how it will implement the Clean Water Act following the ruling but in a congressional hearing last week, Assistant Secretary of the Army for Civil Works, Mike Connor, stated that the Administration intends to finalize a new WOTUS rule based on the Sackett decision by September 1st.

Section-by-Section Analysis of “STREAM Act”

Draft, May 2023

- Section 1, Short Title; Table of Contents, indicates that this Act may be cited as the “Support To Rehydrate the Environment, Agriculture, and Municipalities Act” or the “STREAM Act”.
- Section 2, Definitions, includes important definitions of key terms, including:
 - Non-Federal storage project, which is any project in a Reclamation State that—
 - (A) involves the construction, expansion, or repair by an eligible entity of—
 - (i) a surface or groundwater storage project that is not federally owned;
 - (ii) a facility that is not federally owned conveying water to or from surface or groundwater storage; or
 - (iii) a natural water retention and release project; and
 - (B) provides a benefit in meeting any obligation under applicable Federal law (including regulations). Section 2(9).
 - Natural water retention and release projects, which use primarily natural processes and features, like wetlands, to allow increased utilization of existing storage facilities through aquifer recharge, floodplain retention, and altering the timing of runoff. Besides enhancing water supplies, these multi-benefit projects typically also promote ecosystem restoration and flood protection. Section 2(8).
 - Federal benefits. Section 2(8). As applied to storage, water recycling, and desalination projects, this term means
 - 1) public benefits provided directly by the project;
 - 2) fish and wildlife or water quality public benefits provided by the implementation of a watershed restoration plan approved together with the project, if there is an increased Federal commitment to pay for public benefits in the watershed as compared to such Federal commitments prior to the date of approval of the project; or
 - 3) water supply benefits identified pursuant to reclamation law.
 - Public benefits. Section 2(10). This term is defined to include:
 - 1) traditional non-reimbursable costs - fish/wildlife including refuges, flood control, recreation, water quality, etc.;
 - 2) drinking water supply for disadvantaged communities;
 - 3) emergency drinking water supply used in response to a gubernatorial disaster declaration; and
 - 4) energy benefits, including the value of associated greenhouse gas reductions and any reduction in energy costs for federal taxpayers.

Many of these key terms are further discussed below in the analysis of section 103, Storage and Conveyance Projects.

Title I, Infrastructure Development

- Section 101, Storage and Conveyance Projects
 - **This section authorizes funding for non-Federal storage projects. It uses the Title XVI precedent of non-reimbursable funding for water supply where the project provides multiple benefits including environmental benefits within the watershed.**
 - Section 101 is framed as an amendment to the provisions of section 4007 of the Water Infrastructure Improvements for the Nation Act (43 U.S.C. 390b note; Public Law 114-322).
 - Section 101 extends section 4007 as applied to State-led storage projects, but does not extend section 4007 as applied to Federally-owned storage projects.
 - Section 4007(b)(1) as amended would replace the term “State-led storage project” with “non-Federal storage project”, because tribes are eligible to seek funding for such projects.
 - Surface and groundwater storage, conveyance, and natural water retention and release projects are eligible per the definition of “non-Federal storage projects” in section 2(9).
 - Section 4007(b)(2) as amended would authorize construction of non-Federal storage projects other than natural water retention and release projects if
 - The eligible entity demonstrates that the project is feasible and provides a Federal benefit;
 - The eligible entity has sufficient funding to complete the project and is solvent; and
 - The Governor of the relevant State (or sponsoring Indian tribe for tribal projects) supports Federal funding of the project.
 - Section 4007(b)(3) would continue to require compliance with environmental laws for Federal participation in a non-Federal storage project.
 - Section 4007(b)(4) would continue to authorize the Secretary to rely on reports prepared by the non-Federal entity as long as the Secretary retained responsibility for making the determinations in paragraph 4007(b)(2).
 - Section 4007(b)(5) as amended would authorize natural water retention and release projects:
 - for projects costing less than \$10 million, the eligible entity must show that the project will help optimize the storage or delivery of water in a watershed in which a Bureau of Reclamation facility is located; and

- for projects costing over \$10 million, there must also be a credible estimate of the quantify of the storage benefit.
- Section 4007(b)(6) as amended would limit the Federal cost-share to \$250 million for non-Federal storage projects authorized by this section.
- Sections 4007(b)(7) and (8) as amended address the maximum Federal cost-share and reimbursability of Federal funding:
 - **The Federal cost-share shall not exceed 25 percent of the total cost of the project** (with the exception of natural water retention and release projects, which can have up to a 90% Federal cost-share).
 - **Any funding under the program for the value of public benefits shall be considered nonreimbursable.**
 - **Public benefits are defined in Section 2(10) as either**
 - 1) public benefits provided directly by the project; or**
 - 2) fish and wildlife or water quality public benefits provided by the implementation of a watershed restoration plan approved together with the project,** if there is an increased Federal commitment to pay for public benefits in the watershed as compared to such Federal commitments prior to the date of approval of the project.
 - **Water supply benefits are generally reimbursable, except that water supply benefits are nonreimbursable** up to the extent that the value of the water supply benefits is equal to the value of public benefits described above that are fish and wildlife or water quality benefits.
 - To give an example, this means that if a project sponsor is seeking \$100 million in federal funding for a \$400 million non-Federal storage project, the sponsor can get that \$100 million funding on a non-reimbursable basis if there is \$50 million in public benefits from either the project itself or other projects as part of a watershed restoration plan approved with the project, and then an equal \$50 million in water supply benefits from the project if the public benefits include at least \$50 million in fish and wildlife or water quality benefits. Some examples of fish and wildlife or water quality benefits from a watershed plan could include:
 - water leasing during a dry year, water sharing agreements, water banking, ongoing water conservation, and related activities if they provide fish and wildlife or water quality benefits;
 - environmental restoration projects; and
 - natural water retention and release projects.
- If nonreimbursable funding is less than 25 percent of the total cost of the eligible project, **the Secretary may provide reimbursable funds to an eligible entity for the value of any water supply benefits identified pursuant to reclamation law** (as described in section 2(6)(D)) up to the limit of 25 percent of the total project cost.

- Section 4007(b)(9) as amended would establish funding priority for a project that has 2 or more of the following: 1) substantial multiple benefits, 2) reductions in environmental impacts from water projects, 3) multi-state benefits, 4) collaborative development and support by multiple stakeholders; or 5) is located in a watershed where an integrated, comprehensive watershed management plan.
- Section 4007(e) as amended would authorize \$750 million total in funding from FY 2025 through FY 2029 for:

1) non-Federal storage projects, including natural water retention and release projects, authorized pursuant to the provisions of this section;

2) storage projects that are eligible for study funding under section 40902(a)(1) of the Infrastructure Investment and Jobs Act, if for such projects the funding under this section is provided in accordance with the provisions of section 40902(b) and (c) of the Infrastructure Investment and Jobs Act; and

3) storage projects that have received construction funding under section 40902(a)(2) of the Infrastructure Investment and Jobs Act, if for such projects the funding under this section is provided in accordance with the provisions of section 40902(b) and (c) of the Infrastructure Investment and Jobs Act.

Any carryover storage funding appropriated pursuant to section 4007 of the WIIN Act may be used for the three categories of projects described above.

Because the \$750 million authorization in this section would become the general source of storage funding provided through annual appropriations, we believe it is appropriate to allow this pot to be used for projects that are eligible for study funding under the Infrastructure Investment and Jobs Act. In addition, if projects are partly funded for construction under the Infrastructure Investment and Jobs Act, we believe it is appropriate to use this general pot of storage annual appropriations to provide funding to move these projects closer to the completion of construction that has already begun. Note that if any funding from this storage pot is used for projects authorized to receive funding under the Infrastructure Investment and Jobs Act, then the restrictions on which projects can receive funding and the cost-sharing and reimbursability rules from section 40902 of the Infrastructure Investment and Jobs Act would all apply to that funding.

Under the amended section 4007(e), Congress does not need to approve funding awards for specific projects through designating the project by name in an enacted appropriations bill. Reclamation can award funding to projects from available appropriations, after competitively evaluating grant applications from eligible projects.

- Subsection 101(b) of the STREAM Act is a conforming amendment which reflects the fact that the STREAM Act is amending and extending sections 4007, 4009(a) and 4009(c) of the WIIN Act, so they no longer expire in 2021.

- Subsection 101(c) amends section 40902(a)(2)(C)(i) of IIJA to make potentially eligible for construction funding under IIJA two projects whose feasibility studies were authorized by IIJA, the Verde Reservoirs Sediment Mitigation Project and the Tualatin River Basin Project. The projects will have to comply with the requirements of section 40902(a)(2) of IIJA to become eligible for construction funding under IIJA.
- Subsection 101(d) grandfathers Federal and non-Federal storage projects that receive construction funding under the \$1.15 billion in storage funding in IIJA so they do not need further authorization to complete construction. Absent this provision, partly built projects might have to stop in the middle of construction to get Congressional authorization when section 40902 of IIJA expires in 2026.
- Subsection 101(e) reauthorizes the CALFED legislation through fiscal year 2027.
- Section 102, Annual Report to Congress
 - **This section requires the Commissioner of Reclamation to submit an annual report to Congress transmitting feasibility reports on Federal storage projects, and non-Federal storage projects with a federal investment exceeding \$250 million, for Congress to consider whether to authorize the projects.**
 - The basic idea of this section is modeled on the Section 7001 report that the Army Corps of Engineers submits to Congress for WRDA projects.
- **This section is intended to expedite approval of projects requiring Congressional authorization, by facilitating a “Reclamation WRDA” package of projects approved by the House and Senate authorizing committees.** If Congress chooses, this “Reclamation WRDA” package could be added to the WRDA bill each Congress.
- Section 103, Competitive Grant Program for the Funding of Water Recycling Projects, reauthorizes and amends the Title XVI competitive grant program for water recycling projects established in 2016 pursuant to the WIIN Act (Subtitle J, Public Law 114-322).

There are three key differences from the competitive grant program for water recycling authorized in the WIIN Act:

- 1) **The authorization of appropriations has been increased to \$300 million over 5 years, as compared to the prior \$100 million over 5 years.** Subsection (g).
- 2) **Congress does not need to approve funding awards for specific projects through designating the project by name in an enacted appropriations bill.**
 - Reclamation can award funding to projects from available appropriations, after competitively evaluating grant applications from eligible projects.
- 3) The draft bill raises the maximum federal funding contribution for each Title XVI project to \$50 million from the current ceiling of \$20 million in 1996 prices.

Subsection (b)(1).

- The cap remains \$20 million in 1996 prices for projects that have received that amount as of December 31, 2021.
- The maximum federal cost-share remains at 25% (up to the new maximum federal contribution of \$50 million).
- Section 104, Desalination Project Development, reauthorizes and amends the competitive grant program for desalination projects established in 2016 pursuant to the WIIN Act.
 - There are three key differences from the competitive grant program for desalination authorized in the WIIN Act:
 - 1) **The authorization of appropriations has been increased to \$150 million over 5 years, as compared to the prior \$30 million over 5 years.** At least \$10 million is set aside for rural desalination projects. Subparagraph (F)(i).
 - 2) **Congress does not need to approve funding awards for specific projects through designating the project by name in an enacted appropriations bill.**
 - Reclamation can award funding to projects from available appropriations, after competitively evaluating grant applications from eligible projects.
 - 3) **The bill establishes priority criteria for which projects to fund.** Subsection (b).
 - Subparagraph (B)(ii) includes provisions from former Senator Udall and former Representative Torres Small's 2019 Western Water Security Act (S. 2718/HR 4891) on rural desalination projects.
 - Just as for non-federal storage projects and natural water retention and release projects, the following are required to obtain funding for desalination projects (subparagraph (C)):
 - 1) The Governor of the affected state supports federal funding of the project, and the project is included in a state-approved plan; and
 - 2) For construction funding, the state or local sponsor determines, and Reclamation concurs, that the project is feasible, and sufficient funding is available to complete it.
 - The definition of an eligible project:
 - Makes clear that public private partnerships are eligible for funding as long as a state or local government entity pays either for the construction of the project or the water provided by the project. Subparagraph (A)(i).
 - Also allows any "organization with water or power delivery authority" to apply for funding if that organization constructs, operates and maintains the project. Subparagraph (A)(i). This language comes from the definition of an "eligible

applicant” in section 9502 of the Secure Water Act.

- Section 105, Drinking Water Assistance for Disadvantaged Communities
 - **This section authorizes an additional \$100 million for the Bureau of Reclamation’s program to provide drinking water assistance to disadvantaged communities in section 50231 of the Inflation Reduction Act.**
 - The Secretary is encouraged to use at least a portion of the funds authorized by this section to incorporate into multiple benefit projects features or facilities to assist in providing domestic water supplies to disadvantaged communities. Subsection (b)(2).
- Section 106, Extraordinary Operation and Maintenance Work; Project Modification
 - This section amends the existing Aging Infrastructure Program (Public Law 111-11, Title IX, Subtitle G) to authorize projects to not only repair aging Bureau of Reclamation facilities, but to modify the facilities to achieve increased public benefits and other project benefits.
 - Congress appropriated \$3.2 billion for the Aging Infrastructure Program in the Infrastructure Investment and Jobs Act.
 - If we are spending this much money to retool Reclamation infrastructure for the needs of the 21st century, the Secretary should have the authority to modify the projects to achieve increased public benefits and other project benefits, where she believes it is appropriate to do so.
 - Paragraph (2) of the new subsection (e) establishes a few basic principles for any project modification:
 - It shall add no more than 25% of the project cost for projects costing over \$100 million, or no more than \$25 million for projects costing under \$100 million (projects exceeding these thresholds would need to be authorized by Congress);
 - At least 50% of the new benefits provided by the modification of the project must be public benefits (note that “new benefits” is a term defined in paragraph (1)); and
 - In order to undertake a project modification, the Secretary shall obtain the consent of:
 - The transferred works operating entity if the project involved is a transferred works; and
 - Any project beneficiary that would experience an adverse impact from the operation of the modified project (note that “adverse impact” is a term defined

in paragraph (1)).

- If the modified project creates a new project beneficiary, the Secretary cannot subsequently reoperate the project to increase the benefits to that new beneficiary without the consent of any project beneficiaries that would experience an adverse impact.
 - The costs of planning, design and environmental compliance of the modified project shall be allocated in accordance with Reclamation procedures, with the caveat that any project beneficiary who does not receive any increase in long-term average annual water deliveries as a result of the modification shall not be allocated any reimbursable portion of these costs.
- Paragraph (3) sets up a process for the Secretary to obtain consent for a modified project from project beneficiaries that would experience an adverse impact. If the necessary consent is not obtained within twelve months of the date consent is requested, the extraordinary maintenance of the project shall proceed without the modification, subject to one twelve-month extension to obtain required consents at the Secretary's discretion.
 - Paragraph (4) addresses the reallocation of costs based on project changes and increased public benefits. Public benefits shall be non-reimbursable, and the cost allocation of reimbursable costs to each project beneficiary shall reflect the changes in benefits that the project is providing to that beneficiary.
 - Paragraph (5) addresses incentives to participate in modified projects where public benefits are increased, but not water contractor benefits.
 - The water contractors will face strong disincentives to participate in these projects. Some contractors may see their benefits reduced. All contractors will have to accept significant delay in obtaining the benefits of the restoration of these projects. It will take significant time to modify the projects in a manner that the contractors can accept, and then to conduct environmental compliance on the proposed modification. The contractors will also have to accept modified project operations that give increased priority to public benefits.
 - To offset these disincentives for water contractors to participate in projects which increase just public benefits, the bill reduces the reimbursable costs for such modified projects by 15%. The result is that each project beneficiary will pay 85% of the reimbursable costs for the modified project that the beneficiary would otherwise have been allocated.
 - **This paragraph sets up a financial incentive for water contractors to support modified projects that solely increase environmental and other public benefits without increasing water diversions or other water supply benefits.** Without this financial incentive, I expect water contractors will generally oppose such

modification of the projects that they rely on for water deliveries.

- This paragraph is also consistent with the provision of some non-reimbursable benefits for water supply in the context of other authorizations for projects that provide both water supply and substantial public benefits in a watershed:
 - Title XVI provides 25% non-reimbursable benefits for projects providing water supply that have watershed benefits through the use of recycled water;
 - The large-scale water recycling program that Congress just authorized in the Infrastructure Investment and Jobs Act provides up to 75% non-reimbursable benefits for projects that likewise provide both water supply and watershed benefits through the use of recycled water;
 - Section 103 of this bill provides non-reimbursable benefits for non-Federal storage and conveyance projects to the extent that they provide increased public benefits in the watershed.
 - Given the inevitability of increasingly severe and lengthy droughts as the West's climate changes, it will be essential to provide incentives to collaborate on multi-benefit projects that bring agricultural, environmental, and urban interests together to address the very serious challenge of maintaining sufficiently reliable water supply for all. This proposed amendment to the Aging Infrastructure Program seeks to increase incentives for such necessary collaboration.
- Section 107, Use of Revenue to Improve Drought Resilience or Dam Safety
 - **Issue:** Pursuant to the Sale of Water for Miscellaneous Purposes Act of 1920 (43 USC 521), the Warren Act of 1911 (43 USC 525), and corresponding Bureau of Reclamation (BOR) policy, any revenue from the sale of surplus water must be deposited into the Reclamation Fund and credited to capital repayment of the associated project. Under existing law, revenue from the sale of water continues to flow to the Reclamation Fund even after water users completed capital repayment of their project. As a result, there is no longer any benefit to the contractor from sale of surplus water unless the contractor receives another federal loan on the project.
 - **Importance:** Across the West, drought is stressing many water systems and new constraints often lead to water scarcity even in normal years. This is being compounded by aging BOR facilities that require significant investment to ensure they can continue to operate in a safe and effective fashion, especially as dams and other facilities are forced to withstand more variable and severe precipitation event as a result of climate change. Congress has responded to these challenges over the years by authorizing the Safety of Dams (SOD), Extraordinary Maintenance (XM), and other programs that assist water users in upgrading and repairing existing infrastructure by allowing for extended repayment of costs through contracts that are distinct from the capital repayment

obligations for the original construction of BOR projects.

- Despite the fact that operational flexibility and conservation are growing increasingly important in water management, existing Reclamation law provides very little incentive for paid-out BOR contactors that either have occasional surplus water or could create surplus water through system upgrades to make the investments or undertake the lengthy marketing and contracting necessary to realize a sale. This is especially true for projects that are currently in need of improvements that will increase drought resiliency or dam safety or are repaying Reclamation for SOD or XM projects and can't use any incremental revenues to help cover payments.
- **Solution:** This section changes existing law to ensure that water users are able to apply revenues derived from the temporary sale of surplus water to infrastructure to improve drought resiliency or dam safety and for other existing BOR repayment obligations. This change to the treatment of revenue will incentivize water utilities to make water available to relieve water shortages in their region, improve project drought resiliency, improve dam safety, and accelerate repayment of existing obligations.

Title II, Improved Technology and Data

- Section 201, Reauthorization of the Transboundary Aquifer Assessment Program
 - This section reauthorizes the United States-Mexico Transboundary Aquifer Assessment Act (42 U.S.C. 1962 note; Public Law 109-448).
 - This section derives from former Senator Udall and former Representative Torres Small's 2019 Western Water Security Act (S. 2718/HR 4891).

Title III, Ecosystem Restoration and Protection

- Section 301, Ecosystem Restoration
 - This section makes limited amendments to the competitive grant program for habitat restoration projects established in section 40907 of the Infrastructure Investment and Jobs Act.
 - Subsection (a) adds definitions of two new terms, "Committee" and "Project". The term "Committee" describes the "Integrated Water Management Leadership Committee" described more fully in subsection (c).
 - Subsection (b) amends section 40907(c)(1) of the Infrastructure Investment and Jobs Act (Public Law 117-58) to direct that Interior:

“(B) may not provide a grant to carry out a habitat restoration project the purpose of which is to meet existing environmental mitigation or compliance obligations that are express requirements of a permit or order issued under Federal or State law, unless such

requirements expressly contemplate reliance on Federal funding in performance of the requirements.”

- Subsection (c) supplements the \$100 million provided to the competitive grant program for habitat restoration in the bipartisan infrastructure law with:
 - 1) An authorization of \$150 million total for the competitive grant program from fiscal year 2025 through fiscal year 2029; and
 - 2) An authorization of \$100 million total from fiscal year 2025 through fiscal year 2029 for other grants, contracts, and agreements to achieve the habitat restoration purposes of this section and consistent with its requirements, as authorized in this section.
 - 3) Among other purposes, this \$100 million could be used to ensure that when Sacramento Valley rice growers sell their water and idle their crops, some water is left behind and applied to bare fields in late summer and early fall to create shallow flooded habitat during a critical shorebird migration period. See subsection (f) of amended section 40907 of the amended Infrastructure Investment and Jobs Act.
- Subsection (c) also directs the Secretary to establish an Integrated Water Management Federal Leadership Committee which coordinates federal agency efforts to implement integrated water management projects, if requested to do so for a particular project by an eligible entity or qualified non-government organization partner.
- Finally, subsection (c) requires the Secretary to comply with applicable environmental laws in implementing this section.
- Section 302, Performance-based Restoration Authority
 - **Multiple large- and small-scale ecosystem restoration projects have been authorized or are required by law, yet implementation of these projects often stalls when federal agencies have competing priorities or don’t have the resources or technical experience to undertake them successfully.** This section expedites the implementation of certain types of habitat and ecosystem restoration projects by **authorizing the Secretary of the Interior (Secretary) to enter into performance-based financial arrangements for the delivery of ecological targets and outcomes by experienced non-federal entities.** This section does not create a new program, but instead allows the use of performance-based financial arrangements under the Secretary’s existing ecosystem and habitat restoration authorities. It is needed to both expedite completion of many restoration projects—including large, multi-year projects—and to clarify that performance-based financial mechanisms are an authorized use of federal funds for such projects. The section additionally furthers the goals of reducing costs to the federal government in undertaking such projects and increasing flexibility in the administration of funding for such projects, consistent with federal acquisition regulations.
 - In General. Subsection (b) authorizes the Secretary, in implementing existing authorities under Federal law related to habitat and ecosystem restoration, to—
 - (1) enter into performance-based contracts, grant agreements, and cooperative

agreements for habitat and ecosystem restoration, mitigation, and enhancement projects where ecological targets and outcomes are

- clearly defined,
- agreed upon in advance, and
- capable of being successfully achieved

(2) enter into performance-based contracts with eligible restoration providers experienced in financing and completing successful ecological habitat and restoration, mitigation, and enhancement activities.

(3) provide grant and award agreements for habitat and ecosystem restoration, mitigation, and enhancement projects as described in paragraph (1) and allow for the use of performance-based tools in such agreements.

(4) provide pass-through financing for funds granted or awarded to non-federal third parties utilizing performance-based contracts for projects authorized under paragraph (1).

(5) use performance-based financial mechanisms for multi-year projects.

- Guidelines. Subsection (c) directs the Secretary to—
 - (1) develop guidelines for using performance-based financing and to consult with experienced external organizations in developing such guidelines. Such consultation shall not constitute or require establishing a committee under the Federal Advisory Committee Act. Guidelines shall include guidance on
 - appropriate proposal and project evaluation criteria,
 - restoration provider eligibility criteria,
 - criteria for defining achievable ecological outcomes, and
 - determination of restoration provider financial assurances sufficient to ensure ecological outcomes will be successfully achieved.
- Identification of Eligible Projects. Subsection (d) directs the Secretary to identify opportunities for using performance-based financing for projects authorized in subsection (b)(1) and issue a request for proposals from eligible restoration providers to undertake such projects.
- Certification. Under subsection (e), the Secretary shall certify that work was completed in accordance with ecological requirements and outcomes previously agreed to.
- Technical Assistance. Subsection (f) authorizes the Secretary to provide technical assistance to restoration providers for studies, design, engineering, and permitting.
- Rule of Construction. Subsection (g) clarifies that nothing in the section authorizes the Secretary to waive any obligation of the Secretary or non-Federal parties under federal environmental law.
- Non-Federal Funding. Subsection (h) authorizes use of performance-based financing under the act for non-federal project cost shares, on the condition that the non-federal cost-share responsibility remains with the non-federal party.

- Cost Share. Subsection (i) clarifies that nothing in the section shall affect a cost-sharing requirement under Federal law that is applicable to a project carried out under the performance-based restoration authority established under subsection (a).
- Mitigation. Subsection (j) clarifies that nothing in this section shall authorize Federal funding to meet existing environmental mitigation or compliance obligations that are express requirements of a permit or order issued under Federal or State law, unless such requirements expressly contemplate reliance on Federal funding in performance of the requirements
- Report. Subsection (k) requires the Secretary to
 - (1) issue and submit to Congress a report describing results of, and impediments to, the use of performance-based financing within 3 years of the date of enactment, and
 - (2) address such impediments, if any—to the extent practicable—and to protect the public interest and investment in projects financed under the Act.

Title IV, Miscellaneous

- Section 401, Amendments to Drought Program Under the Reclamation States Emergency Drought Relief Act of 1991
 - Droughts have become more frequent than when the Reclamation States Emergency Drought Relief Act was enacted in 1991. As a result, some amendments appear appropriate to the Act to reflect the increased frequency of droughts.
 - The existing Act limits permanent facilities that it authorizes to groundwater wells.
 - Given the increased frequency of droughts, it seems more efficient to install a greater number of permanent facilities than to frequently install and remove temporary facilities.
 - Subsection (a) therefore provides authorization during a declared drought emergency for any permanent facilities or projects up to a federal investment of \$30 million that are supported by the relevant State (or tribe if the facility is on an Indian reservation).
 - The \$30 million threshold comes from the Infrastructure Investment and Jobs Act, which creates a precedent authorizing Interior to proceed with projects up to \$30 million without Congressional authorization of the specific projects (in that Act this precedent is applied to small storage projects).
 - Subsection (a) also requires that a well drilled to minimize losses and damages from drought conditions must either 1) align with applicable local, state, or regional groundwater sustainability goals; or 2) support drinking water supplies for a

disadvantaged community or Tribe.

- Subsection (a) further addresses the problem of drought shortfalls in environmental funding programs like the Central Valley Improvement Act that derive their funding from per acre fees in water delivered.
- Because their funding varies by the amount of water delivered, these programs provide substantially less environmental funding precisely when the funding is most needed, during droughts.
- Subsection (a) would authorize non-reimbursable funding to make up these shortfalls, without affecting the Secretary's legal obligations to the environment or existing authority to make up shortfalls in environmental funding in non-drought years.
- Subsection (b) amends the existing Act to clarify that it applies to drought emergencies declared for portions of States, and does not require drought emergencies to apply to an entire State.
- Subsection (b) also extends the Reclamation States Emergency Drought Relief Act authorization to 2031.
- Subsection (c) amends the Secure Water Act of 2009 to provide that an application for WaterSMART funding to drill a groundwater well for municipal supply to minimize losses and damages from drought conditions shall not increase the applicant's net water use beyond the period of any drought emergency, unless the groundwater well is for the purpose of supplying drinking water for a disadvantaged community or Tribe, or if the new groundwater use is partially offset by aquatic habitat enhancement during the drought period, or over the long-term, including a future drought period.
- Section 402, Environmental Compliance
 - This section requires the Act to be implemented consistent with applicable State law and Federal environmental law.
- Section 403, Effect
 - This section provides that nothing in this Act shall interfere with any obligation of a State under the Rio Grande Compact or any other interstate compact approved by Congress.

Section-by-Section Analysis of “STREAM Act”

Draft, May 2023

- Section 1, Short Title; Table of Contents, indicates that this Act may be cited as the “Support To Rehydrate the Environment, Agriculture, and Municipalities Act” or the “STREAM Act”.
- Section 2, Definitions, includes important definitions of key terms, including:
 - Non-Federal storage project, which is any project in a Reclamation State that—
 - (A) involves the construction, expansion, or repair by an eligible entity of—
 - (i) a surface or groundwater storage project that is not federally owned;
 - (ii) a facility that is not federally owned conveying water to or from surface or groundwater storage; or
 - (iii) a natural water retention and release project; and
 - (B) provides a benefit in meeting any obligation under applicable Federal law (including regulations). Section 2(9).
 - Natural water retention and release projects, which use primarily natural processes and features, like wetlands, to allow increased utilization of existing storage facilities through aquifer recharge, floodplain retention, and altering the timing of runoff. Besides enhancing water supplies, these multi-benefit projects typically also promote ecosystem restoration and flood protection. Section 2(8).
 - Federal benefits. Section 2(8). As applied to storage, water recycling, and desalination projects, this term means
 - 1) public benefits provided directly by the project;
 - 2) fish and wildlife or water quality public benefits provided by the implementation of a watershed restoration plan approved together with the project, if there is an increased Federal commitment to pay for public benefits in the watershed as compared to such Federal commitments prior to the date of approval of the project; or
 - 3) water supply benefits identified pursuant to reclamation law.
 - Public benefits. Section 2(10). This term is defined to include:
 - 1) traditional non-reimbursable costs - fish/wildlife including refuges, flood control, recreation, water quality, etc.;
 - 2) drinking water supply for disadvantaged communities;
 - 3) emergency drinking water supply used in response to a gubernatorial disaster declaration; and
 - 4) energy benefits, including the value of associated greenhouse gas reductions and any reduction in energy costs for federal taxpayers.

Many of these key terms are further discussed below in the analysis of section 103, Storage and Conveyance Projects.

Title I, Infrastructure Development

- Section 101, Storage and Conveyance Projects
 - **This section authorizes funding for non-Federal storage projects. It uses the Title XVI precedent of non-reimbursable funding for water supply where the project provides multiple benefits including environmental benefits within the watershed.**
 - Section 101 is framed as an amendment to the provisions of section 4007 of the Water Infrastructure Improvements for the Nation Act (43 U.S.C. 390b note; Public Law 114-322).
 - Section 101 extends section 4007 as applied to State-led storage projects, but does not extend section 4007 as applied to Federally-owned storage projects.
 - Section 4007(b)(1) as amended would replace the term “State-led storage project” with “non-Federal storage project”, because tribes are eligible to seek funding for such projects.
 - Surface and groundwater storage, conveyance, and natural water retention and release projects are eligible per the definition of “non-Federal storage projects” in section 2(9).
 - Section 4007(b)(2) as amended would authorize construction of non-Federal storage projects other than natural water retention and release projects if
 - The eligible entity demonstrates that the project is feasible and provides a Federal benefit;
 - The eligible entity has sufficient funding to complete the project and is solvent; and
 - The Governor of the relevant State (or sponsoring Indian tribe for tribal projects) supports Federal funding of the project.
 - Section 4007(b)(3) would continue to require compliance with environmental laws for Federal participation in a non-Federal storage project.
 - Section 4007(b)(4) would continue to authorize the Secretary to rely on reports prepared by the non-Federal entity as long as the Secretary retained responsibility for making the determinations in paragraph 4007(b)(2).
 - Section 4007(b)(5) as amended would authorize natural water retention and release projects:
 - for projects costing less than \$10 million, the eligible entity must show that the project will help optimize the storage or delivery of water in a watershed in which a Bureau of Reclamation facility is located; and

- for projects costing over \$10 million, there must also be a credible estimate of the quantify of the storage benefit.
- Section 4007(b)(6) as amended would limit the Federal cost-share to \$250 million for non-Federal storage projects authorized by this section.
- Sections 4007(b)(7) and (8) as amended address the maximum Federal cost-share and reimbursability of Federal funding:
 - **The Federal cost-share shall not exceed 25 percent of the total cost of the project** (with the exception of natural water retention and release projects, which can have up to a 90% Federal cost-share).
 - **Any funding under the program for the value of public benefits shall be considered nonreimbursable.**
 - **Public benefits are defined in Section 2(10) as either**
 - 1) public benefits provided directly by the project; or**
 - 2) fish and wildlife or water quality public benefits provided by the implementation of a watershed restoration plan approved together with the project,** if there is an increased Federal commitment to pay for public benefits in the watershed as compared to such Federal commitments prior to the date of approval of the project.
 - **Water supply benefits are generally reimbursable, except that water supply benefits are nonreimbursable** up to the extent that the value of the water supply benefits is equal to the value of public benefits described above that are fish and wildlife or water quality benefits.
 - To give an example, this means that if a project sponsor is seeking \$100 million in federal funding for a \$400 million non-Federal storage project, the sponsor can get that \$100 million funding on a non-reimbursable basis if there is \$50 million in public benefits from either the project itself or other projects as part of a watershed restoration plan approved with the project, and then an equal \$50 million in water supply benefits from the project if the public benefits include at least \$50 million in fish and wildlife or water quality benefits. Some examples of fish and wildlife or water quality benefits from a watershed plan could include:
 - water leasing during a dry year, water sharing agreements, water banking, ongoing water conservation, and related activities if they provide fish and wildlife or water quality benefits;
 - environmental restoration projects; and
 - natural water retention and release projects.
- If nonreimbursable funding is less than 25 percent of the total cost of the eligible project, **the Secretary may provide reimbursable funds to an eligible entity for the value of any water supply benefits identified pursuant to reclamation law** (as described in section 2(6)(D)) up to the limit of 25 percent of the total project cost.

- Section 4007(b)(9) as amended would establish funding priority for a project that has 2 or more of the following: 1) substantial multiple benefits, 2) reductions in environmental impacts from water projects, 3) multi-state benefits, 4) collaborative development and support by multiple stakeholders; or 5) is located in a watershed where an integrated, comprehensive watershed management plan.
- Section 4007(e) as amended would authorize \$750 million total in funding from FY 2025 through FY 2029 for:

1) non-Federal storage projects, including natural water retention and release projects, authorized pursuant to the provisions of this section;

2) storage projects that are eligible for study funding under section 40902(a)(1) of the Infrastructure Investment and Jobs Act, if for such projects the funding under this section is provided in accordance with the provisions of section 40902(b) and (c) of the Infrastructure Investment and Jobs Act; and

3) storage projects that have received construction funding under section 40902(a)(2) of the Infrastructure Investment and Jobs Act, if for such projects the funding under this section is provided in accordance with the provisions of section 40902(b) and (c) of the Infrastructure Investment and Jobs Act.

Any carryover storage funding appropriated pursuant to section 4007 of the WIIN Act may be used for the three categories of projects described above.

Because the \$750 million authorization in this section would become the general source of storage funding provided through annual appropriations, we believe it is appropriate to allow this pot to be used for projects that are eligible for study funding under the Infrastructure Investment and Jobs Act. In addition, if projects are partly funded for construction under the Infrastructure Investment and Jobs Act, we believe it is appropriate to use this general pot of storage annual appropriations to provide funding to move these projects closer to the completion of construction that has already begun. Note that if any funding from this storage pot is used for projects authorized to receive funding under the Infrastructure Investment and Jobs Act, then the restrictions on which projects can receive funding and the cost-sharing and reimbursability rules from section 40902 of the Infrastructure Investment and Jobs Act would all apply to that funding.

Under the amended section 4007(e), Congress does not need to approve funding awards for specific projects through designating the project by name in an enacted appropriations bill. Reclamation can award funding to projects from available appropriations, after competitively evaluating grant applications from eligible projects.

- Subsection 101(b) of the STREAM Act is a conforming amendment which reflects the fact that the STREAM Act is amending and extending sections 4007, 4009(a) and 4009(c) of the WIIN Act, so they no longer expire in 2021.

- Subsection 101(c) amends section 40902(a)(2)(C)(i) of IIJA to make potentially eligible for construction funding under IIJA two projects whose feasibility studies were authorized by IIJA, the Verde Reservoirs Sediment Mitigation Project and the Tualatin River Basin Project. The projects will have to comply with the requirements of section 40902(a)(2) of IIJA to become eligible for construction funding under IIJA.
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 - The basic idea of this section is modeled on the Section 7001 report that the Army Corps of Engineers submits to Congress for WRDA projects.
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There are three key differences from the competitive grant program for water recycling authorized in the WIIN Act:

- 1) **The authorization of appropriations has been increased to \$300 million over 5 years, as compared to the prior \$100 million over 5 years.** Subsection (g).
- 2) **Congress does not need to approve funding awards for specific projects through designating the project by name in an enacted appropriations bill.**
 - Reclamation can award funding to projects from available appropriations, after competitively evaluating grant applications from eligible projects.
- 3) The draft bill raises the maximum federal funding contribution for each Title XVI project to \$50 million from the current ceiling of \$20 million in 1996 prices.

Subsection (b)(1).

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 - There are three key differences from the competitive grant program for desalination authorized in the WIIN Act:
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 - Just as for non-federal storage projects and natural water retention and release projects, the following are required to obtain funding for desalination projects (subparagraph (C)):
 - 1) The Governor of the affected state supports federal funding of the project, and the project is included in a state-approved plan; and
 - 2) For construction funding, the state or local sponsor determines, and Reclamation concurs, that the project is feasible, and sufficient funding is available to complete it.
 - The definition of an eligible project:
 - Makes clear that public private partnerships are eligible for funding as long as a state or local government entity pays either for the construction of the project or the water provided by the project. Subparagraph (A)(i).
 - Also allows any "organization with water or power delivery authority" to apply for funding if that organization constructs, operates and maintains the project. Subparagraph (A)(i). This language comes from the definition of an "eligible

applicant” in section 9502 of the Secure Water Act.

- Section 105, Drinking Water Assistance for Disadvantaged Communities
 - **This section authorizes an additional \$100 million for the Bureau of Reclamation’s program to provide drinking water assistance to disadvantaged communities in section 50231 of the Inflation Reduction Act.**
 - The Secretary is encouraged to use at least a portion of the funds authorized by this section to incorporate into multiple benefit projects features or facilities to assist in providing domestic water supplies to disadvantaged communities. Subsection (b)(2).
- Section 106, Extraordinary Operation and Maintenance Work; Project Modification
 - This section amends the existing Aging Infrastructure Program (Public Law 111-11, Title IX, Subtitle G) to authorize projects to not only repair aging Bureau of Reclamation facilities, but to modify the facilities to achieve increased public benefits and other project benefits.
 - Congress appropriated \$3.2 billion for the Aging Infrastructure Program in the Infrastructure Investment and Jobs Act.
 - If we are spending this much money to retool Reclamation infrastructure for the needs of the 21st century, the Secretary should have the authority to modify the projects to achieve increased public benefits and other project benefits, where she believes it is appropriate to do so.
 - Paragraph (2) of the new subsection (e) establishes a few basic principles for any project modification:
 - It shall add no more than 25% of the project cost for projects costing over \$100 million, or no more than \$25 million for projects costing under \$100 million (projects exceeding these thresholds would need to be authorized by Congress);
 - At least 50% of the new benefits provided by the modification of the project must be public benefits (note that “new benefits” is a term defined in paragraph (1)); and
 - In order to undertake a project modification, the Secretary shall obtain the consent of:
 - The transferred works operating entity if the project involved is a transferred works; and
 - Any project beneficiary that would experience an adverse impact from the operation of the modified project (note that “adverse impact” is a term defined

in paragraph (1)).

- If the modified project creates a new project beneficiary, the Secretary cannot subsequently reoperate the project to increase the benefits to that new beneficiary without the consent of any project beneficiaries that would experience an adverse impact.
 - The costs of planning, design and environmental compliance of the modified project shall be allocated in accordance with Reclamation procedures, with the caveat that any project beneficiary who does not receive any increase in long-term average annual water deliveries as a result of the modification shall not be allocated any reimbursable portion of these costs.
- Paragraph (3) sets up a process for the Secretary to obtain consent for a modified project from project beneficiaries that would experience an adverse impact. If the necessary consent is not obtained within twelve months of the date consent is requested, the extraordinary maintenance of the project shall proceed without the modification, subject to one twelve-month extension to obtain required consents at the Secretary's discretion.
 - Paragraph (4) addresses the reallocation of costs based on project changes and increased public benefits. Public benefits shall be non-reimbursable, and the cost allocation of reimbursable costs to each project beneficiary shall reflect the changes in benefits that the project is providing to that beneficiary.
 - Paragraph (5) addresses incentives to participate in modified projects where public benefits are increased, but not water contractor benefits.
 - The water contractors will face strong disincentives to participate in these projects. Some contractors may see their benefits reduced. All contractors will have to accept significant delay in obtaining the benefits of the restoration of these projects. It will take significant time to modify the projects in a manner that the contractors can accept, and then to conduct environmental compliance on the proposed modification. The contractors will also have to accept modified project operations that give increased priority to public benefits.
 - To offset these disincentives for water contractors to participate in projects which increase just public benefits, the bill reduces the reimbursable costs for such modified projects by 15%. The result is that each project beneficiary will pay 85% of the reimbursable costs for the modified project that the beneficiary would otherwise have been allocated.
 - **This paragraph sets up a financial incentive for water contractors to support modified projects that solely increase environmental and other public benefits without increasing water diversions or other water supply benefits.** Without this financial incentive, I expect water contractors will generally oppose such

modification of the projects that they rely on for water deliveries.

- This paragraph is also consistent with the provision of some non-reimbursable benefits for water supply in the context of other authorizations for projects that provide both water supply and substantial public benefits in a watershed:
 - Title XVI provides 25% non-reimbursable benefits for projects providing water supply that have watershed benefits through the use of recycled water;
 - The large-scale water recycling program that Congress just authorized in the Infrastructure Investment and Jobs Act provides up to 75% non-reimbursable benefits for projects that likewise provide both water supply and watershed benefits through the use of recycled water;
 - Section 103 of this bill provides non-reimbursable benefits for non-Federal storage and conveyance projects to the extent that they provide increased public benefits in the watershed.
 - Given the inevitability of increasingly severe and lengthy droughts as the West's climate changes, it will be essential to provide incentives to collaborate on multi-benefit projects that bring agricultural, environmental, and urban interests together to address the very serious challenge of maintaining sufficiently reliable water supply for all. This proposed amendment to the Aging Infrastructure Program seeks to increase incentives for such necessary collaboration.
- Section 107, Use of Revenue to Improve Drought Resilience or Dam Safety
 - **Issue:** Pursuant to the Sale of Water for Miscellaneous Purposes Act of 1920 (43 USC 521), the Warren Act of 1911 (43 USC 525), and corresponding Bureau of Reclamation (BOR) policy, any revenue from the sale of surplus water must be deposited into the Reclamation Fund and credited to capital repayment of the associated project. Under existing law, revenue from the sale of water continues to flow to the Reclamation Fund even after water users completed capital repayment of their project. As a result, there is no longer any benefit to the contractor from sale of surplus water unless the contractor receives another federal loan on the project.
 - **Importance:** Across the West, drought is stressing many water systems and new constraints often lead to water scarcity even in normal years. This is being compounded by aging BOR facilities that require significant investment to ensure they can continue to operate in a safe and effective fashion, especially as dams and other facilities are forced to withstand more variable and severe precipitation event as a result of climate change. Congress has responded to these challenges over the years by authorizing the Safety of Dams (SOD), Extraordinary Maintenance (XM), and other programs that assist water users in upgrading and repairing existing infrastructure by allowing for extended repayment of costs through contracts that are distinct from the capital repayment

obligations for the original construction of BOR projects.

- Despite the fact that operational flexibility and conservation are growing increasingly important in water management, existing Reclamation law provides very little incentive for paid-out BOR contactors that either have occasional surplus water or could create surplus water through system upgrades to make the investments or undertake the lengthy marketing and contracting necessary to realize a sale. This is especially true for projects that are currently in need of improvements that will increase drought resiliency or dam safety or are repaying Reclamation for SOD or XM projects and can't use any incremental revenues to help cover payments.
- **Solution:** This section changes existing law to ensure that water users are able to apply revenues derived from the temporary sale of surplus water to infrastructure to improve drought resiliency or dam safety and for other existing BOR repayment obligations. This change to the treatment of revenue will incentivize water utilities to make water available to relieve water shortages in their region, improve project drought resiliency, improve dam safety, and accelerate repayment of existing obligations.

Title II, Improved Technology and Data

- Section 201, Reauthorization of the Transboundary Aquifer Assessment Program
 - This section reauthorizes the United States-Mexico Transboundary Aquifer Assessment Act (42 U.S.C. 1962 note; Public Law 109-448).
 - This section derives from former Senator Udall and former Representative Torres Small's 2019 Western Water Security Act (S. 2718/HR 4891).

Title III, Ecosystem Restoration and Protection

- Section 301, Ecosystem Restoration
 - This section makes limited amendments to the competitive grant program for habitat restoration projects established in section 40907 of the Infrastructure Investment and Jobs Act.
 - Subsection (a) adds definitions of two new terms, "Committee" and "Project". The term "Committee" describes the "Integrated Water Management Leadership Committee" described more fully in subsection (c).
 - Subsection (b) amends section 40907(c)(1) of the Infrastructure Investment and Jobs Act (Public Law 117-58) to direct that Interior:

“(B) may not provide a grant to carry out a habitat restoration project the purpose of which is to meet existing environmental mitigation or compliance obligations that are express requirements of a permit or order issued under Federal or State law, unless such

requirements expressly contemplate reliance on Federal funding in performance of the requirements.”

- Subsection (c) supplements the \$100 million provided to the competitive grant program for habitat restoration in the bipartisan infrastructure law with:
 - 1) An authorization of \$150 million total for the competitive grant program from fiscal year 2025 through fiscal year 2029; and
 - 2) An authorization of \$100 million total from fiscal year 2025 through fiscal year 2029 for other grants, contracts, and agreements to achieve the habitat restoration purposes of this section and consistent with its requirements, as authorized in this section.
 - 3) Among other purposes, this \$100 million could be used to ensure that when Sacramento Valley rice growers sell their water and idle their crops, some water is left behind and applied to bare fields in late summer and early fall to create shallow flooded habitat during a critical shorebird migration period. See subsection (f) of amended section 40907 of the amended Infrastructure Investment and Jobs Act.
- Subsection (c) also directs the Secretary to establish an Integrated Water Management Federal Leadership Committee which coordinates federal agency efforts to implement integrated water management projects, if requested to do so for a particular project by an eligible entity or qualified non-government organization partner.
- Finally, subsection (c) requires the Secretary to comply with applicable environmental laws in implementing this section.
- Section 302, Performance-based Restoration Authority
 - **Multiple large- and small-scale ecosystem restoration projects have been authorized or are required by law, yet implementation of these projects often stalls when federal agencies have competing priorities or don’t have the resources or technical experience to undertake them successfully.** This section expedites the implementation of certain types of habitat and ecosystem restoration projects by **authorizing the Secretary of the Interior (Secretary) to enter into performance-based financial arrangements for the delivery of ecological targets and outcomes by experienced non-federal entities.** This section does not create a new program, but instead allows the use of performance-based financial arrangements under the Secretary’s existing ecosystem and habitat restoration authorities. It is needed to both expedite completion of many restoration projects—including large, multi-year projects—and to clarify that performance-based financial mechanisms are an authorized use of federal funds for such projects. The section additionally furthers the goals of reducing costs to the federal government in undertaking such projects and increasing flexibility in the administration of funding for such projects, consistent with federal acquisition regulations.
 - In General. Subsection (b) authorizes the Secretary, in implementing existing authorities under Federal law related to habitat and ecosystem restoration, to—
 - (1) enter into performance-based contracts, grant agreements, and cooperative

agreements for habitat and ecosystem restoration, mitigation, and enhancement projects where ecological targets and outcomes are

- clearly defined,
- agreed upon in advance, and
- capable of being successfully achieved

(2) enter into performance-based contracts with eligible restoration providers experienced in financing and completing successful ecological habitat and restoration, mitigation, and enhancement activities.

(3) provide grant and award agreements for habitat and ecosystem restoration, mitigation, and enhancement projects as described in paragraph (1) and allow for the use of performance-based tools in such agreements.

(4) provide pass-through financing for funds granted or awarded to non-federal third parties utilizing performance-based contracts for projects authorized under paragraph (1).

(5) use performance-based financial mechanisms for multi-year projects.

- Guidelines. Subsection (c) directs the Secretary to—
 - (1) develop guidelines for using performance-based financing and to consult with experienced external organizations in developing such guidelines. Such consultation shall not constitute or require establishing a committee under the Federal Advisory Committee Act. Guidelines shall include guidance on
 - appropriate proposal and project evaluation criteria,
 - restoration provider eligibility criteria,
 - criteria for defining achievable ecological outcomes, and
 - determination of restoration provider financial assurances sufficient to ensure ecological outcomes will be successfully achieved.
- Identification of Eligible Projects. Subsection (d) directs the Secretary to identify opportunities for using performance-based financing for projects authorized in subsection (b)(1) and issue a request for proposals from eligible restoration providers to undertake such projects.
- Certification. Under subsection (e), the Secretary shall certify that work was completed in accordance with ecological requirements and outcomes previously agreed to.
- Technical Assistance. Subsection (f) authorizes the Secretary to provide technical assistance to restoration providers for studies, design, engineering, and permitting.
- Rule of Construction. Subsection (g) clarifies that nothing in the section authorizes the Secretary to waive any obligation of the Secretary or non-Federal parties under federal environmental law.
- Non-Federal Funding. Subsection (h) authorizes use of performance-based financing under the act for non-federal project cost shares, on the condition that the non-federal cost-share responsibility remains with the non-federal party.

- Cost Share. Subsection (i) clarifies that nothing in the section shall affect a cost-sharing requirement under Federal law that is applicable to a project carried out under the performance-based restoration authority established under subsection (a).
- Mitigation. Subsection (j) clarifies that nothing in this section shall authorize Federal funding to meet existing environmental mitigation or compliance obligations that are express requirements of a permit or order issued under Federal or State law, unless such requirements expressly contemplate reliance on Federal funding in performance of the requirements
- Report. Subsection (k) requires the Secretary to
 - (1) issue and submit to Congress a report describing results of, and impediments to, the use of performance-based financing within 3 years of the date of enactment, and
 - (2) address such impediments, if any—to the extent practicable—and to protect the public interest and investment in projects financed under the Act.

Title IV, Miscellaneous

- Section 401, Amendments to Drought Program Under the Reclamation States Emergency Drought Relief Act of 1991
 - Droughts have become more frequent than when the Reclamation States Emergency Drought Relief Act was enacted in 1991. As a result, some amendments appear appropriate to the Act to reflect the increased frequency of droughts.
 - The existing Act limits permanent facilities that it authorizes to groundwater wells.
 - Given the increased frequency of droughts, it seems more efficient to install a greater number of permanent facilities than to frequently install and remove temporary facilities.
 - Subsection (a) therefore provides authorization during a declared drought emergency for any permanent facilities or projects up to a federal investment of \$30 million that are supported by the relevant State (or tribe if the facility is on an Indian reservation).
 - The \$30 million threshold comes from the Infrastructure Investment and Jobs Act, which creates a precedent authorizing Interior to proceed with projects up to \$30 million without Congressional authorization of the specific projects (in that Act this precedent is applied to small storage projects).
 - Subsection (a) also requires that a well drilled to minimize losses and damages from drought conditions must either 1) align with applicable local, state, or regional groundwater sustainability goals; or 2) support drinking water supplies for a

disadvantaged community or Tribe.

- Subsection (a) further addresses the problem of drought shortfalls in environmental funding programs like the Central Valley Improvement Act that derive their funding from per acre fees in water delivered.
- Because their funding varies by the amount of water delivered, these programs provide substantially less environmental funding precisely when the funding is most needed, during droughts.
- Subsection (a) would authorize non-reimbursable funding to make up these shortfalls, without affecting the Secretary's legal obligations to the environment or existing authority to make up shortfalls in environmental funding in non-drought years.
- Subsection (b) amends the existing Act to clarify that it applies to drought emergencies declared for portions of States, and does not require drought emergencies to apply to an entire State.
- Subsection (b) also extends the Reclamation States Emergency Drought Relief Act authorization to 2031.
- Subsection (c) amends the Secure Water Act of 2009 to provide that an application for WaterSMART funding to drill a groundwater well for municipal supply to minimize losses and damages from drought conditions shall not increase the applicant's net water use beyond the period of any drought emergency, unless the groundwater well is for the purpose of supplying drinking water for a disadvantaged community or Tribe, or if the new groundwater use is partially offset by aquatic habitat enhancement during the drought period, or over the long-term, including a future drought period.
- Section 402, Environmental Compliance
 - This section requires the Act to be implemented consistent with applicable State law and Federal environmental law.
- Section 403, Effect
 - This section provides that nothing in this Act shall interfere with any obligation of a State under the Rio Grande Compact or any other interstate compact approved by Congress.



To:	MWDOC
From:	Syrus Devers, Best Best & Krieger
Date:	June 27th, 2023
Re:	State Legislative Report

Legislative Report

The last two weeks of June were big ones for both legislation and the budget. Here are the highlights.

The water rights bills:

AB 460 (Bauer-Kahan): This bill would give the SWRCB the power to issue restraining orders on par with a court's power to issue Temporary Restraining Orders. It is not over but opponents smell blood in the water. At the last moment the author pulled the bill from the June 27th hearing date in Senate Natural Resources and Water when it was apparent the bill lacked the necessary 6th vote to get out of committee. Holdouts on the Democrat side include Senators Padilla (San Diego), Hurtado (Central Valley), and Eggman (Stockton). The last scheduled hearing for the committee is July 10th. That is how long Bauer-Kahan has to negotiate for the needed vote, but that's a long time in the Legislature.

AB 1337 (Wicks): This bill overturns the court holding in the Curtailment Cases and allows SWRCB to enforce water rights against pre-1914 water right holders. Originally set for June 21st, the bill was pulled and reset for the final hearing date of July 10th. The bill has not been amended in the last month, but there is talk in the halls that this bill is enjoying broader support than its counterpart AB 460.

SB 389 (Allen): This bill would grant the SWRCB sweeping powers to demand information to support a water right claim. In order to get the bill off the Senate Floor after a tough first vote, Allen agreed to take the more punitive sections out of the bill, although written amendments have yet to be adopted.

According to stakeholders, Allen agreed to remove the section allowing for forfeiture of a water right for which there was insufficient proof, and eliminated placing the burden of proof on the holder of the right, which were the two most objectionable provisions of the bill. No hearing had been set at the time this report was prepared.

The Budget:

This report was prepared the day after a late-night deal on the State Budget was struck, so few details were available.

In 2022, California faced unprecedented budget surpluses which led the Governor and the Legislature to set aside the maximum possible savings, give Californians refunds, and spent record amounts on climate adaptation programs. The total budget spending plan in 2022 was \$308 billion. So how did our governor and legislators deal with a \$31.5 billion deficit? By rolling up their sleeves and...spending \$3 billion more than last year.

Sarcasm aside, there are some real numbers behind the budget total, but at first glance it can be a head scratcher. Compared to last year, the budget has to cover a \$31.5 billion deficit and the \$3 billion in additional spending, or about \$35 billion, give or take. Here is how it works:

- Lower revenues mean lower constitutionally required, non-discretionary spending. That is worth about \$4.8 billion (call it \$5B).
- Defer \$8 billion in planned spending from last year's budget. (This is where water programs can be impacted.)
- Borrow \$6 billion from special funds.
- Increase taxes on managed care plan providers for another \$8 billion.
- Make up the rest (\$8B) by counting on an automatic increase in the gas tax and a variety of other pots of money.

Just like that, the deficit is covered without tapping the reserve account. Is it budget sleight-of-hand that cannot be sustained? Yes, but it works for now. Who knows? The stock market seems bullish at the moment so maybe we just need to stay afloat long enough to catch some economic luck. If things do not go well, then we start tapping the reserves.

What happens to water related spending programs in the Budget?

It's too soon for an analysis. Water was barely mentioned in the press releases that accompanied the announcement of a budget deal. Funds were cut that included spending on water related programs, but we do not have details on precisely which programs within larger budget funds will be reduced. That kind of detail will be found in Budget Trailer Bills in the coming weeks.

We do know Governor Newsom dropped the Delta Conveyance from a list of major projects that he wanted to expedite with a streamlined permit process. While not exactly a budget item, it was a part of his package of Budget Trailer Bill proposals he released back in May.

Bill Matrix

Prepared by Syrus Devers, June 27th, 2023

A. Priority Support/Oppose

[AB 334](#)

(Rubio, Blanca D) Public contracts: conflicts of interest.

Status: 6/14/2023-Re-referred to Com. on JUD.

Calendar: 7/6/2023 Upon adjournment of Session - 1021 O Street, Room 2100 SENATE JUDICIARY, UMBERG, THOMAS, Chair

Summary: Current law prohibits members of the Legislature and state, county, district, judicial district, and city officers or employees from being financially interested in any contract made by them in their official capacity, or by any body or board of which they are members. Current law authorizes the Fair Political Practices Commission to commence an administrative or civil action against persons who violate this prohibition, as prescribed, and includes provisions for the collection of penalties after the time for judicial review of a commission order or decision has lapsed, or if all means of judicial review of the order or decision have been exhausted. Current law identifies certain remote interests in contracts that are not subject to this prohibition and other situations in which an official is not deemed to be financially interested in a contract. Existing law makes a willful violation of this prohibition a crime. This bill would establish that an independent contractor, who meets specified requirements, is not an officer for purposes of being subject to the prohibition on being financially interested in a contract.

Position	Priority
Support	A. Priority Support/Oppose

Notes 1: Support position adopted June 7th

[AB 460](#)

(Bauer-Kahan D) State Water Resources Control Board: water rights and usage: interim relief: procedures.

Status: 6/7/2023-Referred to Coms. on N.R. & W. and JUD.

Calendar: 6/27/2023 9 a.m. - 1021 O Street, Room 2100 SENATE NATURAL RESOURCES AND WATER, MIN, DAVE, Chair

Summary: Current law authorizes the State Water Resources Control Board to investigate all streams, stream systems, lakes, or other bodies of water, take testimony relating to the rights to water or the use of water, and ascertain whether water filed upon or attempted to be appropriated is appropriated under the laws of the state. Current law requires the board to take appropriate actions to prevent waste or the unreasonable use of water. This bill would authorize the board, in conducting specified investigations or proceedings to inspect the property or facilities of a person or entity, as specified. The bill would authorize the board, if consent is denied for an inspection, to obtain an inspection warrant, as specified, or in the event of an emergency affecting public health and safety, to conduct an inspection without consent or a warrant.

Position	Priority
Opposition	A. Priority Support/Oppose

[AB 557](#)

(Hart D) Open meetings: local agencies: teleconferences.

Status: 6/19/2023-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on JUD.

Calendar: 6/27/2023 Upon adjournment of Session - 1021 O Street, Room 2100 SENATE JUDICIARY, UMBERG, THOMAS, Chair

Summary: The Ralph M. Brown Act requires, with specified exceptions, that all meetings of a legislative body of a local agency, as those terms are defined, be open and public and that all persons be permitted to attend and participate. The act contains specified provisions regarding providing for the ability of the public to observe and provide comment. The act allows for meetings to occur via teleconferencing subject to certain requirements, particularly that the legislative body notice each teleconference location of each member that will be participating in the public meeting, that each teleconference location be accessible to the public, that members of the public be allowed to address the legislative body at each teleconference location, that the legislative body post an agenda at each teleconference location, and that at least a quorum of the legislative body participate from locations within the boundaries of the local agency's jurisdiction. The act provides an exemption to the jurisdictional requirement for health authorities, as defined. This bill would revise the authority of a legislative body to hold a teleconference meeting under those abbreviated teleconferencing procedures when a declared state of emergency is in effect. Specifically, the bill would extend indefinitely that authority in the circumstances under which the legislative body either (1) meets for the purpose of determining whether, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees, or (2) has previously made that determination.

Position	Priority
Support	A. Priority
	Support/Oppose

Notes 1: Support adopted April 5th

[AB 735](#)

(Berman D) Workforce development: utility careers.

Status: 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/10/2023)(May be acted upon Jan 2024)

Summary: Would establish the High Road Utility Careers (HRUC) program, to be administered by the California Workforce Development Board, to connect existing resources with individuals interested in careers in the utility sector and ensure a continued reliable workforce for California utilities. The bill would require the board to administer the HRUC program through partnerships with statewide water, wastewater, and energy utility associations and to coordinate the program with existing and future programs and initiatives administered by the board, including high road training partnerships, in order to align interested individuals with available resources. The bill would require the HRUC program, upon appropriation by the Legislature, to dedicate funding and resources toward accomplishing specified goals, including connecting workers to high-quality jobs or entry-level work with defined routes to advancement and increasing skills and opportunities while expanding pipelines for low-income populations.

Position	Priority
Support	A. Priority
	Support/Oppose

Notes 1: Support adopted April 5th

[AB 755](#)

(Papan D) Water: public entity: cost-of-service analysis.

Status: 6/14/2023-Referred to Com. on N.R. & W.

Calendar: 7/10/2023 Upon adjournment of Military and Veterans Affairs Committee - 1021 O Street, Room 2200 SENATE NATURAL RESOURCES AND WATER, MIN, DAVE, Chair

Summary: Current law authorizes a public entity that supplies water at retail or wholesale within its service area to adopt, in accordance with specified procedures, and enforce a water conservation program. This bill would require a public entity, as defined, that conducts a cost-of-service analysis, as defined, to identify the total incremental costs incurred by all the major water users, as described, in the single-family residential class and the total incremental costs that would be avoided if major water users met a specified efficiency goal. The bill would also require both of those costs to be made publicly available by posting the information in the public entity's cost-of-service analysis.

Position	Priority
Opposition	A. Priority
	Support/Oppose

Notes 1: Oppose position adopted May 3rd

[AB 838](#)

(Connolly D) California Water Affordability and Infrastructure Transparency Act of 2023.

Status: 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 4/19/2023)(May be acted upon Jan 2024)

Summary: The California Safe Drinking Water Act requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health. Current law declares it to be the established policy of the state that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes. The act prohibits a person from operating a public water system unless the person first submits an application to the state board and receives a permit to operate the system,

as specified. The act requires a public water system to submit a technical report to the state board as a part of the permit application or when otherwise required by the state board, as specified, and to submit the report in the form and format and at intervals specified by the state board. This bill would require, beginning January 1, 2025, and thereafter at intervals determined by the state board, public water systems to provide specified information and data related to customer water bills and efforts to replace aging infrastructure to the state board.

Position	Priority
Opposition	A. Priority Support/Oppose

AB 1337 (Wicks D) State Water Resources Control Board: water diversion curtailment.

Status: 6/21/2023-In committee: Hearing postponed by committee.

Calendar: 7/10/2023 Upon adjournment of Military and Veterans Affairs Committee - 1021 O Street, Room 2200 SENATE NATURAL RESOURCES AND WATER, MIN, DAVE, Chair

Summary: Under existing law, the diversion or use of water other than as authorized by specified provisions of law is a trespass, subject to specified civil liability. This bill would expand the instances when the diversion or use of water is considered a trespass. This bill contains other related provisions and other existing laws.

Position	Priority
Opposition	A. Priority Support/Oppose

Notes 1: Oppose adopted April 5th

AB 1572 (Friedman D) Potable water: nonfunctional turf.

Status: 6/21/2023-In committee: Hearing postponed by committee.

Calendar: 7/3/2023 10 a.m. - 1021 O Street, Room 1200 SENATE NATURAL RESOURCES AND WATER, MIN, DAVE, Chair

Summary: Would make legislative findings and declarations concerning water use, including that the use of potable water to irrigate nonfunctional turf is wasteful and incompatible with state policy relating to climate change, water conservation, and reduced reliance on the Sacramento-San Joaquin Delta ecosystem. The bill would direct all appropriate state agencies to encourage and support the elimination of irrigation of nonfunctional turf with potable water.

Position	Priority
Oppose unless amended	A. Priority Support/Oppose

Notes 1: OUA adopted April 5th

AB 1594 (Garcia D) Medium- and heavy-duty zero-emission vehicles: public agency utilities.

Status: 6/14/2023-Referred to Coms. on E.Q. and TRANS.

Calendar: 7/5/2023 9:30 a.m. - 1021 O Street, Room 1200 SENATE ENVIRONMENTAL QUALITY, ALLEN, BENJAMIN, Chair

Summary: Executive Order No. N-79-20 establishes the goal of transitioning medium- and heavy-duty vehicles in California to zero-emission vehicles by 2045 for all operations where feasible and by 2035 for drayage trucks, and requires the State Air Resources Board to develop and propose medium- and heavy-duty vehicle regulations to meet that goal. This bill would require any state regulation that seeks to require, or otherwise compel, the procurement of medium- and heavy-duty zero-emission vehicles by a public agency utility to ensure that those vehicles can support a public agency utility's ability to maintain reliable water and electric services, respond to disasters in an emergency capacity, and provide mutual aid assistance statewide and nationwide, among other requirements. The bill would define a public agency utility to include a local publicly owned electric utility, a community water system, and a wastewater treatment provider, as specified. This bill contains other existing laws.

Position	Priority
Support	A. Priority Support/Oppose

Notes 1: Support adopted May 3rd

AB 1637 (Irwin D) Local government: internet websites and email addresses.

Status: 6/14/2023-Referred to Com. on GOV. & F.

Calendar: 6/28/2023 9 a.m. - 1021 O Street, Room 1200 SENATE GOVERNANCE AND FINANCE, CABALLERO, ANNA, Chair

Summary: The California Constitution authorizes cities and counties to make and enforce within their limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws and further authorizes cities organized under a charter to make and enforce all ordinances and regulations in respect to municipal affairs, which supersede inconsistent general laws. This bill, no later than January 1, 2027, would require a local agency, as defined, that maintains an internet website for use by the public to ensure that the internet website utilizes a “.gov” top-level domain or a “.ca.gov” second-level domain and would require a local agency that maintains an internet website that is noncompliant with that requirement to redirect that internet website to a domain name that does utilize a “.gov” or “.ca.gov” domain. This bill, no later than January 1, 2027, would also require a local agency that maintains public email addresses to ensure that each email address provided to its employees utilizes a “.gov” domain name or a “.ca.gov” domain name. By adding to the duties of local officials, the bill would impose a state-mandated local program. This bill contains other related provisions and other existing laws.

Position	Priority
Watch	A. Priority
	Support/Oppose

Notes 1: No longer applies to special districts

[SB 23](#)

(Caballero D) Water supply and flood risk reduction projects: expedited permitting.

Status: 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/15/2023)(May be acted upon Jan 2024)

Summary: Current law prohibits an entity from substantially diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or deposit or dispose of debris, waste, or other material containing crumbled, flaked, or ground pavement where it may pass into any river, stream, or lake, except under specified conditions, including requiring the entity to send written notification to the Department of Fish and Wildlife regarding the activity in the manner prescribed by the department. This bill would require a project proponent, if already required to submit a notification to the department, to submit to the department the certified or adopted environmental review document, as applicable, for the activity in the notification. The bill would require the department, under prescribed circumstances, to take certain actions within specified timelines, or within a mutually agreed-to extension of time.

Position	Priority
Support	A. Priority
	Support/Oppose

Notes 1: Support position approved on 3/1/2023

[SB 366](#)

(Caballero D) The California Water Plan: long-term supply targets.

Status: 6/8/2023-Referred to Com. on W., P., & W.

Calendar: 7/11/2023 9 a.m. - State Capitol, Room 447 ASSEMBLY WATER, PARKS AND WILDLIFE, BAUER-KAHAN, REBECCA, Chair

Summary: Current law requires the Department of Water Resources to update every 5 years the plan for the orderly and coordinated control, protection, conservation, development, and use of the water resources of the state, which is known as “The California Water Plan.” Current law requires the department to include a discussion of various strategies in the plan update, including, but not limited to, strategies relating to the development of new water storage facilities, water conservation, water recycling, desalination, conjunctive use, water transfers, and alternative pricing policies that may be pursued in order to meet the future needs of the state. Current law requires the department to establish an advisory committee to assist the department in updating the plan. This bill would revise and recast certain provisions regarding The California Water Plan to, among other things, require the department to instead establish a stakeholder advisory committee and to expand the membership of the committee to include tribes, labor, and environmental justice interests. The bill would require the department, in coordination with the California Water Commission, the State Water Resources Control Board, other state and federal agencies as appropriate, and the stakeholder advisory committee to develop a comprehensive plan for addressing the state’s water needs and meeting specified long-term water supply targets established by the bill for purposes of “The California Water Plan.”

Position	Priority
Support	A. Priority
	Support/Oppose

[SB 389](#)

(Allen D) State Water Resources Control Board: determination of water right.

Status: 6/15/2023-Referred to Com. on W., P., & W.

Summary: Would, upon specified findings, authorize the State Water Resources Control Board to investigate the diversion and use of water from a stream system to determine whether the diversion and use are based upon appropriation, riparian right, or other basis of right, as specified.

Position	Priority
Opposition	A. Priority Support/Oppose

Notes 1: Oppose adopted April 5th

SB 687

(Eggman D) Water Quality Control Plan: Delta Conveyance Project.

Status: 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/8/2023)(May be acted upon Jan 2024)

Summary: Would require the State Water Resources Control Board to adopt a final update of the 1995 Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary, as provided, before the board may consider a change in point diversion or any other water rights permit or order for the Delta Conveyance Project. The bill would also, if, after completing the update of the plan and in compliance with existing law, the board approves a change in point of diversion or any other water rights permit or order associated with the Delta Conveyance Project, prohibit the operation of the Delta Conveyance Project unless and until the updated plan is fully implemented. The bill would specify that these provisions do not constitute an authorization for or approval of funding for the Delta Conveyance Project or any other project that includes isolated Delta conveyance facilities, and do not reduce any statutory or other regulatory conditions or permit requirements for Delta conveyance projects.

Position	Priority
Opposition	A. Priority Support/Oppose

Notes 1: Oppose adopted per Policy Principles.

B. Watch

AB 30

(Ward D) Atmospheric rivers: research: reservoir operations.

Status: 6/26/2023-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on APPR.

Calendar: 7/3/2023 10 a.m. - 1021 O Street, Room 2200 SENATE APPROPRIATIONS, PORTANTINO, ANTHONY, Chair

Summary: Current law establishes the Atmospheric Rivers: Research, Mitigation, and Climate Forecasting Program in the Department of Water Resources. Current law requires the department, upon an appropriation for purposes of the program, to research climate forecasting and the causes and impacts that climate change has on atmospheric rivers, to operate reservoirs in a manner that improves flood protection, and to reoperate flood control and water storage facilities to capture water generated by atmospheric rivers. This bill would rename that program the Atmospheric Rivers Research and Forecast Improvement Program: Enabling Climate Adaptation Through Forecast-Informed Reservoir Operations and Hazard Resiliency (AR/FIRO) Program. The bill would require the department to research, develop, and implement new observations, prediction models, novel forecasting methods, and tailored decision support systems to improve predictions of atmospheric rivers and their impacts on water supply, flooding, post-wildfire debris flows, and environmental conditions.

Position	Priority
Watch	B. Watch

AB 62

(Mathis R) Statewide water storage: expansion.

Status: 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/10/2023)(May be acted upon Jan 2024)

Summary: Current law establishes within the Natural Resources Agency the State Water Resources Control Board and the California regional water quality control boards. Current law requires the work of the state board to be divided into at least 2 divisions, known as the Division of Water Rights and the Division of Water Quality. This bill would establish a statewide goal to increase above- and below-ground water storage capacity by a total of 3,700,000 acre-feet by the year 2030 and a total of 4,000,000 acre-feet by the year 2040. The bill would require the Department of Water Resources, in consultation with the state board, to take reasonable actions to promote or assist efforts to achieve the statewide goal, as

provided. The bill would require the department, beginning July 1, 2027, and on or before July 1 every 2 years thereafter until January 1, 2043, in consultation with the state board, to prepare and submit a report to the Legislature on the progress made to achieve the statewide goal.

Position	Priority
Watch	B. Watch

AB 66

(Mathis R) Natural Resources Agency: water storage projects: permit approval.

Status: 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 4/19/2023)(May be acted upon Jan 2024)

Summary: Current law establishes the Natural Resources Agency, composed of departments, boards, conservancies, and commissions responsible for the restoration, protection, and management of the state's natural and cultural resources. Current law establishes in the agency the Department of Water Resources, which manages and undertakes planning with regard to water resources in the state. This bill would require the agency, and each department, board, conservancy, and commission within the agency, to take all reasonable steps to approve the necessary permits for specified projects that meet certain employment conditions within 180 days from receiving a complete permit application.

Position	Priority
	B. Watch

AB 249

(Holden D) Water: schoolsites: lead testing: conservation.

Status: 6/22/2023-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on E.Q.

Calendar: 7/5/2023 9:30 a.m. - 1021 O Street, Room 1200 SENATE ENVIRONMENTAL QUALITY, ALLEN, BENJAMIN, Chair

Summary: Would require a community water system that serves a schoolsite, as defined, to test for lead in the potable water system outlets of the schoolsite before January 1, 2027, except for potable water system outlets in buildings that were either constructed after January 1, 2010, or modernized after January 1, 2010, and all faucets and other end point devices used for providing potable water were replaced as part of the modernization. The bill would require the community water system to report its findings to the applicable schoolsite or local educational agency and to the state board. The bill would require the local educational agency or schoolsite, if the lead level exceeds a specified level at a schoolsite, to notify the parents and guardians of the pupils who attend the schoolsite, take immediate steps to make inoperable and shut down from use all potable water system outlets where the excess lead levels may exist, and work to ensure that a lead-free source of drinking water is provided for pupils, as specified. The bill would require a community water system to test a potable water system outlet that replaces an outlet that is found to have excess levels of lead. The bill would require a community water system to prepare a sampling plan for each schoolsite where lead sampling is required under these provisions, as specified. The bill would require the schoolsite, local education agency, and state board to make the results of schoolsite lead sampling publicly available by posting the results on its internet website. The bill would require a schoolsite and a local educational agency, if an internet website is not maintained, to provide the results upon request. By imposing additional duties on local agencies, this bill would impose a state-mandated local program.

Position	Priority
Watch	B. Watch

AB 277

(Rodriguez D) Extreme Weather Forecast and Threat Intelligence Integration Center.

Status: 6/26/2023-Read second time and amended. Re-referred to Com. on G.O.

Calendar: 7/11/2023 9 a.m. - 1021 O Street, Room 1200 SENATE GOVERNMENTAL ORGANIZATION, DODD, BILL, Chair

Summary: Would establish the State-Federal Flood Operations Center within the Department of Water Resources and would authorize the department to administer the center in the department's divisions, offices, or programs. The bill would provide that the purpose of the center is to function as the focal point for gathering, analyzing, and disseminating flood and water-related information to stakeholders and would authorize the center to take specified actions for that purpose, including to function during emergency situations to enable the department to centrally coordinate statewide emergency responses.

Position	Priority
Watch	B. Watch

AB 305

(Villapudua D) California Flood Protection Bond Act of 2024.

Status: 6/14/2023-Referred to Coms. on N.R. & W. and GOV. & F.

Summary: Would enact the California Flood Protection Bond Act of 2024 which, if approved by the voters, would authorize the issuance of bonds in the amount of \$4,500,000,000 pursuant to the State General Obligation Bond Law for flood protection projects, as specified. The bill would provide for the submission of these provisions to the voters at the November 5, 2024, statewide general election.

Position	Priority
Watch	B. Watch

AB 338 **(Aguiar-Curry D) Public works: definition.**

Status: 6/14/2023-Referred to Com. on L., P.E. & R.

Summary: Current law requires that, except as specified, not less than the general prevailing rate of per diem wages, determined by the Director of Industrial Relations, be paid to workers employed on public works projects. Existing law defines the term “public works” for purposes of requirements regarding the payment of prevailing wages to include construction, alteration, demolition, installation, or repair work done under contract and paid for using public funds, except as specified. Current law makes a willful violation of laws relating to the payment of prevailing wages on public works a misdemeanor. This bill would, commencing January 1, 2025, expand the definition of “public works” to include fuel reduction work done under contract and paid for in whole or in part out of public funds performed as part of a fire mitigation project, as specified. The bill would limit those provisions to work that falls within an apprenticeship occupation in the building and construction trades for which an apprenticeship program has been approved and to contracts in excess of \$100,000. The bill would delay the application of those provisions until January 1, 2026, for nonprofits.

Position	Priority
Watch	B. Watch

AB 340 **(Fong, Vince R) California Environmental Quality Act: grounds for noncompliance.**

Status: 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was NAT. RES. on 2/9/2023)(May be acted upon Jan 2024)

Summary: The California Environmental Quality Act (CEQA) prohibits an action or proceeding from being brought in a court to challenge the approval of a project by a public agency unless the alleged grounds for noncompliance are presented to the public agency orally or in writing by a person during the public comment period provided by CEQA or before the close of the public hearing on the project before the issuance of the notice of determination. This bill would require the alleged grounds for noncompliance with CEQA presented to the public agency in writing be presented at least 10 days before the public hearing on the project before the issuance of the notice of determination. The bill would prohibit the inclusion of written comments presented to the public agency after that time period in the record of proceedings and would prohibit those documents from serving as basis on which an action or proceeding may be brought.

Position	Priority
Watch	B. Watch

AB 676 **(Bennett D) Water: general state policy.**

Status: 6/22/2023-In committee: Hearing postponed by committee.

Calendar: 7/10/2023 Upon adjournment of Military and Veterans Affairs Committee - 1021 O Street, Room 2200 SENATE NATURAL RESOURCES AND WATER, MIN, DAVE, Chair

Summary: Current law establishes various state water policies, including the policy that the use of water for domestic purposes is the highest use of water and that the next highest use is for irrigation. This bill would specify that the use of water for domestic purposes includes water use for human consumption, cooking, sanitary purposes, and care of household livestock, animals, and gardens.

Position	Priority
Watch	B. Watch

AB 1072 **(Wicks D) Water conservation and efficiency: low-income residential customers.**

Status: 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/17/2023)(May be acted upon Jan 2024)

Summary: Would declare the policy of the state that all residents have access to water conservation and efficiency programs. The bill would also set forth related findings including that reaching the state’s environmental justice goals and commitments requires designing climate adaptation programs so that all households may participate.

Position	Priority
Watch	B. Watch

AB 1205

(Bauer-Kahan D) Water rights: sale, transfer, or lease: agricultural lands.

Status: 5/31/2023-Referred to Com. on N.R. & W.

Calendar: 7/10/2023 Upon adjournment of Military and Veterans Affairs Committee - 1021 O Street, Room 2200 SENATE NATURAL RESOURCES AND WATER, MIN, DAVE, Chair

Summary: Would find and declare that speculation or profiteering by an investment fund in the sale, transfer, or lease of an interest in any surface water right or groundwater water right previously put to beneficial use on agricultural lands within the state is a waste or an unreasonable use of water.

Position	Priority
Watch	B. Watch

AB 1567

(Garcia D) Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024.

Status: 6/14/2023-Referred to Coms. on N.R. & W. and GOV. & F.

Summary: Would enact the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$15,995,000,000 pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, clean energy, and workforce development programs.

Position	Priority
Watch	B. Watch

AB 1573

(Friedman D) Water conservation: landscape design: model ordinance.

Status: 6/21/2023-In committee: Hearing postponed by committee.

Calendar: 7/3/2023 10 a.m. - 1021 O Street, Room 1200 SENATE NATURAL RESOURCES AND WATER, MIN, DAVE, Chair

Summary: The Water Conservation in Landscaping Act provides for a model water efficient landscape ordinance that is adopted and updated at least every 3 years by the Department of Water Resources, unless the department makes a specified finding. Current law requires a local agency to adopt the model ordinance or to adopt a water efficient landscape ordinance that is at least as effective in conserving water as the updated model ordinance, except as specified. Current law specifies the provisions of the updated model ordinance, as provided. Current law includes a related statement of legislative findings and declarations. This bill would require the updated model ordinance to include provisions that require that plants included in a landscape design plan be selected based on their adaptability to climatic, geological, and topographical conditions of the project site, as specified. The bill would also exempt landscaping that is part of ecological restoration projects that do not require a permanent irrigation system, mined-land reclamation projects that do not require a permanent irrigation system, and existing plant collections, as part of botanical gardens and arboretums open to the public, from the model ordinance. The bill would require the updated model ordinance to include provisions that require that all new or renovated nonresidential areas install plants that meet specified criteria, and that prohibit the inclusion of nonfunctional turf in nonresidential landscape projects after January 1, 2026.

Position	Priority
Watch	B. Watch

AB 1648

(Bains D) Water: Colorado River conservation.

Status: 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was W.,P. & W. on 3/16/2023)(May be acted upon Jan 2024)

Summary: Would prohibit the Metropolitan Water District of Southern California and the Department of Water and Power of the City of Los Angeles from achieving a reduction in, or conservation of, Colorado River water consumption required by an agreement with specified entities through increased water deliveries or imports from other regions of California, including the San Joaquin Valley and the Sacramento-San Joaquin Delta. The bill would require the Colorado River Board of California, the Department of Water Resources, and the State Water Resources Control Board to use their existing authority to enforce these provisions. The bill would specify that these provisions apply retroactively to January 1, 2023, and apply to any agreement entered into on or after that date.

Position	Priority
Watch	B. Watch

ACA 2

(Alanis R) Public resources: Water and Wildfire Resiliency Act of 2023.

Status: 4/20/2023-Referred to Coms. on W., P., & W. and NAT. RES.

Summary: Would establish the Water and Wildfire Resiliency Fund within the State Treasury, and would require the Treasurer to annually transfer an amount equal to 3% of all state revenues that may be appropriated as described from the General Fund to the Water and Wildfire Resiliency Fund. The measure would require the moneys in the fund to be appropriated by the Legislature and would require that 50% of the moneys in the fund be used for water projects, as specified, and that the other 50% of the moneys in the fund be used for forest maintenance and health projects, as specified.

Position	Priority
Out for Analysis	B. Watch

SB 3

(Dodd D) Discontinuation of residential water service: public water system.

Status: 6/21/2023-From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 2.) (June 20). Re-referred to Com. on APPR.

Summary: Current law authorizes the State Water Resources Control Board to provide for the deposit into the Safe and Affordable Drinking Water Fund of certain moneys and continuously appropriates the moneys in the fund to the state board for grants, loans, contracts, or services to assist eligible recipients. This bill would require the board to, upon appropriation by the Legislature, expend moneys to provide training statewide to community water systems with between 15 and 200 service connections to meet compliance with the Water Shutoff Protection Act.

Position	Priority
Out for Analysis	B. Watch

SB 48

(Becker D) Building Energy Savings Act.

Status: 6/8/2023-From committee with author's amendments. Read second time and amended. Re-referred to Com. on U. & E.

Calendar: 6/28/2023 1:30 p.m. - State Capitol, Room 437 ASSEMBLY UTILITIES AND ENERGY, GARCIA, EDUARDO, Chair

Summary: Current law requires each utility to maintain records of the energy usage data of all buildings to which they provide service for at least the most recent 12 complete calendar months, and to deliver or otherwise provide that aggregated energy usage data for each covered building, as defined, to the owner, as specified. Current law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to adopt regulations providing for the delivery to the Energy Commission and public disclosure of benchmarking of energy use for covered buildings, and specifies that this requirement does not require the owner of a building with 16 or fewer residential utility accounts to collect or deliver energy usage information to the Energy Commission. This bill would additionally specify that the requirement does not require the owner of a building with less than 50,000 square feet of gross floor space to collect or deliver energy usage information to the Energy Commission.

Position	Priority
Watch	B. Watch

SB 57

(Gonzalez D) Utilities: disconnection of residential service.

Status: 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was E. U., & C. on 3/22/2023)(May be acted upon Jan 2024)

Summary: Would require an electrical corporation, local publicly owned electric utility, gas corporation, local publicly owned gas utility, water corporation, or local agency that owns a public water system to postpone the disconnection of a customer's residential service for nonpayment of a delinquent account when the temperature will be 32 degrees Fahrenheit or cooler, or 95 degrees Fahrenheit or warmer, within the utility's service area during the 24 hours after that service disconnection would occur, as specified. The bill would require each of those utilities to notify its residential ratepayers of that requirement and to create an online reporting system available through its internet website, if it has one, that enables its residential ratepayers to report when their utility service has been disconnected in violation of that requirement, as specified. The bill would require the PUC to establish a citation program to impose a penalty on an electrical corporation or gas corporation that violates that requirement, and require each local publicly owned electric utility and local publicly owned gas utility to annually report to the State Energy Resources Conservation and Development Commission the number of residential service connections it disconnected for nonpayment of a delinquent account. The bill would authorize the State Water Resources Control Board to enforce the requirement that a water corporation and local agency that owns a public water system postpone a disconnection of a customer's residential service, as specified.

Position	Priority
Watch	B. Watch

SB 66

(Hurtado D) Water Quality, Supply, and Infrastructure Improvement Act of 2014: Drinking Water Capital

Reserve Fund: administration.

Status: 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was E.Q. on 3/29/2023)(May be acted upon Jan 2024)

Summary: The Water Quality, Supply, and Infrastructure Improvement Act of 2014 bond act provides that the sum of \$260,000,000 is to be available for grants and loans for public water system infrastructure improvements and related actions to meet safe drinking water standards, ensure affordable drinking water, or both, as specified. Current law requires the State Water Resources Control Board to deposit up to \$2,500,000 of the \$260,000,000 into the Drinking Water Capital Reserve Fund, to be available upon appropriation by the Legislature. Current law requires the state board to administer the Drinking Water Capital Reserve Fund for the purpose of serving as matching funds for disadvantaged communities and requires the state board to develop criteria to implement this provision. This bill would require the state board to provide an analysis of the criteria to implement that provision to the Senate Committee on Natural Resources and Water and Assembly Committee on Water, Parks, and Wildlife on January 1, 2025, and every 2 years thereafter.

Position	Priority
Watch	B. Watch

SB 69**(Cortese D) California Environmental Quality Act: local agencies: filing of notices of determination or exemption.**

Status: 6/22/2023-From committee with author's amendments. Read second time and amended. Re-referred to Com. on NAT. RES. June 26 set for first hearing canceled at the request of author.

Calendar: 7/10/2023 2:30 p.m. - State Capitol, Room 447 ASSEMBLY NATURAL RESOURCES, RIVAS, LUZ, Chair

Summary: The California Environmental Quality Act (CEQA) requires a local agency that approves or determines to carry out a project subject to CEQA to file a notice of determination with the county clerk of each county in which the project will be located, as provided. CEQA authorizes a local agency that determines that a project is not subject to CEQA to file a notice of exemption with the county clerk of each county in which the project will be located, as provided. CEQA requires the county clerk to make the notice available for public inspection and post the notice within 24 hours of receipt in the office or on the internet website of the county clerk, as specified. CEQA requires an action or proceeding challenging an act or decision of a public agency, including a local agency, on the grounds of noncompliance with CEQA to be commenced within certain time periods, as specified. This bill would require a local agency to file a notice of determination with the State Clearinghouse in the Office of Planning and Research in addition to the county clerk of each county in which the project will be located. The bill would authorize a local agency to file a notice of exemption with the State Clearinghouse in the Office of Planning and Research in addition to the county clerk of each county in which the project will be located. The bill would require the notice, including any subsequent or amended notice, to be posted both in the office and on the internet website of the county clerk and by the Office of Planning and Research on the State Clearinghouse internet website within 24 hours of receipt. The bill would specify that the posting of the notice by the Office of Planning and Research would not affect the applicable time periods to challenge an act or decision of a local agency, as described above.

Position	Priority
Watch	B. Watch

SB 231**(Hurtado D) Department of Water Resources: water supply forecasting.**

Status: 6/19/2023-From committee with author's amendments. Read second time and amended. Re-referred to Com. on W., P., & W.

Summary: Would require the Department of Water Resources, on or before December 31, 2025, to establish a formal process for annually evaluating and improving the accuracy of its water supply forecasts, adopt a new water supply forecasting model that better addresses the effects of climate change, implement a formal policy and procedures for documenting its operational plans for the state's water supply and its rationale for its operating procedures, and develop a comprehensive, long-term plan for mitigating and responding to the effects of drought. The bill would require the department to prepare, and submit to the Legislature, quarterly reports on its progress toward meeting these requirements. The bill would require the department to review and update the plan for mitigating and responding to the effects of drought on or before December 31, 2026, and annually thereafter. The bill would require the department, commencing in 2026 and annually thereafter, to present specified information at an open and public meeting, including the department's operational decisions and their rationale for the state's water supply during the preceding water year. The bill would require the department to include the information presented at the meeting in a report, make the report publicly available on the department's internet website, and submit the report to the Legislature.

Position	Priority
Watch	B. Watch

SB 272**(Laird D) Sea level rise: planning and adaptation.**

Status: 6/20/2023-From committee: Do pass and re-refer to Com. on APPR. (Ayes 10. Noes 1.) (June 19). Re-referred to

Com. on APPR.

Summary: Current law creates within the Ocean Protection Council the California Sea Level Rise State and Regional Support Collaborative to provide state and regional information to the public and support to local, regional, and other state agencies for the identification, assessment, planning, and, where feasible, the mitigation of the adverse environmental, social, and economic effects of sea level rise within the coastal zone, as provided. This bill would require a local government, as defined, lying, in whole or in part, within the coastal zone, as defined, or within the jurisdiction of the San Francisco Bay Conservation and Development Commission, as defined, to implement sea level rise planning and adaptation through either submitting, and receiving approval for, a local coastal program, as defined, to the California Coastal Commission or submitting, and receiving approval for, a subregional San Francisco Bay shoreline resiliency plan to the San Francisco Bay Conservation and Development Commission, as applicable, on or before January 1, 2034, as provided. By imposing additional requirements on local governments, the bill would impose a state-mandated local program. The bill would require local governments that receive approval for sea level rise planning and adaptation on or before January 1, 2029, to be prioritized for sea level rise funding, upon appropriation by the Legislature, for the implementation of projects in the local government's approved sea level rise adaptation plan.

Position	Priority
Watch	B. Watch

SB 315

(Hurtado D) Groundwater: groundwater sustainability agencies: probationary basins.

Status: 5/19/2023-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/1/2023)(May be acted upon Jan 2024)

Summary: The Sustainable Groundwater Management Act authorizes the State Water Resources Control Board to designate specified basins as probationary basins if certain conditions are met, including, but not limited to, that the Department of Water Resources, in consultation with the board, determines that a groundwater sustainability plan is inadequate or that the groundwater sustainability program is not being implemented in a manner that will likely achieve the sustainability goal. Current law requires the board, if it designates a basin as a probationary basin pursuant to specified conditions, to identify the specific deficiencies and potential remedies. Current law authorizes the board to request the department, within 90 days of the designation, to provide technical recommendations to local agencies to remedy the deficiencies and to develop an interim plan for the probationary basin one year after the designation, as specified. This bill would require any groundwater sustainability agency that hires a third-party consulting firm to ensure that the integrity of the science being used to develop a groundwater sustainability plan is protected and the data is not sold. The bill would delete the authorizations for the board to request technical recommendations from the department. The bill would additionally place various requirements on the board in working with a groundwater sustainability agency, including, among other things, requiring the board to provide clear benchmarks and guidance for groundwater sustainability agencies to improve their groundwater management plans.

Position	Priority
Watch	B. Watch

SB 865

(Laird D) Municipal water districts: automatic exclusion of cities.

Status: 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was GOV. & F. on 3/1/2023)(May be acted upon Jan 2024)

Summary: Current law authorizes a governing body of a municipal water district to adopt an ordinance excluding any territory annexed to a metropolitan water district organized under the Metropolitan Water District Act, if the territory is annexed prior to the effective date of the formation of the municipal water district. Current law requires the Secretary of State to issue a certificate reciting the passage of the ordinance and the exclusion of the area from the municipal water district within 10 days of receiving a certified copy of the ordinance. This bill would extend the number of days the Secretary of State has to issue a certificate to 14 days.

Position	Priority
Watch	B. Watch

SB 867

(Allen D) Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024.

Status: 6/22/2023-Read second time and amended. Re-referred to Com. on NAT. RES.

Calendar: 7/10/2023 2:30 p.m. - State Capitol, Room 447 ASSEMBLY NATURAL RESOURCES, RIVAS, LUZ, Chair

Summary: Would enact the Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$15,500,000,000 pursuant to the State General Obligation Bond Law to finance projects for drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat,

mitigation, biodiversity and nature-based climate solutions, climate smart agriculture, park creation and outdoor access, and clean energy programs.

Position	Priority
Watch	B. Watch

C. Spot Bill

[AB 422](#) **([Alanis](#) R)** **Natural Resources Agency: statewide water storage: tracking.**
Status: 4/28/2023-Failed Deadline pursuant to Rule 61(a)(2). (Last location was W.,P. & W. on 2/9/2023)(May be acted upon Jan 2024)
Summary: Would require the Natural Resources Agency, on or before June 1, 2024, to post on its publicly available internet website information tracking the progress to increase statewide water storage, and to keep that information updated.

Position	Priority
Watch	C. Spot Bill

Total Measures: 40

Total Tracking Forms: 40

Metropolitan Water District of Southern California State Legislation Matrix

June 12, 2023 – First Year of Legislative Session

Item No. 2f

Bill Number Author	Amended Date Location	Title-Summary	MWD Position	Effects on Metropolitan
AB 400 B. Rubio (D – Baldwin Park) Sponsors: California State Association of Counties, League of California Cities	Amended 5/1/2023 Senate Governance and Finance Committee	Local agency design-build projects: authorization. This measure would extend the existing sunset date to January 1, 2031, for the use of design-build as a delivery method for public works contracts.	Support Based on October 2021 Board Action	Metropolitan's current authority to use design-build under AB 1845 (Calderon, CH. 275, 2022) will sunset on January 1, 2028. The provisions of this bill would allow Metropolitan to use design-build for future projects through January 1, 2031.
AB 1572 Friedman (D - Glendale) Sponsors: Heal the Bay, National Resources Defense Council	Amended 05/18/2023 In Senate	Potable water: nonfunctional turf. This measure prohibits the use of potable water for the irrigation of non-functional turf located on commercial, industrial, institutional and multifamily residential properties by specified dates. This measure would also require the State Water Resources Control Board to establish compliance and certification requirements by July 1, 2026.	Support and Consider Co-Sponsorship if amended Based upon April 2023 Board action	This bill's intent is consistent with Metropolitan's efforts to conserve water and reduce non-functional turf in the service area. Based on input from the Board and member agencies, Metropolitan is seeking amendments to exclude multi-family residential buildings and protect the authority and local control of public water systems.
AB 1573 Friedman (D - Glendale) Sponsor: Earth Advocacy	Amended on 5/18/23 In Senate	Water conservation: landscape design: model ordinance. This measure would require the updated model water efficient landscape ordinance for all plants installed in new or renovated nonresidential areas to be at least 25% local native plants beginning January 1, 2026, 50% beginning January 1, 2030, and 75% beginning January 1, 2035. This measure would also prohibit the use of nonfunctional turf in nonresidential landscape projects after January 1, 2026.	Support Based upon 2023 Legislative Priorities and Principles, adopted December 2022	This measure is consistent to Metropolitan's effort to address the reduction of nonfunctional turf within its service area. Metropolitan staff identified implementation challenges and were able to work with the author's office to bring Metropolitan to a support position. Metropolitan's requested amendments included: (1) removal of the .3 plant factor, (2) reduction of the native plant requirement from 75 percent to 50 percent, with a phased approach from 25 percent up to 50 percent, and (3) require water efficient irrigation methods.
AB 1648	Amended on 3/16/2023	Water: Colorado River Conservation.	Oppose	This measure affects Metropolitan's flexibility with its entire water portfolio, including the integrated

Metropolitan Water District of Southern California

State Legislation Matrix

June 12, 2023 – First Year of Legislative Session

Bains (D - Bakersfield)	Assembly Water, Parks, and Wildlife Committee Two Year Bill	This measure would specifically prohibit Metropolitan and LADWP achieving federally required reductions on Colorado River resources through increased water deliveries from other regions of California, including the Delta, retroactively as of January 1, 2023.	Based upon 2023 Legislative Priorities and Principles, adopted December 2022	water resource management and the Annual Operating Plan. Metropolitan's reliability and its ability to meet demands would also be impaired by restrictions on Metropolitan's discretion to develop creative partnerships with its State Water Project and Colorado River Basin stakeholders.
SB 366 Caballero (D - Merced) Sponsors: California Municipal Utilities Association, California Council for Environmental and Economic Balance, California State Association of Counties	Amended 5/23/2023 Assembly	The California Water Plan: long-term supply targets. This measure would revise the California Water Plan to require the Department of Water Resources to update the California Water Plan by December 31, 2028, and every five years after, to include establishing a long-term water supply target for 2050 and discussion on the development of specified water supply sources to meet demand.	Support, if Amended Based upon 2023 Legislative Priorities and Principles, adopted December 2022	The intent of this bill is to help modernize California's water management practices and provide long-term reliable supplies in response to the current climate challenges. Metropolitan is seeking clarifying amendments that include: (1) ensuring the 2050 target will reflect statewide, regional, and local planning efforts. This amendment will ensure that regional and local efforts are properly considered and incorporated in the new 2050 water supply targets.
SB 659 Ashby (D – Sacramento) Sponsors: Sacramento Regional Water Board Authority	Amended 5/18/2023 Assembly	California Water Supply Solutions Act of 2023. This bill would require the Department of Water Resources to develop a groundwater recharge plan by January 1, 2026, to create additional groundwater recharge capacity.	Support, if Amended Based upon 2023 Legislative Priorities and Principles, adopted December 2022.	This bill is intended to address challenges in water supply management due to a shifting climate. This bill will further elevate the importance of groundwater in the state's planning efforts, which provides other benefits such as reducing flood risks and improving management for environmental flows. This bill does not include funding but does set a funding target for infrastructure or policy improvements as part of the action plan. Suggested amendments include: 1) adding a funding target for infrastructure improvements by 2025, and 2) Identifying the long-term recharge funding needs for 2040 and beyond.

Metropolitan Water District of Southern California

State Legislation Matrix

June 12, 2023 – First Year of Legislative Session

SB 687 Eggman (D - Stockton)	Amended 5/2/2023 Senate Appropriations Committee: Held on Suspende	Water Quality Control Plan: Delta Conveyance Project. This measure will require the State Water Resources Control Board to adopt a final update of the Bay-Delta Water Quality Control Plan before the Board may consider a change in the point of diversion or any other water rights permit or order for the Delta Conveyance Project.	Oppose Based upon 2023 Legislative Priorities and Principles, adopted December 2022	Metropolitan supports updating the Water Quality Control Plan to protect beneficial uses in the Delta. However, this bill would result in halting or delaying planning efforts on the Delta Conveyance Project and potentially prevent the project from operating if approved.
SB 706 Caballero (D- Merced) Sponsors: California State Association of Counties; County of San Diego; Design Build Institute of America Western Pacific Chapter; League of California Cities	Amended 4/10/2023 Assembly Local Government Committee	Public contracts: progressive design-build: local agencies. This bill would expand the types of projects that can be used for progressive design-build, and authorizes all cities, counties, city and counties, and special districts to use progressive design-build for projects through January 1, 2030. In addition, for any local agency that uses the progressive- design build process must submit a report to the Legislature.	Support Based upon 2023 Legislative Priorities and Principles, adopted December 2022	Currently, progressive design-build eligible projects are limited to wastewater treatment facilities, park and recreational facilities, solid waste management facilities and water recycling facilities. However, this bill will now authorize Metropolitan to address other physical structures and needs to further support Metropolitan's operations for reliable water supply deliveries throughout its service area.



STAFF REPORT

To: Board of Directors

Meeting Date: July 27, 2023

From: Sherri Seitz, Public Affairs Manager

Subject: Public Education and Outreach Report

Bill Message

Customer July/August bill message:

Fall is the perfect time to plant California Friendly and drought tolerant plants. Start planning now by visiting <https://etwd.com/conservation/landscape-workshops/> to sign up for free online landscape classes on a variety of landscape topics.

Prop 218 Community Meetings

ETWD held the first of two Prop 218 community informational meetings on Wednesday, July 12, 2023 by Zoom. We had two customers attend virtually and received positive feedback from Ms. Brady sharing that Dennis's presentation was well put together and that ETWD has a responsible budget. The second Prop 218 community meeting is scheduled for July 19, 2023 at 7:00 p.m.

Laguna Woods Television

President Kay Havens will be interviewed by the new host of LWVT, Michael Taylor on Friday, July 21, 2023 during the "This Day" segment. President Havens will discuss ETWD services, ETWD staff certifications/education, El Toro Regional Reservoir and Water Supply updates. Going forward Directors will be scheduled on the last Friday of every month. A draft rotation schedule will be distributed.

Community Advisory Group Meeting

ETWD's next quarterly Community Advisory Group Meeting is scheduled for Thursday, August 10, 2023. Topics will include Water Quality, the El Toro Regional Reservoir Liner and Cover Replacement Project and two new segments, a Community Information Forum

and Department Spotlight that will highlight the ETWD management team. We will also solicit feedback on what topics attendees would like to hear about in future CAG meetings.

Community Events:

Supervisor Foley's All Electeds' Quarterly Meeting

Directors Freshley, Monin and Gaskins attended Supervisor Foley's first quarterly "All Electeds'" meeting. The meeting's purpose was for Supervisor Foley to meet the elected's, share ideas and discuss events and projects in the 5th District. Supervisor Foley's next quarterly meetings will be held on October 12, 2023 and January 11, 2024. Meetings will rotate in various cities.

City of Mission Viejo National Night Out

On Tuesday, August 1, 2023, ETWD staff will provide water with ETWD's Emergency Water Trailer and water conservation information to the attendees at the City of Mission Viejo's National Night Out from 5:00 p.m. to 8:00 p.m. at Pavion Park, 24501 Pavion, Mission Viejo, CA 92691.



STAFF REPORT

To: Board of Directors

Meeting Date: July 27, 2023

From: Vu Chu, Water Use Efficiency Analyst

Subject: Water Use Efficiency Report

Rebate Programs:

The SoCal WaterSmart regional rebate program is available to ETWD customers provided by the Metropolitan Water District of Southern California, the Municipal Water District of Orange County and ETWD.

The following tables reflect the ETWD customer device rebates available to customers from July 2022 through June 30, 2024.

Select device purchases are eligible for rebates while meeting eligibility requirements and subject to funding availability. Rebate information can be found at www.etwd.com/conservation/rebates.

Residential Rebate Programs:

Device	MET Rebate	MWDOC Grant	ETWD Rebate	Total Rebate (up to)
High Efficiency Clothes Washer	\$85		\$115	\$200
Premium High Efficiency Toilet	\$40		\$60	\$100
Rotating Sprinkler Nozzles (min 30 per home)	\$2 ea			\$2
Smart Irrigation Timer	\$80	\$100	\$70	\$250
Turf Removal Program (up to 5,000 sq ft)*	\$2 sq. ft.	\$1 sq. ft.	\$1 sq. ft.	\$4 sq. ft.
Soil Moisture Sensor System <1 Acre >1 Acre	\$80 \$35/station	\$100	\$70	\$250 \$35/station

Water Use Efficiency Report

Page 2

Hose Bib Irrigation Controller	\$35			\$35
Rain Barrels	\$35			\$35
Cisterns				
(200 -500 gallon)	\$250			\$250
(501-999 gallon)	\$300			\$300
(1,000 gallon or more)	\$350			\$350
Spray to Drip Irrigation (up to 5,000 sf of converted area per fiscal year)		\$0.50 sq. ft.	\$0.25 sq. ft.	\$0.75 sq. ft.

*Designated recycled water sites are not eligible for turf removal rebates. MWDOC Grant funding based on availability. ETWD has discontinued funding of synthetic turf rebates.

Commercial Rebate Programs:

Device	MET Rebate	MWDOC Grant	ETWD Rebate	Total Rebate (up to)
Premium High Efficiency Toilet	\$40			\$40
Multi-family Premium High Efficiency Toilet	\$40			\$40
Zero Water/Ultra Low Water Urinal	\$200			\$200
Plumbing Flow Control Valve (min. 10)	\$5			\$5
Smart Irrigation Timer/Central Computer Irrigation Controller/Soil Moisture Sensor System/Hose Bib Irrigation Controller	\$35/station			\$35/station
Rotating Sprinkler Nozzles (minimum quantity of 15)	\$2			\$2
Rotating Nozzles – Large Rotary	\$13			\$13
Turf Removal Program (up to 50,000 sq ft MET-MWDOC/up to 10,000 sq. ft. ETWD funding)*	\$2 sq. ft*			\$2 sq. ft.*
Spray to Drip Irrigation (up to 45,000 sq. ft)		\$0.50 sq. ft.		\$0.50 sq. ft.

*Designated recycled water sites are not eligible for turf removal rebates. Synthetic turf is not eligible for the turf removal rebate. Additional commercial rebates available online at ocwatersmart.com. MWDOC Grant funding based on availability.

Actual Customer Rebates Analysis:

The following ETWD residential customer and commercial customer device rebates were approved by the Metropolitan Water District and the Municipal Water District of Orange County during the month of June 2023.

Residential Device Rebates	Rebates Approved June 2023	ETWD Amount Paid	MET Amount Paid	Total Rebate Paid
High Efficiency Clothes Washer	2	\$230	\$170	\$400.00
Weather Based Irrigation Controller	1			\$90.60

The following ETWD rebates for Turf Removal Program and Spray-To-Drip Program that have been paid during the current fiscal year 2022/2023.

Turf Removal Program	Total sq.ft. Paid	ETWD Supplemental Amount	ETWD Supplemental Rebate Total
Turf Removal Residential & Commercial	26,103	\$1 sq. ft.	\$18,364.00
Spray-To-Drip Residential & Commercial	19,850	\$0.25 sq. ft.	\$2,977.75

Water Use Efficiency Plan Update:

The District Water Budget-Based Tiered Conservation Rate Structure (WBBTCRS) pricing structure is the primary plan that gives customers the incentive needed to be efficient. The Plan efforts initially will concentrate on those customers continually in the Inefficient and Excessive Tiers (Tiers 3 and 4). During June 2023, residential customers accounted for 65% of Tier 3 usage and dedicated irrigation accounted for 35%. For Tier 4, residential customers accounted for 39% and dedicated irrigation accounted for 61% during the same period.

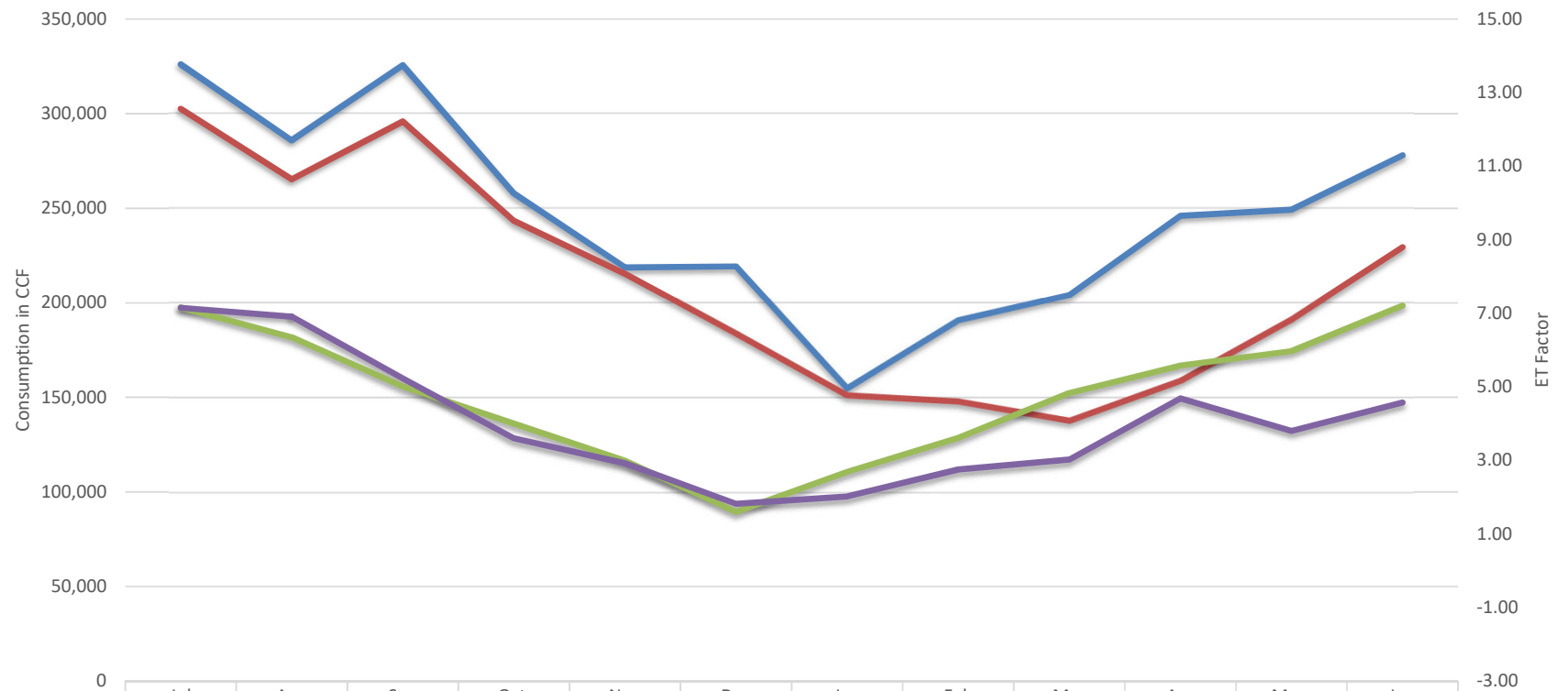
Total Consumption Comparison to Evapotranspiration (ET) Factor:

Included in this month's Water Use Efficiency Report is a chart comparing the current fiscal year consumption and ET factor to the fiscal 2021/22 consumption and ET factor. There was a 17.51% reduction in total consumption reflected in June 2023 versus June 2022. The ET factor decreased from 7.21 to 4.57 during the same period.

ETWD Tier Consumption Information and Usage Information Compared to Previous Years:

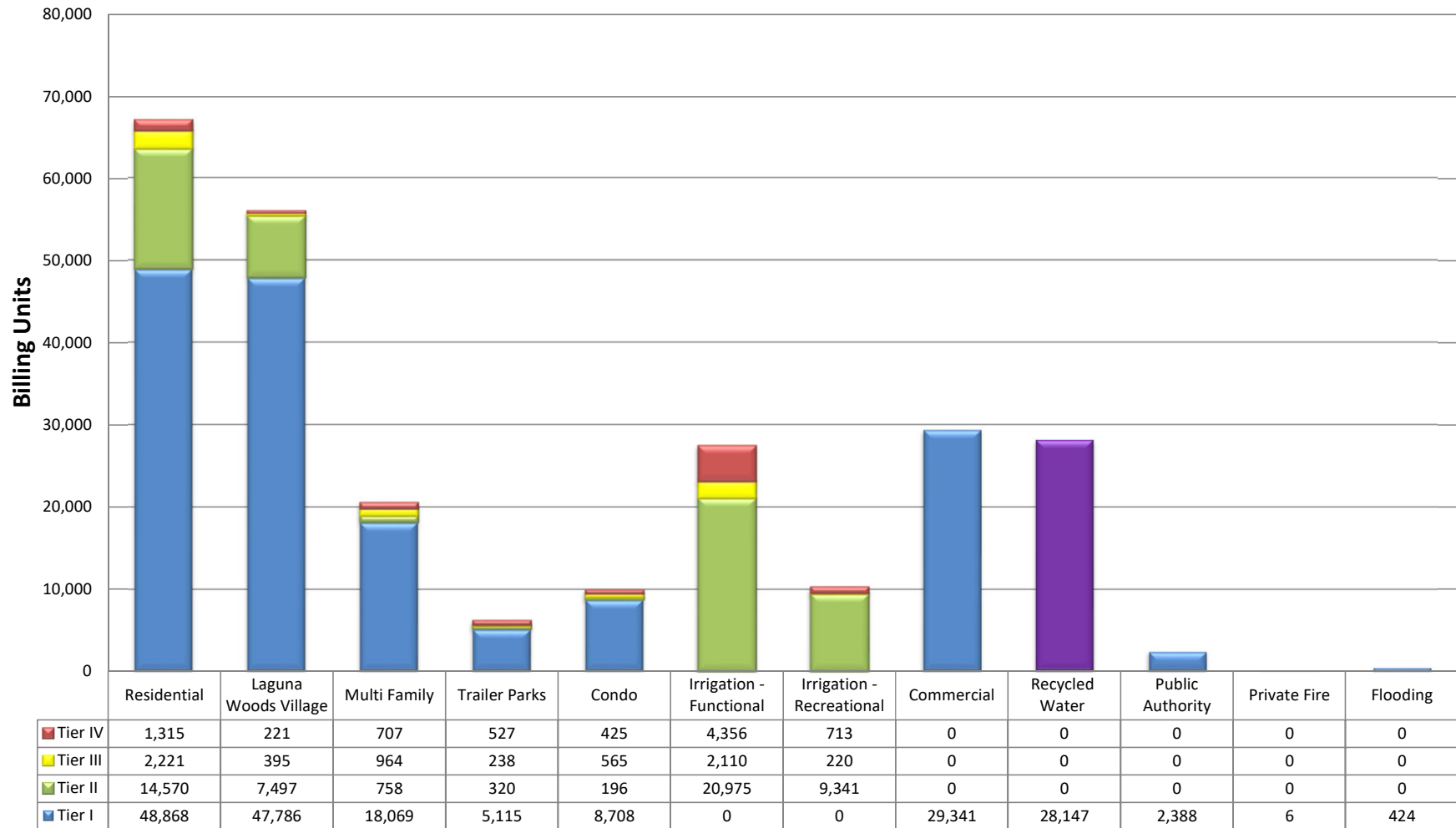
The following graphs highlight ETWD year-to-date consumption and consumption by tier for the current fiscal year compared to 2021-2022 fiscal year. ETWD water usage compared to 2013 and 2020 are also included.

Total Consumption Comparison

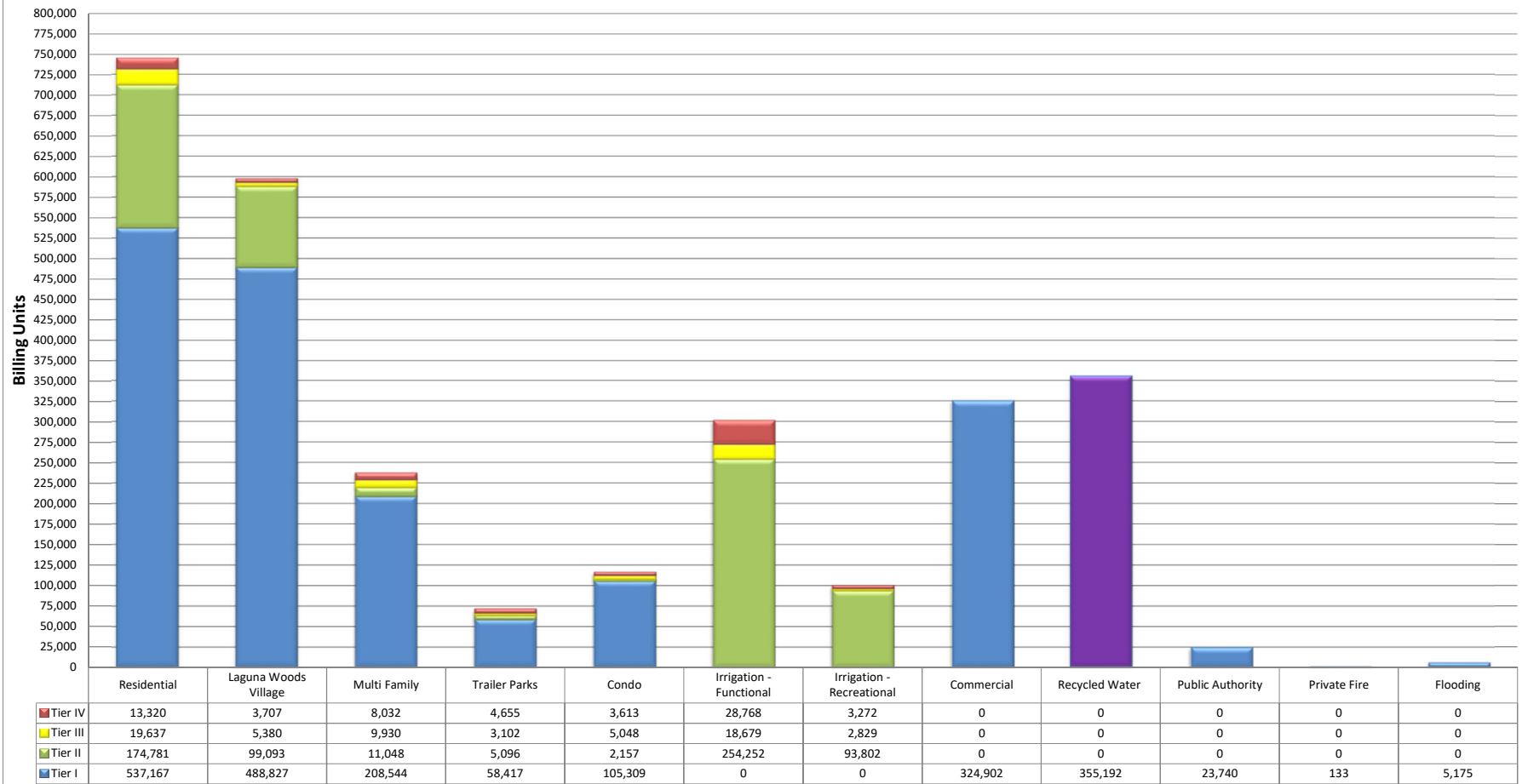


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 2021-2022	326,076	285,955	325,642	257,784	218,693	219,231	154,838	190,655	203,970	245,962	249,225	278,011
FY 2022-2023	302,569	265,312	295,875	243,292	215,271	183,731	151,223	147,895	137,806	158,858	191,244	229,339
% Change	-7.21%	-7.22%	-9.14%	-5.62%	-1.56%	-16.19%	-2.33%	-22.43%	-32.44%	-35.41%	-23.26%	-17.51%
FY 21/22 ET	7.16	6.35	5.01	4.00	2.99	1.60	2.69	3.61	4.83	5.58	5.97	7.21
FY 22/23 ET	7.15	6.91	5.23	3.60	2.92	1.82	2.02	2.75	3.02	4.69	3.80	4.57

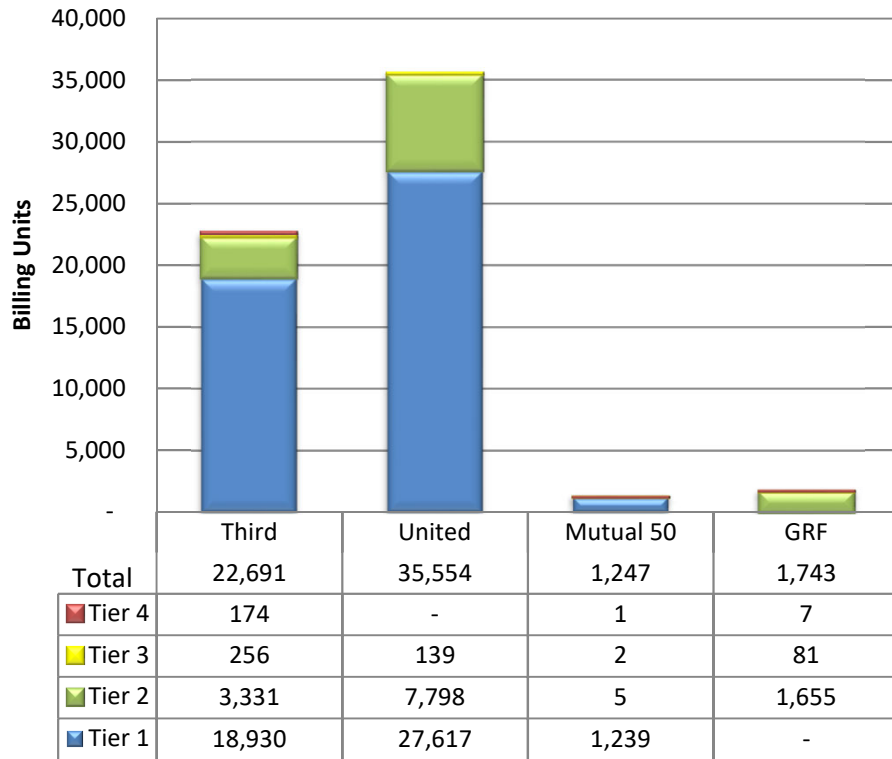
June 2023 Water Sales



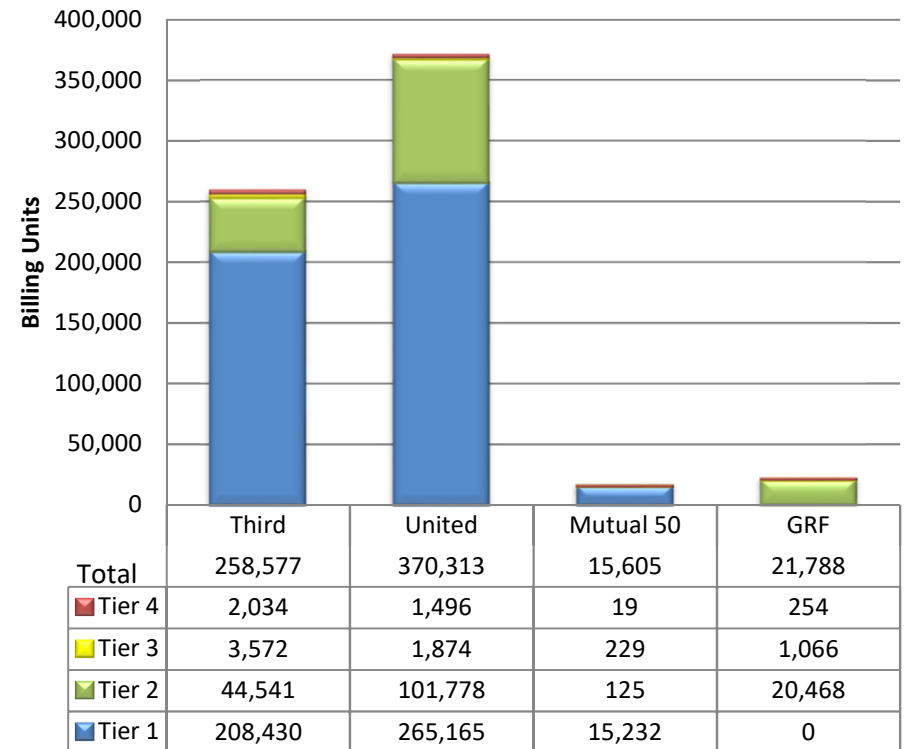
Year-to-Date Water Sales as of June 2023



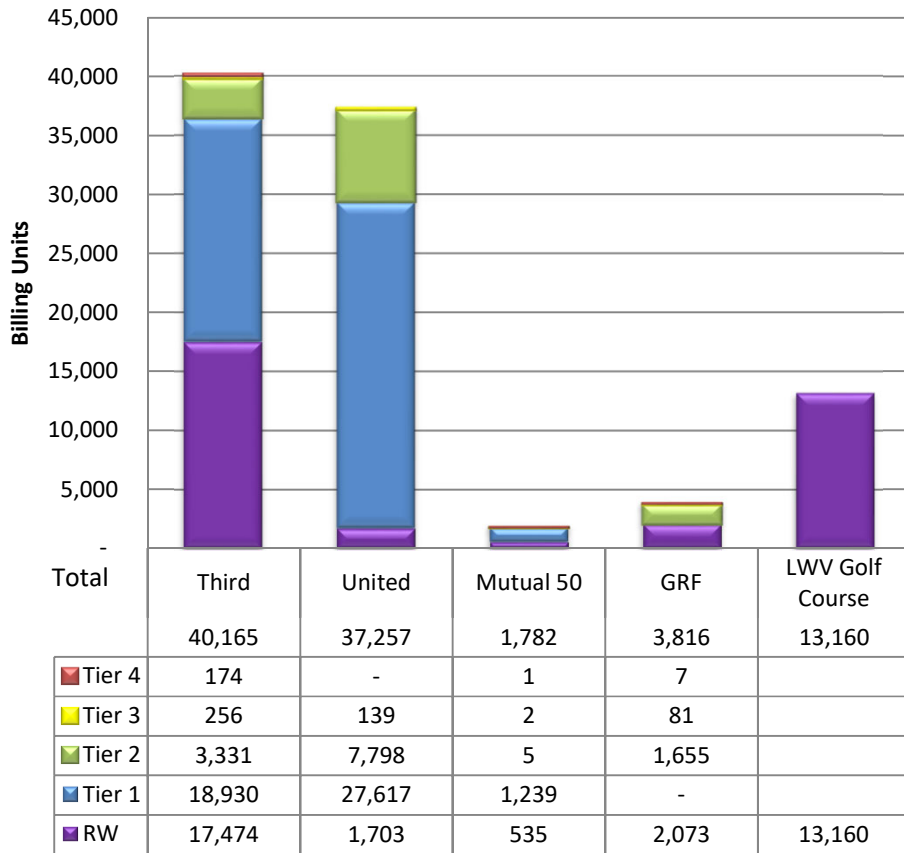
Laguna Woods Village June 2023 Water Sales



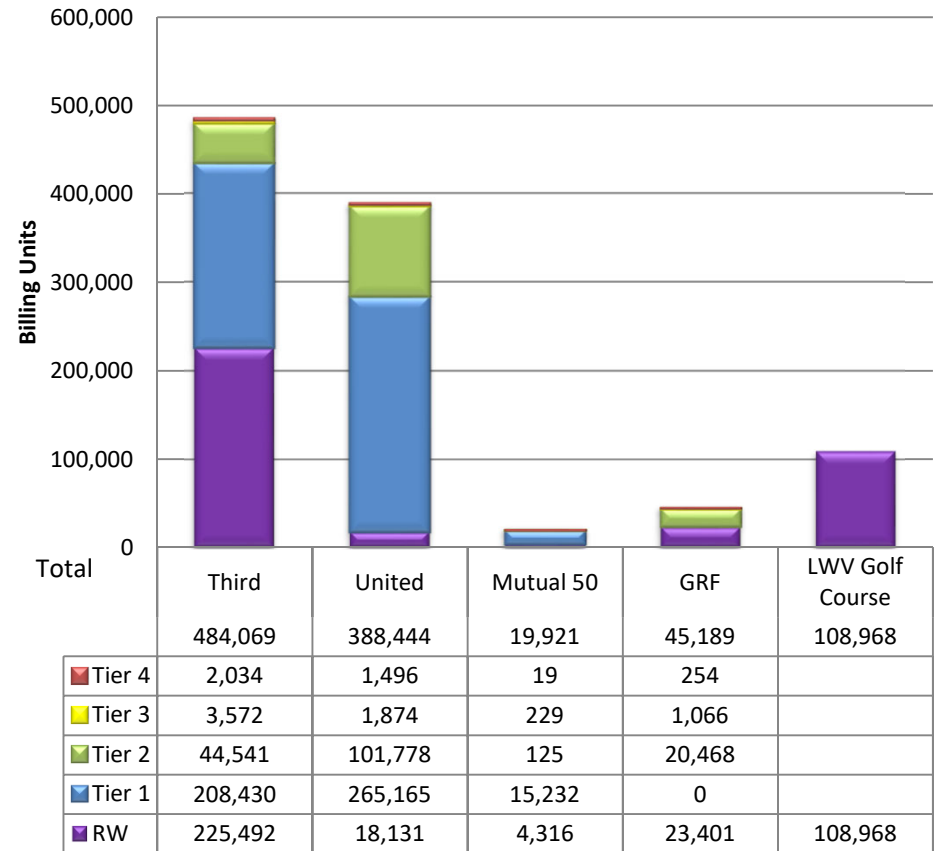
Laguna Woods Village Year-to-Date Water Sales June 2023



Laguna Woods Village June 2023 Water & RW Sales



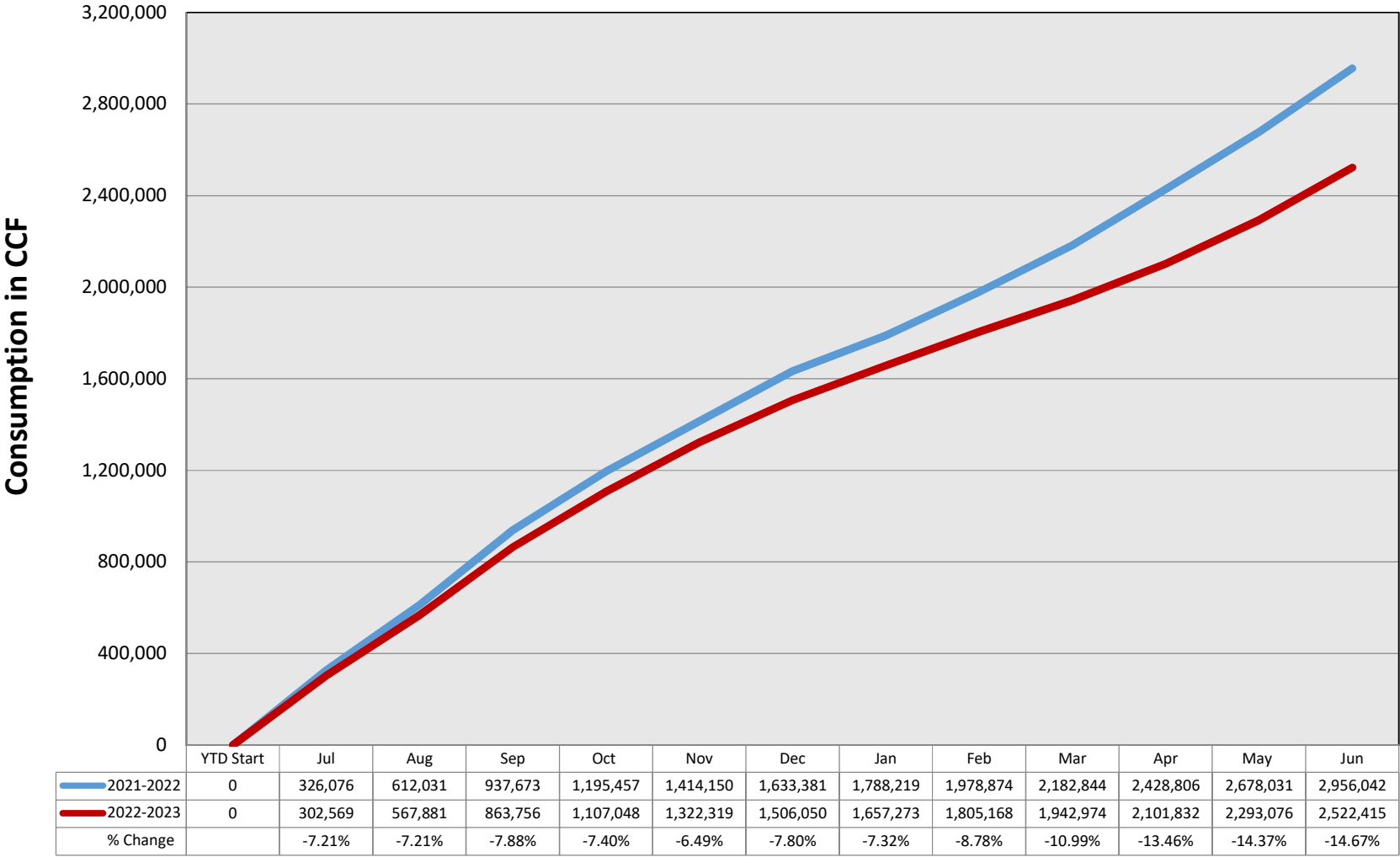
Laguna Woods Village Year-to-Date Water & RW Sales June 2023



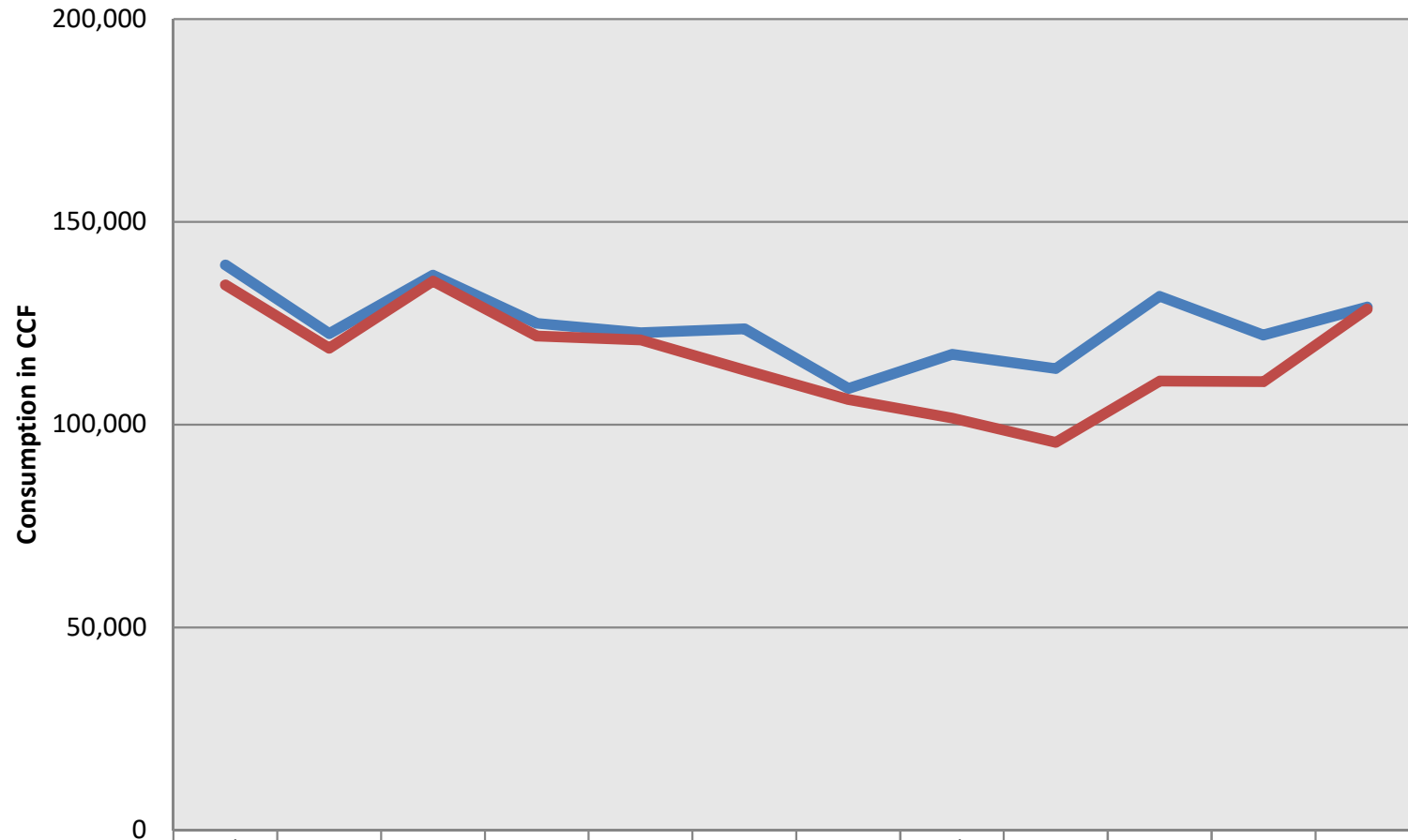
ETWD Total Consumption



ETWD Fiscal YTD Consumption

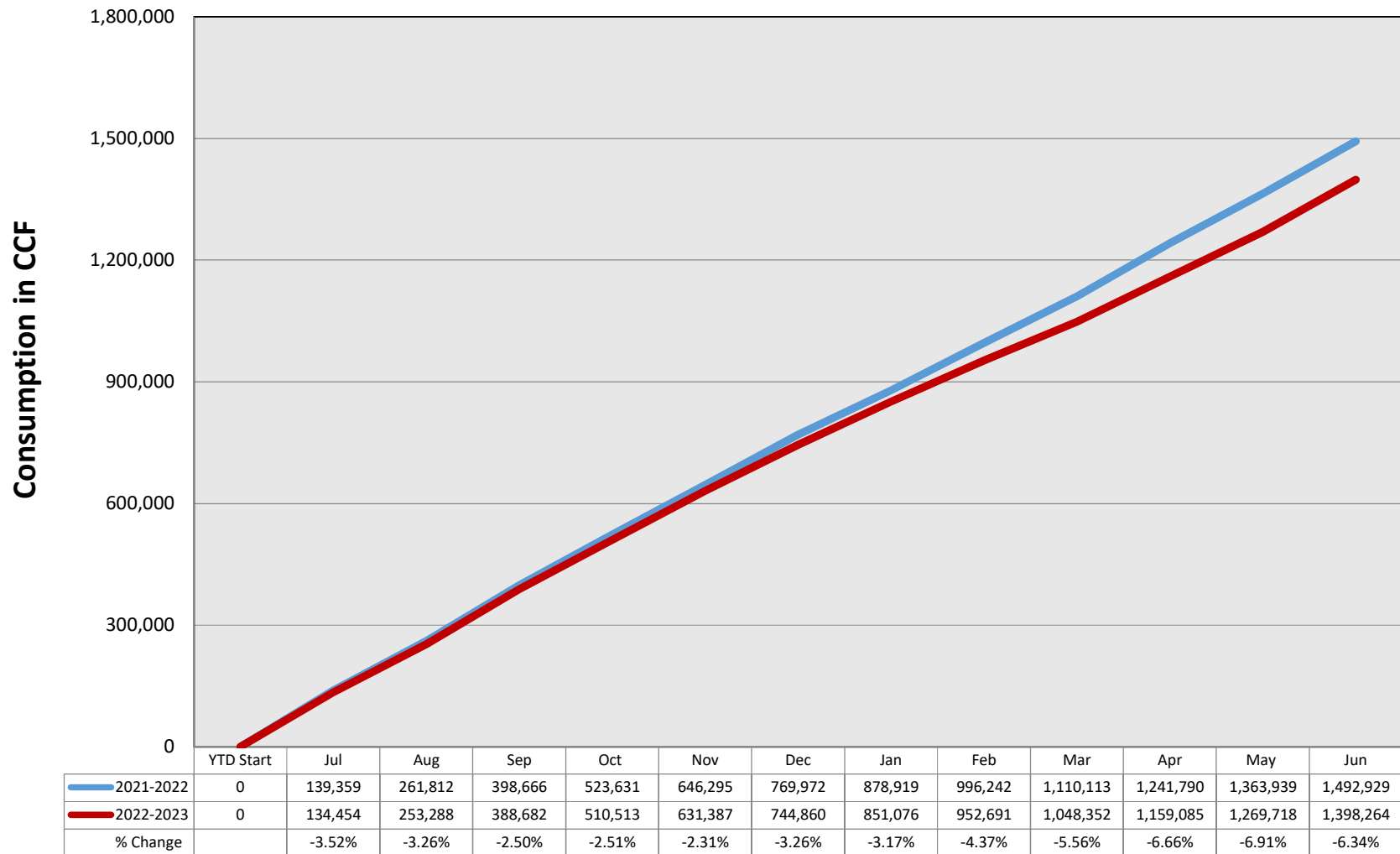


Tier I Consumption

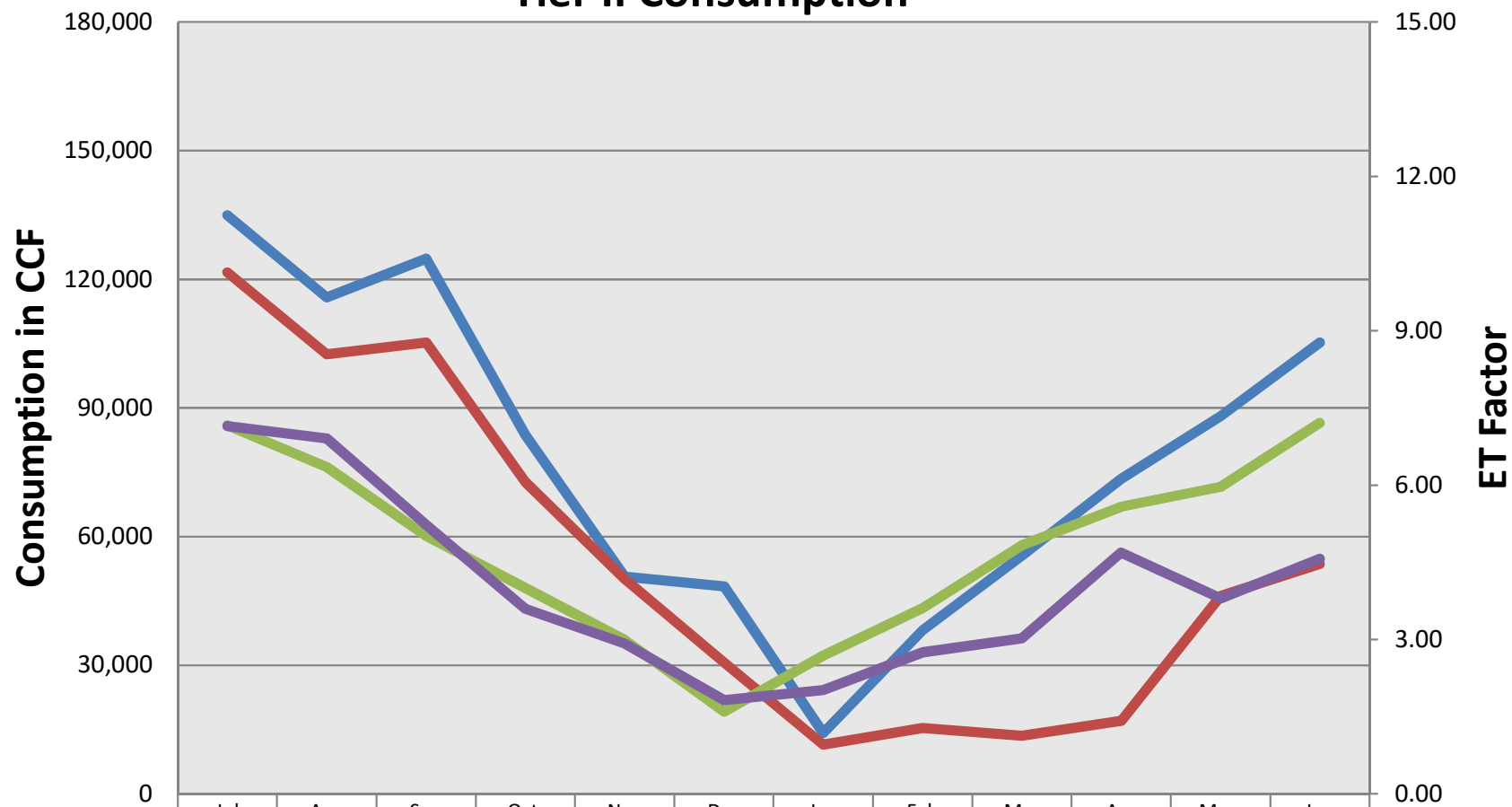


2021-2022	139,359	122,453	136,854	124,965	122,664	123,677	108,947	117,323	113,871	131,677	122,149	128,990
2022-2023	134,454	118,834	135,394	121,831	120,874	113,473	106,216	101,615	95,661	110,733	110,633	128,546
% Change	-3.52%	-2.96%	-1.07%	-2.51%	-1.46%	-8.25%	-2.51%	-13.39%	-15.99%	-15.91%	-9.43%	-0.34%

Tier I Fiscal YTD Consumption

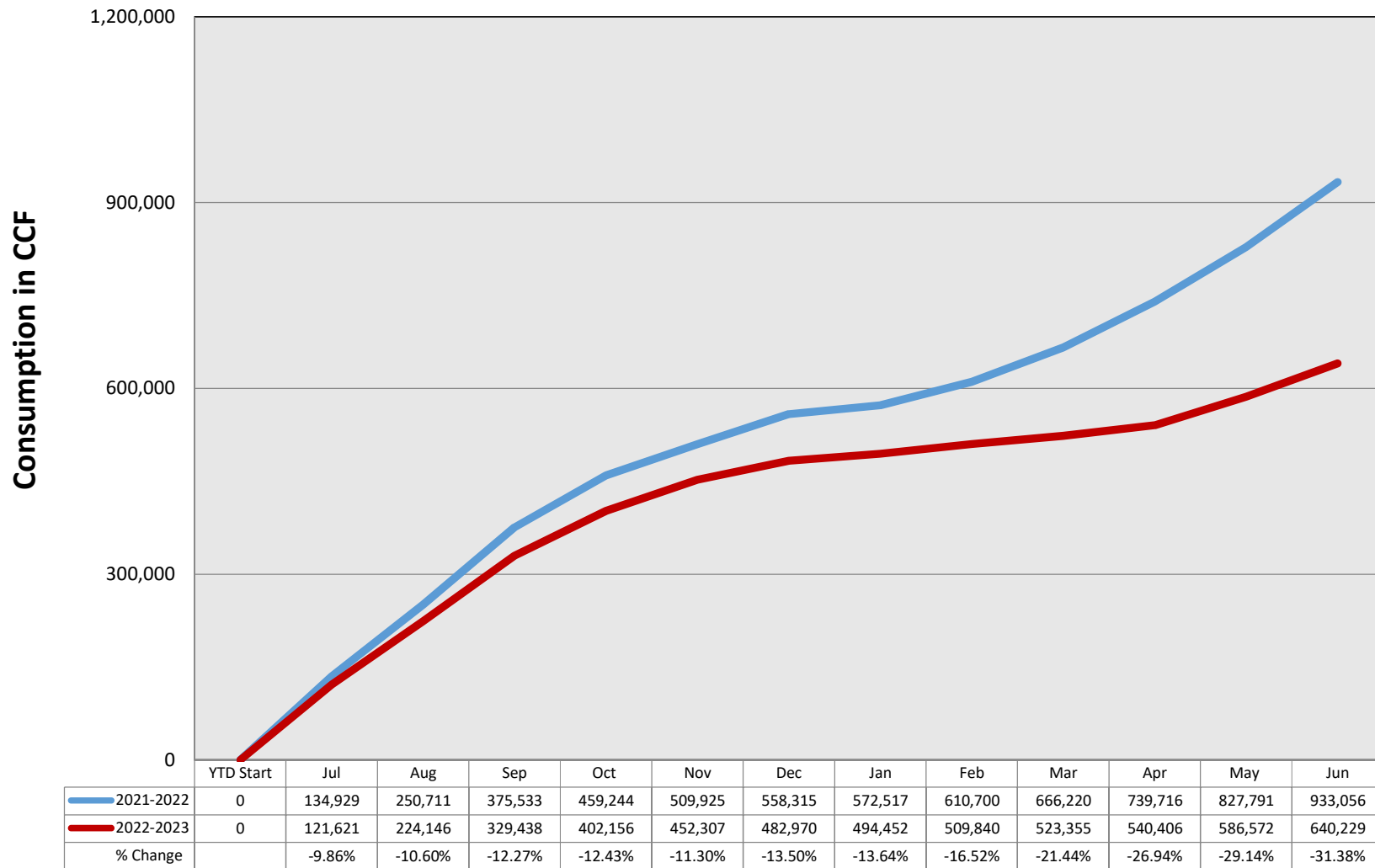


Tier II Consumption

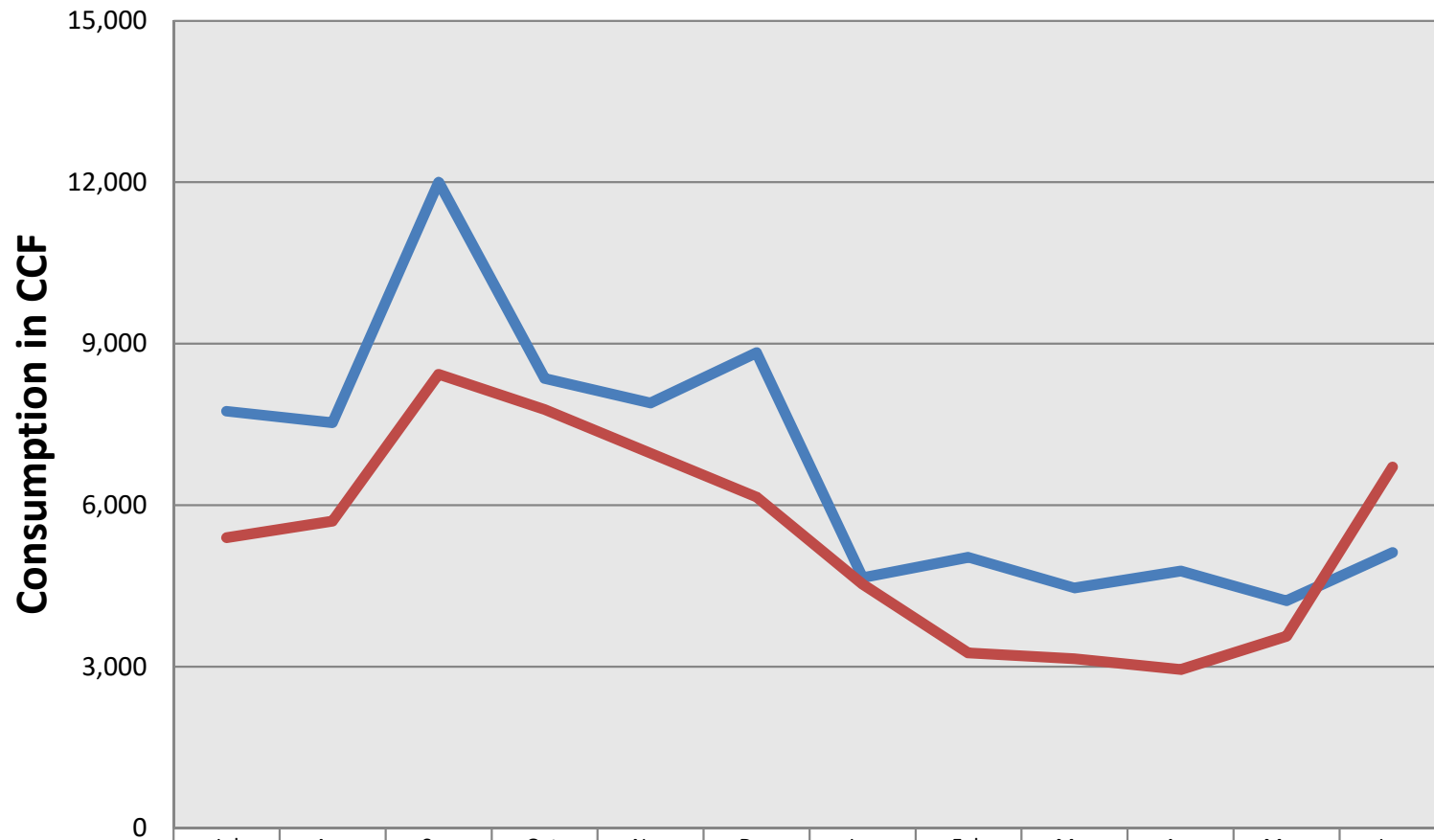


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2021-2022	134,929	115,782	124,822	83,711	50,681	48,390	14,202	38,183	55,520	73,496	88,075	105,265
2022-2023	121,621	102,525	105,292	72,718	50,151	30,663	11,482	15,388	13,515	17,051	46,166	53,657
% Change	-9.86%	-11.45%	-15.65%	-13.13%	-1.05%	-36.63%	-19.15%	-59.70%	-75.66%	-76.80%	-47.58%	-49.03%
21/22 ET	7.16	6.35	5.01	4.00	2.99	1.60	2.69	3.61	4.83	5.58	5.97	7.21
22/23 ET	7.15	6.91	5.23	3.60	2.92	1.82	2.02	2.75	3.02	4.69	3.80	4.57

Tier II Fiscal YTD Consumption

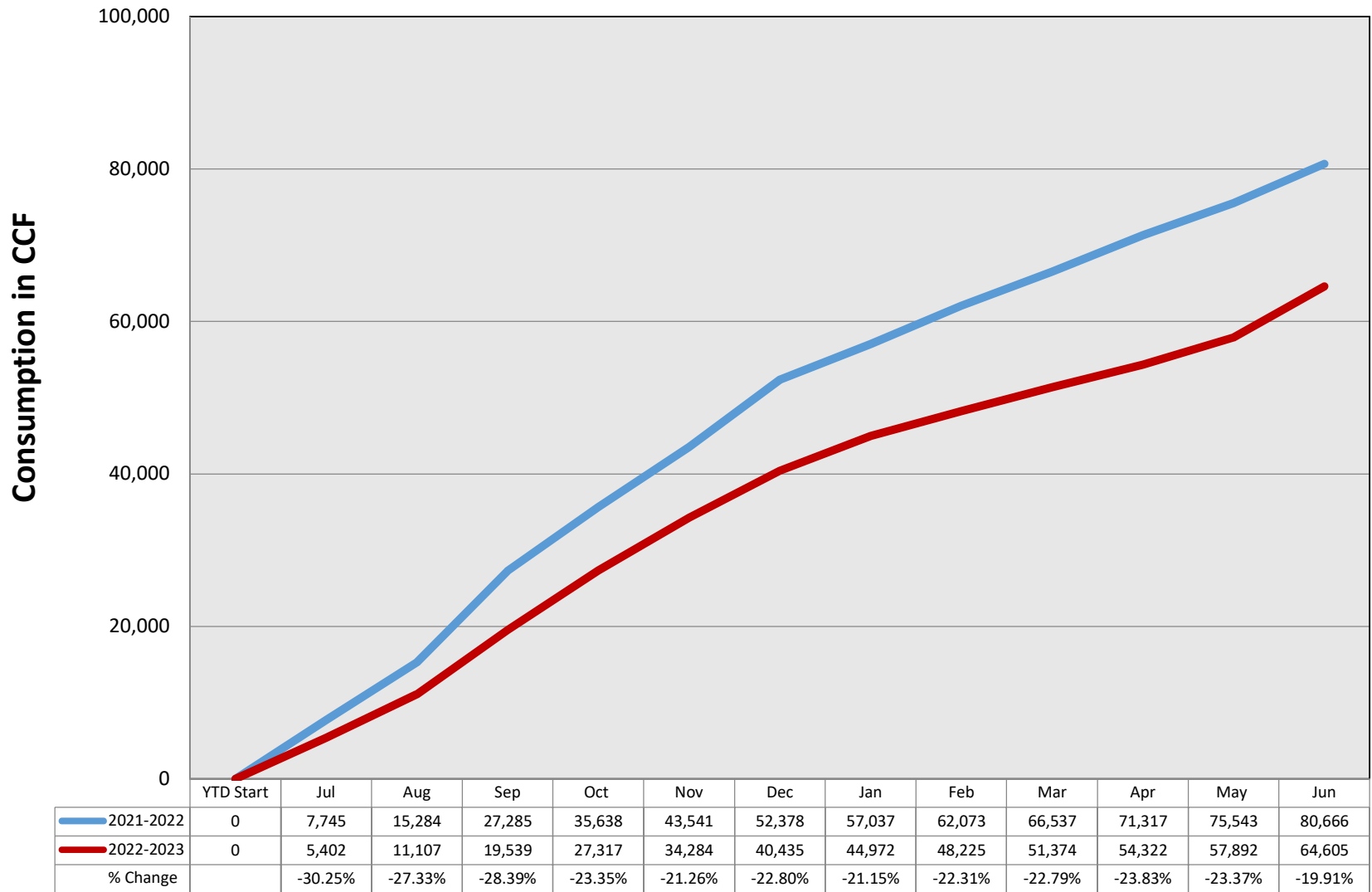


Tier III Consumption

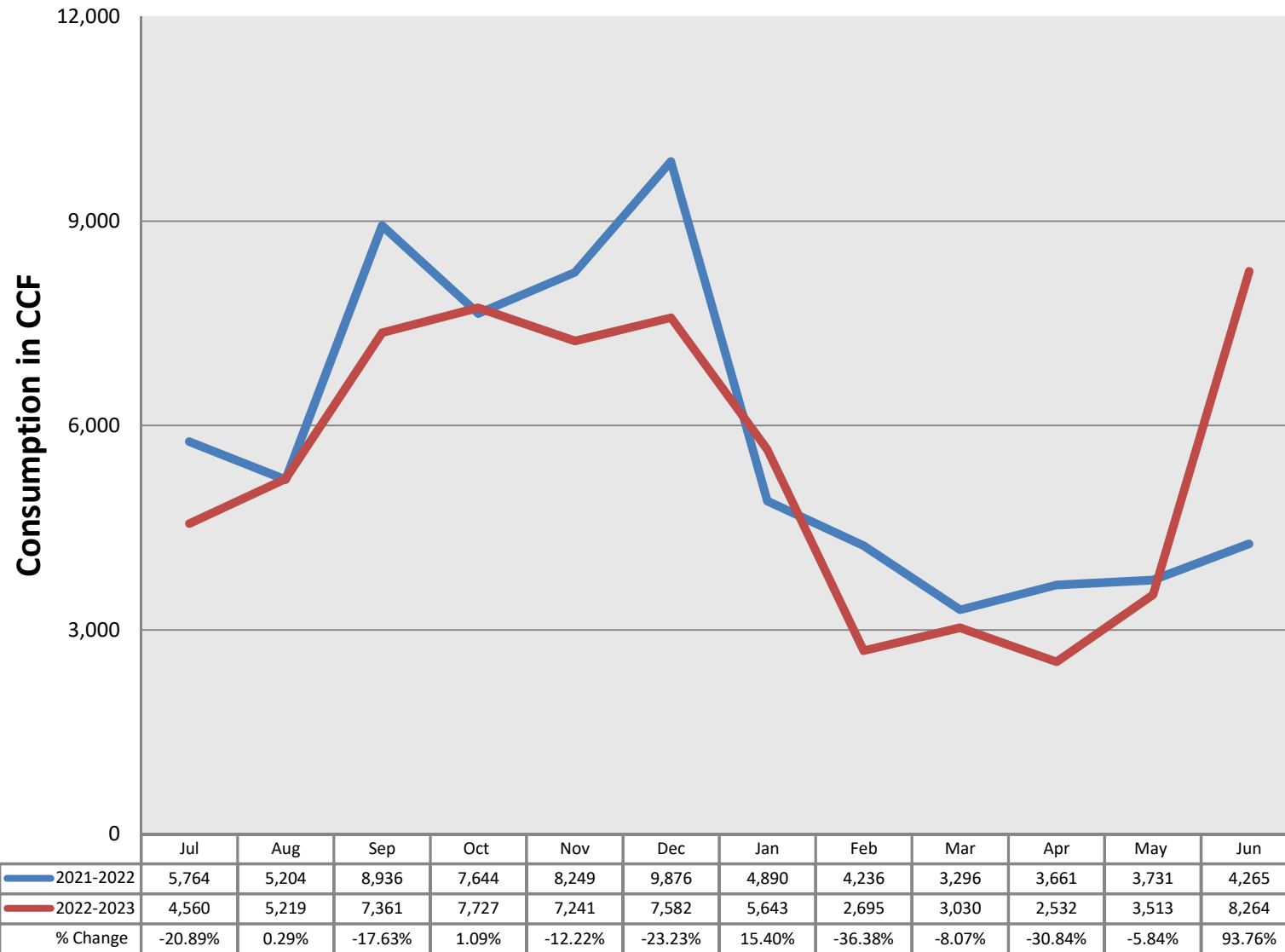


	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2021-2022	7,745	7,539	12,001	8,353	7,903	8,837	4,659	5,036	4,464	4,780	4,226	5,123
2022-2023	5,402	5,705	8,432	7,778	6,967	6,151	4,537	3,253	3,149	2,948	3,570	6,713
% Change	-30.25%	-24.33%	-29.74%	-6.88%	-11.84%	-30.39%	-2.62%	-35.41%	-29.46%	-38.33%	-15.52%	31.04%

Tier III Fiscal YTD Consumption

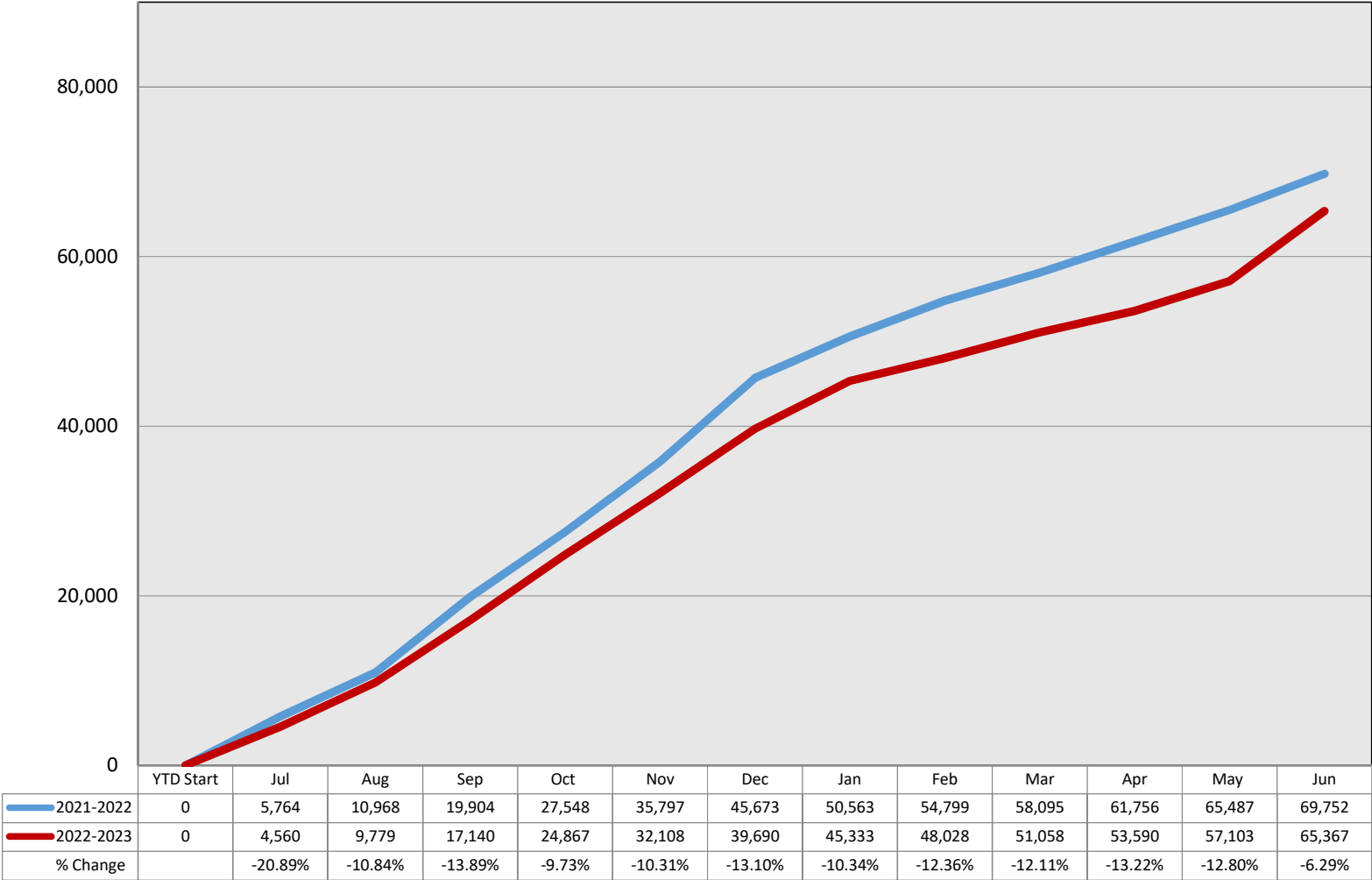


Tier IV Consumption

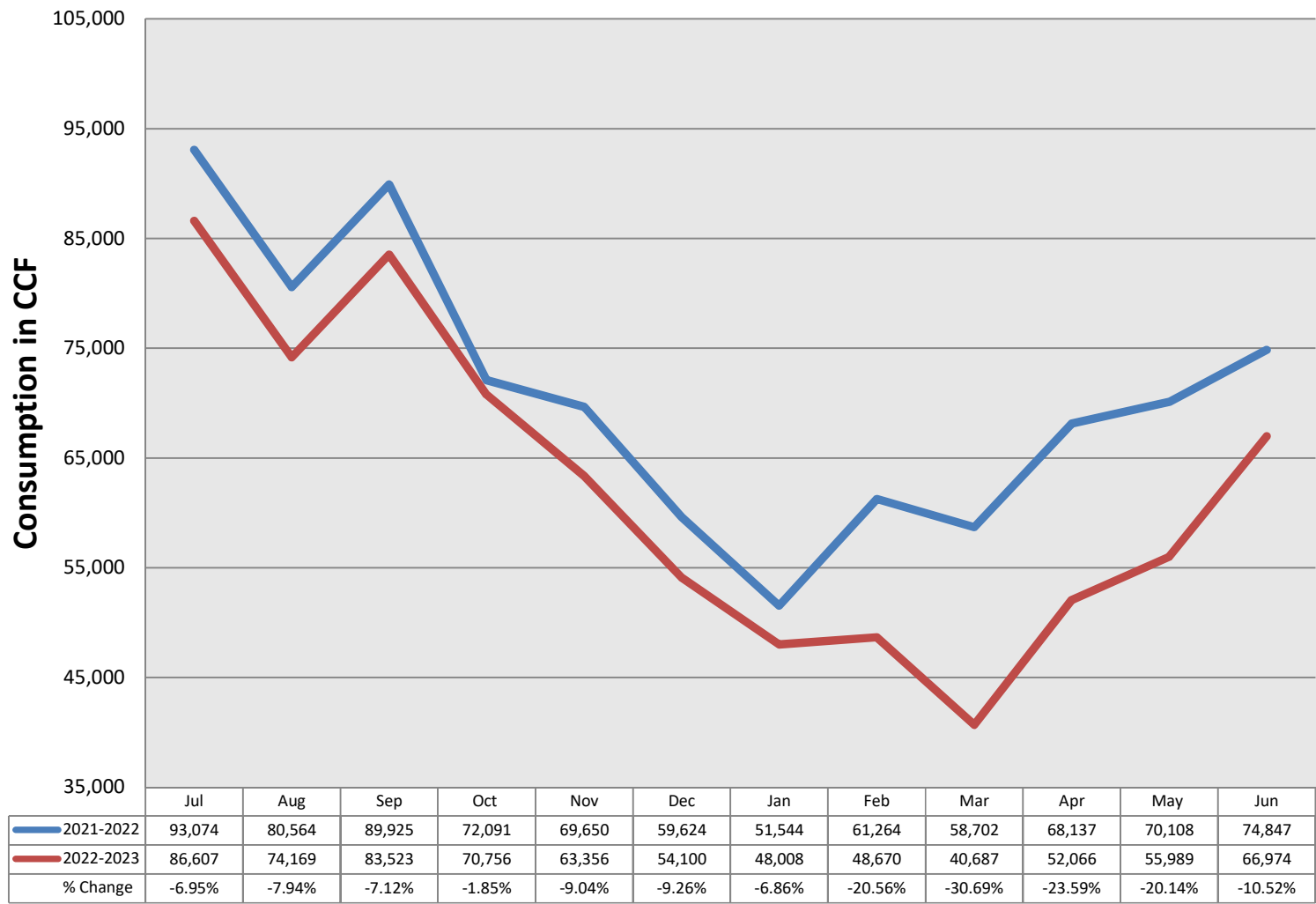


Tier IV Fiscal YTD Consumption

Consumption in CCF

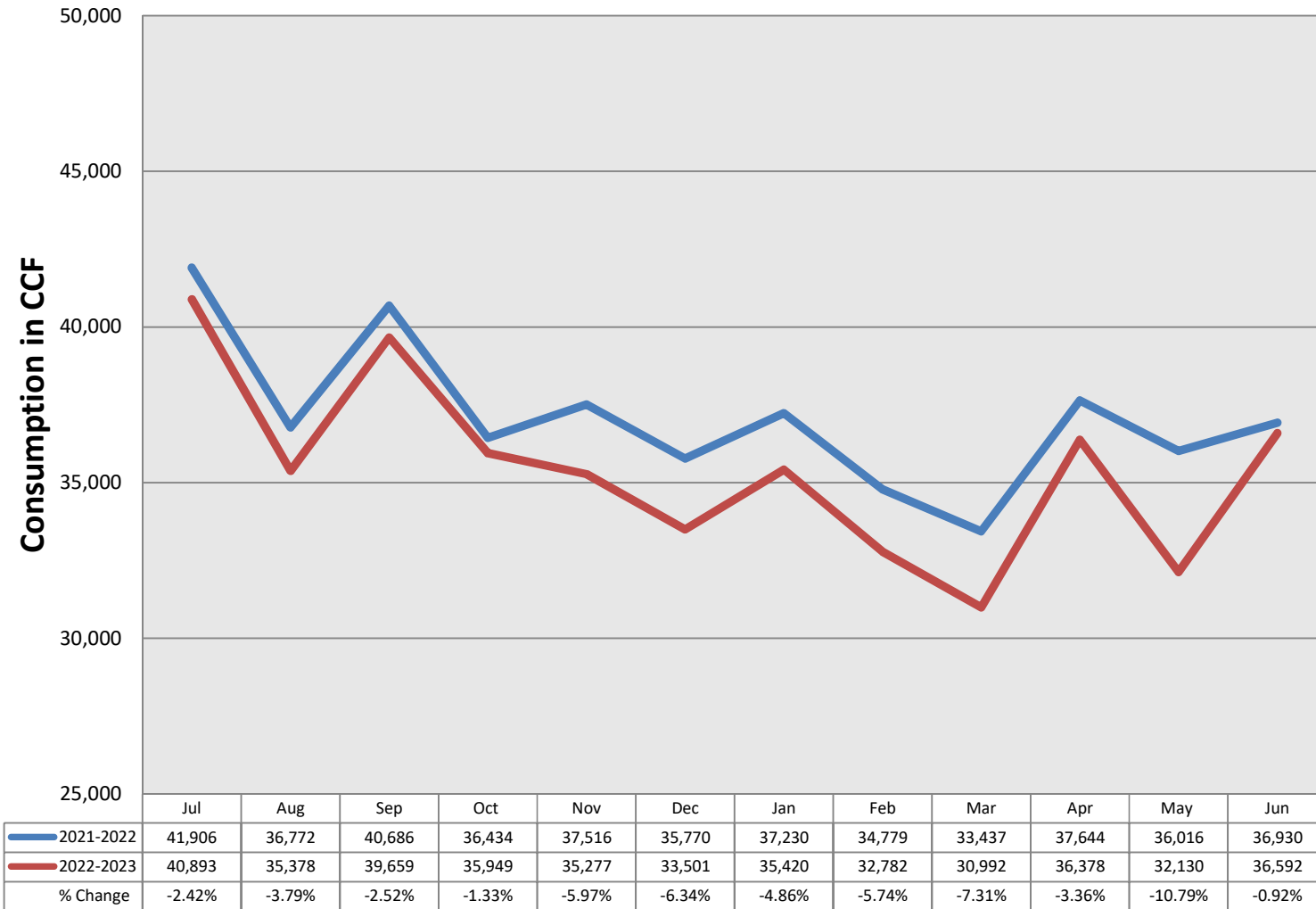


Single Family Residents Consumption



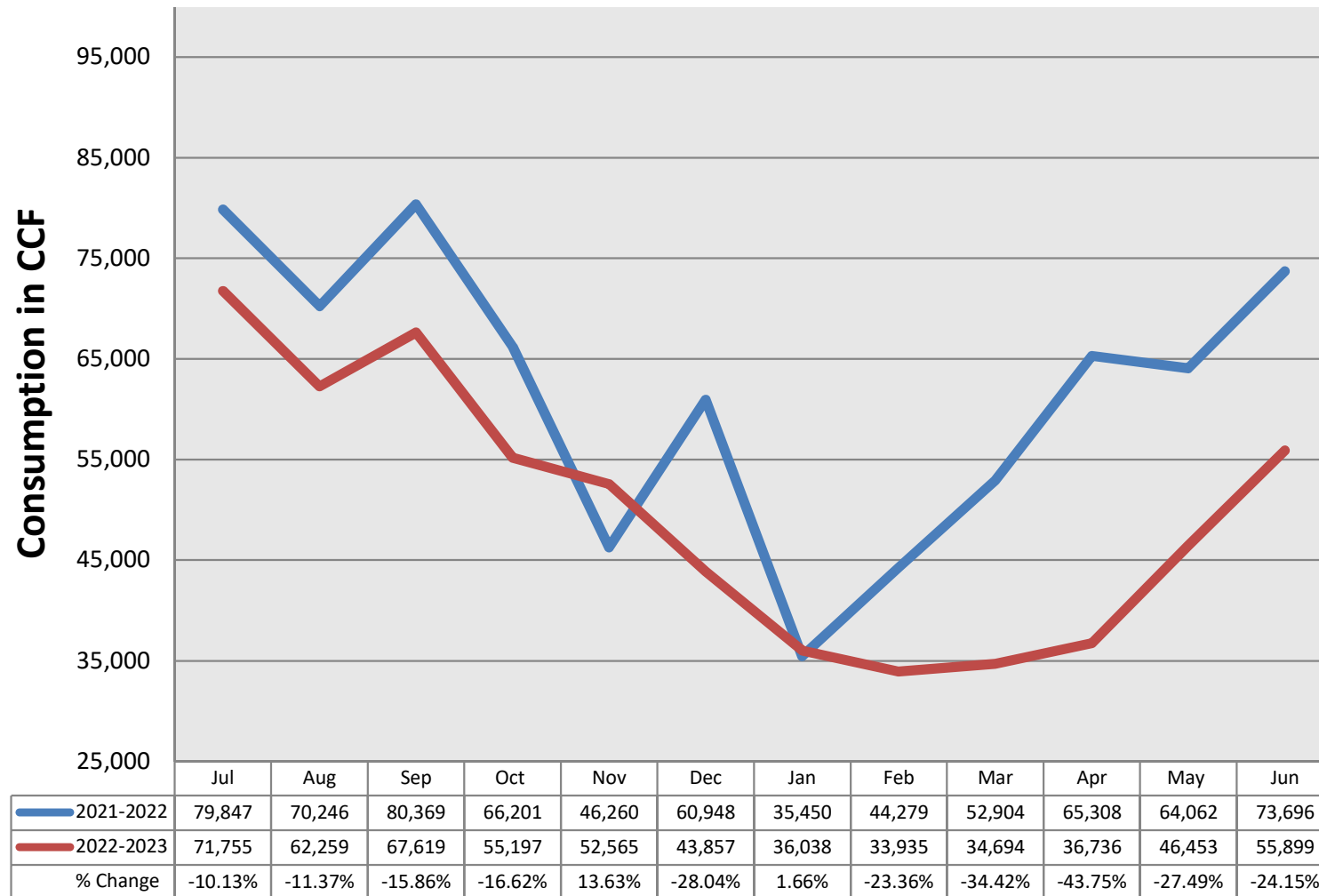
*Total Fiscal Year Change: -12.32%

Multi Family Residents Consumption



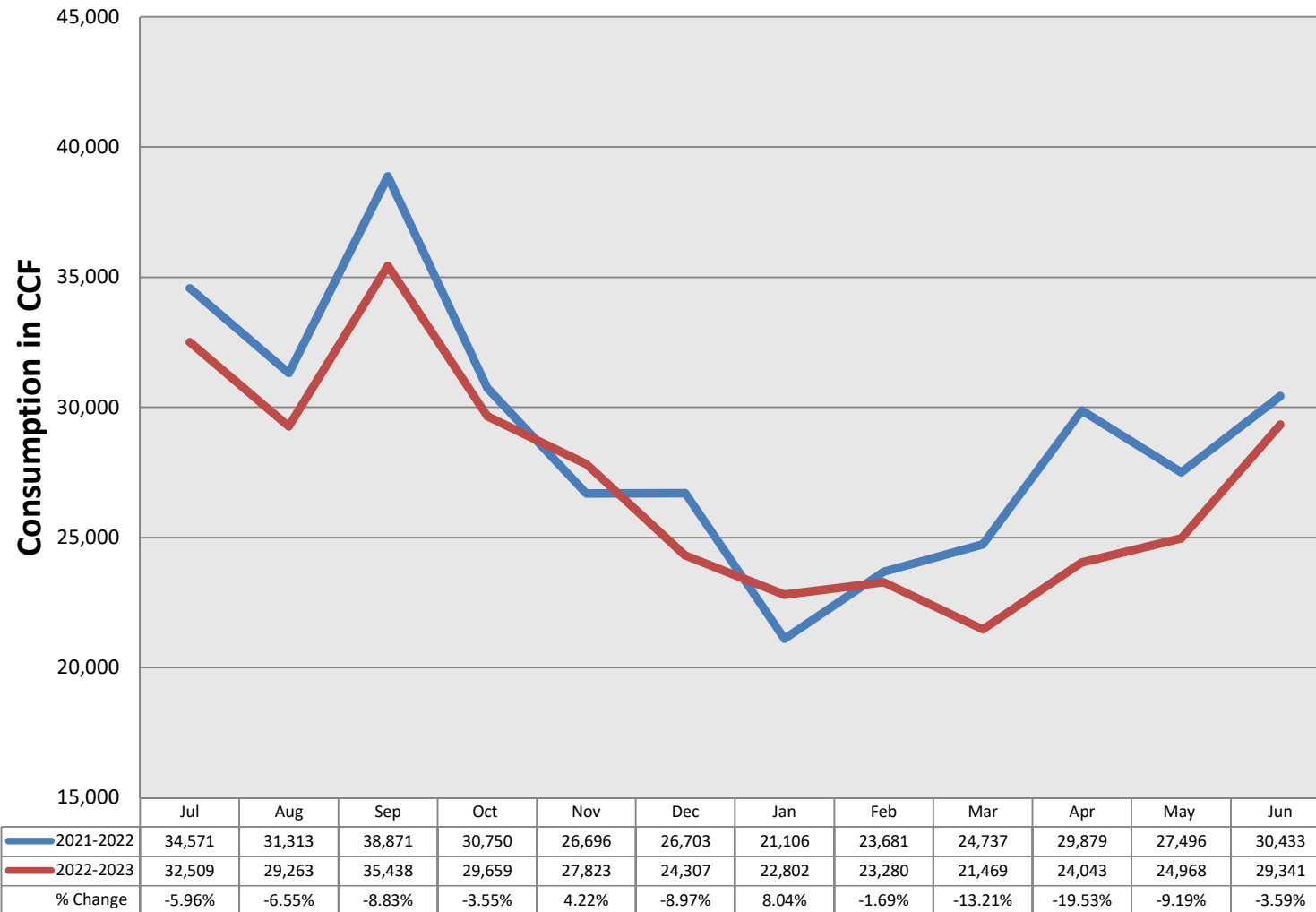
*Total Fiscal Year Change: -4.53%

Laguna Woods Village Consumption (Excluding Dedicated Irrigation)



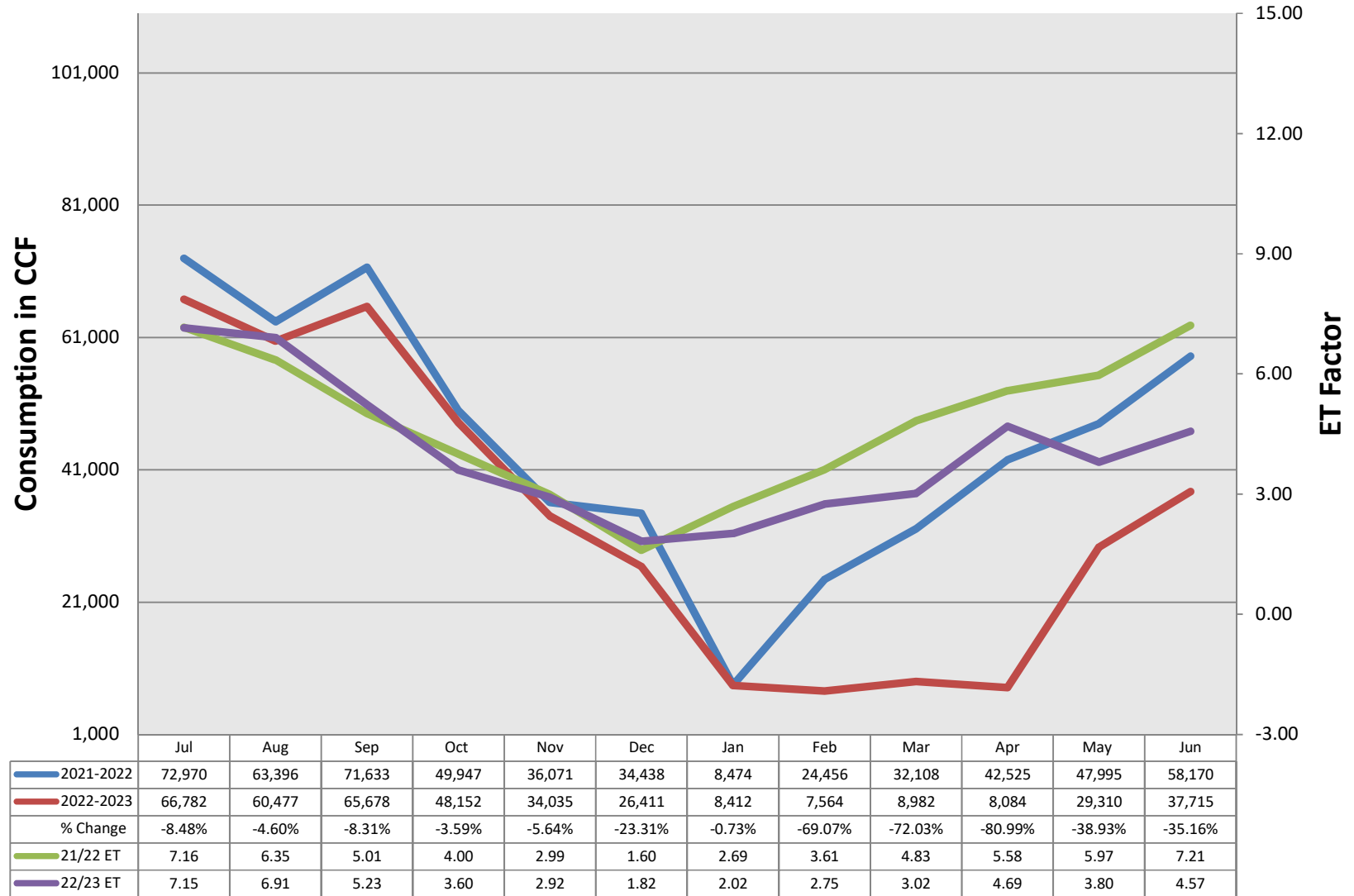
*Total Fiscal Year Change: -19.28%

Commercial Consumption



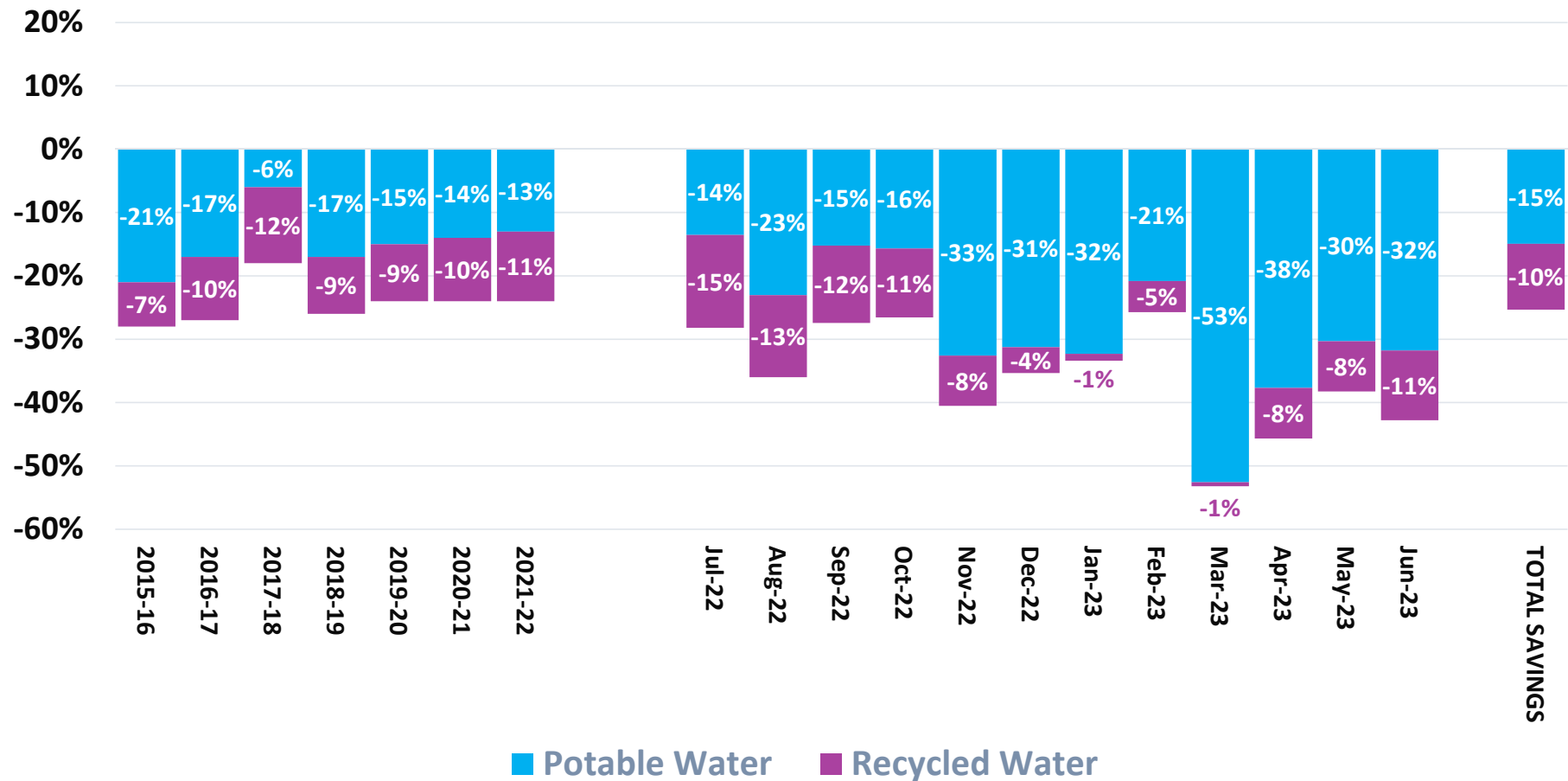
*Total Fiscal Year Change: -6.16%

Dedicated Irrigation Consumption (including LWV)

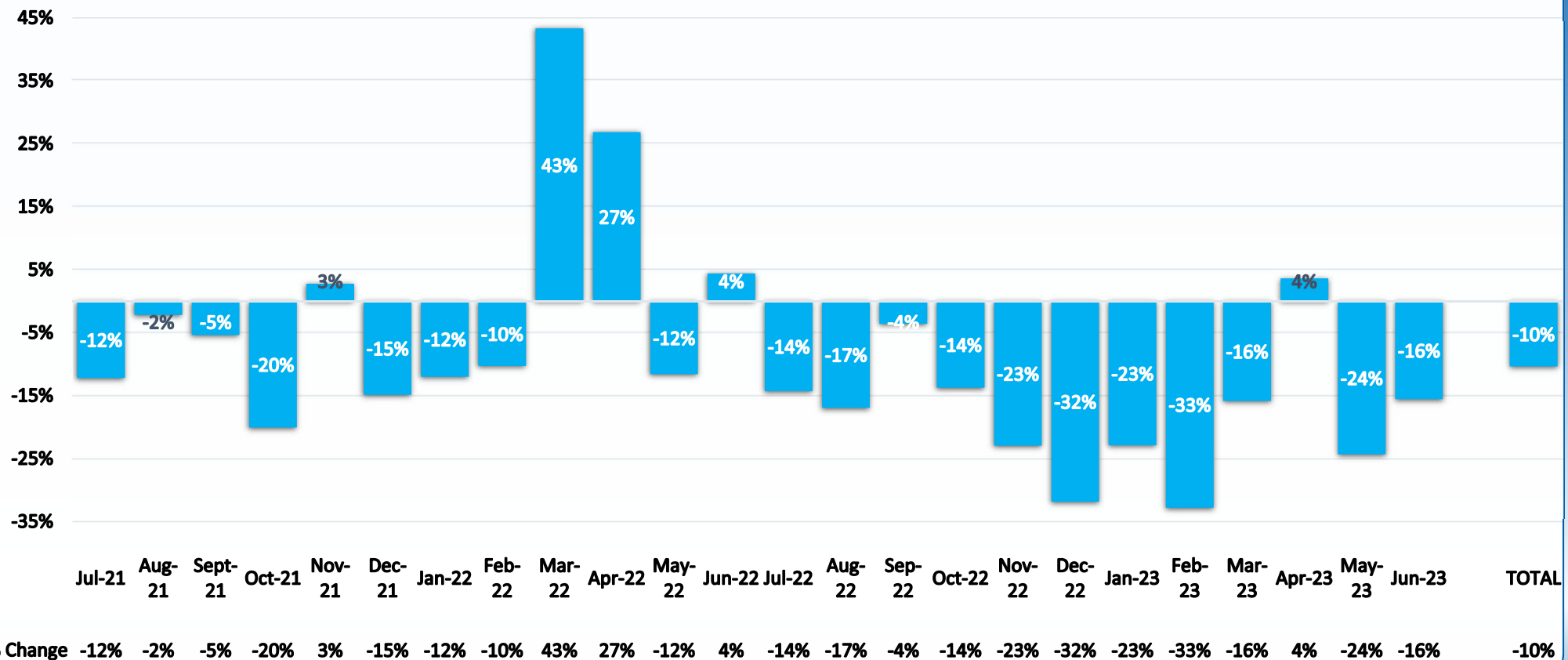


*Total Fiscal Year Change: -25.93%

ETWD WATER USAGE COMPARED TO 2013



ETWD WATER USAGE COMPARED TO 2020



I hereby certify that the following Agenda was posted at least 72 hours prior to the time of the Board Meeting so noticed below, at the usual agenda posting location of the South Orange County Wastewater Authority (SOCWA) and at www.socwa.com.



Danita Hirsh, Assistant Secretary
SOCWA and the Board of Directors thereof

*Regular Meeting of The
South Orange County Wastewater Authority
Board of Directors*

July 6, 2023
8:30 a.m.

PHYSICAL MEETING LOCATION:
South Orange County Wastewater Authority
34156 Del Obispo Street
Dana Point, CA 92629

THE BOARD OF DIRECTORS MEETING ROOM IS WHEELCHAIR ACCESSIBLE. IF YOU REQUIRE ANY SPECIAL DISABILITY RELATED ACCOMMODATIONS, PLEASE CONTACT THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY SECRETARY'S OFFICE AT (949) 234-5452 AT LEAST SEVENTY-TWO (72) HOURS PRIOR TO THE SCHEDULED MEETING TO REQUEST SUCH ACCOMMODATIONS. THIS AGENDA CAN BE OBTAINED IN ALTERNATE FORMAT UPON REQUEST TO THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY'S SECRETARY AT LEAST SEVENTY-TWO (72) HOURS PRIOR TO THE SCHEDULED MEETING. MEMBERS OF THE PUBLIC HAVE THE OPTION TO PARTICIPATE IN AND MAY JOIN THE MEETING REMOTELY VIA VIDEO CONFERENCE FOR VISUAL INFORMATION ONLY (USE ZOOM LINK BELOW) AND BY TELECONFERENCE FOR AUDIO PARTICIPATION (USE PHONE NUMBERS BELOW). THIS IS A PHONE-CALL MEETING AND NOT A WEB-CAST MEETING, SO PLEASE REFER TO AGENDA MATERIALS AS POSTED ON THE WEBSITE AT WWW.SOCWA.COM. ON YOUR REQUEST, EVERY EFFORT WILL BE MADE TO ACCOMMODATE PARTICIPATION. FOR PARTIES PARTICIPATING REMOTELY, PUBLIC COMMENTS WILL BE TAKEN DURING THE MEETING FOR ORAL COMMUNICATION IN ADDITION TO PUBLIC COMMENTS RECEIVED BY PARTIES PARTICIPATING IN PERSON. COMMENTS MAY BE SUBMITTED PRIOR TO THE MEETING VIA EMAIL TO ASSISTANT SECRETARY DANITA HIRSH AT DHIRSH@SOCWA.COM WITH THE SUBJECT LINE "REQUEST TO PROVIDE PUBLIC COMMENT." IN THE EMAIL, PLEASE INCLUDE YOUR NAME, THE ITEM YOU WISH TO SPEAK ABOUT, AND THE TELEPHONE NUMBER YOU WILL BE CALLING FROM SO THAT THE COORDINATOR CAN UN-MUTE YOUR LINE WHEN YOU ARE CALLED UPON TO SPEAK. THOSE MAKING PUBLIC COMMENT REQUESTS REMOTELY VIA TELEPHONE IN REAL-TIME WILL BE ASKED TO PROVIDE YOUR NAME, THE ITEM YOU WISH TO SPEAK ABOUT, AND THE TELEPHONE NUMBER THAT YOU ARE CALLING FROM SO THE COORDINATOR CAN UN-MUTE YOUR LINE WHEN YOU ARE CALLED UPON TO SPEAK. ONCE THE MEETING HAS COMMENCED, THE CHAIR WILL INVITE YOU TO SPEAK AND ASK THE COORDINATOR TO UN-MUTE YOUR LINE AT THE APPROPRIATE TIME.

AGENDA ATTACHMENTS AND OTHER WRITINGS THAT ARE DISCLOSABLE PUBLIC RECORDS DISTRIBUTED TO ALL, OR A MAJORITY OF, THE MEMBERS OF THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY BOARD OF DIRECTORS IN CONNECTION WITH A MATTER SUBJECT FOR DISCUSSION OR CONSIDERATION AT AN OPEN MEETING OF THE BOARD OF DIRECTORS ARE AVAILABLE FOR PUBLIC INSPECTION IN THE AUTHORITY ADMINISTRATIVE OFFICE LOCATED AT 34156 DEL OBISPO STREET, DANA POINT, CA ("AUTHORITY OFFICE") OR BY PHONE REQUEST MADE TO THE AUTHORITY OFFICE AT 949-234-5452. IF SUCH WRITINGS ARE DISTRIBUTED TO MEMBERS OF THE BOARD OF DIRECTORS LESS THAN SEVENTY-TWO (72) HOURS PRIOR TO THE MEETING, THEY WILL BE AVAILABLE IN THE RECEPTION AREA OF THE AUTHORITY OFFICE AT THE SAME TIME AS THEY ARE DISTRIBUTED TO THE BOARD OF DIRECTORS AND SENT TO ANY REMOTE PARTICIPANTS REQUESTING EMAIL DELIVERY OR POSTED ON SOCWA'S WEBSITE. IF SUCH WRITINGS ARE DISTRIBUTED IMMEDIATELY PRIOR TO, OR DURING, THE MEETING, THEY WILL BE AVAILABLE IN THE MEETING ROOM OR IMMEDIATELY UPON VERBAL REQUEST TO BE DELIVERED VIA EMAIL TO REQUESTING PARTIES PARTICIPATING REMOTELY.

THE PUBLIC MAY PARTICIPATE REMOTELY BY VIRTUAL MEANS. FOR AUDIO OF MEETING USE THE CALL IN PHONE NUMBERS BELOW AND FOR VIDEO USE THE ZOOM LINK BELOW.

Join Zoom Meeting
<https://socwa.zoom.us>

Meeting ID: 865 6793 0307
Passcode: 835262

Dial by your location:

+1 669 900 6833 US (San Jose) +1 253 215 8782 US (Tacoma)
+1 346 248 7799 US (Houston) +1 312 626 6799 US (Chicago)

Find your local number: <https://socwa.zoom.us/j/keChkALr7F>

South Orange County Wastewater Authority
Board of Directors Meeting
July 6, 2023

Agenda

1. CALL TO ORDER

2. PLEDGE OF ALLEGIANCE

3. ORAL COMMUNICATIONS

Members of the public may address the board regarding an item on the agenda or may reserve this opportunity during the meeting at the time the item is discussed by the board. There will be a three-minute limit for public comments.

4. APPROVAL OF BOARD MEMBER REQUEST FOR REMOTE PARTICIPATION

ACTION Board Discussion/Direction and Action.

PAGE NO

5. CONSENT CALENDAR

A. Minutes of Board of Directors 1

1. Board of Directors Meeting of May 18, 2023
2. Board of Directors Meeting of June 1, 2023

ACTION The Board will be requested to approve subject Minutes.

B. Minutes of Project Committee 2 13

- Project Committee 2 Meeting of April 18, 2023

ACTION The PC 2 Board will be requested to approve subject Minutes, and the Board will be requested to receive and file subject Minutes.

C. Minutes of Finance Committee 16

1. Finance Committee Meeting of April 18, 2023
2. Finance Committee Meeting of May 16, 2023

ACTION The Board will be requested to receive and file subject Minutes.

D. Consideration of Approval of Various Unapproved Minutes, Disbursements, and Financial Reports 21

ACTION Staff recommends that the Board of Directors approve and receive and file the various open items.

E. Financial Reports for the Month of April 2023 76

The reports included are as follows:

1. Summary of Disbursements for April 2023 (Exhibit A)
2. Schedule of Funds Available for Reinvestment (Exhibit B)
 - Local Agency Investment Fund (LAIF)

South Orange County Wastewater Authority
Board of Directors Meeting
July 6, 2023

Agenda

PAGE NO

3. Schedule of Cash and Investments (Exhibit C)
4. Capital Schedule (Exhibit D)
 - Capital Projects – Graph (Exhibit D-1)
5. Budget vs. Actual Expenses:
 - Operations and Environmental Summary (Exhibit E-1)
 - Operations and Environmental by PC (E-1.2)
 - Residual Engineering, after transfer to Capital (Exhibit E-2)
 - Administration (Exhibit E-3)
 - Information Technology (IT) (Exhibit E-4)

ACTION The Finance Committee recommends that the Board of Directors ratify the April 2023 disbursements, \$2,173,227, for the period from April 1, 2023, through April 30, 2023, and to receive and file the April 2023 Financial Reports as submitted.

F. Q3 FY 2022-23 Cash Roll Forward as of March 31, 2023..... 94

ACTION The Finance Committee recommends that the Board of Directors receive and file the Q3 Fiscal Year 2022-23 Cash Roll Forward as submitted.

G. Operations Report (May) 107

- a. Monthly Operational Report
- b. SOCWA Ocean Outfall Discharges by Agency
- c. Quarterly Report on Key Operational Expenses
- d. Beach Ocean Monitoring Report
- e. Recycled Water Report
- f. Pretreatment Report (June)

ACTION The Board will be requested to receive and file subject reports as submitted.

H. Capital Improvement Program Status Report (June) 150

ACTION Information item; receive and file.

I. Capital Improvement Construction Projects Progress and Change Order Report (June) [Project Committees 2, 15, & 17] 153

ACTION Staff recommends that the PC 2 Board approve Change Order 1 for \$14,624.97 and a revised contract value of \$108,609.97 for the J.B. Latham Administration Building Roofing Replacement Project; and that the Board of Directors receive and file the report.

South Orange County Wastewater Authority
Board of Directors Meeting
July 6, 2023

Agenda

PAGE NO

6. ENGINEERING MATTER

- A. Contract Award for Aliso Creek Ocean Outfall (ACOO) Seal Replacement Project
[Project Committees 24]..... 167

ACTION The Engineering Committee recommends that the PC 24 Board of Directors approve the contract to J.F. Brennan in the amount of \$261,753 for the ACOO Seal Replacement Project with a contingency of \$50,000.

7. GENERAL MANAGER'S REPORT

- A. General Counsel's Updates
 • JPA Revision Process (Standing item)
- B. General Manager's Status Report..... 169

ACTION Information Item

- C. Upcoming Meetings Schedule:.....
- July 6, 2023 – Board of Directors Regular Meeting
 - July 13, 2023 – Engineering Committee Meeting – *Canceled*
 - July 18, 2023 – Finance Committee Meeting – *Canceled*
 - July 27, 2023 – Board of Directors Special Facilitated Discussion Meeting
 - August 3, 2023 – Board of Directors Regular Meeting

ACTION Information Item.

D. OTHER MATTERS

Determine the need to take action on the following item(s) introduced by General Manager, which arose subsequent to the agenda being posted. [Adoption of this action requires a two-thirds vote of the Board, or if less than two-thirds are present a unanimous vote.]

ADJOURNMENT

THE NEXT SOCWA BOARD MEETING
JULY 27, 2023

MEETING OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Jointly with the
PLANNING & OPERATIONS COMMITTEE

July 3, 2023 8:30 a.m.

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

Computer Audio: You can join the Zoom meeting by clicking on the following link:

<https://zoom.us/j/8828665300>

Telephone Audio: (669) 900 9128 fees may apply
(877) 853 5247 Toll-free
Webinar ID: 882 866 5300#

P&O Committee:

Director McVicker, Chair
Director Nederhood
Director Seckel

Staff: H.De La Torre, J. Berg, V. Osborn,
T. Dubuque, D. Micalizzi, H. Baez,
M. Baum-Haley, C. Busslinger,
T. Baca

Ex Officio Member: Director Yoo Schneider

MWDOC Committee meetings are noticed and held as joint meetings of the Committee and the entire Board of Directors and all members of the Board of Directors may attend and participate in the discussion. Each Committee has designated Committee members, and other members of the Board are designated alternate committee members. If less than a quorum of the full Board is in attendance, the Board meeting will be adjourned for lack of a quorum and the meeting will proceed as a meeting of the Committee with those Committee members and alternate members in attendance acting as the Committee.

ROLL CALL

PUBLIC COMMENTS - Public comments on agenda items and items under the jurisdiction of the Committee should be made at this time.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - Determine there is a need to take immediate action on item(s) and that the need for action came to the attention of the District subsequent to the posting of the Agenda. (Requires a unanimous vote of the Committee)

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING -- Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the District's business office located at 18700 Ward Street, Fountain Valley, California 92708, during regular business hours. When practical, these public records will also be made available on the District's Internet Web site, accessible at <http://www.mwdoc.com>.

PRESENTATION ITEM

1. PRESENTATION REGARDING WEROC EXERCISE AND 2023-24 GOALS

DISCUSSION ITEM

2. STATUS REPORT REGARDING THE WEROC EOC PROJECT

ACTION ITEMS

3. SINGLE FAMILY RESIDENTIAL PRESSURE REGULATING VALVE REPLACEMENT PILOT PROGRAM
4. SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (SDRMA) ELECTION – BOARD OF DIRECTORS ELECTION 2023

INFORMATION ITEMS (The following items are for informational purposes only – background information is included in the packet. Discussion is not necessary unless requested by a Director.)

5. JUNE PUBLIC AFFAIRS HIGHLIGHTS
6. 2023 OC WATER SUMMIT UPDATE
7. MWDOC K-12 CHOICE SCHOOL PROGRAMS UPDATE
8. DEPARTMENT ACTIVITIES REPORTS
 - a. Ongoing MWDOC Reliability and Engineering/Planning Projects
 - b. WEROC
 - c. Water Use Efficiency Projects
 - d. Public and Government Affairs
9. REVIEW OF ISSUES RELATED TO PLANNING OR ENGINEERING PROJECTS, WEROC, WATER USE EFFICIENCY, FACILITY AND EQUIPMENT MAINTENANCE, WATER STORAGE, WATER QUALITY, CONJUNCTIVE USE PROGRAMS, EDUCATION, PUBLIC AFFAIRS PROGRAMS AND EVENTS, PUBLIC INFORMATION PROJECTS, PUBLIC INFORMATION CONSULTANTS, DISTRICT FACILITIES, and MEMBER-AGENCY RELATIONS

ADJOURNMENT

NOTE: At the discretion of the Committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated, and may be subject to action by the Committee. On those items designated for Board action, the Committee reviews the items and makes a recommendation for final action to the full Board of Directors; final action will be taken by the Board of Directors. Agendas for Committee and Board meetings may be obtained from the District Secretary. Members of the public are advised that the Board consideration process includes consideration of each agenda item by one or more Committees indicated on the Board Action Sheet. Attendance at Committee meetings and the Board meeting considering an item consequently is advised.

Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Maribeth Goldsby, District Secretary, at (714) 963-3058, or writing to Municipal Water District of Orange County at P.O. Box 20895, Fountain Valley, CA 92728. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.

WORKSHOP MEETING OF THE
BOARD OF DIRECTORS WITH MET DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Conference Room 101, Fountain Valley, California
July 5, 2023, 8:30 a.m.

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

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Telephone Audio: (669) 900 9128 fees may apply

(877) 853 5247 Toll-free

Webinar ID: 882 866 5300#

AGENDA

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC PARTICIPATION/COMMENTS

At this time members of the public will be given an opportunity to address the Board concerning items within the subject matter jurisdiction of the Board. Members of the public may also address the Board about a particular Agenda item at the time it is considered by the Board and before action is taken.

The Board requests, but does not require, that members of the public who want to address the Board complete a voluntary "Request to be Heard" form available from the Board Secretary prior to the meeting.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine need and take action to agendize item(s), which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present or, if less than two-thirds of the Board members are present a unanimous vote.)

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

Pursuant to Government Code Section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the District's business office located at 18700 Ward Street, Fountain Valley, California 92708, during regular business hours. When practical, these public records will also be made available on the District's Internet Web site, accessible at <http://www.mwdoc.com>.

NEXT RESOLUTION NO. 2142

PRESENTATION/DISCUSSION ITEMS

1. **PRESENTATION BY MWDOC STAFF ON MET'S CLIMATE ADAPTATION MASTER PLAN: RECAP OF THE JUNE 27 WORKSHOP**

Recommendation: Review and discuss the information presented.

2. LEGISLATIVE ACTIVITIES

- a. Federal Legislative Report (NRR)
- b. State Legislative Report (BBK)
- c. Legal and Regulatory Report (Ackerman)
- d. County Legislative Report (Whittingham)
- e. MWDOC Legislative Matrix
- f. Metropolitan Legislative Matrix

Recommendation: Review and discuss the information presented.

3. QUESTIONS OR INPUT ON MET ISSUES FROM THE MEMBER AGENCIES/MET DIRECTOR REPORTS REGARDING MET COMMITTEE PARTICIPATION

Recommendation: Receive input and discuss the information presented.

ACTION ITEMS

4. CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) 2024-2026 BOARD OF DIRECTORS ELECTION – AUTHORIZATION TO VOTE

Recommendation: (1) Review and discuss the candidates running for the CSDA Board of Directors, Southern Network, Seat C; and (2) Authorize staff to cast the District's electronic ballot.

INFORMATION ITEMS

5. MET ITEMS CRITICAL TO ORANGE COUNTY (The following items are for informational purposes only – a write up on each item is included in the packet. Discussion is not necessary unless requested by a Director).

- a. MET's Finance and Rate Issues
- b. MET's Water Supply Condition Update
- c. Water Quality Update
- d. Colorado River Issues
- e. Delta Conveyance Activities and State Water Project Issues

Recommendation: Review and discuss the information presented.

6. METROPOLITAN (MET) BOARD AND COMMITTEE AGENDA DISCUSSION ITEMS

- a. Summary regarding June MET Board Meetings
- b. MET 4-Month Outlook on Upcoming Issues (not available)
- c. Review items of significance for MET Board and Committee Agendas

Recommendation: Review and discuss the information presented.

ADJOURNMENT

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MEETING OF THE BOARD OF DIRECTORS OF THE
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

Jointly with the

ADMINISTRATION & FINANCE COMMITTEE

July 12, 2023, 8:30 a.m.

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

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(877) 853 5247 Toll-free

Webinar ID: 882 866 5300#

A&F Committee:

Director Dick, Chair
Director Thomas
Director Crane

Staff: H. De La Torre, J. Berg, C. Harris,
H. Chumpitazi, M. Baum-Haley,
K. Davanaugh

Ex Officio Member: Director Yoo Schneider

MWDOC Committee meetings are noticed and held as joint meetings of the Committee and the entire Board of Directors and all members of the Board of Directors may attend and participate in the discussion. Each Committee has designated Committee members, and other members of the Board are designated alternate committee members. If less than a quorum of the full Board is in attendance, the Board meeting will be adjourned for lack of a quorum and the meeting will proceed as a meeting of the Committee with those Committee members and alternate members in attendance acting as the Committee.

ROLL CALL

PUBLIC COMMENTS - Public comments on agenda items and items under the jurisdiction of the Committee should be made at this time.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - Determine there is a need to take immediate action on item(s) and that the need for action came to the attention of the District subsequent to the posting of the Agenda. (Requires a unanimous vote of the Committee)

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PROPOSED BOARD CONSENT CALENDAR ITEMS

1. TREASURER'S REPORT
 - a. Revenue/Cash Receipt Report – June 2023
 - b. Disbursement Approval Report for the month of July 2023
 - c. Disbursement Ratification Report for the month of June 2023
 - d. GM Approved Disbursement Report for the month of June 2023
 - e. Consolidated Summary of Cash and Investment – May 2023

- f. OPEB and Pension Trust Fund statements
- 2. FINANCIAL REPORT - Combined Financial Statements and Budget Comparative for the Period Ending May 31, 2023

ACTION ITEM

- 3. APPOINTMENT OF DEPUTY TREASURER

DISCUSSION ITEM

- 4. STATUS REPORT REGARDING MWDOC'S RESPONSE TO THE 2022-2023 OC GRAND JURY REPORT – *"HISTORICAL RAIN, YET DROUGHT REMAINS"* (oral report)

INFORMATION ITEMS – (THE FOLLOWING ITEMS ARE FOR INFORMATIONAL PURPOSES ONLY – BACKGROUND INFORMATION IS INCLUDED IN THE PACKET. DISCUSSION IS NOT NECESSARY UNLESS REQUESTED BY A DIRECTOR.)

- 5. GENERAL MANAGER AUTHORIZED AGREEMENTS
- 6. DEPARTMENT ACTIVITIES REPORTS
 - a. Administration
 - b. Finance and Information Technology
- 7. MONTHLY WATER USAGE DATA AND WATER SUPPLY INFORMATION

OTHER ITEMS

- 8. REVIEW ISSUES REGARDING DISTRICT ORGANIZATION, PERSONNEL MATTERS, EMPLOYEE BENEFITS FINANCE AND INSURANCE

ADJOURNMENT

NOTE: At the discretion of the Committee, all items appearing on this agenda, whether or not expressly listed for action, may be deliberated, and may be subject to action by the Committee. On those items designated for Board action, the Committee reviews the items and makes a recommendation for final action to the full Board of Directors; final action will be taken by the Board of Directors. Agendas for Committee and Board meetings may be obtained from the District Secretary. Members of the public are advised that the Board consideration process includes consideration of each agenda item by one or more Committees indicated on the Board Action Sheet. Attendance at Committee meetings and the Board meeting considering an item consequently is advised.

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REGULAR MEETING
OF THE BOARD OF DIRECTORS
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY
18700 Ward Street, Fountain Valley, California
July 19, 2023, 8:30 a.m.

Teleconference Site:
Everline Resort, 400 Resort Road, Olympic Valley, California 96146
(Director You Schneider will participate from the teleconference location.
Members of the public may attend and participate in the meeting at both in-person locations.)

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

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Webinar ID: 882 866 5300#

AGENDA

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC COMMENTS/PARTICIPATION

At this time, members of the public will be given an opportunity to address the Board concerning items within the subject matter jurisdiction of the Board. Members of the public may also address the Board about a particular Agenda item at the time it is considered by the Board and before action is taken. If the item is on the Consent Calendar, please inform the Board Secretary before action is taken on the Consent Calendar and the item will be removed for separate consideration.

The Board requests, but does not require, that members of the public who want to address the Board complete a voluntary "Request to be Heard" form available from the Board Secretary prior to the meeting.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Determine need and take action to agendize items(s) which arose subsequent to the posting of the Agenda. (ROLL CALL VOTE: Adoption of this recommendation requires a two-thirds vote of the Board members present, or, if less than two-thirds of the Board members are present, a unanimous vote of those members present.)

ITEMS DISTRIBUTED TO THE BOARD LESS THAN 72 HOURS PRIOR TO MEETING

Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Board less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the District's business office located at 18700 Ward Street, Fountain Valley, California 92708, during regular business hours. When practical, these public records will also be made available on the District's Internet Web site, accessible at <http://www.mwdoc.com>.

- **ACKNOWLEDGEMENT OF WATER USE EFFICIENCY STAFF**

NEXT RESOLUTION NO. 2142

CONSENT CALENDAR (Items 1 to 6)

(All matters under the Consent Calendar will be approved by one motion unless a Board member requests separate action on a specific item)

1. MINUTES

- a. June 7, 2023 Workshop Board Meeting
- b. June 21, 2023 Regular Board Meeting

Recommendation: Approve as presented.

2. COMMITTEE MEETING REPORTS

- a. Planning & Operations Committee Meeting: June 5, 2023
- b. Administration & Finance Committee Meeting: June 14, 2023
- c. Executive Committee Meeting: June 22, 2023

Recommendation: Receive and file as presented.

3. TREASURER'S REPORTS

- a. MWDOC Revenue/Cash Receipt Register as of June 30, 2023
- b. Disbursement Registers (June/July)

Recommendation: Ratify and approve as presented.

- c. Summary of Cash and Investment and Portfolio Master Summary Report (Cash and Investment report) as of May 31, 2023
- d. PARS Monthly Statement (OPEB Trust)

Recommendation: Receive and file as presented.

4. FINANCIAL REPORT

- a. Combined Financial Statements and Budget Comparative for the Period Ending May 31, 2023

Recommendation: Receive and file as presented.

5. SINGLE FAMILY RESIDENTIAL PRESSURE REGULATING VALVE REPLACEMENT PILOT PROGRAM

Recommendation: Ratify the contract between MWDOC and Santa Margarita Plumbing & Air, Inc. (RSM Plumbing) for implementation of the Pressure Regulating Valve Replacement Pilot Program in the Santa Margarita Water District service area.

**6. SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY (SDRMA)
ELECTION – BOARD OF DIRECTORS ELECTION 2023**

Recommendation: Authorize President Yoo Schneider, or her designee, to cast the District's ballot for the SDRMA Board of Directors election

End Consent Calendar

ACTION CALENDAR

7-1 APPOINTMENT OF DEPUTY TREASURER

RES. NO. _____

Recommendation: Adopt Resolution appointing Harvey De La Torre as Deputy Treasurer (replacing Robert Hunter).

INFORMATION CALENDAR (All matters under the Information Calendar will be Received/Filed as presented following any discussion that may occur)

8. GENERAL MANAGER'S REPORT, JULY 2023 (ORAL AND WRITTEN)

Recommendation: Receive and file report(s) as presented.

9. MWDOC GENERAL INFORMATION ITEMS

- a. Board of Directors - Reports re: Conferences and Meetings
- b. Requests for Future Agenda Topics

Recommendation: Receive and file as presented.

ADJOURNMENT

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MUNICIPAL WATER DISTRICT OF ORANGE COUNTY AGENCIES MANAGERS MEETING

ZOOM LINK:

<https://us06web.zoom.us/j/84067754649>

Meeting ID: 840 6775 4649

Passcode: 790252

Dial-in option: (669) 900-9128

WHEN: Thursday, July 20, 2022 from **10:30 am to 12:00 pm.**

DRAFT AGENDA

1. Opportunity to add and discuss items not already listed.

Page #/Link

2. General Meeting Information/Discussion Items:

- 2-1. Draft Board Agendas ([Link](#))
- 2-2. WEROC EOC Update..... ([Link](#))
- 2-3. WROC FY23-24 Goals..... ([Link](#))

3. Announcements:

- 3-1. SWRCB Workshop for WUE Standards..... August 16th

4. Report Items

- 4-1. Monthly GM Report ([Link](#))
- 4-2. Legislative Reports ([Link](#))
- 4-3. WEROC Matrix ([Link](#))
- 4-4. Grant Funding Opportunities ([Link](#))
- 4-5. Additional Reports or Materials..... ([Link](#))

5. Next meeting tentatively scheduled for August 17

Street Address:
18700 Ward Street
Fountain Valley, California 92708

Mailing Address:
P.O. Box 20895
Fountain Valley, CA 92728-0895

(714) 963-3058
Fax: (714) 964-9389
www.mwdoc.com

Megan Yoo Schneider, P.E.
President

Bob McVicker, P.E., D.WRE
Vice President

Randall Crane, Ph.D.
Director

Larry D. Dick
Director

Al Nederhood
Director

Karl W. Seckel, P.E.
Director

Jeffery M. Thomas
Director

Harvey De La Torre
Interim General Manager

MEMBER AGENCIES

City of Brea
City of Buena Park
East Orange County Water District
El Toro Water District
Emerald Bay Service District
City of Fountain Valley
City of Garden Grove
Golden State Water Co.
City of Huntington Beach
Irvine Ranch Water District
Laguna Beach County Water District
City of La Habra
City of La Palma
Mesa Water District
Moulton Niguel Water District
City of Newport Beach
City of Orange
Orange County Water District
City of San Clemente
Santa Margarita Water District
City of Seal Beach
Serrano Water District
South Coast Water District
Trabuco Canyon Water District
City of Tustin
City of Westminster
Yorba Linda Water District

AGENDA
JOINT PLANNING COMMITTEE
WITH BOARD OF DIRECTORS*
MUNICIPAL WATER DISTRICT OF ORANGE COUNTY AND
ORANGE COUNTY WATER DISTRICT

July 26, 2023, 8:30 A.M.

This meeting will be held in person. As a convenience for the public, the meeting may also be accessed by Zoom Webinar and will be available by either computer or telephone audio as indicated below. Because this is an in-person meeting and the Zoom component is not required, but rather is being offered as a convenience, if there are any technical issues during the meeting, this meeting will continue and will not be suspended.

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(877) 853 5247 Toll-free

Webinar ID: 882 866 5300#

Teleconference Sites:

10382 Bonnie Drive, Garden Grove

20 Civic Center Plaza, Room 813, Santa Ana

8865 Citrus Avenue, Westminster

100 S. Main St., Los Angeles

Members of the public may attend and participate in the meeting at all locations.

* The meeting of the Joint Planning Committee will be conducted simultaneously with meetings of both Boards of Directors in order to allow all Board members to participate in the discussions and to ensure compliance with the Brown Act. Directors receive no additional compensation or stipend as a result of simultaneously convening this Board of Directors meetings. Items recommended for approval at this meeting will be placed on a future Board Agenda for approval by one or both agencies, as determined by the Committee.

PUBLIC COMMENTS - At this time, members of the public will be given an opportunity to address the Committee and the Boards concerning items within the subject matter jurisdiction of either Board. Members of the public may also address the Committee about a particular Agenda item at the time it is considered and before action is taken. The Committee requests, but does not require, that members of the public who want to address the Committee or the Boards complete a voluntary "Request to be Heard" form available from the Board Secretary prior to the meeting.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - Determine there is a need to take immediate action on item(s) and that the need for action came to the attention of the Districts subsequent to the posting of the Agenda. (Requires a two-thirds vote of those present, or a unanimous vote if less than two-thirds are present.)

ITEMS DISTRIBUTED TO THE COMMITTEE LESS THAN 72 HOURS PRIOR TO MEETING --

Pursuant to Government Code section 54957.5, non-exempt public records that relate to open session agenda items and are distributed to a majority of the Committee less than seventy-two (72) hours prior to the meeting will be available for public inspection in the lobby of the Districts' business office, located at 18700 Ward Street, Fountain Valley, California 92708, during regular business hours. When practical, these public records will also be made available on each of the District's Internet Web site, accessible at www.ocwd.com or www.mwdoc.com.

1. Imported water supply update
2. Groundwater basin update
3. OCWD LAFCO Focused Municipal Service Review process and update
4. September OC Water Summit update
5. Board Room video screen status
6. Any future agenda items.
7. Next meeting - October 25th

Accommodations for the Disabled. Any person may make a request for a disability-related modification or accommodation needed for that person to be able to participate in the public meeting by telephoning Christina Fuller, OCWD District Secretary at 714/378-3234, or Maribeth Goldsby, MWDOC District Secretary, at (714) 593-5006, or writing to Orange County Water District at P.O. Box 8300, Fountain Valley, CA, 92728, or Municipal Water District of Orange County at P.O. Box 20895, Fountain Valley, CA 92728. Requests must specify the nature of the disability and the type of accommodation requested. A telephone number or other contact information should be included so that District staff may discuss appropriate arrangements. Persons requesting a disability-related accommodation should make the request with adequate time before the meeting for the District to provide the requested accommodation.



STAFF REPORT

To: Board of Directors

Meeting Date: July 27, 2023

From: Dennis Cafferty, General Manager

Subject: Orange County Local Agency Formation Commission (OC LAFCO)

The Pulse

OC LAFCO produces and distributes a bi-annual newsletter called "The Pulse". The Spring edition is attached for the Board's information and reference.

Southwest Region Municipal Service Review

OC LAFCO initiated the planned Municipal Service Review ("MSR") and Sphere of Influence update in 2022 for six cities, seven special districts (including ETWD), and one joint powers authority (SOCWA) in the OC LAFCO-designated "Southwest Region" of the County. OC LAFCO retained consultant RSG, Inc. to prepare the MSR, which included conducting surveys and interviews with each of the agencies in the region, and collecting demographic, fiscal, and other data to support the MSR findings and determinations under State law. OC LAFCO also retained Berkson Associates to perform an analysis of available financial data and prepare a set of Fiscal Indicators to be published on the OC LAFCO website.

District staff participated in the data gathering process through written responses as well as an interview with the LAFCO consultant.

The Public Draft MSR for the Southwest Region is now available for review and comment. District staff reviewed the draft MSR and provided comments to the consultant. The draft MSR is attached for review and reference.

Irvine and
Greater Orange
County

Greetings from OC LAFCO

Welcome to the Spring Edition of The Pulse, where Orange County agencies and other interested parties may learn about the Commission's latest activities and projects. This edition reflects on the activities of OC LAFCO for the first half of the 2022-2023 fiscal cycle, introduces new members of the Commission and staff, and includes an added feature – "local agency spotlights" – to the agency's publication.



Welcoming Commissioners And Staff

The Commission began 2023 with changes and additions to the board and staff. In March, **Commissioner Andrew Do** was seated as the Regular County Member, and **Commissioner Katrina Foley** returned to the Commission as the Alternate County Member. Commissioner Do is County Supervisor of First District, which includes the cities of Cypress, Fountain Valley, a portion of Garden Grove, Huntington

Beach, La Palma, Los Alamitos, Seal Beach, Westminster, and the unincorporated areas of Midway City, Rossmore and the Bolsa Chica wetlands. Commissioner Foley is County Supervisor of Fifth District, which includes the cities of Aliso Viejo, Costa Mesa, Dana Point, a large portion of Irvine, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, Newport Beach, San Clemente, San Juan Capistrano, and the unincorporated areas of



SPRING EDITION



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COMMISSIONERS



Commissioner Do

Coto de Caza, Emerald Bay, Ladera Ranch, Las Flores, Stonecliffe, Wagon Wheel and Rancho Mission Viejo. OC LAFCO also welcomed **Commissioner Carol Moore** as the Alternate City Member. Commissioner Moore is a council member and former Mayor of the City of Laguna Woods and was appointed by the City Selection Committee this past March.



Commissioner Foley

The new year also brought an additional staff member, **Amanda Castro**, to the OC LAFCO team. As a Policy Analyst, Amanda will manage key projects including city, district, and small island annexations, MSRs, fiscal indicators and shared services web-based programs, legislative affairs, and external engagement and communication. She brings years of LAFCO knowledge and



Commissioner Moore

government experience to the team, including tenure with Fresno LAFCO and the United States Census Bureau. Amanda has begun engaging our local agencies by participating in agency tours and attending regional meetings. Be sure to introduce your agency directly to Amanda at our next Commission meeting or by contacting her at the OC LAFCO office.

STAFF



Amanda Castro



Looking Back To Spring Forward

Over the past several months, the Commission has approved changes in jurisdictional boundaries, conducted multiple MSRs and continued to refine OC LAFCO's key resources and tools, including the agency's website, fiscal trends web-based program and the municipal services dashboard. Below are highlights of the many accomplishments of the Commission to-date for the current fiscal year and the projects and activities that will continue on through June and beyond.

Unincorporated Islands Program

Seeking to create more logical boundaries and enhance the delivery of municipal services remain the drivers for the annexation of County unincorporated islands. This long-standing effort of OC LAFCO continued this year by engaging cities with high interest in annexing adjacent islands. Recent discussions have occurred with

staff from the cities of Fountain Valley and Westminster, which, respectively, have one and four remaining adjacent unincorporated areas. Future community workshops to inform residents of the North Fountain Valley island on the potential benefits of joining the City are expected to occur this Spring, and Westminster is

currently exploring the feasibility of annexation and other research on islands surrounded by the City's boundary. If these areas are successfully annexed, the current total of 25 County unincorporated areas would decrease to 20.

You can find out more about all of Orange County's unincorporated islands by visiting the OC LAFCO

website and selecting the Unincorporated Areas resource page. Success of the Unincorporated Islands Program is also highlighted in a later section of this edition through an agency spotlight on the pre and post-annexation events of the Hamer Island annexation to the City of Placentia.

Municipal Service Reviews (MSRs)

Over the past year, OC LAFCO continued moving the needle on preparing fourth-cycle MSRs and sphere reviews for cities, special districts, and joint power authorities that are delivering municipal services in Orange County. You can find the MSR schedule for the current cycle by visiting the MSR webpage on the OC LAFCO website. The schedule is reviewed and updated periodically, as needed, so be sure to check in on the schedule regularly. Below is an update on MSRs currently underway.

Orange County Water District (OCWD) MSR

One of the MSRs underway for affected agencies is the OCWD MSR. The District's MSR will include the mandatory five-year cycle review of OCWD's services and operations and a feasibility assessment of the potential consolidation of OCWD and the Municipal Water District of Orange County (MWDOC). The latter was added to the District's MSR review through an application filed by OCWD. An initial step in the process was completed when the Commission approved agreements with consultants, Webb Associates and John J. Schatz, to conduct and prepare the components of the scope of work for the MSR. Key components of the scope include a review of OCWD's sustainability relevant to the current management of the groundwater basin, fiscal analysis involving potential consolidation, and identification of legal impediments and requirements for potential consolidation. Another pertinent part of the MSR process includes the engagement of the affected agencies, which will be notified following the kickoff process that will begin in June 2023.

Southwest and West Reviews

As we head into Spring, the release of Public Review Drafts for the Southwest and West MSRs is within sight. In consultation with Commission staff, RSG, a firm hired by OC LAFCO to prepare the MSRs, has engaged agencies within these regions to assess the municipal services they respectively deliver. Some highlights expected in the reports include discussions on public safety costs, adequacy of water and wastewater infrastructures, and shared services arrangements benefiting the two regions. Additionally, fiscal expert, Richard Berkson of Berkson Associates, developed fiscal indicators for the MSRs through data sources collected and feedback from each agency.

The next critical milestone of the process will be to engage the agencies in a final review of the reports before releasing the drafts in late May for a 30-day public review period. The Final Draft MSR is expected to be considered by the Commission in early Summer. The Southwest and West regions include the following agencies:

Southwest MSR Region		West MSR Region	
CITIES	SPECIAL DISTRICTS/JPA	CITIES	SPECIAL DISTRICTS/JPA
Aliso Viejo	El Toro Water District	Buena Park	Garden grove Sanitary District
Dana Point	Laguna Beach County Water District	Cypress	Midway City Sanitary District
Laguna Beach	Moulton Niguel Water District	Fountain Valley	Buena Park Library District
Laguna Hills	South Coast Water District	Garden Grove	Cypress Recreation and Park District
Laguna Woods	Emerald Bay Community Services District Three Arch Bay Community Services District South Orange County Wastewater Authority	La Palma	
		Stanton	
		Westminster	

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Next Up for MSRs

The conducting of two additional MSRs – Orange County Mosquito and Vector Control District (OCMVCD) and Central Region – is expected to begin in late summer and continue through the next fiscal year. OCMVCD provides mosquito abatement and vector control services countywide, and the Central Region encompasses six cities and four special districts: Anaheim, Irvine, Orange, Santa Ana, Tustin, Villa Park; and East Orange County Water District, Irvine Ranch Water District, Serrano Water District, and Silverado-Modjeska Parks and Recreation District. Is your agency listed here? If so, you will be contacted in advance of the MSR process beginning. Prior to that, you may reacquaint yourself with your agency's previous MSRs by visiting the MSR webpage on the OC LAFCO website.

From Race to Crawl for Routine OC LAFCO Applications

This year's field looks different for applications filed involving boundary changes, MSRs, or other changes of organization. We ended the prior fiscal year with eight applications filed to where we are today with three applications currently underway or pending. Filed applications include a city annexation, an MSR, and a request to exercise and extend a new service. The city annexation will be considered by the Commission in May, and the OCWD MSR process is underway and expected to be completed in 2024. The timeline for the application to extend a new service filed by the Capistrano Bay Community Services District is unknown at this time as the District is performing its due diligence in gathering the pertinent information relative to its path forward on this effort.



Legislative Affairs

Through the Commission's local guidelines on the agency's effort in legislative affairs, OC LAFCO staff monitors legislation of LAFCO interest through participation on the California Association of LAFCOs Legislative Committee. This Spring, the OC LAFCO Legislative Ad Hoc Committee, comprised of Commissioners Bucknum, McGregor and Wagner will convene to further enhance the Commission's effort in this area by expanding the guidelines to incorporate general procedures for engaging external stakeholder groups to include the California Special Districts Association, California State Association of Counties, League of California Cities, and Orange County Division of the League of California Cities.

In addition to proactive monitoring of legislation, a component of the Commission's legislative engagement is external outreach. Bi-yearly, Commission staff introduces OC LAFCO to Orange County's continuing and new Senators and Assembly members and provides an overview of the Commission's current activities and media kit. Each legislator is also invited to participate in a meeting with staff to hear about the happenings of OC LAFCO occurring across the County and to ask any questions.

If members of your city council, district board, or staff are interested in learning more about OC LAFCO or would like to receive the agency's media kit, you may contact the OC LAFCO office.



Old Orange
County
Courthouse in
Santa Ana, CA

Staying Connected

To carry forward OC LAFCO's local mission to serve the agencies and residents of Orange County, the Commission proactively stays connected to the communities through its participation in regional activities and events. Highlighted below are the regional organizations and associations that the Commission engages through its participation as a member or contributing partner:

- California Association of Local Agency Formation Commission (CALAFCO)
- Center for Demographic Research (CDR)
- Orange County Council of Governments (OCCOG)
- Orange County Business Council (OCBC)
- Committees Economic Development, Government Affairs, Housing, Infrastructure, and Workforce.

OC LAFCO also stays connected to local issues through staff's participation through attending general meetings and events organized by Orange County's cities, special districts and other associations and organizations.



Agency Spotlights

City of Placentia

On a rainy Tuesday afternoon, Executive Officer Carolyn Emery chatted with City Administrator, **Damien Arrula**, about Placentia's recent experience with OC LAFCO that led to the successful annexation of a small unincorporated island commonly known as the "Hamer Island." Read on to learn more about Damien's experience with the Commission's statutory process and how the collaborative effort of the City, County and OC LAFCO has now become the model for annexing unincorporated islands.



Prior to going through the annexation process, how much experience did you have with LAFCO?

Arrula: Prior to the City annexing the Hamer unincorporated island, I did not have any experience with OC LAFCO. However, in a prior role with the City of Claremont, I did interact with Los Angeles LAFCO through a complex annexation process.

As a city that recently annexed an unincorporated island, why do you believe annexing these areas to adjacent cities is important?

Arrula: Prior to annexing Hamer Island, the City was already providing fire protection and emergency response services to island residents through an agreement with the County. Upon our analysis and research, it made sense for the City to extend other municipal services to an area surrounded by Placentia. The organic extension of these services by the City supports the delivery of quality services to residents more efficiently.

Specifically for Placentia, what efficiencies or enhanced services are the residents of the former Hamer Island now experiencing?

Arrula: An area where residents are experiencing enhanced services is public safety. With annexation, residents now receive faster response times for fire and emergency response services. Additionally, police services delivered by the City are provided through a sophisticated and advanced system that is fully staffed and has also resulted in faster response times for the former island residents. Other things that came with the annexation are the benefits of the City's parks and streets and roads initiatives and other services that include programs for seniors, the homeless, and an innovative fiber optic broadband project that will deliver incredibly fast internet services at the same or lower cost than they already pay today. The City takes great pride in efficiently delivering services that affect our residents' quality of life and allowing them to have a local voice.

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Joining cities after years of being a part of the County can be challenging for residents. How has the City assisted the former island residents with this transition?

Arrula: During the process and following annexation, we engaged residents through workshops and lots of correspondence from the City. Our staff and council listened to and continue to be responsive to their concerns. Because of this, the feedback from the community has been generally positive.

Now that you have experienced the process of successfully annexing an island for which past efforts were unsuccessful, what words of wisdom or guidance would you share with other cities considering annexation of a community?

Arrula: Do your homework and talk with other City Managers that have been through the process. Second, take time with and show the value of joining the city to future residents. Listening to their concerns and addressing relevant issues are important. Lastly, make sure you are being genuine and create a trust for future residents in what we do and how we serve [as public agencies].



Damien Arrula was appointed City Administrator in 2016. He has been with the City since 2014 and previously served as Assistant City Administrator. As City Administrator, one of his many accomplishments includes the establishment of the City's Fire and Life Safety department. Located in the northern portion of Orange County, the City of Placentia was incorporated in 1926 as a charter city governed by a five-member city council elected by district. The City is home to 51,300 residents of Orange County and encompasses a variety of residential, commercial, industrial, recreational, and transit-oriented land uses.

Rossmoor Community Services District (RCSD)

On a different day, but absent the rain, Senior Analyst Gavin Centeno caught up with RCSD's General Manager, **Joe Mendoza**. Joe's day was filled with District activities, but Gavin was able to catch up with him to learn more about his management of the District's services and the community of Rossmoor.

What have you heard from Rossmoor residents involving the distinguishing characteristics of residing in an unincorporated community?

Mendoza: Overall, the comments and experiences shared are positive. The residents feel a sense of community and enjoy living in an unincorporated area. They've expressed that they are pleased with the select services provided by the Rossmoor Community Services District. However, the residents also feel that there are opportunities to enhance other services provided by the County. The District, alongside the community, continues to engage the County staff and elected officials on key areas that the residents feel are important for Rossmoor.

As a public agency providing services and locally representing Rossmoor residents, what would you say those key areas of interest for the community are today?

Mendoza: The District recently sent out a survey a few months ago to get feedback from residents on both amenities and programs for the community.



CONTINUED ➤



Anaheim
Convention Center,
Anaheim, CA

➤ AGENCY SPOTLIGHTS: ROSSMOOR COMMUNITY SERVICES DISTRICT (RCSD)

We received an overwhelming response from residents indicating a high interest in senior services, public safety, and traffic congestion occurring in Rossmoor.

What do you believe are the benefits of having the RCSD to represent and serve the Rossmoor community?

Mendoza: I believe there are many benefits for the Rossmoor residents to be represented by a locally-elected legislative body. The District operates and provides quality-of-life services to residents in a cost-effective manner and represents independence and local control.

Your district is scheduled to begin participation in the OC LAFCO Municipal Service Review (MSR) process late next year. What areas are you looking forward to OC LAFCO highlighting in the MSR report involving the District and the community?

Mendoza: An added value to the MSR would be to highlight the need for more funding for unincorporated areas to support the provision of public safety.

What do you view as generally most challenging for public agencies now that we are through the pandemic?

Mendoza: I believe the challenges for public agencies are the hiring and retention of employees. Many public agencies like RCSD are experiencing competition from surrounding public agencies and private companies that include offering higher salaries. It's difficult for agencies with restrictive budgets to compete with higher salaries and other competitive opportunities.

Joe Mendoza was appointed General Manager of RCSD in 2019. As General Manager, he has enhanced programs and increased engagement with the Rossmoor Community by proactively encouraging residents' involvement in the activities of the District. With its headquarters located in the center of the Rossmoor community, RCSD serves a population of approximately 10,000 residents, with a service area of 1.54 square miles located in the northwestern portion of Orange County, adjacent to the cities of Los Alamitos and Seal Beach. Municipal services provided by the District include park and recreation services, street lighting, street sweeping, tree and landscape maintenance, and maintenance of the Rossmoor community wall and entry.

For questions on this publication, you may contact the OC LAFCO office at **714.640.5100**.
We invite you to also visit our website at **oclafco.org**.



Local Agency Formation Commission of Orange County

2677 North Main Street, Suite 1050
Santa Ana, CA 92705

Municipal Service Review and Sphere of Influence Update

Southwest Region

Orange County LAFCO
Public Review Draft – June 16, 2023



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LIST OF ABBREVIATIONS USED

ACS	American Community Survey
ACFR	Annual Comprehensive Financial Report
ADU	Accessory Dwelling Unit
CASA	Coastal Animal Services Authority
CKH	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CSA	County Service Area
DOF	California Department of Finance
DUC	Disadvantaged Unincorporated Community
ETWD	El Toro Water District
GIS	Geographic Information Systems
HOA	Homeowner's Association
JPA	Joint Powers Authority
LAFCO	Local Agency Formation Commission
LBCWD	Laguna Beach County Water District
MHI	Median Household Income
MNWD	Moulton Niguel Water District
MSR	Municipal Service Review
OCFA	Orange County Fire Authority
OC LAFCO	Orange County LAFCO
OCPL	Orange County Public Library
OCSD	Orange County Sheriff's Department
SCWD	South Coast Water District
SCE	Southern California Edison
SDG&E	San Diego Gas & Electric
SMWD	Santa Margarita Water District
SOI	Sphere of Influence
SOCWA	South Orange County Wastewater Authority

I. EXECUTIVE SUMMARY

INTRODUCTION

The Local Agency Formation Commission of Orange County (“OC LAFCO”) initiated this Municipal Service Review (“MSR”) and Sphere of Influence (“SOI”) update in 2022 for six cities, seven special districts, and one joint powers authority (“JPA”) in the OC LAFCO-designated “Southwest Region” of the County. OC LAFCO retained consultant RSG, Inc. (“RSG”) to prepare the MSR, which included conducting surveys and interviews with each of the agencies in the region, and collecting demographic, fiscal, and other data to support the MSR findings and determinations under State law. OC LAFCO also retained Berkson Associates (“Berkson”) to perform an analysis of available financial data and prepare a set of Fiscal Indicators to be published on the OC LAFCO website.

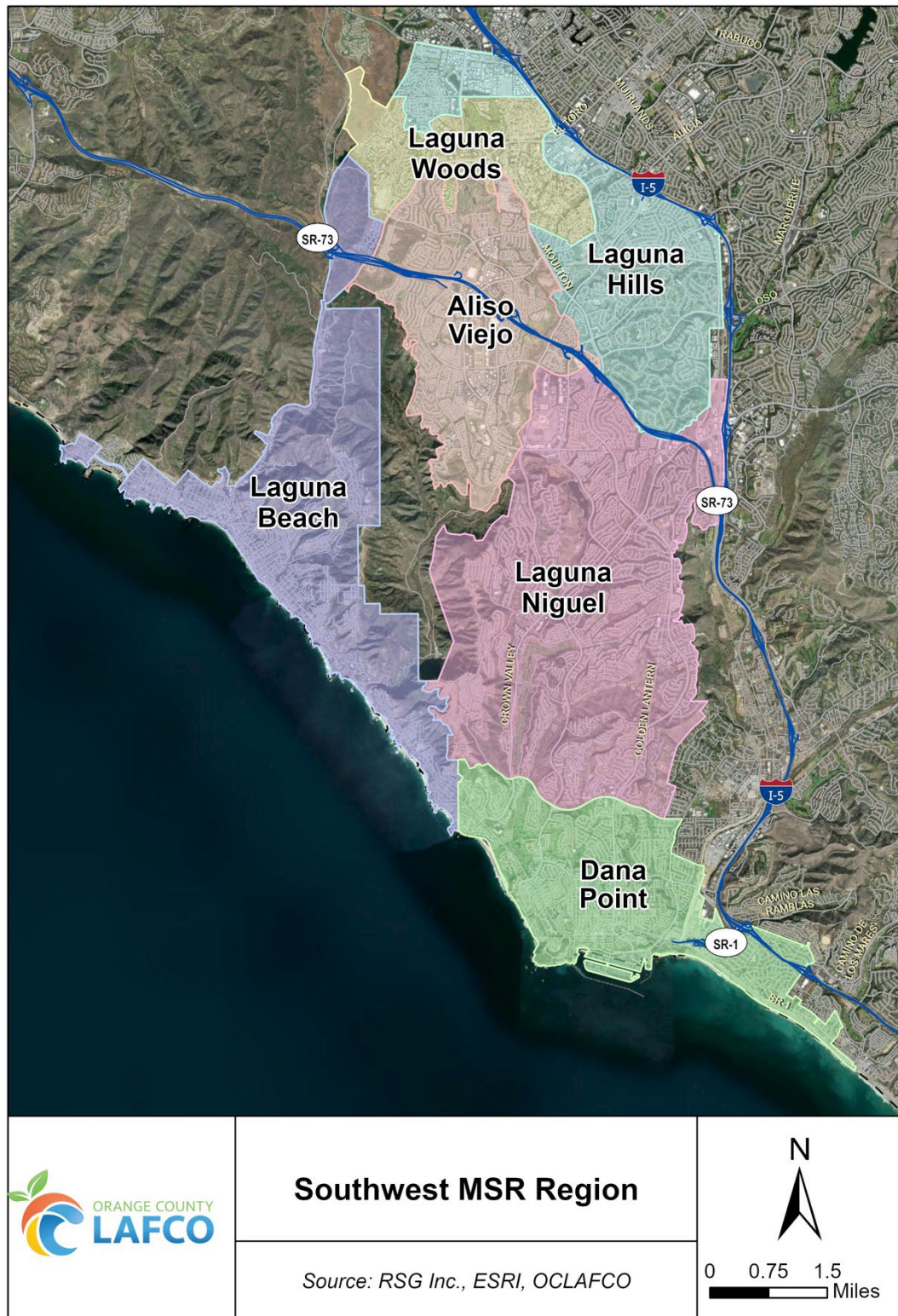
SOUTHWEST REGION CITIES AND SPECIAL DISTRICTS REVIEWED

The OC LAFCO Southwest Region consists of 14 total agencies. These agencies are principally located around the Laguna Beach and Dana Point coastlines and inland as far as the Interstate 5 Freeway (“I-5”) corridor. The agencies are listed in Table 1:

Table 1: Southwest Region Agencies

Cities	Special Districts/JPA
Aliso Viejo	El Toro Water District – (“ETWD” or “El Toro”)
Dana Point	Laguna Beach County Water District – (“LBCWD”)
Laguna Beach	Moulton Niguel Water District – (“MNWD” or “Moulton Niguel”)
Laguna Hills	South Coast Water District – (“SCWD” or “South Coast”)
Laguna Niguel	Capistrano Bay Community Services District
Laguna Woods	Emerald Bay Service District
	Three Arch Bay Community Services District
	South Orange County Wastewater Authority – (“SOCWA”)

A map depicting the incorporated cities of the Southwest Region is shown following this page:



MSR DETERMINATIONS SUMMARY

As further detailed in the body of this report, RSG makes the following MSR determinations for the Southwest Region agencies based on our data collection, surveys, and interviews:

1. Population, Growth, and Housing

Within the Southwest Region there is limited potential for population and housing growth due to existing buildout and geography. Population and housing growth projections through 2027 show only five (5) agencies with positive growth rates, with a majority expecting small declines.

2. Disadvantaged Unincorporated Communities

OC LAFCO previously designated a total of seven (7) areas in the County as disadvantaged unincorporated communities (“DUCs”). However, none of these DUCs are in the Southwest Region.

3. Capacity of Facilities and Adequacy of Services

Within the Southwest Region, the present and planned capacity of facilities is generally appropriate for the projected slow growth in population. Additionally, there are adequate law enforcement, fire, water, wastewater, public works, parks and recreation, animal control, and code enforcement services being provided among the agencies reviewed in this MSR.

With the exception of Laguna Beach, which was incorporated 96 years ago, all of the other cities in the Southwest Region are relatively young, with none older than 34 years. These cities are almost all master planned communities with infrastructure and facilities designed to facilitate their growth over time. As a result, none of the cities reported any structural challenges.

The special districts in the Southwest Region are about twice as old as most of the cities. This age is reflected in the water infrastructure, which ranges from 30 to 50 years old. However, the water districts did not indicate any significant cause for concern regarding facilities or service delivery. All of the districts have adequate planning and reporting systems in place to prepare for maintenance and replacement of their water infrastructure and facilities. For stormwater services, two of the CSDs are reporting issues with their current systems. Capistrano Bay CSD with its small and beachfront area, has experienced higher tides in recent years. The threat of damage from the tides has pushed the agency to look into expanding their powers to include stormwater management, primarily to combat beach erosion. Three Arch Bay CSD has stormwater infrastructure that is on average 75 years old. Having been built for far more open space in a different era, the drainage and runoff systems are no longer efficient enough for runoff created from new development. Both CSDs have taken the following steps to address the issues: Capistrano Bay CSD has initiated an application with OC LAFCO to activate latent powers for stormwater management, and Three Arch Bay CSD is developing a new master plan to upgrade their infrastructure.

4. Financial Ability to Provide Services

Most of the agencies of the Southwest Region have the ability to maintain their current service levels. Based on financial indicators prepared by Berkson & Associates, all agencies report

high amounts of reserves, moderate growth in revenues, and moderate expenditure growth. However, the cities of Aliso Viejo and Laguna Woods both expressed concern that the costs to provide law enforcement to their cities under the current OC Sheriff contracts are not sustainable. Aliso Viejo is concerned that these rising costs may result in a projected fund deficit in the near future. Therefore, they are seeking opportunities to increase revenues, such as larger scale economic development projects, to offset the negative financial outlook. Aliso Viejo indicated that it has ample reserves to maintain all of its services and obligations in the short term if it incurs a deficit. Laguna Woods did not foresee a deficit arising in their budget from rising law enforcement costs in the short term, but expressed a desire to see more collaboration on operational decisions, labor negotiations, and factors that could potentially lower or moderate costs under the OC Sheriff contract. No other agency reviewed in this MSR expressed similar fiscal concerns.

5. Opportunities for Shared Facilities

Existing shared facilities and/or services include those for animal control through the Mission Viejo Department of Animal Services, the Laguna Beach Animal Services Division, and the Coastal Animal Services Authority. No concerns or suggested changes were reported for these partnerships.

Two areas were identified through this MSR as potential opportunities for shared facilities: wastewater facilities managed through SOCWA, and joint law enforcement services.

SOCWA's current facilities are run by the JPA through project committee agreements between the relevant agencies in the area. Not all participating agencies within SOCWA are a party to every facility and service agreement that SOCWA oversees. One Southwest Region agency, Moulton Niguel Water District ("MNWD"), expressed their desire for SOCWA to transition facilities to the member agencies where they are located. MNWD had requested that OC LAFCO include a review of the discussions regarding SOCWA in this MSR as part of LAFCO's standard review of the JPA as a municipal service provider. MNWD is one of the largest member agencies of SOCWA and has taken the position that SOCWA should shift operations of local assets to member agencies and retain only a coordination and management role. Other agencies in the Southwest Region were aware of these requests from MNWD but did not express support nor opposition. The other agencies, particularly South Coast Water District ("SCWD"), did indicate that they were not opposed to alternatives but would prefer a resolution that works within the existing structure of SOCWA. Both SOCWA and MNWD have made significant steps towards facilitating further discussion on a potential resolution of the issues. SOCWA has hired a facilitator to manage regular board meetings specifically on the subject, while MNWD has led regular external meetings for any interested member agency, though mostly with SCWD and Santa Margarita Water District ("SMWD").

Regarding law enforcement services, the Cities of Aliso Viejo and Laguna Woods have held informal internal and external discussions about how to reduce costs, including looking at alternatives to how services are provided under their contracts with the Orange County Sheriff's Department ("OCSD"). The Cities indicated that perhaps the efficiency and effectiveness of a regional OCSD policing model could reduce each city's cost, but this would need to be explored further. Aliso Viejo and Laguna Woods previously discussed this option with former Sheriff Sandra Hutchens. However, the OCSD could not commit to studying the issue further and has not studied the issue since.

6. Accountability for Community Service Needs

Agencies in the Southwest Region have well-established structures for accountability. With the variety of different entities in the region, significant layering exists to provide residents with multiple opportunities for input. However, there were two issues of representation raised in the MSR process, one of which may be resolved through an SOI update and subsequent annexation.

The residents of South Laguna Beach are seeking direct representation on the South Coast Water District (“SCWD”) board. The area is serviced by SCWD but is not formally within the District boundary. Residents currently have no voting power in District elections and instead receive representation through an advisory committee staffed by residents and elected officials. The City of Laguna Beach would like to see these residents formally represented on the SCWD board with equal voting rights to those residents within the SCWD boundary. This would require an amendment to the sphere of influence of SCWD and a subsequent annexation. SCWD, through the process of this MSR, has expressed support for such an amendment and future annexation.

Another issue identified through this MSR is the service delivery and overall governance structure of SOCWA. Moulton Niguel Water District has expressed concerns with SOCWA’s ability to meet the changing needs and objectives of its member agencies relating to wastewater reuse and treatment. This subject is closely related to the subject of SOCWA’s facilities ownership and use mentioned in the prior determination. Resolution of SOCWA-related concerns, particularly with the structure and purpose of the JPA, falls outside the purview of OC LAFCO and would need to be addressed among the member agencies of SOCWA. However, OC LAFCO staff has noted that any resolution of the situation that involves out-of-area service agreements between member agencies would require LAFCO review.

SOI DETERMINATIONS SUMMARY

As further detailed in the body of this report, RSG makes the following SOI determinations for the Southwest Region agencies based on our data collection, surveys, and interviews:

1. Present and Planned Land Uses

The agencies of the Southwest Region are largely built out with very little remaining open space for new construction. There are no significant agriculture uses.

2. Present and Probable Need for Facilities and Services

Agencies in the Southwest Region are providing adequate services to their residents and customers, and generally have the capacity to keep up with expected growth without adding new facilities or services.

3. Present Capacity and Adequacy of Public Facilities and Services

Agencies in the Southwest Region are providing adequate services to their residents and customers, and generally have the capacity to keep up with expected growth without adding new facilities or services.

4. Social or Economic Communities of Interest.

OC LAFCO previously designated a total of seven (7) areas in the County as disadvantaged unincorporated communities (“DUCs”). However, none of these DUCs are in the Southwest Region.

5. Present and Probable Need for Public Facilities and Services by any DUCs within the Existing SOIs

OC LAFCO previously designated a total of seven (7) areas in the County as disadvantaged unincorporated communities (“DUCs”). However, none of these DUCs are in the Southwest Region.

SOI Updates

In the course of our review, RSG was made aware of one request for an SOI adjustment among the Southwest Region agencies:

As discussed in further detail in Sections VII and X below, staff of the City of Laguna Beach related concerns from residents of the southern area of Laguna Beach area regarding a lack of formal voter representation on the board of SCWD, the water, recycled water, and wastewater service provider for the area. While the southern Laguna Beach area is within the City of Laguna Beach boundary, it is not within any water district boundary nor SOI. Residents have expressed dissatisfaction with the current representation arrangement, which is a committee established by SCWD comprised of residents and elected officials. In terms of service quality however, SCWD reported that residents have only complimented the agency and would prefer being able to participate in the election process to vote for a member of the SCWD’s Board of Directors that directly represents them. The City of Laguna Beach has requested that OC LAFCO take steps towards increasing the size of SCWD’s SOI to include South Laguna Beach, with the intent of eventual annexation into the District. Additionally, SCWD supports this process. They felt residents were interested in future annexation into SCWD, which aligns with the request from Laguna Beach. RSG recommends that OC LAFCO facilitate discussions between the City of Laguna Beach and SCWD on the subject. The discussions should include the encouragement of SCWD to file an application to absorb the South Laguna Beach area into its SOI, with the goal of a future or concurrent annexation into SCWD. OC LAFCO staff notes that South Laguna Beach residents would experience more direct representation by SCWD if annexed into the District. Staff would encourage the District, if it decides to move forward, to file an application for an SOI amendment and a concurrent annexation of the area.

II. BACKGROUND

LEGAL REQUIREMENTS AND PURPOSE

In 1963, the California Legislature created for each County a Local Agency Formation Commission (“LAFCO”) to oversee the logical formation and determination of local agency boundaries that encourage orderly growth and development essential to the social, fiscal, and economic well-being of the State. LAFCOs’ authority to carry out this legislative charge is codified in the Cortese-Knox-Hertzberg Reorganization Act of 2000 (“CKH”). For nearly 60 years, the CKH has been amended to give more direction to LAFCOs and, in some cases, expand the authorities of the Commissions. One of the most important revisions to CKH by the Legislature occurred in 2000, which added a requirement that LAFCOs review and update the “spheres of influence” for all cities and special districts every five years and, in conjunction with this responsibility, prepare comprehensive studies that are known as “municipal service reviews.”

AUTHORITY AND POWERS OF LAFCO

Codified within CKH are the procedures and processes for LAFCOs to carry out their purposes as established by the Legislature. LAFCOs’ purposes are guided and achieved through their regulatory and planning powers and acknowledge that the local conditions of the 58 California counties shall be considered in part to the Commissions’ authorities.

CKH ACT (G.C. SECTION 56301) – PURPOSES OF LAFCOs

“Among the purposes of a commission are discouraging urban sprawl, preserving open-space and prime agricultural lands, encouraging the efficient provision of government services, and encouraging the orderly formation and development of local agencies based upon local conditions and circumstances.”

LAFCO RESPONSIBILITIES

LAFCOs’ regulatory authorities include the reviewing, approving, amending or denying of proposals to change the jurisdictional boundaries of cities and special districts. Specifically, these types of boundary changes commonly referred to as “changes of organization,” include:

- City Incorporation
- City Disincorporation
- District Formation
- District Dissolution
- City and District Annexations and Detachments
- City and District Consolidations
- Merger of a City and District
- Establishment of a Subsidiary District
- Activation of new or different functions or classes of services, or divestiture of power to provide services for special districts.

PLANNING AUTHORITIES

LAFCOs’ planning authorities are carried out through the establishment and updating of agencies’ SOIs, which is a tool used to define a city or special district’s future jurisdictional boundary and

service areas. Through the reform of CKH in 2000, LAFCO's planning responsibility includes the preparation of comprehensive studies (MSRs) that analyze service or services within the county, region, subregion, or other designated geographic area. The determinations that LAFCOs must review, analyze, and adopt for SOIs and MSRs are discussed below.

SPHERE OF INFLUENCE UPDATES

In 1972, LAFCOs throughout the state were tasked with determining and overseeing the SOIs for local government agencies. A SOI is a planning boundary that may be outside of an agency's jurisdictional boundary (such as the city limits or a special district's service area) that designates the agency's probable future boundary and service area. The purpose of a SOI is to ensure the provision of efficient services while discouraging urban sprawl and the premature conversion of agricultural and open space lands, and by preventing overlapping jurisdictions and duplication of services. On a regional level, LAFCOs coordinate the orderly development of a community through reconciling differences between different agency plans. This is intended to ensure the most efficient urban service arrangements are created for the benefit of area residents and property owners. Factors considered in a SOI update include current and future land use, capacity needs, and any relevant areas of interest such as geographical terrain, location, and any other aspects that would influence the level of service.

Per Government Code Section 56425, a LAFCO shall consider and prepare a written statement of its SOI determinations on the following five (5) factors:

- 1. The present and planned land use in the area, including agricultural and open space lands.*
- 2. The present and probable need for public facilities and services in the area.*
- 3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.*
- 4. The existence of any social or economic communities of interest in the area.*
- 5. If a city or special district provides public facilities or services related to sewers, municipal industrial water, or structural fire protection, the Present and Probable Need for those facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.*

From time-to-time, an SOI may be modified as determined by LAFCO using the procedures for making sphere amendments as outlined by CKH. Pursuant to Government Code Section 56430, a LAFCO must first conduct a MSR prior to updating or amending a SOI.

MUNICIPAL SERVICE REVIEWS

Section 56425(g) of CKH requires that LAFCOs evaluate an SOI every five years, or when necessary. The vehicle for doing this is known as a Municipal Service Review.

Pursuant to Government Code Section 56430, MSRs make determinations on seven (7) required topics as follows:

- 1. Growth and population projections for the affected area.*
- 2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.*
- 3. Present and planned capacity of public facilities and adequacy of public services, adequacy of public services, infrastructure needs, or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.*
- 4. Financial ability of agencies to provide services.*
- 5. Status of, and opportunities for, shared facilities.*
- 6. Accountability for community service needs, including government structure and operational efficiencies.*
- 7. Any other matter related to effective or efficient service delivery, as required by Commission Policy.*

The focus of an MSR is to ensure that public services are being carried out efficiently and the residents of any given area or community are receiving the highest level of service possible, while also discouraging urban sprawl and the premature conversion of agricultural lands. If an MSR determines that certain services are not being carried out to an adequate standard, LAFCO can recommend changes be made through making sphere changes and dissolution or consolidation of service providers to provide the best service possible to the population.

PRIOR MUNICIPAL SERVICE REVIEWS

Three cycles of MSRs were completed by OC LAFCO prior to this one. The first was produced in 2005, the second in 2008, and the third in 2013. Each MSR cycle has provided OC LAFCO with new and important information regarding the delivery of services to OC residents. OC LAFCO has learned that generally, all of the agencies in the County are well run and provide a high level of service. The high level of service is especially apparent in the Southwest Region. Prior MSRs have not singled out any significant issues among Southwest agencies.

In the interest of furthering OC LAFCO's goals, the MSR process over the prior cycles has produced key resources to help coordinate services, provide accountability, and increase transparency. Resources like the Fiscal Indicators and the Shared Services programs have provided agencies with a central location to access OC LAFCO services. OC LAFCO has also partnered with local experts such as those in the California State University of Fullerton's ("CSUF") Demographic Research Unit, to track trends that help develop the data for Disadvantaged Unincorporated Communities ("DUCs").

DISADVANTAGED UNINCORPORATED COMMUNITIES (DUCS)

As part of this MSR, RSG was asked to consider the location, characteristics and adequacy of services and public facilities related to Disadvantaged Unincorporated Communities in any of the SOIs within the Region. DUCs are defined as inhabited territory located within an unincorporated area of a county in which the annual median household income is less than 80 percent of the statewide median household income. State law considers an area with 12 or more registered voters to be an inhabited area. CKH requires identification and analysis of service issues within DUCs as part of MSR/SOI updates. State law (SB 244) also places restrictions on annexations to cities if the proposed annexation is adjacent to a DUC.

OC LAFCO previously designated a total of seven (7) DUCs in the County. However, none of these DUCs are in the Southwest Region.

UNINCORPORATED AREAS

There are several unincorporated islands (territory completely or substantially surrounded by cities) and other unincorporated areas within the County that should eventually be transitioned to an adjacent city over time and when feasible. CKH, in various sections of the statute, requires LAFCO to address these areas during MSR/SOI updates and annexation proceedings. For over 20 years, OC LAFCO has worked collaboratively with the County and multiple cities on the transitioning of unincorporated areas to the jurisdiction of adjacent cities. Today, that effort continues and includes addressing the feasibility of annexation and infrastructure deficiencies and other challenges.

In the Southwest Region, unincorporated areas include the Aliso and Wood Canyons Wilderness Park and the Emerald Bay residential community. Services to these areas are provided by multiple agencies that include the County, Emerald Bay Community Services District, and Laguna Beach County Water District. The Aliso and Wood Canyons Wilderness Park is serviced as part of the County's park system by County Service Area ("CSA") 26. The park receives fire protection services from the Orange County Fire Authority. Emerald Bay is served, either through contract or direct action, by the Emerald Bay Community Services District. More on these services and providers is discussed in Section VII. Due to geography and resident preferences, these areas are unlikely to be annexed by neighboring cities in the near future.

ORANGE COUNTY LOCAL AGENCY FORMATION COMMISSION

OC LAFCO is responsible for overseeing the boundaries, establishing and updating SOIs, and preparing MSRs for the County's 34 cities and 34 independent and dependent special districts. Since its creation, the Commission has formed nine cities, approved multiple changes of organization and reorganization involving cities and special districts, and encouraged orderly

MISSION:

OC LAFCO serves Orange County cities, special districts, and the county to ensure effective and efficient delivery of municipal services.

development through the establishment of agency SOIs and preparation of numerous studies. OC LAFCO has also provided proactive leadership on efficient government through its Unincorporated Islands Program and an innovative presence through its Shared Services and Fiscal Indicators Web-based programs. In addition to State law, the Commission's authority is guided through adopted policies and procedures that assist in the implementation of the provisions of the CKH Act and consideration of the local conditions and circumstances of Orange County.

COMMISSION COMPOSITION

OC LAFCO is comprised of eleven (11) members, with seven serving as regular members and four serving as alternate members. The members include: three (3) County Supervisors, three (3) City Council members, three independent Special District members, and two (2) at-large representatives of the general public. All members serve four-year terms and there are no term

limits. In accordance with the statute, while serving on the Commission, all commission members shall exercise their independent judgement on behalf of the interests of residents, property owners, and the public as a whole. Table 2 depicts the current members of the Commission and their respective appointing authority and term.

Table 2: OC LAFCO Commission Roster

Commissioners	Appointing Authority	Current Term
Regular Members		
Douglass Davert , <i>Chair</i> Special District Member	Independent Special District Selection Committee	2022–2026
Donald P. Wagner , <i>Vice Chair</i> County Member	Board of Supervisors	2022–2026
Derek J. McGregor , <i>Immediate Past Chair</i> Public Member	Commission	2022–2026
Andrew Do , County Member	Board of Supervisors	2019–2023
Wendy Bucknum , City Member	City Selection Committee	2020–2024
James Fisler , Special District Member	Independent Special District Selection Committee	2020–2024
Bruce Whitaker , City Member	City Selection Committee	2022–2026
Alternate Members		
Carol Moore , City Member	City Selection Committee	2020–2024
Kathryn Freshley , Special District Member	Independent Special District Selection Committee	2022–2026
Katrina Foley , County Member	Board of Supervisors	2019–2023
Lou Penrose , Public Member	Commission	2021–2025
Carolyn Emery, Executive Officer Scott C. Smith, General Counsel		

MEETING AND CONTACT INFORMATION

The Commission's regular meetings are held on the second Wednesday of the month at 8:15 a.m. Currently, the meetings are conducted at County Administration North (CAN), First Floor Multipurpose Room 101, 400 W. Civic Center Drive, Santa Ana, CA 92701. The OC LAFCO administrative offices are centrally located at 2677 North Main Street, Suite 1050, Santa Ana, CA 92701. Commission staff may be reached by telephone at (714) 640-5100. The agency's agendas, reports and other resources are available online at www.OCLAFCO.org.

METHODOLOGY AND DATA SOURCES

RSG worked in coordination with OC LAFCO staff throughout the duration of this MSR. To fully understand key factors and current issues involving the cities, RSG conducted an initial working session with OC LAFCO staff to determine the project scope and process and formalize overall MSR objectives, schedules, agency services to review, fiscal criteria, and roles and responsibilities of OC LAFCO, RSG, and other consultants. Key tasks and activities in the completion of this MSR included a thorough review of available relevant agency data and documents; interviews with agencies; development of agency profiles; MSR and SOI determination analysis; preparation of administrative and public review drafts of the MSR; incorporation of agency, OC LAFCO, and public comments; and consideration by OC LAFCO of adoption of the final MSR.

It is important to acknowledge that the data presented in this report represents the best information available during the data collection phase, which was largely completed between May and November of 2022. This report represents a snapshot in time, and there may be material changes since then that are not reflected in this report.

For subject agencies that are incorporated cities, this MSR uses the Federal Decennial Census (“Census”) or California’s State Department of Finance (“DOF”) Population and Housing Estimates from January 1, 2022. Produced by DOF’s Demographic Research Unit, the estimates are released annually and are the official population and housing unit tallies used in most State programs and for jurisdictional appropriation limits. The estimates are restricted to cities and counties and do not encompass all potential taxing entities or districts in the State. The data from DOF only reports on total population, total housing units, housing type, and unit occupancy status. Therefore, RSG relied on additional sources and tools to provide a more complete demographic picture.

Some of the demographic data reported in this MSR comes from ESRI’s Business Analyst online software. The platform uses Geographic Information Systems (“GIS”) to produce a variety of comparison reports for areas both smaller and larger than most official data sources, such as the Census or DOF. Subjects in this MSR pertaining to growth rates, poverty rates, number of workers in the jurisdiction, and number of businesses all were produced in part by inputting boundary shapefiles into the GIS functions of Business Analyst. Where applicable, this MSR notes agency disagreements with certain reported demographic numbers or rates. Population and housing unit data for the special districts was derived from ESRI, but not for the cities. All demographic data is from the year 2022 unless otherwise stated.

Summary fiscal health data was researched and provided to RSG by another consultant, Berkson & Associates, as part of a separate and independent engagement with OC LAFCO to populate a set of “Fiscal Indicators” that will appear on OC LAFCO’s website. The Fiscal Indicators provide the latest three years of revenue, expenditures, net position, and reserves data reported in the agencies’ financial audits and budgets. Berkson & Associates also provided a summary of the trends for each line item. OC LAFCO’s partnership with Berkson & Associates to develop the Fiscal Indicators website aided RSG in the review of the Southwest agencies’ finances. As a result, this MSR did not undertake an extensive review of each agencies’ finances but consulted with Berkson to present and briefly summarize their findings.

III. AGENCY PROFILES

As part of this MSR, OC LAFCO and RSG examined a range of municipal services provided by each agency in the Southwest Region. This section provides summaries of the governing structure, population, service area, types of services, and the service providers of each agency. The profile of each Southwest Region city covers the key services provided in the city, while the special district profiles provide detail only on the services they are legally authorized to provide. A demographic summary and a map of each agency are shown following the profile table.

Summary financial trends of each agency going back to FY 2018-19 are also shown in this section. All financial tables were produced using the Fiscal Indicators data described in the prior section. Please note that trends shown are exclusive of transfers in and out: transfers of net revenue to capital funds and other uses are not shown; transfers to designated operating reserves may not be required if agency reserve targets are being met.

Below is a list of the agencies profiled:

Cities

- Aliso Viejo
- Dana Point
- Laguna Beach
- Laguna Hills
- Laguna Niguel
- Laguna Woods

Special Districts and JPA

- El Toro Water District
- Laguna Beach County Water District
- Moulton Niguel Water District
- South Coast Water District
- Emerald Bay Service District
- Capistrano Bay Community Services District
- Three Arch Bay Community Services District
- South Orange County Wastewater Authority (JPA)

City of Aliso Viejo

Incorporated July 1, 2001

Agency Information

Address	12 Journey, Aliso Viejo, CA 92656
Primary Contact	Dave Doyle, City Manager
Contact Information	949-425-2520
Website	www.avcity.org
Governance	5 Council Members, Elected At-Large
Total City Staff	25 Full Time, 17 Part Time

Service Area Information

Incorporated Area (Sq. Mi.)	6.92
Population	50,782
Unincorporated Population of SOI	N/A

Service Summary

<u>Service or Department</u>	<u>Provider</u>
Law Enforcement	OCSD
Fire Protection/Emergency Medical	OCFA
Building/Planning	Aliso Viejo
Housing	Aliso Viejo
Code Enforcement	Aliso Viejo
Animal Control	Aliso Viejo (Contractual agreement with Mission Viejo)
Parks and Recreation	Aliso Viejo, Aliso Viejo Community Association (HOA)
Library	County of Orange
Museum	N/A
Landscape Maintenance	Aliso Viejo Community Association (HOA)
Lighting	N/A
Streets/Road Maintenance	Aliso Viejo
Electricity/Gas	SCE /SoCal Gas/SDG&E
Solid Waste	CR&R
Stormwater Protection	Aliso Viejo
Water	Moulton Niguel Water District, El Toro Water District
Wastewater	Moulton Niguel Water District, El Toro Water District, SOCWA
Wholesale Water	Municipal Water District of Orange County
Cemetery	Orange County Cemetery District
Vector Control	Orange County Mosquito & Vector Control District

Demographics Summary

Aliso Viejo

Population & Density	Agency	County
2020 Population	52,176	3,186,989
2022 Population	50,782	3,203,504
2027 Population ¹	51,200	3,198,933
2022-2027 Projected Growth Rate (%)	0.8% >	-0.1%
Daytime Population	47,773	3,284,351
Unincorporated SOI Population	-	-
Households	19,435	1,082,175
Household Size	2.61 <	2.96
Area (Square Miles)	6.92	948.00
Density (Persons per Square Mile)	7,337 >	3,379
Housing		
Housing Units	20,189	1,142,029
Owner Occupied (%)	58% >	55%
Renter Occupied (%)	39% <	40%
Vacant %	4% <	5%
Median Home Value	\$ 731,802 <	\$ 783,700
Employment & Poverty		
Businesses	2,161	176,208
Employees	21,036	1,631,636
Median Household Income	\$ 126,744 >	\$ 105,674
Public Transportation Commuters (%)	0.7% <	1.8%
Commute Longer than 60 Minutes (%)	7.7% <	9.5%
Poverty Rate	5.1% <	9.9%

¹ 2027 Population estimate is a projection only.

Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

Cash Flow FY 18-19 to FY 20-21

Aliso Viejo

Financial Summary ¹	2018-19	2019-20	2020-21
Revenue	\$ 20,264,249	\$ 19,000,653	\$ 17,662,581
Expenditures	17,483,914	17,860,127	18,991,868
Net	\$ 2,780,335	\$ 1,140,526	\$ (1,329,287)
Reserves	\$ 21,775,144	\$ 22,192,528	\$ 17,586,829

¹ "Reserves" based on General Fund balance assigned to contingencies, emergencies, and unassigned

Source: Berkson & Associates, Agency Audits & Budgets



City of Dana Point

Incorporated January 1, 1989

Agency Information

Address	33282 Golden Lantern, Dana Point, CA 92629
Primary Contact	Mike Killebrew, City Manager
Contact Information	949-248-3513
Website	www.danapoint.org
Governance	5 Council Members, Elected by District
Total City Staff	67 Full Time, 8 Part Time

Service Area Information

Incorporated Area (Sq. Mi.)	6.51
Population	32,943
Unincorporated Population of SOI	N/A

Service Summary

Service or Department	Provider
Law Enforcement	OCSD
Fire Protection/Emergency Medical	OCFA
Building/Planning	Dana Point
Housing	Dana Point
Code Enforcement	Dana Point
Animal Control	Dana Point (contractual agreement with Coastal Animal Services Authority)
Parks and Recreation	Dana Point
Library	County of Orange
Museum	N/A
Landscape Maintenance	Dana Point
Lighting	SDGE
Streets/Road Maintenance	Dana Point
Electricity/Gas	San Diego Gas & Electric
Solid Waste	CR&R
Stormwater Protection	Dana Point
Water	South Coast Water District, Moulton Niguel Water District
Wastewater	SCWD, SOCWA, SMWD
Wholesale Water	Municipal Water District of Orange County
Cemetery	Orange County Cemetery District
Vector Control	Orange County Mosquito & Vector Control District

Demographics Summary

Dana Point

Population & Density	Agency	County
2020 Population	33,107	3,186,989
2022 Population	32,943	3,203,504
2027 Population ¹	33,994	3,198,933
2022-2027 Projected Growth Rate (%)	3.2% >	-0.1%
Daytime Population	31,887	3,284,351
Unincorporated SOI Population	-	-
Households	14,359	1,082,175
Household Size	2.29 <	2.96
Area (Square Miles)	6.51	948.00
Density (Persons per Square Mile)	5,060 >	3,379
Housing		
Housing Units	16,379	1,142,029
Owner Occupied (%)	56% >	55%
Renter Occupied (%)	32% <	40%
Vacant %	12% >	5%
Median Home Value	\$ 962,378 >	\$ 783,700
Employment & Poverty		
Businesses	2,064	176,208
Employees	13,838	1,631,636
Median Household Income	\$ 119,867 >	\$ 105,674
Public Transportation Commuters (%)	1.9% >	1.8%
Commute Longer than 60 Minutes (%)	10.2% >	9.5%
Poverty Rate	5.1% <	9.9%

¹2027 Population estimate is a projection only.

Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

Cash Flow FY 18-19 to FY 20-21

Dana Point

Financial Summary ¹	2018-19	2019-20	2020-21
Revenue	\$ 39,020,904	\$ 38,326,095	\$ 41,415,544
Expenditures	36,409,765	36,287,179	34,054,359
Net	\$ 2,611,139	\$ 2,038,916	\$ 7,361,185
Reserves	\$ 7,351,000	\$ 10,623,042	\$ 10,736,189

¹"Reserves" per City policy commitments of unassigned fund balance. Reserves designated for Economic Stability and Extreme Events are less than total unassigned fund balance.

Source: Berkson & Associates, Agency Audits & Budgets



City of Laguna Beach

Incorporated June 29, 1927

Agency Information

Address	505 Forest Ave, Laguna Beach, CA 92651
Primary Contact	Shohreh Dupuis, City Manager
Contact Information	(949) 497-0704
Website	www.lagunabeachcity.net
Governance	5 Council Members, Elected At-Large
Total City Staff	290.68 FTE

Service Area Information

Incorporated Area (Sq. Mi.)	8.84
Population	22,706
Unincorporated Population of SOI	N/A

Service Summary

Service or Department	Provider
Law Enforcement	Laguna Beach
Fire Protection/Emergency Medical	Laguna Beach
Building/Planning	Laguna Beach
Housing	Laguna Beach
Code Enforcement	Laguna Beach
Animal Control	Laguna Beach
Parks and Recreation	Laguna Beach
Library	County of Orange
Museum	Laguna Art Museum
Landscape Maintenance	Laguna Beach
Lighting	Laguna Beach, SCE, SDG&E
Streets/Road Maintenance	Laguna Beach
Electricity/Gas	SCE/SDG&E/SoCal Gas
Solid Waste	Waste Management
Stormwater Protection	N/A
Water	Laguna Beach County Water District, South Coast Water District
Wastewater	Laguna Beach, SOCWA, SCWD
Wholesale Water	Municipal Water District of Orange County
Cemetery	Orange County Cemetery District
Vector Control	Orange County Mosquito & Vector Control District

Demographics Summary

Laguna Beach

Population & Density	Agency	County
2020 Population	23,032	3,186,989
2022 Population	22,706	3,203,504
2027 Population ¹	22,271	3,198,933
2022-2027 Projected Growth Rate (%)	-1.9% <	-0.1%
Daytime Population	28,215	3,284,351
Unincorporated SOI Population	-	-
Households	10,771	1,082,175
Household Size	2.11 <	2.96
Area (Square Miles)	8.84	948.00
Density (Persons per Square Mile)	2,569 <	3,379
Housing		
Housing Units	13,025	1,142,029
Owner Occupied (%)	52% <	55%
Renter Occupied (%)	29% <	40%
Vacant %	19% >	5%
Median Home Value	\$ 1,865,589 >	\$ 783,700
Employment & Poverty		
Businesses	2,777	176,208
Employees	16,992	1,631,636
Median Household Income	\$ 159,682 >	\$ 105,674
Public Transportation Commuters (%)	1.0% <	1.8%
Commute Longer than 60 Minutes (%)	8.3% <	9.5%
Poverty Rate	6.2% <	9.9%

¹ 2027 Population estimate is a projection only.

Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

Cash Flow FY 18-19 to FY 20-21

Laguna Beach

Financial Summary ¹	2018-19	2019-20	2020-21
Revenue	\$ 88,020,317	\$ 80,357,811	\$ 92,717,406
Expenditures	79,906,315	79,714,372	81,430,309
Net	\$ 8,114,002	\$ 643,439	\$ 11,287,097
Reserves	\$ 27,530,330	\$ 23,406,015	\$ 26,195,065

¹ "Reserves" based on unassigned fund balance. City indicates its Municipal Code Requires a 10% General Fund Reserve and the City has a 10% Disaster Contingency Reserve (Response to MSR Data Request).

Source: Berkson & Associates, Agency Audits & Budgets



City of Laguna Hills

Incorporated December 20, 1991

Agency Information

Address	24035 El Toro Rd, Laguna Hills, CA 92653
Primary Contact	Jarad Hildenbrand, City Manager
Contact Information	949-707-2620
Website	www.ci.laguna-hills.ca.us
Governance	5 Council Members, Elected At-Large
Total City Staff	25 Full Time, 2.75 Part Time

Service Area Information

Incorporated Area (Sq. Mi.)	6.65
Population	30,750
Unincorporated Population of SOI	N/A

Service Summary

<u>Service or Department</u>	<u>Provider</u>
Law Enforcement	OCSD
Fire Protection/Emergency Medical	OCFA
Building/Planning	Laguna Hills
Housing	Laguna Hills
Code Enforcement	Laguna Hills
Animal Control	Laguna Hills (contractual agreement with Mission Viejo)
Parks and Recreation	Laguna Hills
Library	County of Orange
Museum	N/A
Landscape Maintenance	Laguna Hills
Lighting	Laguna Hills
Streets/Road Maintenance	Laguna Hills
Electricity/Gas	SCE/SoCal Gas
Solid Waste	CR&R
Stormwater Protection	Laguna Hills
Water	Moulton Niguel Water District, El Toro Water District
Wastewater	Moulton Niguel Water District, El Toro Water District, SOCWA
Wholesale Water	Municipal Water District of Orange County
Cemetery	Orange County Cemetery District
Vector Control	Orange County Mosquito & Vector Control District

Demographics Summary

Laguna Hills

Population & Density	Agency	County
2020 Population	31,374	3,186,989
2022 Population	30,750	3,203,504
2027 Population ¹	31,276	3,198,933
2022-2027 Projected Growth Rate (%)	1.7% >	-0.1%
Daytime Population	37,754	3,284,351
Unincorporated SOI Population	-	-
Households	10,951	1,082,175
Household Size	2.81 <	2.96
Area (Square Miles)	6.65	948.00
Density (Persons per Square Mile)	4,626 >	3,379
Housing		
Housing Units	11,430	1,142,029
Owner Occupied (%)	68% >	55%
Renter Occupied (%)	30% <	40%
Vacant %	2% <	5%
Median Home Value	\$ 820,467 >	\$ 783,700
Employment & Poverty		
Businesses	2,912	176,208
Employees	20,391	1,631,636
Median Household Income	\$ 118,475 >	\$ 105,674
Public Transportation Commuters (%)	1.2% <	1.8%
Commute Longer than 60 Minutes (%)	7.8% <	9.5%
Poverty Rate	8.7% <	9.9%

¹2027 Population estimate is a projection only.

Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

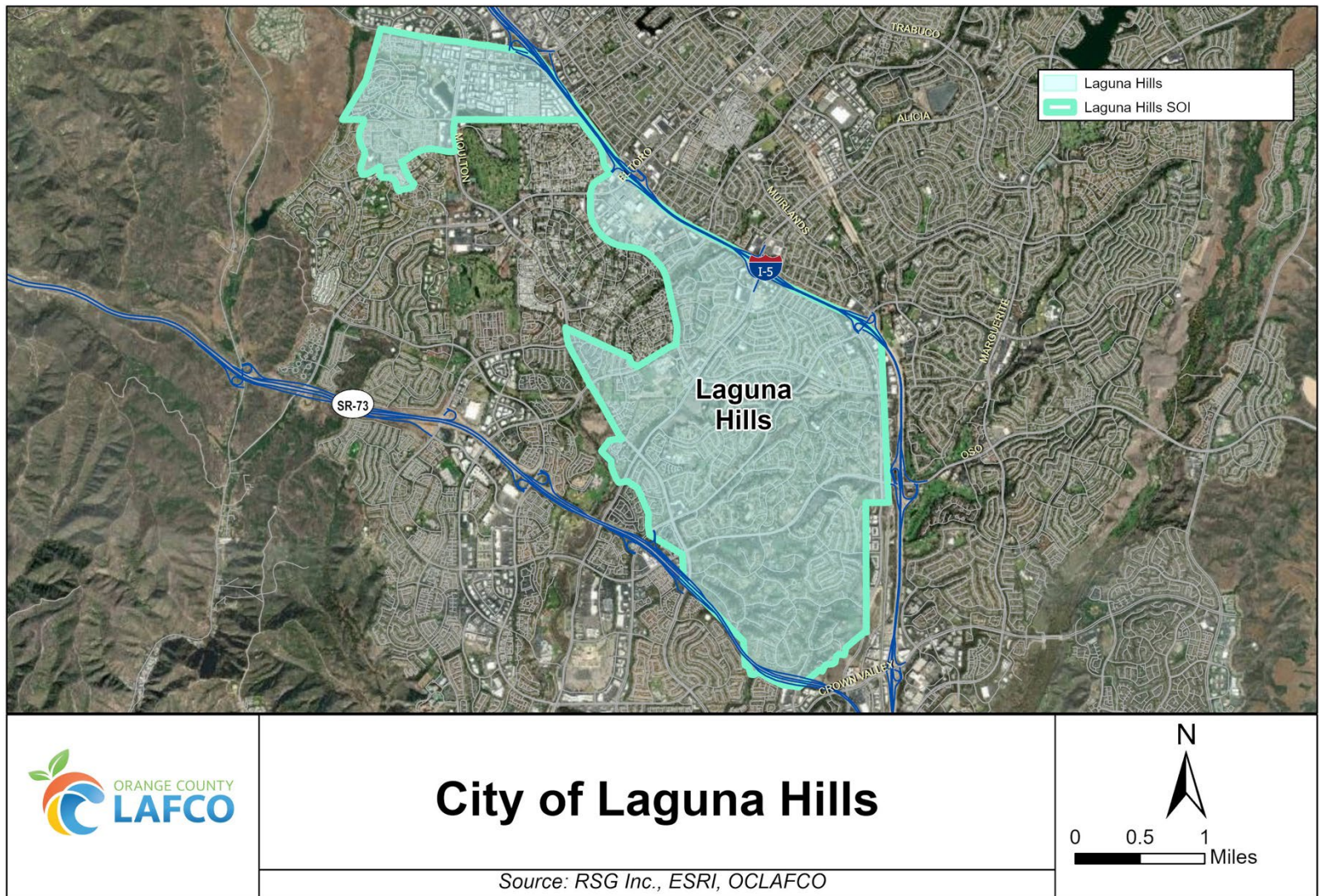
Cash Flow FY 18-19 to FY 20-21

Laguna Hills

Financial Summary ¹	2018-19	2019-20	2020-21
Revenue	\$ 22,047,533	\$ 21,243,012	\$ 22,752,294
Expenditures	19,725,985	19,503,425	20,590,720
Net	\$ 2,321,548	\$ 1,739,587	\$ 2,161,574
Reserves	\$ 7,161,146	\$ 7,487,247	\$ 7,824,536

¹"Reserves" based on unassigned General fund balance. City policy strives to maintain a minimum Fund Balance Reserve of 35% of operating budget for contingencies, calamitous events, economic uncertainty and cash flow fluctuations.

Source: Berkson & Associates, Agency Audits & Budgets



City of Laguna Niguel

Incorporated December 1, 1989

Agency Information

Address	30111 Crown Valley Pkwy, Laguna Niguel, CA 92677
Primary Contact	Tamara Letourneau, City Manager
Contact Information	949-362-4300
Website	www.cityoflagunaniguel.org
Governance	5 Council Members, Elected At-Large
Total City Staff	64 FTE

Service Area Information

Incorporated Area (Sq. Mi.)	14.79
Population	64,316
Unincorporated Population of SOI	N/A

Service Summary

Service or Department	Provider
Law Enforcement	OCSD
Fire Protection/Emergency Medical	OCFA
Building/Planning	Laguna Niguel
Housing	Laguna Niguel
Code Enforcement	Laguna Niguel
Animal Control	Laguna Niguel (contractual agreement with Mission Viejo)
Parks and Recreation	Laguna Niguel
Library	Laguna Niguel
Museum	County of Orange
Landscape Maintenance	Laguna Niguel
Lighting	Laguna Niguel
Streets/Road Maintenance	Laguna Niguel
Electricity/Gas	SDG&E, SCE, SoCal Gas
Solid Waste	CR&R
Stormwater Protection	Laguna Niguel
Water	Moulton Niguel Water District
Wastewater	Moulton Niguel Water District, SOCWA
Wholesale Water	Municipal Water District of Orange County
Cemetery	Orange County Cemetery District
Vector Control	Orange County Mosquito & Vector Control District

Demographics Summary

Laguna Niguel

Population & Density	Agency	County
2020 Population	64,355	3,186,989
2022 Population	64,316	3,203,504
2027 Population ¹	63,771	3,198,933
2022-2027 Projected Growth Rate (%)	-0.8% <	-0.1%
Daytime Population	55,490	3,284,351
Unincorporated SOI Population	-	-
Households	25,703	1,082,175
Household Size	2.50 <	2.96
Area (Square Miles)	14.79	948.00
Density (Persons per Square Mile)	4,349 >	3,379
Housing		
Housing Units	27,822	1,142,029
Owner Occupied (%)	65% >	55%
Renter Occupied (%)	27% <	40%
Vacant %	8% >	5%
Median Home Value	\$ 943,144 >	\$ 783,700
Employment & Poverty		
Businesses	3,018	176,208
Employees	20,900	1,631,636
Median Household Income	\$ 131,037 >	\$ 105,674
Public Transportation Commuters (%)	0.5% <	1.8%
Commute Longer than 60 Minutes (%)	9.0% <	9.5%
Poverty Rate	6.7% <	9.9%

¹ 2027 Population estimate is a projection only.

Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

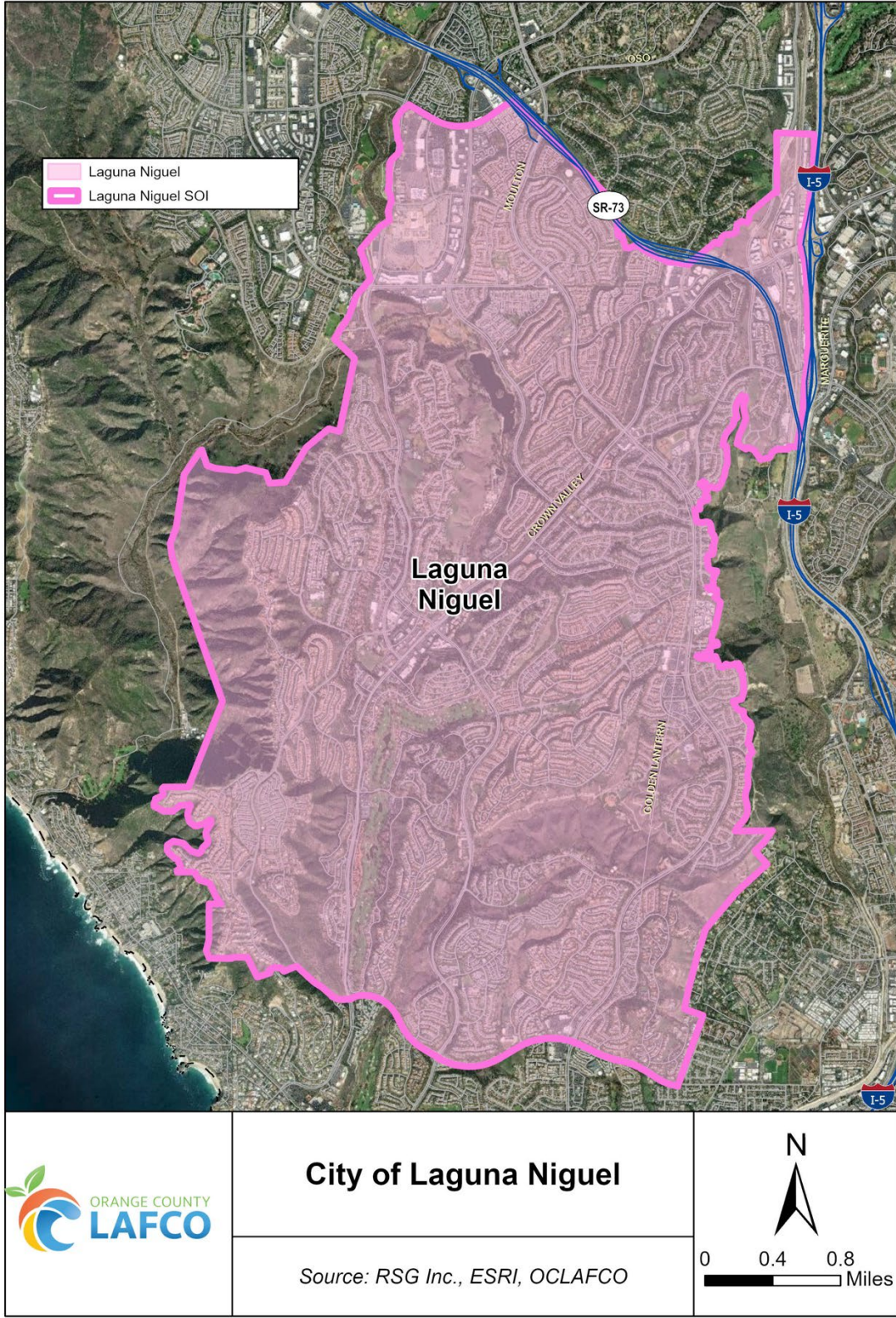
Cash Flow FY 18-19 to FY 20-21

Laguna Niguel

Financial Summary ¹	2018-19	2019-20	2020-21
Revenue	\$ 43,809,474	\$ 44,183,014	\$ 45,750,457
Expenditures	38,213,862	40,501,961	39,338,865
Net	\$ 5,595,612	\$ 3,681,053	\$ 6,411,592
Reserves	\$ -	\$ 20,250,975	\$ 19,669,431

¹ "Reserves" shown based on General Fund Balance committed to financial and economic uncertainty (City budgets beginning FY 2019-20). Total reserves including capital and other reserves were \$57.4 mill. (FY19), \$41.7 mill. (FY20) and \$46.3 mill. (FY22) per Annual Comprehensive Financial Reports.

Source: Berkson & Associates, Agency Audits & Budgets



City of Laguna Woods

Incorporated March 24, 1999

Agency Information

Address	24264 El Toro Rd, Laguna Woods, CA 92637
Primary Contact	Christopher Macon, City Manager
Contact Information	949-639-0525
Website	www.cityoflagunawoods.org
Governance	5 Council Members, Elected At-Large
Total City Staff	10.25 FTE

Service Area Information

Incorporated Area (Sq. Mi.)	3.31
Population	17,514
Unincorporated Population of SOI	N/A

Service Summary

<u>Service or Department</u>	<u>Provider</u>
Law Enforcement	OCSD
Fire Protection/Emergency Medical	OCFA
Building/Planning	Laguna Woods, (contractual agreement with Bureau Veritas North America)
Housing	Laguna Woods
Code Enforcement	Laguna Woods, (contractual agreement with Willdan Engineering)
Animal Control	Laguna Woods (contractual agreement Laguna Beach)
Parks and Recreation	Laguna Woods
Library	County of Orange
Museum	N/A
Landscape Maintenance	Laguna Woods, (contractual agreement with BrightView Landscape Services (HOA))
Lighting	Laguna Woods, (contractual agreement with Siemens Mobility)
Streets/Road Maintenance	Laguna Woods
Electricity/Gas	SCE/SoCal Gas
Solid Waste	CR&R
Stormwater Protection	Laguna Woods
Water	El Toro Water District
Wastewater	El Toro Water District, SOCWA
Wholesale Water	Municipal Water District of Orange County
Cemetery	Orange County Cemetery District
Vector Control	Orange County Mosquito & Vector Control District

Demographics Summary

Laguna Woods

Population & Density	Agency	County
2020 Population	17,644	3,186,989
2022 Population	17,514	3,203,504
2027 Population ¹	17,977	3,198,933
2022-2027 Projected Growth Rate (%)	2.6% >	-0.1%
Daytime Population	20,225	3,284,351
Unincorporated SOI Population	-	-
Households	11,963	1,082,175
Household Size	1.46 <	2.96
Area (Square Miles)	3.31	948.00
Density (Persons per Square Mile)	5,297 >	3,379
Housing		
Housing Units	13,414	1,142,029
Owner Occupied (%)	65% >	55%
Renter Occupied (%)	24% <	40%
Vacant %	11% >	5%
Median Home Value	\$ 435,864 <	\$ 783,700
Employment & Poverty		
Businesses	379	176,208
Employees	5,749	1,631,636
Median Household Income	\$ 51,641 <	\$ 105,674
Public Transportation Commuters (%)	1.1% <	1.8%
Commute Longer than 60 Minutes (%)	6.2% <	9.5%
Poverty Rate	10.2% >	9.9%

¹ 2027 Population estimate is a projection only.

Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

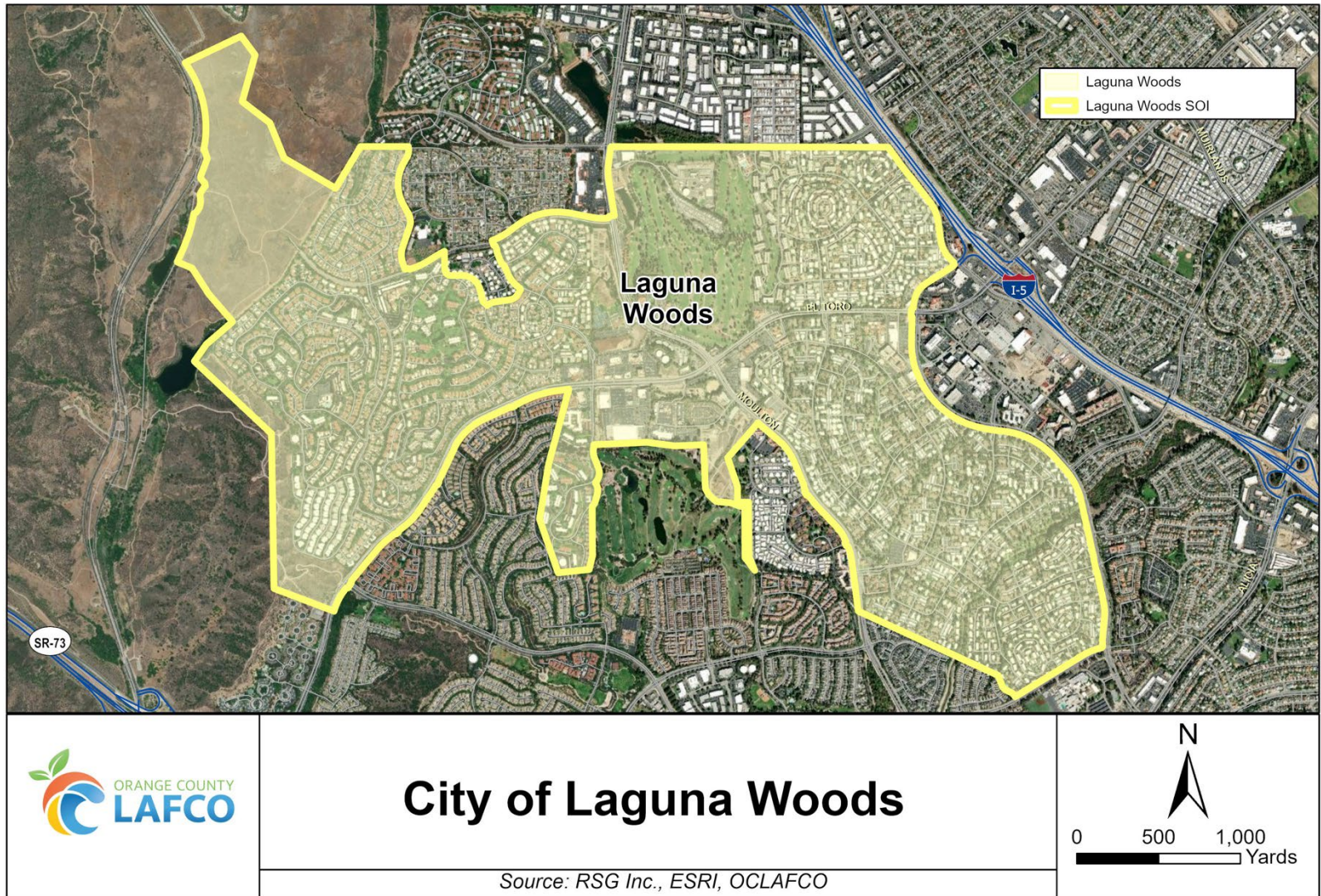
Cash Flow FY 18-19 to FY 20-21

Laguna Woods

Financial Summary ¹	2018-19	2019-20	2020-21
Revenue	\$ 6,351,788	\$ 6,147,530	\$ 6,030,918
Expenditures	6,423,364	5,872,459	5,920,678
Net	\$ (71,576)	\$ 275,071	\$ 110,240
Reserves	\$ 9,358,299	\$ 7,089,455	\$ 7,109,867

¹ "Reserves" based on unassigned General Fund balance. City targets committed and assigned reserves from unassigned fund balance of 50% of ongoing General Fund revenues for General Contingency, self-insurance, and paid leave Reserve (approx. \$3 mill. in FY2022-23 budget).

Source: Berkson & Associates, Agency Audits & Budgets



El Toro Water District

Incorporated in 1960

District Information

Address	24251 Los Alisos Blvd, Lake Forest, CA 92630
Primary Contact	Dennis Cafferty, General Manager
Contact Information	dcafferty@etwd.com
Website	www.etwd.com
Governance	5 Board Members, Elected At-Large
District Type	Independent Special District
Total Agency Staff	60 Full Time, 2 Part Time

Service Area Information

Incorporated Area (Sq. Mi.)	8.24
Communities Served	City of Laguna Woods, and portions of the Cities of Aliso Viejo, Lake Forest, Laguna Hills, and Mission Viejo
Population Served	53,062
Municipal Water Connections	9,536

Services Provided

- Potable water for various customer uses with approximately 287 million gallons of reservoir space.
- Sanitation/Wastewater services with 158 miles of sewer lines.
- Recycled water services with 24.9 miles of dedicated pipelines.

Demographics Summary

El Toro Water District

Population & Density	Agency	County
2020 Population	52,024	3,186,989
2022 Population	53,062	3,203,504
2027 Population ¹	52,864	3,198,933
2022-2027 Projected Growth Rate (%)	-0.4% <	-0.1%
Daytime Population	58,431	3,284,351
Unincorporated SOI Population	-	-
Households	23,134	1,082,175
Household Size	2.29 <	2.96
Area (Square Miles)	8.24	948.00
Density (Persons per Square Mile)	6,436 >	3,379
Housing		
Housing Units	24,921	1,142,029
Owner Occupied (%)	65% >	55%
Renter Occupied (%)	28% <	40%
Vacant %	7% >	5%
Median Home Value	\$ 572,348 <	\$ 783,700
Employment & Poverty		
Businesses	3,433	176,208
Employees	27,750	1,631,636
Median Household Income	\$ 72,230 <	\$ 105,674
Public Transportation Commuters (%)	2.4% >	1.8%
Commute Longer than 60 Minutes (%)	5.7% <	9.5%
Poverty Rate	9.8% <	9.9%

¹ 2027 Population estimate is a projection only.

Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

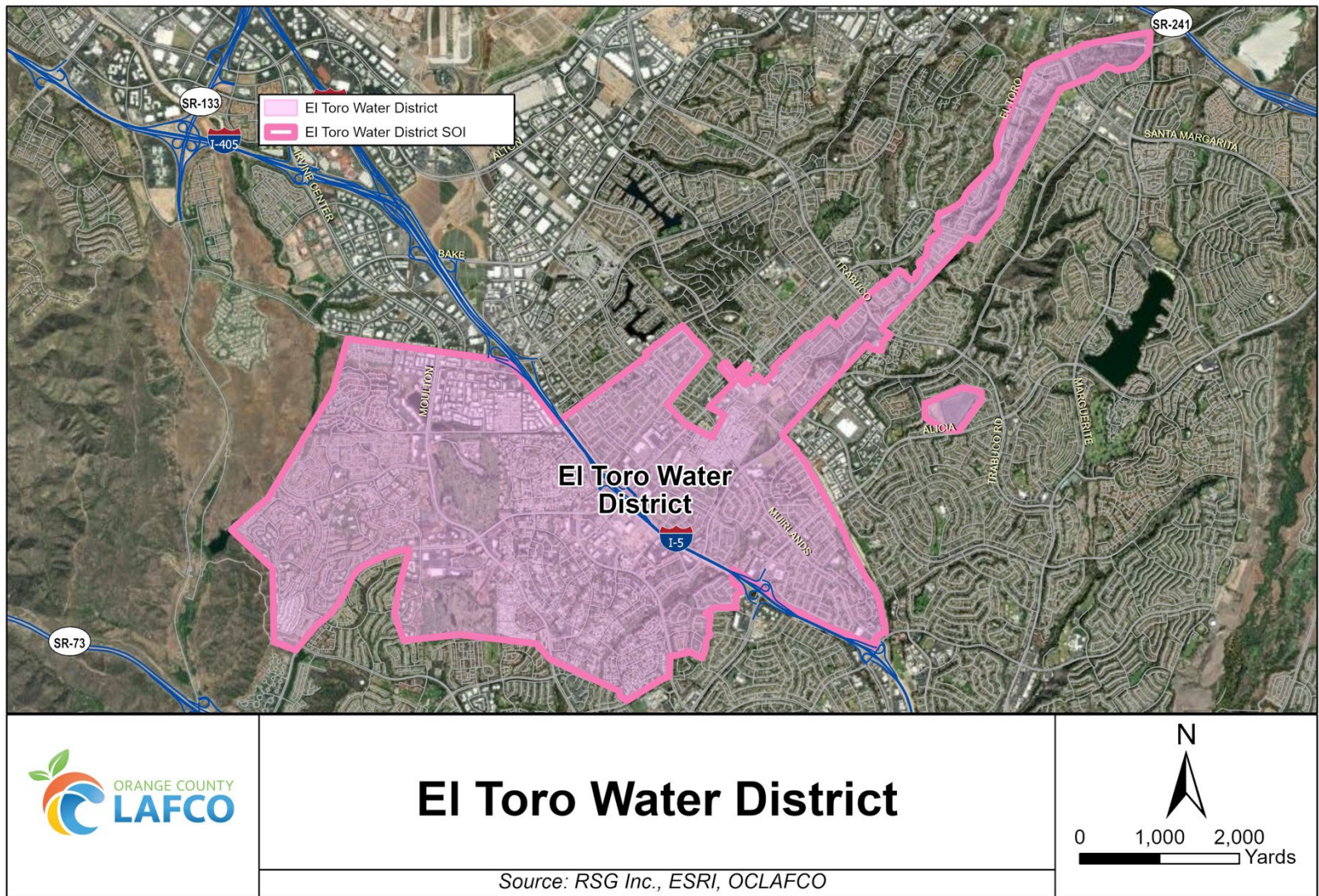
Cash Flow FY 18-19 to FY 20-21

El Toro Water District

Financial Summary¹	2018-19	2019-20	2020-21
Revenue	\$ 26,537,536	\$ 25,954,017	\$ 27,349,923
Expenditures	26,928,835	27,981,030	29,244,287
Net	\$ (391,299)	\$ (2,027,013)	\$ (1,894,364)
Reserves	\$ 6,121,392	\$ 4,989,655	\$ 2,472,175

¹ "Reserves" shown are based on Unrestricted Net Position. "Cash and Cash Equivalents" meet Board mandated policy levels, but debt and other liabilities reduce Unrestricted Net Position to an amount less than the reserve targets.

Source: Berkson & Associates, Agency Audits & Budgets



Laguna Beach County Water District

Incorporated in 1925

Became Subsidiary of City on November 1, 2000

District Information

Address	306 3rd St, Laguna Beach, CA 92651
Primary Contact	Keith Van Der Maaten, General Manager
Contact Information	949-494-1041
Website	www.lbcwd.org
Governance	5 City Council Members ; 5 Water Commissioners appointed by City Council
District Type	Dependent Special District (Subsidiary of the City of Laguna Beach)
Total Agency Staff	39 FTE

Service Area Information

Incorporated Area (Sq. Mi.)	8.5
Communities Served	City of Laguna Beach and Unincorporated Community of Emerald Bay
Population Served	18,257
Municipal Water Connections	8,703

Services Provided

- Provides water for various customer uses through 21 water storage reservoirs, a capacity of 33.5 million gallons.
- Potable water provided to customers.

Demographics Summary

Laguna Beach County Water District

Population & Density	Agency	County
2020 Population	18,392	3,186,989
2022 Population	18,257	3,203,504
2027 Population ¹	18,017	3,198,933
2022-2027 Projected Growth Rate (%)	-1.3% <	-0.1%
Daytime Population	21,902	3,284,351
Unincorporated SOI Population	-	-
Households	8,660	1,082,175
Household Size	2.11 <	2.96
Area (Square Miles)	8.50	948.00
Density (Persons per Square Mile)	2,148 <	3,379
Housing		
Housing Units	10,219	1,142,029
Owner Occupied (%)	52% <	55%
Renter Occupied (%)	33% <	40%
Vacant %	15% >	5%
Median Home Value	\$ 1,821,790 >	\$ 783,700
Employment & Poverty		
Businesses	2,455	176,208
Employees	13,324	1,631,636
Median Household Income	\$ 153,642 >	\$ 105,674
Public Transportation Commuters (%)	1.1% <	1.8%
Commute Longer than 60 Minutes (%)	7.8% <	9.5%
Poverty Rate	6.3% <	9.9%

¹ 2027 Population estimate is a projection only.

Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

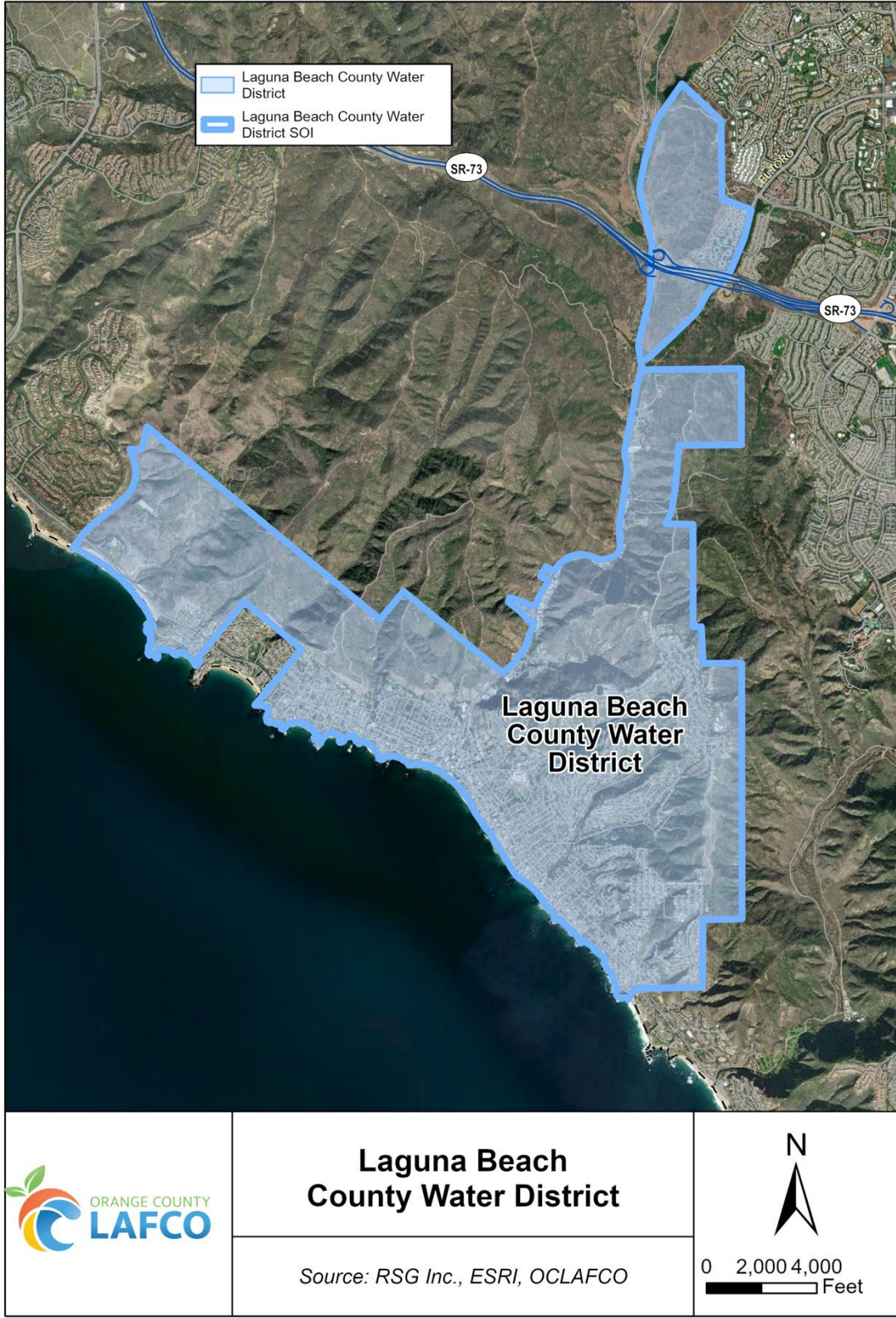
Cash Flow FY 18-19 to FY 20-21

Laguna Beach County Water District

Financial Summary¹	2018-19	2019-20	2020-21
Revenue	\$ 14,832,343	\$ 14,735,009	\$ 17,293,460
Expenditures	13,118,553	13,430,634	15,403,586
Net	\$ 1,713,790	\$ 1,304,375	\$ 1,889,874
Reserves	\$ 13,289,814	\$ 12,890,018	\$ 15,030,315

¹ "Reserves" based on unrestricted net position designations to Emergency Reserves and Operating Reserves (see notes to financial reports).

Source: Berkson & Associates, Agency Audits & Budgets



Moulton Niguel Water District

Incorporated in 1960

District Information

Address	26161 Gordon Rd, Laguna Hills, CA 92653
Primary Contact	Joone Lopez, General Manager
Contact Information	949-831-2500
Website	www.mnwd.com
Governance	7 Board Members, Elected At-Large
District Type	Independent Special District
Total Agency Staff	180 FTE

Service Area Information

Incorporated Area (Sq. Mi.)	36.83
Communities Served	Cities of Aliso Viejo and Laguna Niguel, and portions of Laguna Hills, Mission Viejo, Dana Point, and San Juan Capistrano
Population Served	170,167
Municipal Water Connections	55,013

Services Provided

- Potable water, wastewater, and recycled water services are provided to customers.

Demographics Summary

Moulton Niguel Water District

Population & Density	Agency	County
2020 Population	170,015	3,186,989
2022 Population	170,167	3,203,504
2027 Population ¹	168,311	3,198,933
2022-2027 Projected Growth Rate (%)	-1.1% <	-0.1%
Daytime Population	164,577	3,284,351
Unincorporated SOI Population	-	-
Households	64,556	1,082,175
Household Size	2.64 <	2.96
Area (Square Miles)	36.83	948.00
Density (Persons per Square Mile)	4,620 >	3,379
Housing		
Housing Units	67,869	1,142,029
Owner Occupied (%)	64% >	55%
Renter Occupied (%)	31% <	40%
Vacant %	5% <	5%
Median Home Value	\$ 839,922 >	\$ 783,700
Employment & Poverty		
Businesses	9,288	176,208
Employees	76,073	1,631,636
Median Household Income	\$ 128,639 >	\$ 105,674
Public Transportation Commuters (%)	0.8% <	1.8%
Commute Longer than 60 Minutes (%)	8.5% <	9.5%
Poverty Rate	6.0% <	9.9%

¹ 2027 Population estimate is a projection only.

Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

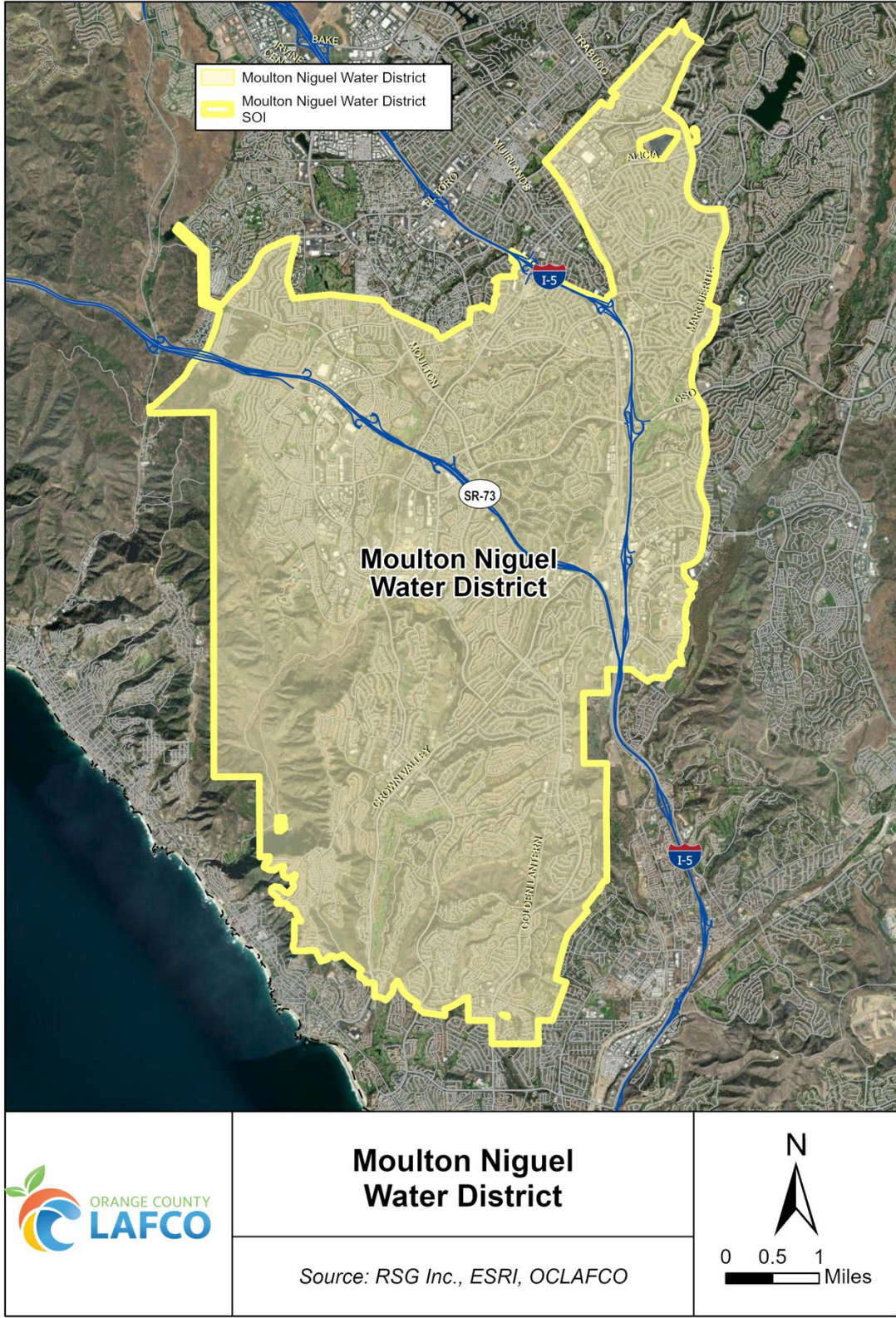
Cash Flow FY 18-19 to FY 20-21

Moulton Niguel Water District

Financial Summary¹	2018-19	2019-20	2020-21
Revenue	\$ 63,948,990	\$ 65,223,873	\$ 72,134,904
Expenditures	91,115,002	96,220,339	101,350,805
Net	\$ (27,166,012)	\$ (30,996,466)	\$ (29,215,901)
Reserves	\$ 59,501,827	\$ 83,711,877	\$ 66,334,668

¹ "Reserves" based on unrestricted net position designations to Emergency Reserves and Operating Reserves (see notes to financial reports).

Source: Berkson & Associates, Agency Audits & Budgets



South Coast Water District

Incorporated in 1932

District Information

Address	31592 West St, Laguna Beach, CA 92651
Primary Contact	Jody Brennan, Clerk of the Board
Contact Information	949-499-4555
Website	www.scwd.org
Governance	5 Board Members, Elected by District
District Type	Independent Special District
Total Agency Staff	95 FTE

Service Area Information

Incorporated Area (Sq. Mi.)	8.99
Communities Served	South Laguna Beach, portions of San Clemente and San Juan Capistrano, City of Dana Point
Population Served	33,897
Municipal Water Connections	12,562

Services Provided

- Potable water, wastewater, and recycled water services are provided to customers.

Demographics Summary

South Coast Water District

Population & Density	Agency	County
2020 Population	33,241	3,186,989
2022 Population	33,897	3,203,504
2027 Population ¹	34,211	3,198,933
2022-2027 Projected Growth Rate (%)	0.9% >	-0.1%
Daytime Population	32,060	3,284,351
Unincorporated SOI Population	-	-
Households	14,361	1,082,175
Household Size	2.36 <	2.96
Area (Square Miles)	8.99	948.00
Density (Persons per Square Mile)	3,771 >	3,379
Housing		
Housing Units	16,406	1,142,029
Owner Occupied (%)	57% >	55%
Renter Occupied (%)	31% <	40%
Vacant %	12% >	5%
Median Home Value	\$ 966,340 >	\$ 783,700
Employment & Poverty		
Businesses	2,008	176,208
Employees	13,618	1,631,636
Median Household Income	\$ 118,457 >	\$ 105,674
Public Transportation Commuters (%)	1.5% <	1.8%
Commute Longer than 60 Minutes (%)	10.3% >	9.5%
Poverty Rate	5.1% <	9.9%

¹ 2027 Population estimate is a projection only.

Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

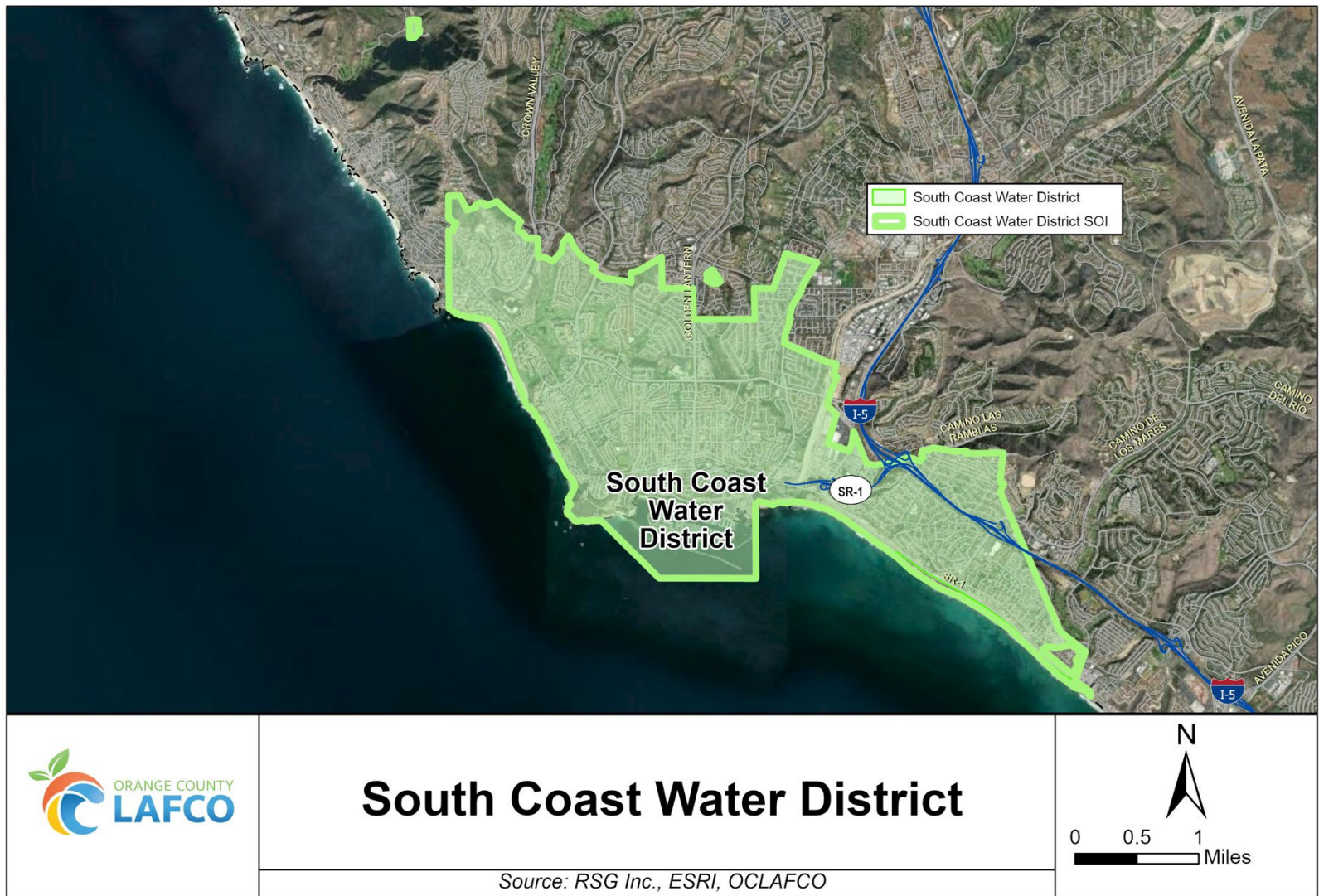
Cash Flow FY 18-19 to FY 20-21

South Coast Water District

Financial Summary ¹	2018-19	2019-20	2020-21
Revenue	\$ 39,432,332	\$ 39,395,159	\$ 44,575,807
Expenditures	39,442,843	36,042,676	41,356,292
Net	\$ (10,511)	\$ 3,352,483	\$ 3,219,515
Reserves	\$ 9,043,169	\$ 43,648,035	\$ 47,113,607

¹ "Reserves" based on unrestricted net position. FY2018-19 bond obligations increased significantly and reduced net position in that year. Financial reports did not state designated reserves. The District's operating reserve policy requires the District to maintain a required number of days of cash.

Source: Berkson & Associates, Agency Audits & Budgets



Capistrano Bay Community Services District

Incorporated in 1959

District Information

Address	35000 Beach Rd, Capistrano Beach, CA 92624
Primary Contact	Donal Russell, General Manager
Contact Information	949-496-6576
Website	www.capobay.org
Governance	5 Board Members, Elected At-Large
District Type	Independent Special District
Total Agency Staff	2

Service Area Information

Incorporated Area (Sq. Mi.)	0.06
Communities Served	Portion of City of Dana Point
Population Served	145

Services Provided

- Provides Security, Streets/Roads Maintenance, Street Lighting, and Trash/Solid Waste Pickup services to residents.

Demographics Summary

Capistrano Bay Community Services District

Population & Density	Agency	County
2020 Population	147	3,186,989
2022 Population	145	3,203,504
2027 Population ¹	141	3,198,933
2022-2027 Projected Growth Rate (%)	-2.8% <	-0.1%
Daytime Population	128	3,284,351
Unincorporated SOI Population	-	-
Households	87	1,082,175
Household Size	1.67 <	2.96
Area (Square Miles)	0.06	948.00
Density (Persons per Square Mile)	2,398 <	3,379
Housing		
Housing Units	194	1,142,029
Owner Occupied (%)	42% <	55%
Renter Occupied (%)	3% <	40%
Vacant %	55% >	5%
Median Home Value	\$ 1,112,500 >	\$ 783,700
Employment & Poverty		
Businesses	9	176,208
Employees	31	1,631,636
Median Household Income	\$ 113,832 >	\$ 105,674
Public Transportation Commuters (%)	0.0% <	1.8%
Commute Longer than 60 Minutes (%)	5.3% <	9.5%
Poverty Rate	0.0% <	9.9%

¹ 2027 Population estimate is a projection only.

Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

Cash Flow FY 18-19 to FY 20-21

Capistrano Bay Community Services District

Financial Summary ¹	2018-19	2019-20	2020-21
Revenue	\$ 1,310,898	\$ 1,237,782	\$ 1,402,026
Expenditures	1,117,084	970,052	1,124,473
Net	\$ 193,814	\$ 267,730	\$ 277,553
Reserves	\$ 2,019,309	\$ 2,018,897	\$ 2,303,238

¹ "Reserves" based on unassigned fund balance. The District conducts an annual update to their Reserve Study.

Source: Berkson & Associates, Agency Audits & Budgets



Emerald Bay Service District

Incorporated in 1961

District Information

Address	600 Emerald Bay Laguna Beach, California 92651
Primary Contact	Michael Dunbar, General Manager
Contact Information	949-494-8572
Website	www.emeraldbayservicedistrict.org
Governance	5 Board Members, Elected At-Large
District Type	Independent Special District
Total Agency Staff	1 FTE

Service Area Information

Incorporated Area (Sq. Mi.)	0.23
Communities Served	Unincorporated Area of Emerald Bay
Population Served	2,000

Services Provided

- Provides Parks and Recreation, Security Services, Streets & Roads Maintenance, Water, Wastewater, Solid Waste, and Fire Protection to residents.
- Provides retail water service through contract with Laguna Beach County Water District.

*For special events the District contracts with OC Sheriff to provide law enforcement; routine law enforcement is provided through County jurisdiction of unincorporated areas with the OC Sheriff as the District does not have full law enforcement authority.

Demographics Summary

Emerald Bay Service District

Population & Density	Agency	County
2020 Population	1,574	3,186,989
2022 Population	1,582	3,203,504
2027 Population ¹	1,590	3,198,933
2022-2027 Projected Growth Rate (%)	0.5% >	-0.1%
Daytime Population	762	3,284,351
Unincorporated SOI Population	-	-
Households	524	1,082,175
Household Size	3.02 >	2.96
Area (Square Miles)	0.23	948.00
Density (Persons per Square Mile)	6,790 >	3,379
Housing		
Housing Units	527	1,142,029
Owner Occupied (%)	90% >	55%
Renter Occupied (%)	10% <	40%
Vacant %	0% <	5%
Median Home Value	\$ 2,000,001 >	\$ 783,700
Employment & Poverty		
Businesses	25	176,208
Employees	229	1,631,636
Median Household Income	\$ 200,001 >	\$ 105,674
Public Transportation Commuters (%)	0.0% <	1.8%
Commute Longer than 60 Minutes (%)	0.0% <	9.5%
Poverty Rate	0.0% <	9.9%

¹ 2027 Population estimate is a projection only.

Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

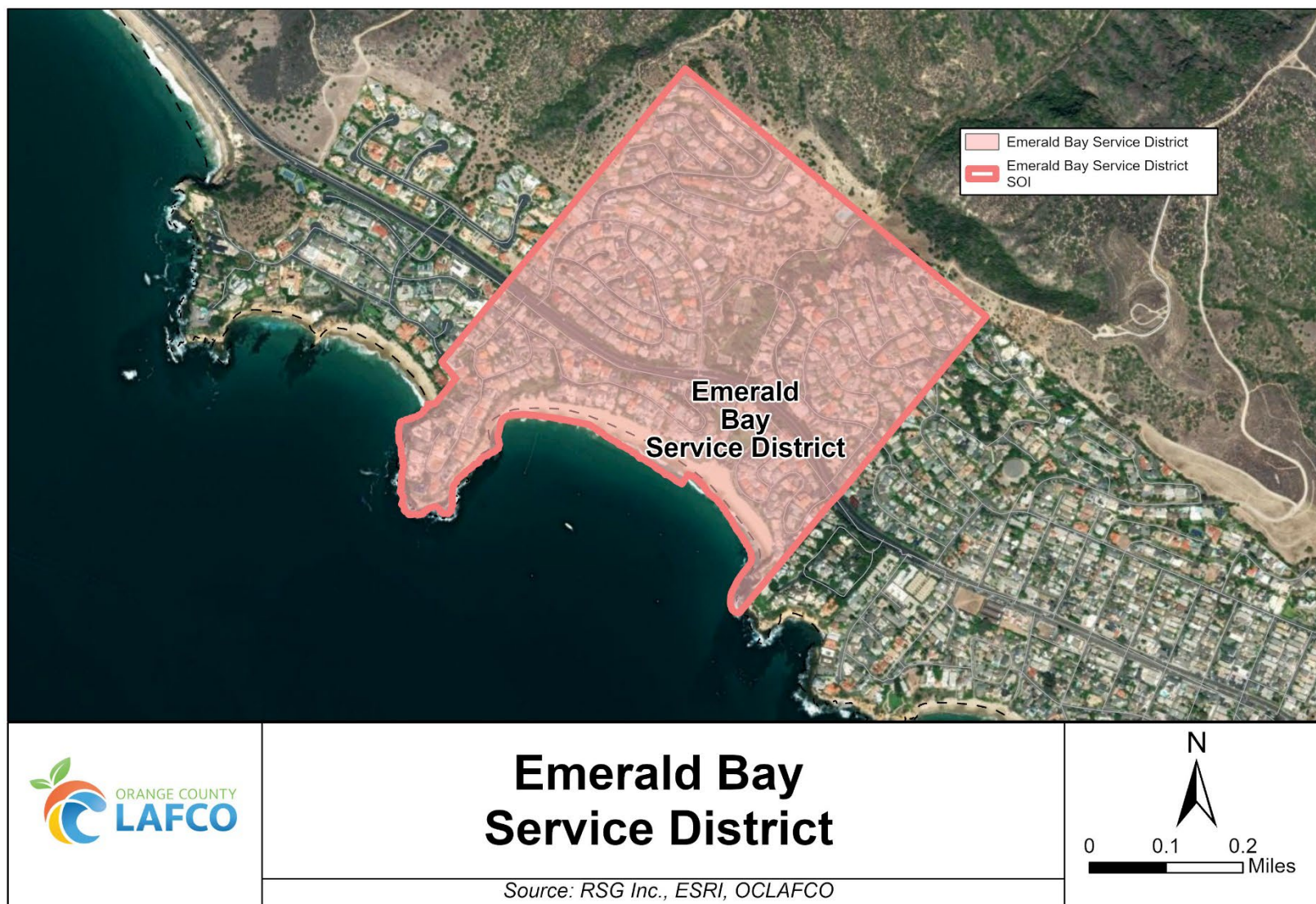
Cash Flow FY 18-19 to FY 20-21

Emerald Bay Service District

Financial Summary¹	2018-19	2019-20	2020-21
Revenue	\$ 2,765,556	\$ 2,770,850	\$ 2,897,437
Expenditures	2,431,981	2,868,505	2,280,507
Net	\$ 333,575	\$ (97,655)	\$ 616,930
Reserves	\$ 1,600,724	\$ 1,243,711	\$ 1,370,317

¹ Table excludes capital contributions. "Reserves" based on unassigned fund balance.

Source: Berkson & Associates, Agency Audits & Budgets



Three Arch Bay Community Services District

Incorporated in 1957

District Information

Address	5 Bay Drive, Laguna Beach, CA
Primary Contact	Jeremy Pipp, General Manager
Contact Information	949-499-4567
Website	www.threearchbaycsd.org
Governance	5 Board Members, Elected At-Large
District Type	Independent Special District
Total Agency Staff	0 (No in-house Employment; District has Professional Services Agreement with Three Arch Bay Association)

Service Area Information

Incorporated Area (Sq. Mi.)	0.23
Communities Served	Portion of City of Laguna Beach
Population Served	1,004

Services Provided

- Provides Security and Stormwater Protection services to residents.

Demographics Summary

Three Arch Bay Community Services District

Population & Density	Agency	County
2020 Population	1,009	3,186,989
2022 Population	1,004	3,203,504
2027 Population ¹	988	3,198,933
2022-2027 Projected Growth Rate (%)	-1.6% <	-0.1%
Daytime Population	931	3,284,351
Unincorporated SOI Population	-	-
Households	363	1,082,175
Household Size	2.77 <	2.96
Area (Square Miles)	0.23	948.00
Density (Persons per Square Mile)	4,279 >	3,379
Housing		
Housing Units	488	1,142,029
Owner Occupied (%)	90% >	55%
Renter Occupied (%)	10% <	40%
Vacant %	0% <	5%
Median Home Value	\$ 2,000,001 >	\$ 783,700
Employment & Poverty		
Businesses	51	176,208
Employees	279	1,631,636
Median Household Income	\$ 200,001 >	\$ 105,674
Public Transportation Commuters (%)	0.0% <	1.8%
Commute Longer than 60 Minutes (%)	6.5% <	9.5%
Poverty Rate	5.7% <	9.9%

¹2027 Population estimate is a projection only.

Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

Cash Flow FY 18-19 to FY 20-21

Three Arch Bay Community Services District

Financial Summary ¹	2018-19	2019-20	2020-21
Revenue	\$ 2,096,185	\$ 2,252,295	\$ 2,145,511
Expenditures	1,363,237	1,280,103	1,825,422
Net	\$ 732,948	\$ 972,192	\$ 320,089
Reserves	\$ 5,661,833	\$ 6,634,025	\$ 6,961,978

¹Revenues exclude "Other Sources" (proceeds). "Reserves" based on unassigned fund balance/net position (no designations indicated in financial reports).

Source: Berkson & Associates, Agency Audits & Budgets



South Orange County Wastewater Authority

Founded in 2001

District Information

Address	34156 Del Obispo St, Dana Point, CA 92629
Primary Contact	Danita Hirsh, Executive Assistant to General Manager
Contact Information	949-234-5452
Website	www.socwa.com
Governance	Joint Powers Authority comprised of 7 Member Agencies
Total Agency Staff	62 FTE

Service Area Information

Incorporated Area (Sq. Mi.)	221
Communities Served	Cities of Aliso Viejo, Dana Point, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, Mission Viejo, Rancho Santa Margarita, San Juan Capistrano, San Clemente, and unincorporated communities.
Member Agencies	Emerald Bay CSD, ETWD, City of Laguna Beach, MNWD, City of San Clemente, Santa Margarita Water District, and SCWD
Population Served	593,660

Services Provided

- Provides a variety of wastewater support services to member agencies including recycled water and National Pollution Discharge Elimination System (NPDES) permits.
- Operates three wastewater treatment plants and two ocean outfalls within the Southwest and Southeast MSR Regions of Orange County.

Demographics Summary

South Orange County Wastewater Authority

Population & Density	Agency	County
2020 Population	589,514	3,186,989
2022 Population	593,660	3,203,504
2027 Population ¹	589,218	3,198,933
2022-2027 Projected Growth Rate (%)	-0.7% <	-0.1%
Daytime Population	556,951	3,284,351
Unincorporated SOI Population	-	-
Households	224,371	1,082,175
Household Size	2.65 <	2.96
Area (Square Miles)	221.00	948.00
Density (Persons per Square Mile)	2,686 <	3,379
Housing		
Housing Units	238,797	1,142,029
Owner Occupied (%)	66% >	55%
Renter Occupied (%)	28% <	40%
Vacant %	6% >	5%
Median Home Value	\$ 849,248 >	\$ 783,700
Employment & Poverty		
Businesses	31,402	176,208
Employees	234,290	1,631,636
Median Household Income	\$ 126,108 >	\$ 105,674
Public Transportation Commuters (%)	1.0% <	1.8%
Commute Longer than 60 Minutes (%)	9.0% <	9.5%
Poverty Rate	5.8% <	9.9%

¹ 2027 Population estimate is a projection only.

Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

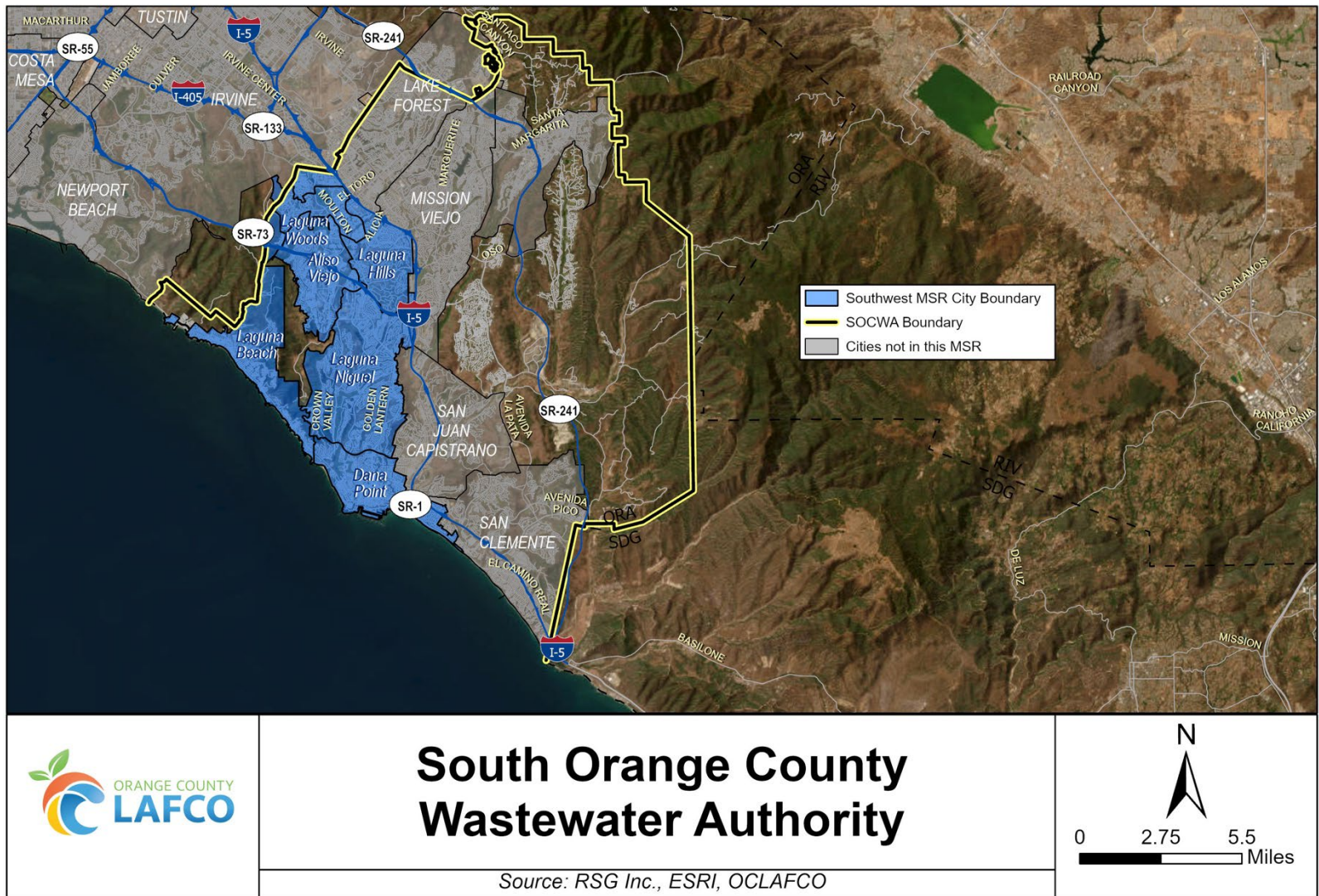
Cash Flow FY 18-19 to FY 20-21

South Orange County Wastewater Authority

Financial Summary ¹	2018-19	2019-20	2020-21
Revenue	\$ 32,200,865	\$ 37,761,216	\$ 33,792,147
Expenditures	28,366,905	31,281,811	31,127,994
Net	\$ 3,833,960	\$ 6,479,405	\$ 2,664,153
Reserves	N/A	N/A	N/A

¹ Revenues include capital contributions from member agencies. SOCWA does not retain reserves. They also do not retain operating capital and they collect revenue four times throughout the year as money is expended (MSR Interview).

Source: Berkson & Associates, Agency Audits & Budgets



IV. GROWTH AND POPULATION PROJECTIONS

Pursuant to Government Code Section 56430, MSRs make determinations on seven (7) required topics, including:

1. *Growth and population projections for the affected area.*

The Southwest Region covers an incorporated population of about 219,000 people spread across the six cities of Aliso Viejo, Dana Point, Laguna Beach, Laguna Hills, Laguna Niguel, and Laguna Woods. The seven special districts in the region provide services to about 278,000 people. These population totals are different because district boundaries extend beyond the Southwest cities' boundaries to include residents in the cities of Lake Forest, Mission Viejo, San Clemente, and San Juan Capistrano, all of which are not in this MSR. SOCWA, a Joint Powers Authority with cities and districts as member agencies, has an approximate service population of 594,000 since it extends well beyond the Southwest Region.

Collectively, the cities in the Southwest Region are expected to increase slightly in population by 2027. In contrast, the special districts are projected to decline over the same period. Cities are projected to increase by 0.7%, while special districts and SOCWA are both expected to decline by 0.7% respectively.

As is the larger trend across the County and State of California, development of new housing units has slowed in recent years. Using estimates from DOF, Southwest Region cities developed approximately 5,100 new units, an increase of 5.3%, from 2010 to 2022. However, projections for the subsequent five years, from 2022 to 2027, show housing growth shrinks to an increase of just 0.1%. Table 3 shows both population and housing trends for the Southwest region.

Table 3: Regional Population and Housing Trends

Southwest					
Population		Cities	Special Districts	SOCWA	County
	2020 Population	221,688	276,402	589,514	3,186,989
	2022 Population	219,011	278,114	593,660	3,203,504
	2027 Population ¹	220,489	276,122	589,218	3,198,933
	2020-2022 Growth Rate (%)	-1.2%	0.6%	0.7%	0.5%
	2022-2027 Projected Growth Rate (%)	0.7%	-0.7%	-0.7%	-0.1%
Housing					
	2010 Units	97,102	115,394	223,119	1,048,907
	2020 Units	101,319	120,123	237,313	1,129,785
	2022 Units	102,259	120,624	238,797	1,142,029
	2027 Units ¹	102,352	121,363	240,223	1,153,825
	2022 Household Size	2.1	2.3	2.5	2.8
	2010-2022 Unit Growth Rate (%)	5.3%	4.5%	7.0%	8.9%
	2022-2027 Projected Unit Growth Rate (%)	0.1%	0.6%	0.6%	1.0%

¹ 2027 estimates are only projections.

Source: US Census Bureau, DOF Population and Housing Estimates (Cities), ESRI Business Analyst

Individually, some agencies' populations are projected to decline while others increase:

- Aliso Viejo, Dana Point, Laguna Hills, Laguna Woods, and South Coast Water District are all projected to increase residents by 2027.

- If projections hold, Dana Point would lead with population growth increasing by 3.19%, or about 1,000 people.
- The Capistrano Bay CSD is expected to see the largest percentage decline at -2.76%.
- SOCWA, as a JPA made up of multiple member agencies (some of which are not under review in this MSR), is projected to see the largest gross decline in residents with a drop of about 4,400.

Table 4 lists the agencies past and projected growth, sorted in order of their projected 2022 to 2027 growth.

Table 4: Agency Individual Population Growth

Southwest Population Changes	Past Growth		Projected Growth	
	2020-2022		2022-2027	
	%	#	%	#
Dana Point	-0.50%	-164	3.19%	1,051
Laguna Woods	-0.74%	-130	2.65%	463
Laguna Hills	-1.99%	-624	1.71%	526
South Coast Water District	1.97%	656	0.93%	314
Aliso Viejo	-2.67%	-1,394	0.82%	418
Emerald Bay Service District	0.51%	8	0.51%	8
El Toro Water District	2.00%	1,038	-0.37%	-198
South Orange County Wastewater Authority	0.70%	4,146	-0.75%	-4,442
Laguna Niguel	-0.06%	-39	-0.85%	-545
Moulton Niguel Water District	0.09%	152	-1.09%	-1,856
Laguna Beach County Water District	-0.73%	-135	-1.31%	-240
Three Arch Bay Community Services District	-0.50%	-5	-1.59%	-16
Laguna Beach	-1.42%	-326	-1.92%	-435
Capistrano Bay Community Services District	-1.36%	-2	-2.76%	-4

Source: US Census Bureau, DOF Population and Housing Estimates, ESRI Business Analyst

Housing unit growth on a per agency basis follows a similar pattern as population. A majority of the agencies are projected to grow their housing stock by less than 1% by 2027.

- The largest percentage increase is again expected in Dana Point with an increase of 2.47%.
- Aliso Viejo, Laguna Niguel, and Laguna Beach are the only agencies with projected declines in their housing unit totals.
- SOCWA is expected to see the largest gross increase in housing units with about 1,400 projected to be added by 2027.

All agencies are listed by order of their 2022 to 2027 projected growth in Table 5. Past growth from 2010 to 2022 is also shown.

Table 5: Agency Individual Housing Unit Growth

Southwest Housing Unit Changes	Past Growth		Projected Growth	
	2010-2022		2022-2027	
	%	#	%	#
Dana Point	2.77%	441	2.47%	404
Laguna Hills	4.01%	441	1.95%	223
South Coast Water District	3.73%	590	1.26%	207
El Toro Water District	4.16%	996	0.91%	227
Laguna Woods	2.56%	335	0.71%	95
South Orange County Wastewater Authority	7.03%	15,678	0.60%	1,426
Moulton Niguel Water District	5.71%	3,666	0.84%	573
Laguna Beach County Water District	-0.60%	-62	0.10%	10
Three Arch Bay Community Services District	2.31%	11	0.00%	0
Capistrano Bay Community Services District	13.45%	23	0.00%	0
Emerald Bay Service District	1.15%	6	0.00%	0
Aliso Viejo	7.04%	1,328	-0.15%	-30
Laguna Niguel	9.92%	2,510	-1.02%	-285
Laguna Beach	0.79%	102	-2.41%	-314

Source: US Census Bureau, DOF Population and Housing Estimates, ESRI Business Analyst

V. PRESENT AND PLANNED LAND USES

Per Government Code Section 56425, a LAFCO shall consider and prepare a written statement of its SOI determinations on five (5) factors, including:

- 1. the present and planned land use in the area, including agricultural and open space lands.*

The agencies of the Southwest Region are largely built out with very little remaining land available or designated to allow for development, and that is not otherwise zoned for open space. The vast majority of agencies' land is zoned for residential uses with pockets of commercial and industrial. Since they are mostly built out, the cities are planning for infill growth, minimally supplemented by acquisition and rezoning of incremental amounts of land. There are no significant agriculture uses in the Southwest Region.

Following are individual agency notes on development and land use:

- The City of Laguna Woods explicitly mentioned rezoning as part of their plan to comply with state housing laws.
- The City of Aliso Viejo is in the process of reviewing various economic development projects, one of which could develop a significant town center for the city.
- The City of Laguna Niguel is considering the rezoning and repurpose of a one million square foot federal building, potentially for new housing development.

Overall, options for changing current land uses for new development are limited and some agencies, such as the City of Laguna Beach, noted a lack of capacity for additional growth with the current infrastructure.

VI. LOCATION AND CHARACTERISTICS OF ANY DUCS

Pursuant to Government Code Section 56430, MSRs make determinations on seven (7) required topics, including:

- 2. Location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence(s);*

Per Government Code Section 56425, a LAFCO shall consider and prepare a written statement of its SOI determinations on five (5) factors, including:

- 4. the existence of any social or economic communities of interest in the area.*

The Southwest Region does not presently contain any OC LAFCO-designated Disadvantaged Unincorporated Communities (DUCs). Due to the lack of inhabited unincorporated space in the region, no DUCs are expected to be designated in the near future.

VII. CAPACITY OF FACILITIES AND ADEQUACY OF SERVICES

Pursuant to Government Code Section 56430, MSRs make determinations on seven (7) required topics, including:

- 3. Present and planned capacity of public facilities and adequacy of public services, adequacy of public services, infrastructure needs, or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.*

Per Government Code Section 56425, a LAFCO shall consider and prepare a written statement of its SOI determinations on five (5) factors, including:

- 2. the present and probable need for public facilities and services in the area;*
- 3. the present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide; and*
- 5. the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.*

REGIONAL OVERVIEW

Overall, agencies in the Southwest Region are providing adequate services to their residents and customers. Agencies reported no complaints from residents and customers and all agencies expressed confidence that they have the resources to maintain the current levels of service. This section of the report discusses the major public services provided by the agencies in the Southwest Region and their capacity to deliver those services with the existing staff and public facilities. Many of the special districts in the Southwest Region are water districts, so a majority of the typical city services discussed in this section are not applicable to those agencies.

LAW ENFORCEMENT AND SECURITY SERVICES

Law enforcement and/or police protection is provided by the Orange County Sheriff's Department ("OCSD") for five cities (all but one) and the unincorporated areas in the Southwest Region. In contrast, the City of Laguna Beach provides this service through its own Police Department.

Under State law, CSDs are permitted to administer and provide law enforcement as well as security services that otherwise are not being provided in their jurisdictions. Security services are defined in CSD law, or Government Code § 61100(j), as any service, including burglar protections and fire alarms, with the goal of protecting lives and property. The three CSDs in the Southwest Region are all authorized to provide security services to their districts. Capistrano Bay and Three Arch Bay CSDs both contract for security services to private security vendors. Neither district is currently providing law enforcement to their jurisdiction, nor are they authorized. Emerald Bay CSD is authorized to provide their district with law enforcement services for private events. They currently contract with OCSD for their annual July 4th fireworks presentation but also for some other community events. Additionally, Emerald Bay covers a portion of the costs to fund 24/7 private internal security services, while the rest of the costs are covered by the Emerald Bay Community Association.

The agencies reported no issues or concerns relating to the quality or adequacy of OCSD services in the Region. However, the rising cost of OCSD services were cited as a concern by the cities of Laguna Woods and Aliso Viejo. Among their cost concerns was the absence of more efficient regionalization of patrol and administrative functions. For more on this issue see Section VIII – Opportunities for Shared Services.

FIRE PROTECTION AND EMERGENCY MEDICAL

Fire protection is almost universally provided to the agencies of the Southwest Region by the Orange County Fire Authority ("OCFA"). The City of Laguna Beach remains the exception, providing fire protection services from their own fire department. OCFA formed originally as a department of the County government in 1980. The department was governed by the County Board of Supervisors at that time. However, as the County expanded and more cities incorporated, particularly those in South Orange County, local residents and governments requested more input in how the department was run. Initially the plan was for the department to become a fire district, but after several years of discussion the agencies agreed to structure OCFA as a Joint Powers Authority in 1995. OCFA has since expanded to include 23 cities, 77 fire stations, and 2 million residents served.

The cities who receive OCFA fire protection are either members of the JPA or contract directly with the Authority. The community of Emerald Bay CSD also receives OCFA services for fire protection. However, as they do not have active statutory power to provide this service, it is provided through the County. Emerald Bay does provide additional services to enhance the community's fire security, including, but not limited to, the land and building structure for Fire Station 11, which serves the community, maintenance, repair and replacement of fire hydrants, perimeter defensible space, and emergency preparedness committee support.

Agencies reported no complaints regarding fire services in their jurisdictions, nor any concerns about adequacy of service or capacity.

WATER SERVICES

Retail water services in the Southwest Region are provided by four of the special districts under review in this MSR:

- El Toro Water District (“ETWD”),
- Emerald Bay Service District (“Emerald Bay”) – through an out-of-area service agreement with LBCWD,
- Laguna Beach County Water District (“LBCWD”),
- Moulton Niguel Water District (“MNWD”), and
- South Coast Water District (“SCWD”).

There is a wide range of eligible government entities in California that can provide water services to residents in the state. Cities, water districts, and CSDs all can exercise their legal authority to govern this service area. They can also relinquish this power to another district or simply contract with them instead. All water districts in the Southwest Region were formed before the incorporation of the cities where they provide service. The oldest district is LBCWD at 97 years old. As a result, none of the cities reviewed in this MSR currently exercise their power to contract or provide water service.

There were no complaints or issues reported by the districts relating to service delivery or capacity. The age of the water infrastructure in each agency varied but was generally within the range of 30 to 50 years old, with the exception of some parts of Laguna Beach. All water districts indicated they had adequate capacity to handle growth with no reported deficiencies. The agencies confirmed they have sufficient planning and infrastructure to address any future maintenance and replacement needs.

Service delivery provided by districts generally follows city boundaries. However, the southern area of Laguna Beach, which was annexed into the City in 1987, was not annexed into LBCWD or any other water district. Because the community was already receiving its water service from SCWD, the residents supported continued provision of the service by SCWD through an agreement with the City. However, since the area is not within the SCWD district boundary, residents may not participate in the election process for the District’s board members. The service agreement attempts to provide southern Laguna Beach residents with some representation through an advisory committee staffed by several residents from South Laguna Beach and several elected officials from both the City of Laguna Beach and SCWD. The advisory committee meets quarterly to discuss water and sewer related projects, programs, and topics of interest. The chair of the committee then provides an end-of-month report to the Laguna Beach City Council reporting on SCWD matters within the Laguna Beach boundaries.

Through RSG’s interviews with staff of LBCWD, SCWD, and the City of Laguna Beach, various perspectives were provided about the current arrangement. LBCWD did not indicate awareness of any discussions regarding potential annexation to their District, but staff noted they could provide water services to the area if so desired. SCWD expressed both their own satisfaction and the residents’ positive reviews of the services they provide. According to SCWD, residents of South Laguna Beach have also expressed interest in being annexed to the District. SCWD has also indicated its support and interest in inclusion of the area in the SCWD’s SOI and annexation. The staff of the City of Laguna Beach indicated that an SOI adjustment could be initiated with OC LAFCO, adding it to the SCWD SOI for a later annexation into that water district. However, OC LAFCO staff recommends the processing of both actions simultaneously for consideration by the

Commission. More on this is discussed in Section IX – Accountability, Government Structure, and Operational Efficiencies.

Wholesale water service within the Southwest Region is provided by the Municipal Water District of Orange County ("MWDOC"). MWDOC was formed in 1951 to import wholesale water from the Metropolitan Water District of Southern California. Governed by a seven-member board, the district's countywide service area includes fourteen cities, thirteen special districts and one private water agency. In addition to wholesale water services, MWDOC also provides other water resources and programs within the Southwest Region that includes planning efforts in water supply development, water use efficiency, and water education and emergency preparedness.

WASTEWATER SERVICES

Wastewater and sewer services are provided to Southwest Region agencies by three (3) of the water districts operating in the area: ETWD, MNWD, and SCWD. Additionally, Emerald Bay CSD and the City of Laguna Beach both retain the power to provide wastewater services to their respective jurisdictions. A Laguna Beach Councilmember has discussed with the Laguna Beach City Council the potential of transferring wastewater services from the City of Laguna Beach to LBCWD in order to make the district an independent agency again, but this has not moved beyond conceptual discussion. Regardless, such a transfer of powers would need to be studied in detail, including operational and fiscal assessments, and an application filed with OC LAFCO to facilitate the proceedings for the formation of an independent special district and the analysis of and analysis of any service and governance changes.

All agencies in the Southwest Region receive wastewater services in some capacity from SOCWA. Services provided by SOCWA generally fit into two areas:

1. Permitting and regulatory support for the operation of all wastewater treatment plants in South Orange County.
2. Operation of three wastewater treatment plants.

SOCWA's JPA agreement previously included ten (10) agencies but has recently been reduced to seven (7) voting member agencies including five (5) Southwest Region entities: ETWD, MNWD, SCWD, Emerald Bay CSD, and the City of Laguna Beach. The two (2) agencies that are not in the Southwest Region and were not reviewed as part of this MSR are the Santa Margarita Water District ("SMWD") and the City of San Clemente. As of July 1, 2023, these three (3) agencies are no longer members of SOCWA: the Irvine Ranch Water District ("IRWD"), Trabuco Canyon Water District ("TCWD"), and the City of San Juan Capistrano. San Juan Capistrano wastewater services and infrastructure were assumed by SMWD through an annexation to the district in 2018.

Wastewater services that have been provided by SOCWA and its predecessors in the Southwest Region were facilitated through JPA agreements. Most of these agreements were initiated in the 1970s following the adoption of the Federal Clean Water Act to obtain grant funding through the Environmental Protection Agency ("EPA") to construct treatment plants and other infrastructure. The JPA agreements were under three entities, the Aliso Water Management Authority ("AWMA"), the Southeast Regional Reclamation Authority ("SERRA") and the South Orange County Reclamation Authority ("SOCRA"). Since that time, the agencies recognized there would be a benefit to the consolidation of these separate JPAs into what is now known as SOCWA.

The regional SOCWA approach to wastewater management has not gone without critiques from some member agencies, particularly the larger districts. MNWD has been one of the leading voices for a reexamination of the agreements that govern the management of SOCWA facilities as well as the overall purpose and structure of SOCWA itself. Outside of the Southwest Region agencies, SMWD has also requested a review and potential changes to the arrangement. MNWD staff has stressed, in their view, that SOCWA as currently structured is not ideally situated to meet the changing wastewater treatment environment. Among their concerns is that SOCWA lacks the direct ability to develop certain water reuse projects, implement capital financing, and interface with customers. SOCWA staff is aware of the evolving issues and has hired a facilitator, at the request of SCWD, to move this discussion into a more productive forum. Additionally, SOCWA staff noted that the agencies have full authority to make any changes they desire to the JPA agreement, provided they get the appropriate majority. Separately, MNWD has partnered with SCWD and SMWD to host regular meetings on the subject, particularly on which agencies are best suited to manage certain treatment plants. SCWD has expressed their support of the current SOCWA structure, as well as the facilitated discussion currently in progress to identify potential improvements and efficiencies to the existing structure. Notably, the other agencies reviewed in this MSR did not express similar interest in a reexamination of the SOCWA arrangements, nor did they share any complaints or concerns about SOCWA's service level. More on this is discussed in Section IX – Accountability, Government Structure, and Operational Efficiencies.

SOLID WASTE SERVICES

Solid waste pickup in the Southwest Region is provided by CR&R, Capistrano Bay CSD, and Waste Management. Five (5) jurisdictions receive solid waste pick up from CR&R, while Laguna Beach and the community within Emerald Bay CSD receive pick up from Waste Management. Agencies reported no complaints or issues with solid waste services.

STORMWATER SERVICES

Stormwater services are provided by the respective Public Works or Planning and Environmental Services departments. Additionally, only one CSD, Three Arch Bay, provides this service. Capistrano Bay CSD is currently seeking to activate the latent power allowing them to provide stormwater protection within their jurisdiction and has filed an application with OC LAFCO to proceed. Citing rising sea levels and tides, the Capistrano Bay CSD believes it needs the ability to manage stormwater impacts to help protect homes within their service area.

Three Arch Bay CSD indicated that their stormwater infrastructure is at or near capacity with an average age of around 75 years old. Their system was designed for a far less developed area with more open space. After becoming built out over the last several decades, more runoff is produced than the infrastructure can handle. To address this, Three Arch Bay CSD has begun a master plan update that will assess the needs for enhancement or replacement, and what funding options are available. The agency indicated that more details would become available once the master plan was complete.

The remaining agencies in the Southwest Region reported no complaints or issues with stormwater services.

OTHER PUBLIC WORKS (ELECTRIC, LIGHTING, UTILITIES, STREETS/ROAD MAINTENANCE)

Lighting services in the Southwest Region are provided by each City's Public Works department and the Capistrano Bay CSD, either through contract or in-house staff. The City of Laguna Beach provides this service through a partnership with Southern California Edison ("SCE") and San Diego Gas and Electric ("SDG&E") as well as their own Public Works department. The cities of Laguna Niguel and Laguna Hills provide the service in-house. Some residential streetlights in Laguna Woods are owned and maintained by the city. In all other cases, lighting is managed by the utilities.

Electricity and gas services are generally provided to the agencies of the Southwest Region directly from SCE, SDG&E, and Southern California Gas ("SoCal Gas").

Street and road maintenance services are provided or managed by the Public Works departments of each city or agency, or through the community or homeowner's association ("HOA"). Emerald Bay and Capistrano Bay CSDs both are authorized and actively provide this service. In Emerald Bay the CSD maintains curbs and gutters as well as provides street sweeping services, while the Emerald Bay Community Association, which functions as the HOA for the area, provides direct street and road maintenance.

Agencies reported no complaints or issues with any of the services covered in this section.

PARKS, RECREATION AND OPEN SPACE

Parks and recreation services in the agencies of the Southwest Region are provided by either a CSD or City department. Among CSDs, only Emerald Bay CSD has the active power to provide parks and recreation services to their residents. Capistrano Bay residents receive this service from the City of Dana Point, while Three Arch Bay residents receive this service from the Three Arch Bay Association. No issues were reported by any Southwest Region agency. The Region does not contain any Recreation and Parks Districts or other regional cooperatives, but it does possess two regional wilderness parks that border several of the cities in the Southwest area: the Laguna Canyon Wilderness Park, and the Aliso and Woods Canyon Wilderness Park. Both parks are unincorporated and managed by CSA 26. The parks also receive OCFA protection. In addition to the regional parks, each agency possesses a variety of recreation and park facilities within their respective jurisdictions.

LIBRARY SERVICES

Library services in the Southwest Region are provided to each City and the adjacent unincorporated areas by the Orange County Public Library (OCPL) System. No complaints or issues were reported by the agencies relating to library services.

ANIMAL CONTROL

Animal control services in the Southwest Region are provided by three entities: the City of Mission Viejo Department of Animal Services, the City of Laguna Beach Animal Services Division, and the Coastal Animal Services Authority ("CASA"). Mission Viejo provides animal control services to the Cities of Aliso Viejo, Laguna Hills, and Laguna Niguel through a contractual agreement. A similar arrangement is in place whereby the City of Laguna Beach provides this service to Laguna Woods. The CASA is a JPA inclusive of the cities of San Clemente and Dana Point. One council member from each city sits on the board. Animal control services are provided to both cities

through this JPA. No complaints or concerns were provided by the agencies regarding animal control services.

CODE ENFORCEMENT

Code enforcement services are provided by the cities and the County in the Southwest Region. Each city enforces municipal and building codes through their Community Development or Code Enforcement departments or divisions, either through contract or in-house staff. Emerald Bay receives code enforcement services from the County of Orange Public Works Neighborhood Preservation Department as part of their unincorporated area services. Southwest Region agencies reported no complaints or issues regarding the quality or adequacy of code enforcement.

VIII. FINANCIAL ABILITY TO PROVIDE SERVICES

Pursuant to Government Code Section 56430, MSRs make determinations on seven (7) required topics, including:

4. Financial ability of agencies to provide services.

The development of the fiscal indicators web-based program (formerly fiscal trends) began in 2008. The intent of the program began with the opportunity to generally compare the performance of Orange County local agencies, and ultimately became a resource for the Commission in the preparation of MSRs through the housing of accurate and meaningful data. Since that time, the web-program has experienced functional improvements and structure enhancements that assist in evaluating the efficiency and effectiveness of municipal service delivery in Orange County. More recently, the fiscal indicators have been simplified while maintaining the goal of its effectiveness as one of OC LAFCO's livable and ongoing resources.

The Southwest MSR process included the gathering of data needed for the fiscal indicators and was discussed with the agencies of the Southwest region. More details on each of the indicators is provided in the next section of the report as well as the performance of each agency relative to the indicators.

OC LAFCO FISCAL INDICATORS

Fiscal indicators help measure and describe prospects for fiscal health. Indicators can flag trends that warrant further evaluation and planning to avoid potential service reductions and declining reserves. The OC LAFCO fiscal indicators are based on the State of California Auditor's indicators of cities' fiscal risk.¹ Multi-year trends in growth (or decline) of agency operating revenues and expenditures, and levels of reserves, are adapted and applied to agencies in Orange County. Agency annual financial reports provide the source data for three key indicators used by OC LAFCO and further described below:

- **Annual Change in Revenues** compares revenue growth to long-term inflation (historically about 2-3%) – Low revenue growth below inflation indicates a potential long-term problem

¹ See the California Auditor's "Local Government High Risk Dashboard"
https://www.auditor.ca.gov/local_high_risk/data_download

keeping pace with inflationary cost increases. Declining revenues can be a symptom of the pandemic and/or weakening economic conditions.

- **Annual Change in Expenditures** compares expenditure growth to long-term inflation. Expenditure growth consistently above inflation and/or above revenue growth indicates a potential structural imbalance and potential future revenue shortfalls. Excessive expenditures could require reserve drawdowns and service reductions.
- **Adequate Operating Reserves** are essential to manage cash flow during the year, handle contingencies and emergencies, provide a "rainy day" account for future economic downturns, and assure funding for asset repair/replacement and expansion of facilities and infrastructure. Operating reserves typically provide at least two months of operating funds (i.e., 16.7% of annual expenditures). If financial reports do not document specific reserve accounts, other metrics include unallocated fund balances or unrestricted net position as reported by agency audits. "Cash" does not always indicate unencumbered funds available for cash flow and contingencies. Additional reserves are usually required for capital improvements, pensions, and other uses.

The fiscal indicators are intended to provide an initial review of annually reported financial data. Further in-depth analysis may be indicated to better understand the cause of financial trends and potential remedies. For example, additional research could clarify whether declining expenditures positively reflect prudent management or are the result of weak revenues. Other factors that could influence indicators include the impacts of the pandemic; the economic climate; State and Federal regulatory changes; infrastructure needs and improvements; changes in service levels and contracts; unfunded OPEB and pension obligations; development, population growth, and increased need for services.

FISCAL INDICATORS FOR SOUTHWEST REGION

The financial capacity of each agency in the Southwest Region is generally adequate for providing services at the current levels. This MSR relies on data from the concurrent Fiscal Indicators project conducted by Berkson & Associates on behalf of OC LAFCO, which assesses the short-term financial trends of the Southwest Region agencies. Table 6 provides a summary of trends reported by the Fiscal Indicators. Three variables (revenues, expenditures, and reserves) are measured for each Southwest Region agency over four fiscal years (FY 17-18 to FY 20-21). The variables are then ranked on a scale from "high" to "declining". For revenues and reserves, the "high" designation indicates the most positive outcome, while "declining" represents the lowest. The inverse applies for expenditures with "high" indicating the most negative outcome and "declining" indicating the most positive one. In addition, the California Auditor's "fiscal condition rank" is shown for each city². Cities ranked higher numerically are considered lower risk by the Auditor, with cities ranked in the 400s being the most financially sound. Most agencies in the Southwest possess high reserve amounts, moderate expenditure growth, and moderate revenue growth.

² Rankings produced by the Auditor's "Local Government High Risk Dashboard"
https://www.auditor.ca.gov/local_high_risk/data_download

Table 6: Summary of Fiscal Indicators Project and CA Auditor Rankings

Southwest		Growth of Agency...		CA Auditor
Agency	Revenues	Expenditures	Reserves	Fiscal Condition Rank¹
Aliso Viejo	Declining	Moderate	High	336
Dana Point	Moderate	Declining	Moderate	279
Laguna Beach	Moderate	Low	Moderate	268
Laguna Hills	Low	Low	Moderate	238
Laguna Niguel	Low	Moderate	High	367
Laguna Woods	Low	Moderate	High	413
El Toro Water District	Low	Low	Moderate	
Laguna Beach County Water District	Moderate	Moderate	High	
Moulton Niguel Water District	Moderate	Moderate	High	
South Coast Water District	Moderate	Moderate	High	
Capistrano Bay Community Services District	Moderate	Moderate	High	
Emerald Bay Service District	Moderate	Declining	High	
Three Arch Bay Community Services District	Low	High	High	
South Orange County Wastewater Authority ²	Moderate	Low	N/A	

¹ The California Auditor fiscal condition rank is for cities only. Rankings in the 400s represent a better fiscal outlook than lower numbers.

² SOCWA does not possess any reserves or reserve requirements.

Source: Berkson & Associates Fiscal Indicators Report, CA Auditor Local Government High Risk Dashboard FY 20-21

The City of Aliso Viejo was the only agency expressing concerns about expenditure growth exceeding that of revenues, as confirmed by the data reported in the Fiscal Indicators. Aliso Viejo is exploring options to increase their revenues including economic development projects and public benefit agreements with developers.

Two Southwest Region agencies, the Cities of Aliso Viejo and Laguna Woods, expressed particular concern about rising costs for the OC Sheriff's law enforcement services. Aliso Viejo indicated that the associated costs may contribute to a potential fund deficit at some point in the future. Both agencies mentioned a desire to have a more collaborative relationship with OCSD on matters relating to cost increases, since law enforcement represents such a significant share of their overall budgets. One cost issue noted as an example was the use of three captains and/or patrols in an area no larger in population than the City of Mission Viejo, which has only one. Vehicle storage/maintenance and labor agreements were also noted as drivers of the cost increases. The cities have held informal internal and external discussions about how to reduce costs, including the discussion of alternatives such as a more regionalized OCSD policing model. Other agencies that contract for this service, including Dana Point and Laguna Niguel, did not indicate similar concerns with the costs of OC Sheriff services.

IX. OPPORTUNITIES FOR SHARED FACILITIES

Pursuant to Government Code Section 56430, MSRs make determinations on seven (7) required topics, including:

5. Status of, and opportunities for, shared facilities;

WATER AND WASTEWATER

The Southwest Region has several existing regional cooperatives including its four water districts as well as the SOCWA JPA. Within SOCWA there are numerous shared facilities for wastewater

collection and treatment. These are managed by SOCWA through separate project agreements or committees among various member agencies. Many of these agreements predate SOCWA and are due to expire in the coming decade. MNWD has expressed strong interest in assuming management of SOCWA's regional facilities in its jurisdiction and sees a potential benefit if many of SOCWA's assets were operated by each member agency themselves. In their view (which is shared by the Santa Margarita Water District), SOCWA is not structured to meet the wastewater service needs of some member agencies and should shift to a coordination and management-oriented role. This would require SOCWA to relinquish their facilities ownership while keeping their powers to manage ocean outfalls, acquire EPA certification, and apply for NPDES permits. In turn, the local water districts and city departments would assume control of the wastewater facilities and bring those operations in-house. Alternatively, SCWD has expressed a strong interest in preserving the existing structure of SOCWA while also expressing openness to evaluating the agreements for efficiencies and improvements. The other three Southwest Region SOCWA member agencies are aware of the MNWD and SMWD concerns and proposals. However, they did not express a desire to advance these ideas during the MSR process but stressed their openness to reevaluating the project agreements as they approach their respective expiration dates.

SOCWA staff is also aware of the discussions between member agencies and noted that any change in the operations and ownership of SOCWA's wastewater treatment facilities will need to account for the agencies serviced by the respective facility. As of the writing of this MSR, SOCWA staff confirmed that a facilitator had been hired by the SOCWA board in order to hold and guide productive meetings on the subject. Additionally, MNWD, SMWD, and SCWD have been hosting weekly meetings amongst their agencies' staff to produce workable alternatives to the issues MNWD and SMWD have highlighted. These meetings have discussed, among other things, who would become the responsible operator for the Regional Treatment Plant, the Coastal Treatment Plant, and the J.B. Latham Treatment Plant in the event of a SOCWA reorganization.

MSRs are intended to plant seeds for exploring alternative options for service delivery. Since this issue has been raised by two large agency members of SOCWA, and the other members, including the JPA, have expressed an openness to exploring options, both SOCWA and the relevant interested member agencies should consider commissioning a thorough focused study on the matter. The study should explore options that support efficiency and the long-term fiscal and operational sustainability of the infrastructure and service areas. Any study into the issue should account for the existing service areas of each facility, including any agencies not a part of the MNWD, SMWD, and SCWD meetings.

LAW ENFORCEMENT

As mentioned previously, the Cities of Laguna Woods and Aliso Viejo have concerns with the rising costs of the current OC Sheriff's contract. Through agency interviews and survey responses while conducting this MSR, a regional policing model through OCSD was floated informally as one of a few potential solutions to reduce costs.

ANIMAL CONTROL

As mentioned in Section VII, there are three existing joint ventures for animal control in the Southwest Region. The first is through the Mission Viejo Department of Animal Services and its contract services with the Cities of Aliso Viejo, Laguna Hills, and Laguna Niguel. The second is through the Laguna Beach Animal Services Division which contracts with the City of Laguna

Woods, in addition to operating within the City of Laguna Beach. The third joint venture is the Coastal Animal Services Authority or CASA. As explained earlier, CASA is a JPA between the cities of Dana Point and San Clemente, the latter of which is not reviewed in this MSR. These joint ventures provide adequate service and neither partnership had any issues reported. Animal Control is currently the only instance where facilities are shared and services are contracted directly between cities. All other regional cooperatives involve the County, the water districts, or SOCWA.

X. ACCOUNTABILITY, GOVERNMENT STRUCTURE AND OPERATIONAL EFFICIENCIES

Pursuant to Government Code Section 56430, MSRs make determinations on seven (7) required topics, including:

- 6. Accountability for community service needs, including government structure and operational efficiencies.*
- 7. Any other matter related to effective or efficient service delivery, as required by Commission Policy.*

Overall, agencies in Southwest Region of Orange County function at an efficient level and do not have many structural problems. This is largely due to four things: the high amount of contract or third-party labor, successful regional cooperation, the high value of land and property, and the fact that most of the region was developed as several master planned communities. Outside of the City of Laguna Beach, LBCWD, and SCWD, every agency is under 65 years old. All other cities besides Laguna Beach are even younger at around 33 years of age. The water districts formed first during the area's agricultural days in the 1960s. From there almost every city developed as a general plan community with the eventual goal of incorporation. From 1989 to 2001 the cities of Dana Point, Laguna Niguel, Laguna Hills, Laguna Woods, and Aliso Viejo all incorporated. This development process is unique in comparison to some of the older parts of the County where governance and planning structures were produced after development had already taken place.

Overall, the Southwest Region agencies implement policies and procedures that ensure transparency and accountability to the public, including appropriate elections and public notice of agency meetings and actions. Each agency has a formal governing body that is elected, and all the agencies conduct regularly scheduled public hearings. Many agencies stream their public hearings on platforms such as Zoom. All of the Southwest agencies maintain websites that contain general information on City and District departments, activities, and events.

All cities in the Southwest Region are general law cities with a Council-Manager form of government. Additionally, all cities have a five-member City Council elected at-large or by district. The CSDs in the region are also governed by five Board Members each elected at-large or by district. The CSDs function with minimal in-house staff. Only two employees work at the Capistrano Bay CSD, one at Emerald Bay CSD, and none are employed directly by the Three Arch Bay CSD. For Emerald Bay and Three Arch Bay, most work is contracted out to the local homeowners or community association. In Emerald Bay, work contracted to the Emerald Bay Community Association is governed by a management services agreement. The agreement includes the cost of office rent, a facilities lease, and administrative expenses, as well as the cost of an administrative assistant position for a certain amount of time per month. According to the Emerald Bay FY 2022-23 budget, the management services covered under the agreement cost

the district approximately \$372,000. Three Arch Bay has a similar management services agreement with the Three Arch Bay Association, an HOA that covers the same geographic area as the CSD. Under the Three Arch Bay agreement, the association provides general manager, secretarial, and clerical services to the district. It also covers related administrative expenditures and facilities leases. The Three Arch Bay management services agreement costs the district approximately \$480,000 as of the FY 2022-23 budget.

In the Fall of 2021, two residents of Three Arch Bay CSD raised concerns with OC LAFCO regarding the district's use of unauthorized service provisions and its use of district funds. In response to these concerns, OC LAFCO engaged with the district staff to understand the services that were being provided. Subsequently, the CSD indicated that they would not be providing any services that have not been appropriately authorized by OC LAFCO and they do not intend to file an application with the Commission to provide such services. Should the CSD's position change in the future, an application must be filed with OC LAFCO.

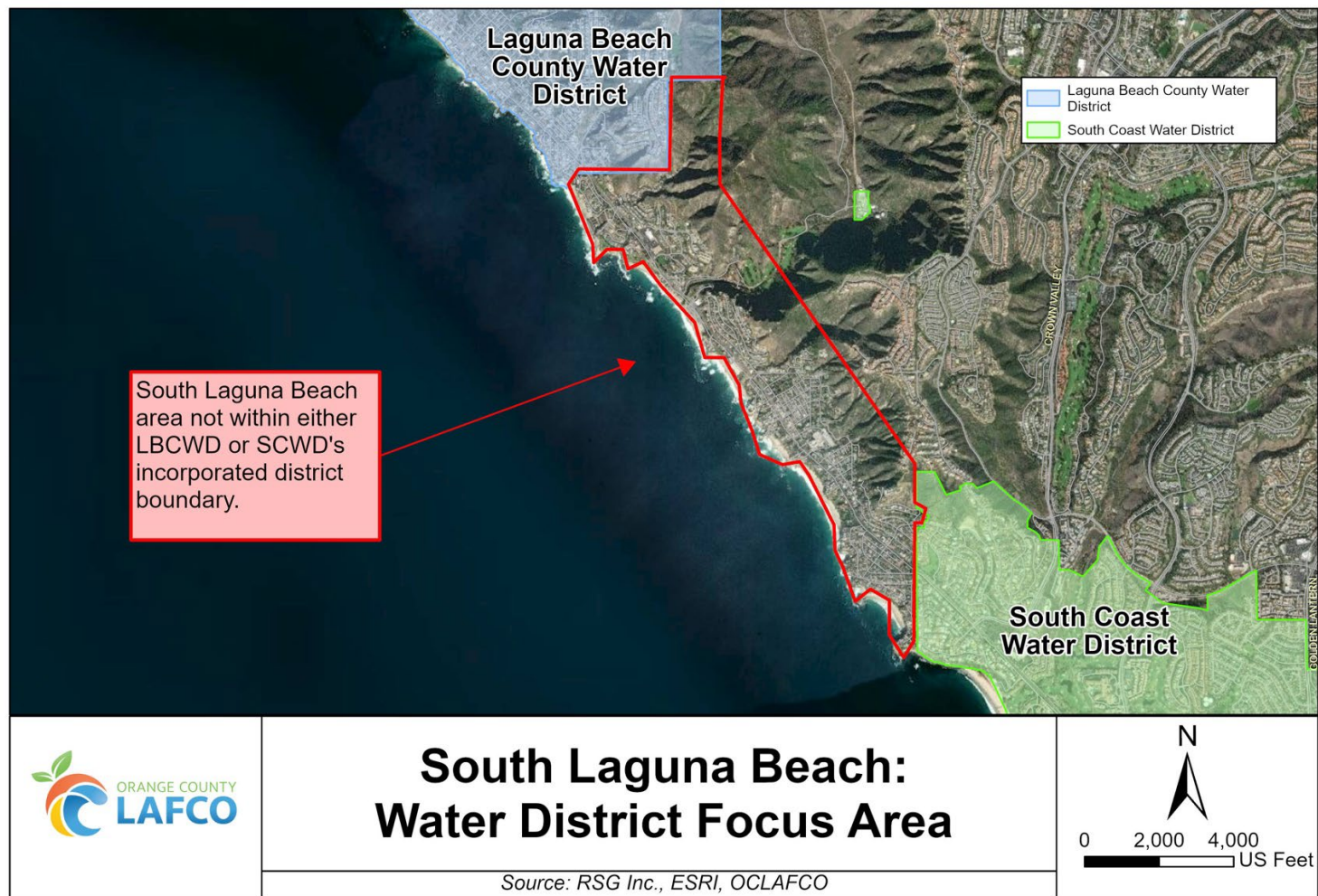
Southwest Orange County is also unique in that it possesses four locally controlled water districts as opposed to large regional ones. Two of these water districts (ETWD and MNWD) are considered "California Water Districts", while one (LBCWD) is considered a "County Waterworks District" and a dependent district, and one other (SCWD) is considered a "County Water District". The differences between the three district styles lie in their formation. A California Water District, according to Government Code Section 34153, is formed when the owners of a majority of the land in an area capable of using water beneficially for irrigation, domestic, industrial, or municipal purposes, and which can be serviced from common sources or supply and by the same system of works, petition LAFCO for the formation of a district. In other words, it is created from a petition of private landowners. A County Waterworks District is formed when a petition is sent to LAFCO that has acquired signatures from 25% of the residences in the area designated to be within the future district. As opposed to being based on land ownership, a Waterworks district is based on a percent of total residences. Additionally, a County Waterworks District must be wholly within one county, as opposed to the similarly named "County Water District", which can be made up of multiple counties but does not have to be.

Following are specific individual agency findings for this topic area:

- The City of Laguna Beach recently reached an agreement with the County to take ownership and responsibility for the beaches in South Laguna; mainly Aliso, Camel Point, Laguna Royale, Table Rock, Thousand Steps, and West Street. The agreement went into effect on March 1, 2023. Although the County will retain its property tax share for this part of County Service Area ("CSA") 26, it agreed to pay the city a \$22 million lump-sum to cover the transfer of operations. This new arrangement improves local accountability for the operations of the lifeguard towers and public facilities there and also streamlines government service.
- In the southern area of the City of Laguna Beach ("South Laguna"), the lack of directly elected representation on the SCWD board is a concern of residents and representatives of the City of Laguna Beach. In particular, residents have provided feedback suggesting that since SCWD now conducts district elections for Board Members, the voice of south Laguna Beach residents is more limited than when Board Members were elected at-large. At-large board members, in their view, had less of an obligation to focus only on their own district voters' concerns. The residents have not expressed concerns about the quality of service, only the form of representation. As mentioned previously, SCWD staff generally reported satisfaction from residents and were not aware of any push for the southern Laguna Beach area to be formally annexed into SCWD. They were not opposed to the

idea and reported that there is interest in annexation. The issue was raised in the MSR survey and interviews with City of Laguna Beach staff, who were interested in studying an amendment to the SOI boundary so that southern Laguna Beach can eventually be annexed into SCWD, allowing residents to vote in the district's election process.

A map of the area is shown on the following page:



- OC LAFCO staff participated in discussions with the City of Laguna Beach regarding the provision of water and sewer services by multiple providers within their jurisdictional boundary. As indicated in other sections of this report, the City and respective providers acknowledge that generally the services are being provided efficiently and do not see a need for consolidation or reorganization; however, there have been past inquiries from the City and LBCWD representatives involving potential reorganization involving the delivery of these services to improve efficiency. OC LAFCO staff acknowledges these discussions and notes that a change of organization (i.e. formation of district, reorganization, divestiture of services) would require an in-depth multi-year study involving the operational and fiscal assessments.
- Governance structure has also been raised as an issue within SOCWA. Though the problem has evolved over the years, the current issue relating to facilities ownership stems from concerns previously shared by MNWD. In terms of accountability and governance structure, MNWD has expressed dissatisfaction with SOCWA's ability to adapt to new trends in wastewater treatment services and regulations. In MNWD's view, a transition of assets to the member agencies would enable agencies to better implement water reuse programs, seek outside funding, and integrate new projects into the regional infrastructure. As with all other SOCWA related subjects in this MSR, the same level of concern was not expressed by the other member agencies interviewed. SCWD emphasized their interest in preserving the existing SOCWA structure. The other three Southwest Region agencies did express a willingness to explore alternative methods of governance within SOCWA, provided they go through the proper channels. SOCWA staff has stressed that any changes to the JPA agreement, including a redistribution of assets, is open for discussion. SOCWA staff also noted that any reorganization discussions should take into account what they viewed as beneficial contractor pricing from SOCWA's ability to request proposals regionally. OC LAFCO staff is aware of current SOCWA Board discussions, member agency meetings, and potential proposals involving the reorganization of SOCWA. OC LAFCO staff has noted the complexity of the issues involving SOCWA and that LAFCOs do not have authority over JPAs. However, staff also notes, that in accordance with state law, LAFCOs are required to review the municipal services delivered by JPAs through the MSR process, and JPAs that provide municipal services are required to submit copies of their agreements, including subsequent amendments, to their respective LAFCO in accordance with Government Code Section 6503. In addition, if SOCWA's assets ever transition to the ownership of any single member agency, any provision of service outside of said agency's service area may require OC LAFCO review.
- Through this MSR, Capistrano Bay CSD expressed concern with an ongoing boundary issue at the south end of their district at Poche Beach. In the past the beach was shown as a part of the district's boundary but was excluded from their SOI for an unknown reason. The CSD staff believed that the Poche Beach area may never have been part of their district. However, OC LAFCO staff investigated this issue thoroughly and found that the boundary of the district and its SOI should both include Poche Beach. The error on the SOI map file was corrected and now shows the SOI and boundary are coterminous.

No additional matters related to effective and efficient service delivery have been identified for review in this MSR by OC LAFCO or the Southwest Region agencies.

SOUTH ORANGE COUNTY AGENCIES GROUP JOINT MEETING
WEDNESDAY, JULY 26, 2023
12:00 P.M. to 1:30 P.M.
AGENDA

EL TORO WATER DISTRICT
24251 LOS ALISOS BLVD., LAKE FOREST, CA 92630

1. Welcome and Introductions
2. OC Grand Jury Report
3. MWDOC Update/Discussion
 - a. MWDOC Current Issues
 - b. Other Matters
4. MET Update/Discussion
 - a. MET Current Issues
 - b. MET Water Supply Issues
 - c. Colorado River Negotiations
 - d. Other Matters
5. Legislative/Regulatory Update
 - a. Local
 - i. OC-LAFCO Matters
 - b. State
 - c. Federal
6. Regional Project Interests/Updates
 - a. Regional Recycled Water Discussion
 - b. South County Emergency GW Supply Project
 - c. Doheny Ocean Desalination Project Update
 - d. San Juan Watershed Project
 - e. R-6 Reservoir Floating Cover and Liner Replacement Project
 - f. Other Project Interests/Updates
7. Any Agency/City Updates
8. Adjournment

SOUTH ORANGE COUNTY AGENCIES' GROUP CONSISTS OF MEMBERS AND REPRESENTATIVES FROM

City of San Clemente • El Toro Water District • Emerald Bay Service District
Irvine Ranch Water District • Laguna Beach County Water District • Moulton Niguel Water District
Santa Margarita Water District • South Coast Water District • Trabuco Canyon Water District



Executive Committee Meeting

Tuesday, July 11, 2023

7:30 a.m.

Mailing Address

P.O. Box 20895
Fountain Valley, CA 92728

The next meeting of the ISDOC Executive Committee will be via teleconference only.
The MWDOC/OCWD offices are closed to the public. Please use the information below to access the meeting.

Meeting Location

MWDOC/OCWD
18700 Ward Street
Fountain Valley, CA 92708

Join Zoom Meeting

<https://us06web.zoom.us/j/3840960436>

(714) 963-3058
(714) 964-5930 fax

<https://isdoc.specialdistrict.org/>

Dial by your location

669 900 9128 US (San Jose)

877 853 5247 US Toll-free

888 788 0099 US Toll-free

Executive Committee

President

Hon. Greg Mills
Serrano Water District

AGENDA

1st Vice President

Hon. Bob McVicker
*Municipal Water District
Orange County*

I. Welcome, Introductions

[Please mute yourself when not speaking. Please raise hand on Zoom if you have a question or comment.]

2nd Vice President

Hon. Paul Mesmer
*Surfside Colony Community
Services District*

II. Approval of Minutes

- Approval of June 6, 2023 and June 22, 2023 Minutes

3rd Vice President

Hon. Scott Nelson
Placentia Library District

III. Public Comments on items not on the agenda

Secretary

Vacant

IV. New Business

Treasurer

Hon. Sandra Jacobs
Santa Margarita Water District

V. Old Business

- Website Maintenance Evaluation Volunteer Options – Placentia Library
- Website Maintenance Recommendations – Website Committee

Immediate Past President

Hon. Mark Monin
El Toro Water District

VI. Treasurer's Report – Director Jacobs

- Report of accounts

Staff Administration

Heather Baez

*Municipal Water District of Orange
County*

VII. CSDA Report – Director Schafer or Chris Palmer

- Receive, discuss and file the CSDA Report

Tina Dubuque

*Municipal Water District of Orange
County*

VIII. LAFCO Report – Director Fisler

- Receive, discuss and file the LAFCO report

IX. ACWA Report – Director Jacobs

- Receive, discuss and file the ACWA report

X. OCCOG Report – Director Scheafer

- Receive, discuss and file OCCOG report

XI. California Association of Sanitation Agencies (CASA) Report – OCSD Representative

- a. Receive, discuss and file the CASA report

XII. Subcommittee Reports

- Programs – Director McVicker
- Membership - Director Mesmer
- Legislative – Trustee Nelson

XIII. Adjourn



**Executive Committee Meeting
(Virtual Meeting via Zoom)**
Tuesday, June 6, 2023, 7:30 a.m.

MEETING MINUTES

I. WELCOME:

President Greg Mills called the meeting to order at 7:33 a.m. and welcomed all.

DIRECTORS PRESENT:

Greg Mills	President	Serrano Water District (SWD)
Bob McVicker	1 st Vice President	Municipal Water District of Orange County (MWDOC)
Paul Mesmer	2 nd Vice President	Surfside Colony Community Services District
Scott Nelson	3 rd Vice President	Placentia Library District
Vacant	Secretary	
Saundra F. Jacobs	Treasurer	Santa Margarita Water District (SMWD)
Mark Monin	Immediate Past President	El Toro Water District (ETWD)

DIRECTORS ABSENT:

None

SUPPORT STAFF PRESENT:

Heather Baez	MWDOC
Tina Dubuque	MWDOC
Sharon Brimer	Recording Secretary

OTHERS PRESENT:

Arlene Schafer	Costa Mesa Sanitary District
Alicia Dunkin	Orange County Water District
Chris Palmer	California Special Districts Association (CSDA)
David Anderson	Water Emergency Response Organization of Orange County (WEROC)
Gavin Centeno	Orange County Local Agency Formation Commission (OCLAFCO)
Jeanette Contreras	Placentia Library District
Jerry Legg	Five Star Bank
Jim Fisler	Mesa Water District (MWD)
Mike Scheafer	Costa Mesa Sanitary District (CMSD)
Steven Faessel	Orange County Sanitation District

II. MEETING MINUTES:

MOTION:

Motion by Director Jacobs, second Director McVicker, to approve the meeting minutes of the May 2, 2023, Executive Committee Meeting. The motion passed unanimously.

III. PUBLIC COMMENTS:

None

IV. NEW BUSINESS

None

V. Old Business

- Website Maintenance Evaluation Volunteer Options - Placentia Library

No report for this meeting.

- Website Maintenance Recommendations – Website Committee

No report for this meeting.

- Scholarship Recommendations (CSDA) Update – Ad-hoc Committee

Director Jacobs referred to the draft letter for the CSDA scholarship program. A recommendation was made to have the CSDA Special District Leadership Foundation process applications and submit candidates to the ISDOC Executive Board for final selection. The ISDOC Scholarship would cover CSDA conference registration fees (no travel, mileage, or accommodations).

Member agencies with annual budgets of no more than \$20 million in revenues are eligible for the scholarship. There are 17 qualifying members. The conference fees are \$675 for early bird registration (before August 5, 2023). Total scholarships would be \$1350.

It was noted that the applications must be submitted no later than August 1, 2023.

MOTION:

Motion by Director Jacobs, second Director Mesmer, to approve the letter to be sent to qualifying member agencies for the ISDOC sponsored CSDA registration for the CSDA Annual Conference August 28-31, 2023, in Monterey, CA. The motion passed unanimously.

VI. Treasurer's Report – Director Jacobs

Director Jacobs reported the bank balance was \$9,593.53. ISDOC will be funding two CSDA scholarships. Funds for the two scholarships will be sent to the CSDA Special District Leadership Foundation.

A Zelle account is being set up through Union Bank to handle luncheon fees once ISDOC returns to in-person luncheons and dues. This procedure will allow ISDOC to receive money electronically.

VII. California Special Districts Association (CSDA) Report – Director Schafer

Director Schafer reported 200 people were present for Legislative Days in Sacramento. At a national level, CSDA is being recognized.

The Taste of the City is an event at the CSDA Annual Conference, August 28 – 31, 2023, in Monterey, and there is a request for funds from member agencies. The funds are used to purchase items for the auction. CSDA has a deadline of August 1, 2023, for money donations.

Director Schafer noted that she is running for re-election for CSDA Board of Directors, Southern Network, Seat C.

CSDA Board is considering raising the membership dues for 2024.

Chris Palmer reported that a big issue is a rule that was issued by the California Air Resources Board (CARB) that beginning in 2024, 50% of medium and heavy-duty utility vehicle purchases must be Zero Emission Vehicles (ZEV) and 100% by 2027. CARB is holding a series of webinars to provide information on the new regulation

AB 1594 (Garcia) would require any state regulation that seeks to require the procurement of medium- and heavy-duty ZEVs to ensure that those vehicles can support a public agency utility's ability to maintain reliable water and electric service, respond to disasters in an emergency capacity, and provide mutual aid assistance statewide and nationwide.

Chris Palmer asked if his "Take Action" brief be circulated via email.

VIII. LAFCO Report – Director Fisler

Director Fisler reported the next meeting is on June 14, 2023, at 8:15 a.m.

- Commission appointment of Bruce Whitaker as a city member who is the Mayor Pro Tem for the City of Fullerton. He also serves on the Orange County Sanitation District and the Orange County Water District and will be sworn in at the June meeting.
- Update on legislation –AB 557 (Hart), Local agencies and teleconferencing, and AB 1637 (Irwin)– would require Local Governments to switch to using a .gov or ca.gov for website addresses and email. The current bill no longer includes special districts or LAFCOs.
- Considering a professional services agreement with Chase Design, Inc. to complete design improvements to the agency's website.
- Considering Legislative Policy and Guidelines with amendments to Stakeholder Engagement, Procedures.
- 2023 Cal LAFCO Annual Conference at the Hyatt Regency, Monterey, CA, October 18 – 20, 2023.

IX. ACWA Report – Director Jacobs

Director Jacobs reported:

- Cathy Green, Director of Orange County Water District, is running for ACWA president
- Ernesto A. Avila, Director of Contra Costa Water District, is running for ACWA Vice-President

- Voting will be done electronically.
- Chuck Gibson, Director of Santa Margarita Water District, is running for the Region 10 seat.
- The Quench California sub-committee is working on a follow-up project using polling questions to determine the effectiveness of the "Quench California" program intended to educate Californians on funding water infrastructure.
- ACWA State Legislative Committee is asking for support for Governor Newsom's Infrastructure Trailer Bill package.
- The ACWA State Legislative Committee has taken an oppose position on three water rights bills, AB 460, AB 1337 and SB 389.
- Region 10 Meeting, June 29, 2023, at 8:00 a.m. Oceanside, CA – Flowing Forward – Water Infrastructure for the 21st Century.
- ACWA Fall Conference is November 28 - 30, 2023, in Indian Wells, CA

X. Orange County Council of Governments (OCCOG) Report – Director Scheafer

Director Scheafer reported:

- May 25, 2023, the meeting included a legislative update—topic AB 1637. OCCOG has taken an oppose position.
- The 23/24 budget will be the same as the 22/23, with no dues increase.
- 23/24 Work plan will mirror 22/23. OCCOG is planning to engage in more advocacy.
- Adjourned meeting in memory of former Mayor of Tustin and former OC LAFCO Commissioner Dr. Allan Bernstein.

XI. Orange County Operational Area Report – Director Monin

As the Alternate Director, Director McVicker commented that he attended the Emergency Management Council Operational Area Executive Board quarterly meeting. Two topics were: a NIMS update and GWRS information.

XII. California Association of Sanitation Agencies (CASA) Report – OCSD Representative

No report for this meeting

XIII. Subcommittee Reports

- Programs – Director McVicker

Director McVicker reported on the program for the June 22, 2023 meeting.

- Program: Policy Changes Affecting Special Districts featuring CSDA Advocacy & Public Affairs Director Kyle Packham as speaker.
- Spotlight District: Serrano Water District
- Associate Member Spotlight: Duran Kinst Strategies (DKS)
- 43 people are currently registered

September Program: Daryl Johnson, OCTA. Director McVicker noted that OCTA prefers an in-person meeting, and that this is placed on the agenda for discussion next month

Director Monin recommended a hybrid meeting.

- Membership – Director Mesmer

Director Mesmer reported invitations are going out to potential associate members.

- Legislative – Trustee Nelson.

Trustee Nelson reported:

- AB 1637 was amended to exclude special districts.
- California Air Resources Board (CARB) – Zero-Emission Vehicle (ZEV) Regulation requires all districts and municipalities to meet 50% of medium and heavy-size local government vehicle purchases must be ZEV by 2024 and 100% by 2027.
- SB706 – Progressive design-build. Allows agencies to combine design and build together for more efficient construction projects.

Director Jacobs reported she invited Director of Environmental Compliance Amber Baylor with South Orange County Wastewater Authority (SOCWA) to attend ISDOC meetings and provide the CASA report.

XIV. Adjourn:

President Mills thanked the attendees and staff for their participation and assistance. The meeting was adjourned at 8:24 a.m.

The next ISDOC Quarterly Meeting is June 22, 2023, at 11:30 a.m. via Zoom.

The next ISDOC Executive Committee meeting is scheduled for Tuesday, July 11, 2023, at 7:30 a.m. via Zoom.

Signed: _____



Greg Mills, ISDOC President



ISDOC QUARTERLY MEETING

(Virtual Meeting via Zoom)

Thursday, June 22, 2023, 11:30 a.m.

MEETING MINUTES

I. CALL TO ORDER:

President Greg Mills called the meeting to order at 11:34 a.m. and welcomed all.

DIRECTORS PRESENT:

Greg Mills	President	Serrano Water District (SWD)
Bob McVicker	1st Vice President	Municipal Water District of Orange County (MWDOC)
Paul Mesmer	2nd Vice President	Surfside Colony Community Services District
Vacant	Secretary	
Saundra F. Jacobs	Treasurer	Santa Margarita Water District (SMWD)
Mark Monin	Immediate Past President	El Toro Water District (ETWD)

DIRECTORS ABSENT:

Scott Nelson	3rd Vice President	Placentia Library District
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SUPPORT STAFF PRESENT:

Heather Baez	MWDOC
Christina Hernandez	MWDOC
Sharon Brimer	Recording Secretary

PRESENTERS:

Kyle Packham	Advocacy and Public Affairs Director, California Special Districts Association (CSDA)
Jerry Vilander	General Manager, Serrano Water District
Michelle Wolf	Brand Ambassador Duran Kinst Strategies (DKS)

OTHERS PRESENT:

Al Nederhood
Amanda Castro
Bernard Hartmann
Bob Ooten
Brad Reese
Brenda Manriquez
Bruce Whitaker
Chris Palmer
David Duran
Denis Bilodeau
Dick Fiore
Frank Bryant

Gavin Centeno
John Sears
Jerry Haight
Jim Leach
Jerry Legg
John Sears
Kelly Rowe
Mark Nguyen
Roger Yoh
Stephen Faessel
Tim Deutsch

II. PLEDGE OF ALLEGIANCE:

President Greg Mills led the Pledge of Allegiance.

III. INTRODUCTIONS:

President Mills introduced program presenter CSDA Advocacy and Public Affairs Director Kyle Packham and provided a brief overview of Mr. Packham's experience and education.

IV. PROGRAM:

Kyle Packham, CSDA

- AB 557 (Hart) Emergency Remote Meetings –
 - Eliminates AB361 (Rivas) sunset and adjusts renewal period from 30-45 days). CSDA position: Sponsor
- Other Brown Act legislation includes: AB 817 (Pacherco), AB 1379 (Papan), SB 411 (Portantino), SB 537 (Becker)
- AB 1637 (Irwin) ".Gov" website and email mandate -Special Districts have been removed from the bill. Mr. Packham recommended each District consider securing a ".gov" website domain to prepare for federal legislation.
- AB 764 (Bryan) Fair Maps Act – Extends limited statutory redistricting procedural requirements to special districts. CSDA position – Oppose unless amended.
- AB 480 – (Ting) Surplus Land Act (SLA) – CSDA position – Oppose unless amended.
- SB 747 (Caballero) SLA Adjustments- CSDA Position: Support if amended
- AB 516 (Ramos) Mitigation Fee Act Requirements. CSDA position: Concerns
- AB 400 (Rubio) Local agency design-build projects
- AB 706 (Caballero) – Allow local governments to use design-build processes.
- State Budget
 - CARB Zero Emission Vehicles (ZEV) Mandate
 - Advanced Clean Fleets (ACF) regulation
 - Milestone Option by Group and Year

- Voter Limitation Initiative – Initiative 1935 (21-0042A) Limits the ability of voters and state and local governments to raise revenues for government services. Initiative constitutional amendment. – CSDA Position: Oppose
- National Special Districts Coalition (NSDC) – The National Special Districts Coalition is the only national organization representing and advocating for all special districts at the national level.
- CSDA.net/Take-Action – This website contains information on legislation and sample letters and resolutions for use when action is needed either in support of or in opposing positions.

Mr. Packham responded to questions from the Board, and the Board thanked him for the presentation. Mr. Packham thanked ISDOC for the two scholarships.

V. MEMBER DISTRICT SPOTLIGHT: Serrano Water District

Serrano Water District General Manager Jerry Vilander proceeded with the presentation that provided an overview of the District's scope, operations, and responsibilities. He noted that the Serrano Ditch Company was established in 1876. In 1927, Serrano Irrigation District (SWD) was formed. Serrano is an "Enterprise Activities" special district, and as such, it is financed entirely by water-related revenues.

He offered a current major project is the replacement of the Santiago Reservoir spillway and outlet tower. Today SWD (25%) and IRWD (75%) share ownership of the Santiago Reservoir water rights (lands underneath and surrounding it at 50/50). The District maintains the C. L. "Larry" Pharris Jr. Filtration Plant, one of the first PFAS Treatment Plants in Orange County, the Walt E. Howiler Jr. Treatment Plant, and the Lockett Reservoir (3 million gallons).

GM Vilander responded to questions from the Board, and the Board thanked him for the presentation.

VI. ASSOCIATE MEMBER SPOTLIGHT: Duran Kinst Strategies

Duran Kinst Strategies Brand Ambassador Michelle Wolf proceeded with the presentation that highlighted the following:

- DKS is committed to crafting strategies that help small businesses and organizations compete in a fast-paced, digital marketplace.
- Ms. Wolf reviewed the team and the reasons why an organization should use DKS services.

The Board thanked Ms. Wolf for the presentation.

VII. REPORTS

- a. Executive Committee (EC) Report– Greg Mills
 - The Scholarship letter was sent to members who qualify.
 - The Executive Committee's ad hoc Website Committee is reviewing its website and how it will function and be updated.

- The EC is discussing the format for its quarterly meetings, regarding virtual-only or in-person.

b. Treasurer's Report

President Mills reported:

- There is a \$9,593.59 bank balance as of May 31, 2023. There is a future expense for two CSDA conference attendees not to exceed \$2,000.
- Working on a Zelle account for luncheon payments.

c. OC LAFCO Report

President Mills reported that Director Fisler informed him that the July 2023 OC LAFCO meeting was canceled.

VIII. NEW BUSINESS:

Director Nederhood spoke in favor of alternating virtual and in-person meetings quarterly meetings.

Director Schafer spoke in favor of alternating virtual and in-person meetings quarterly meetings.

IX. ANNOUNCEMENTS:

Director Schafer reported on the 2023 Special Districts Legislative Day in Sacramento, noting there were an estimated 200 attendees. The CSDA Executive Committee voted for a dues increase in 2024. The 2023 CSDA Annual Conference & Exhibitor Showcase scheduled for August 28-31, 2023, in Monterey is coming up. CSDA is requesting chapters for donations for its silent action. There is a due date of August 1, 2023, for donations.

President Mills offered the donation request will be taken at the next Executive committee meeting.

Directors Nederhood and Schafer are running for CSDA Seat C.

X. ADJOURN:

President Mills thanked the various attendees and staff for their assistance and participation. The meeting was adjourned at 12:50 p.m.

The next ISDOC Executive Committee Meeting is July 11, 2023, at 7:30 a.m.

ISDOC Quarterly Meeting of June 22, 2023

The next ISDOC Quarterly Luncheon is scheduled for Thursday, September 28, 2023,
at 11:30 a.m.

Signed: _____

A handwritten signature in cursive script, appearing to read "Greg Mills", is positioned above a horizontal line.

Greg Mills, ISDOC President



Water Advisory Committee of Orange County (WACO) Meeting

Friday, July 7, 2023
7:30 a.m. – 9:00 a.m.

Virtual:

<https://ocwd.zoom.us/join/90hhkiV>

or

In Person:

OCWD/MWDOC Board Room
18700 Ward Street, Fountain Valley, CA 92708

Officers

Chair

Hon. Mark Monin
El Toro Water District

Vice Chair

Hon. Greg Mills
Serrano Water District

Staff Contacts

Medha Paliwal / Dani Berch

Orange County Water District (OCWD)
(714) 378-3200
www.ocwd.com/news-events/events/waco

Heather Baez / Christina Hernandez

Municipal Water District of Orange County (MWDOC)
(714) 963-3058
www.mwdoc.com/waco

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 Municipal Water District of OrangeCounty

AGENDA

1. Welcome, Pledge of Allegiance, & Announcements

- Mark Monin, El Toro Water District

2. Reports

- Water Emergency Response of Orange County (WEROC) – Vicki Osborn, MWDOC
- Metropolitan Water District of Southern California (MET) – Linda Ackerman, MWDOC
- Association of California Water Agencies (ACWA) – Cathy Green, OCWD

3. Program

“A Board Level Guide to Digital Transformation and AI in the Water Sector: Opportunities and Risks”

Ben Stanford, Ph.D.
Associate Vice President & Digital Services Lead
Hazen and Sawyer

4. Adjourn

Next WACO Meeting

Friday, August 4, 2023 at 7:30 a.m.

Next WACO Planning Committee Meeting

Tuesday, July 18, 2023 at 7:30 a.m. via Zoom



WACO Planning Committee
Tuesday, July 18, 2023 at 7:30 A.M.

Join Zoom Meeting: <https://zoom.us/j/92882659982>
Meeting ID: 928 8265 9982
Phone Audio: 669-900-9128

AGENDA

WELCOME

ACTION ITEMS

Mailing Address

P.O. Box 20895
Fountain Valley, CA 92728

Meeting Location

Virtual - Zoom

(714) 378-8232
(714) 963-0291 fax

www.mwdoc.com/waco
www.ocwd.com/news-events/events/waco

Officers

Chair

Hon. Mark Monin
El Toro Water District

Vice Chair

Hon. Greg Mills
Serrano Water District

Staff Contacts:

Medha Paliwal/Dani Berch
Orange County Water District

Heather Baez/Christina Hernandez
Municipal Water District of Orange County

1. August 4, 2023 WACO Meeting
 - Reports: WEROC, MET, CSDA, ACWA
Program: PFAS – Updated Regulations and Potential Impacts to Orange County & Overview of OC San's Supercritical Water Oxidation Pilot Project
 - Speakers: Jason Dadakis, P.G., C.H.G, Executive Director of Water Quality and Technical Resources, Orange County Water District and Rob Thompson, P.E., General Manager, Orange County Sanitation District
2. September 8, 2023 WACO Meeting (*2nd Friday of the month*)
 - Reports: WEROC, MET, ACWA
 - Program: Are Local Water/Wastewater Infrastructure Ready For the Big One?
 - Speakers: Annde Ewertsen, Executive Director, Alfred E. Alquist Seismic Safety Commission & Karl Kuebitz, P.E., Engineering Manager, Brady Engineering
3. October 6, 2023 WACO Meeting
 - Reports: WEROC, MET, ACWA
 - Program: Airborn Electromagnetic Survey to Facilitate Groundwater Storage
 - Speaker: Professor Rosemary Knight, Stanford University
4. November 3, 2023 WACO Meeting
 - Reports: WEROC, MET, CSDA, ACWA
 - Program: OC San's Supercritical Water Oxidation Pilot Project
 - Speaker: Rob Thompson, P.E., General Manager, Orange County Sanitation District

DISCUSSION ITEMS

1. Future WACO meetings: virtual only
2. Discuss potential topics for future meetings (*may want to consider updating this list, given topics are booked through November 2023*)
 - Mega floods/improve predictability, Daniel Swain, UCLA Climate Scientist
 - Unexpected flooding in Kentucky/FEMA
 - Media training/crisis communications
 - LAFCO situation in San Diego – what happened, where did it end up
 - Electrification, advanced car fleets, air quality
 - Colorado River negotiations – JB Hamby, IID Vice President and Chairman, Colorado River Board of California
 - Desal in CA: Present & Future – CalDesal Executive Director Glenn Farrel (Glenn is speaking at OC Water Summit – may want to hold, or remove)
 - Statewide snowmelt: How much was captured and how much went to the ocean
 - Tulare Lake (ties into mega flood topic) –Jason Philips from Central Valley
 - San Joaquin Valley flood control (ties into Tulare Lake)
 - Salton Sea/Imperial Irrigation District (IID)
 - Global Warming: Natural or Manmade? w/ speaker Roy Spencer, Ph.D., Climatologist, Author & Former NASA Scientist (can also speak to related topics such as Urbanizations Effects on Temperatures and Colorado River shortages)
 - San Joaquin Blueprint update on looking at the Delta via subsurface diversions
 - Updating California Water Laws to Address Drought and Climate Change w/ Holly Doremus, Professor of Law, Berkeley
 - Jay Lund, CALVIN Model

Stay connected with OCWD and MWDOC

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3. Discussion of July 7 meeting: A Board Level Guide to Digital Transformation and AI in the Water Sector: Opportunities and Risks

INFORMATIONAL ITEMS

1. WACO meetings: Zoom meeting ID and meeting link change monthly
2. Planning meetings: Zoom link is the same every month
3. Meeting materials are posted at: <https://www.mwdoc.com/waco/>
4. Upcoming meetings:
 - WACO meeting: Friday, August 4
 - WACO planning meeting: Tuesday, August 15

ADJOURN

DATES TO REMEMBER

JULY/AUGUST 2023

1. July 26 – 12 noon – South County Agencies Meeting (ETWD)
2. July 27 – 7:00 p.m. – Regular Board Meeting/Public Hearing
3. July 28 – DISTRICT OFFICE CLOSED
4. Aug 1 – 7:30 a.m. – ISDOC Executive Committee Meeting
5. Aug 1 – 10:00 a.m. – RRC Meeting
6. Aug 2 – 8:30 a.m. – MWDOC/MET Directors Workshop
7. Aug 3 – 8:30 a.m. – SOCWA Board Meeting
8. Aug 4 – 7:30 a.m. – WACO
9. Aug 4 – 12 noon – Pres/VP/GM Meeting
10. Aug 7 – 1:30 p.m. – SOCWMA Management Committee Meeting
11. Aug 9 – 8:15 a.m. – LAFCO
12. Aug 9 – 8:30 a.m. – MWDOC Admin/Finance
13. Aug 9 – 11 – CASA Annual Conference (San Diego)
14. Aug 11 – DISTRICT OFFICE CLOSED
15. Aug 14 – 11:00 a.m. – Agenda Review
16. Aug 15 – 7:30 a.m. – WACO Planning Committee
17. Aug 15 – 10:30 a.m. – SOCWA Finance Committee Meeting
18. Aug 16 – 8:30 a.m. – MWDOC Board Meeting
19. Aug 17 – 10:30 a.m. – MWDOC Managers Meeting
20. Aug 18 – 12 noon – Pres/VP/GM Meeting
21. Aug 21 – 7:30 a.m. – Regular Engineering/Finance Committee Meetings
22. Aug 24 – 7:30 a.m. – Regular Board Meeting

- 23. Aug 25 – DISTRICT OFFICE CLOSED
- 24. Aug 28-31 – CSDA Annual Conference (Monterey)

EL TORO WATER DISTRICT

Glossary of Water Terms

Accumulated overdraft: The amount of water necessary to be replaced in the intake area of the groundwater basin to prevent the landward movement of ocean water into the fresh groundwater body.

Acre-foot, AF: A common water industry unit of measurement. An acre-foot is 325,851 gallons, or the amount of water needed to cover one acre with water one foot deep. An acre-foot serves annual needs of two typical California families.

ACWA: Association of California Water Agencies.
A statewide group based in Sacramento that actively lobbies State and Federal Government on water issues.

Advanced treatment: Additional treatment processes used to clean wastewater even further following primary and secondary treatment. Also known as tertiary treatment.

AFY: Acre-foot per year.

Alluvium: A stratified bed of sand, gravel, silt, and clay deposited by flowing water.

AMP: Allen McCulloch pipeline.

Major pipeline transporting treated water to water districts between Yorba Linda, where it starts to El Toro Water District reservoir, where it terminates.

Annexation: The inclusion of land within a government agency's jurisdiction.

Annual overdraft: The quantity by which the production of water from the groundwater supplies during the water year exceeds the natural replenishment of such groundwater supplies during the same water year.

Aqueduct: A man-made canal or pipeline used to transport water.

Aquifer: An underground geologic formation of rock, soil or sediment that is naturally saturated with water; an aquifer stores groundwater.

Arid: Dry; deserts are arid places. Semi-arid places are almost as dry as a desert.

Artesian: An aquifer in which the water is under sufficient pressure to cause it to rise above the bottom of the overlying confining bed, if the opportunity is provided.

Artificial recharge: The addition of surface water to a groundwater reservoir by human activity, such as putting surface water into recharge basins. (See also: groundwater recharge and recharge basin.)

AWWA American Water Works Association
Nationwide group of public and private water purveyors and related industrial suppliers.

Base flow: The portion of river surface flow which remains after deduction of storm flow and/or purchased imported water.

Bay-Delta: The Sacramento-San Joaquin Bay-Delta is a unique natural resource of local, state and national significance. The Delta is home to more than 500,000 people; contains 500,000 acres of agriculture; provides habitat for 700 native plant and animal species; provides water for more than 25 million Californians and 3 million acres of agriculture; is traversed by energy, communications and transportation facilities vital to the economic health of California; and supports a \$400 billion economy.

BIA: Building Industry Association.

Biofouling: The formation of bacterial film (biofilm) on fragile reverse osmosis membrane surfaces.

Biosolids: Solid organic matter recovered from a sewage treatment process and used especially as fertilizer.

BMP: Best Management Practice. An engineered structure or management activity, or combination of these, that eliminates or reduces adverse environmental effects.

Brackish water: A mixture of freshwater and saltwater.

Brown Act: Ralph M. Brown Act enacted by the State legislature governing all meetings of legislative bodies. Also known as the Open Meeting requirements.

Canal: A ditch used to move water from one location to another.

CASA: California Association of Sanitation Agencies The sanitation equivalent of ACWA concerned solely with issues affecting the treatment and disposal of solid waste and wastewater.

CEQA: California Environmental Quality Act.

CERCLA: Comprehensive Environmental Response, Compensation and Liability Act. This federal law establishes the Superfund program for hazardous waste sites. It provides the legal basis for the United States EPA to regulate and clean up hazardous waste sites, and if appropriate, to seek financial compensation from entities responsible for the site.

CFS: Cubic feet per second.

Chloramines: A mixture of ammonia and chlorine used to purify water.

Clarify: To make clear or pure by separation and elimination of suspended solid material.

Coagulation: The clumping together of solids so they can more easily be settled out or filtered out of water. A chemical called aluminum sulfate (alum) is generally used to aid coagulation in water treatment and reclamation.

Coastkeepers: A non-profit organization dedicated to the protection and preservation of the marine habitats and watersheds of Orange County through programs of education, restoration, enforcement and advocacy.

Colored water: Groundwater extracted from the basin that is unsuitable for domestic use without treatment due to high color and odor exceeding drinking water standards.

Condensation: The process of water vapor (gas) changing into liquid water. An example of condensation can be seen in the tiny water droplets that form on the outside of a glass of iced tea as warmer air touches the cooler glass.

Confined aquifer: An aquifer that is bound above and below by dense layers of rock and contains water under pressure.

Conjunctive use: Storing imported water in a local aquifer, in conjunction with groundwater, for later retrieval and use.

Contaminate: To make unclean or impure by the addition of harmful substances.

CPCFA: California Pollution Control Financing Authority. State agency providing funds for wastewater reclamation projects.

Crisis:

1. **a:** The turning point for better or worse **b:** a paroxysmal attack of pain, distress, or disordered function **c:** an emotionally significant event or radical change of status in a person's life <a midlife crisis>
2. The decisive moment (as in a literary plot)
3. **a:** An unstable or crucial time or state of affairs in which a decisive change is impending; *especially* : one with the distinct possibility of a highly undesirable outcome <a financial crisis> **b:** a situation that has reached a critical phase

CTP Coastal Treatment Plant

CWPCA California Water Pollution Control Association. A 7000 member non-profit educational organization dedicated to water pollution control.

Dam: A barrier built across a river or stream to hold water.

Decompose: To separate into simpler compounds, substances or elements.

Deep percolation: The percolation of surface water through the ground beyond the lower limit of the root zone of plants into a groundwater aquifer.

Degraded water: Water within the groundwater basin that, in one characteristic or another, does not meet primary drinking water standards.

Delta: Where the rivers empty; an outlet from land to ocean, also where the rivers deposit sediment they carry forming landforms.

Delta Vision: Delta Vision is intended to identify a strategy for managing the Sacramento-San Joaquin Delta as a sustainable ecosystem that would continue to support environmental and economic functions that are critical to the people of California.

Demineralize: To reduce the concentrations of minerals from water by ion exchange, distillation, electro-dialysis, or reverse osmosis.

De-nitrification: The physical process of removing nitrate from water through reverse osmosis, microfiltration, or other means.

Desalting (or desalination): Removing salts from salt water by evaporation or distillation. Specific treatment processes, such as reverse osmosis or multi-stage flash distillation, to demineralize seawater or brackish (saline) waters for reuse. Also sometimes used in wastewater treatment to remove salts other pollutants.

Desilting: The physical process of removing suspended particles from water.

Dilute: To lessen the amount of a substance in water by adding more water.

Disinfection: Water treatment which destroys potentially harmful bacteria.

Drainage basin: The area of land from which water drains into a river, for example, the Sacramento River Basin, in which all land area drains into the Sacramento River. Also called catchment area, watershed, or river basin.

Drought: A prolonged period of below-average precipitation.

DPHS: California Department of Public Health Services. Regulates public water systems; oversees water recycling projects; permits water treatment devices; certifies drinking water treatment and distribution operators; supports and promotes water system security; provides support for small water systems and for improving technical, managerial, and financial (TMF) capacity; provides funding opportunities for water system improvements.

DVL: Diamond Valley Lake. Metropolitan's major reservoir near Hemet, in southwestern Riverside County.

DWR: California Department of Water Resources. Guides development/management of California's water resources; owns/operates State Water Project and other water facilities.

Endangered Species: A species of animal or plant threatened with extinction.

Endangered Species Act of 1973 (ESA): The most wide-ranging of the dozens of United States environmental laws passed in the 1970s. As stated in section 2 of the act, it was designed to protect critically imperiled species from extinction as a "consequence of economic growth and development untended by adequate concern and conservation.

Ecosystem: Where living and non-living things interact (coexist) in order to survive.

Effluent: Wastewater or other liquid, partially or completely treated or in its natural state, flowing from a treatment plant.

Evaporation: The process that changes water (liquid) into water vapor (gas).

Estuary: Where fresh water meets salt water.

Evapotranspiration: The quantity of water transpired (given off), retained in plant tissues, and evaporated from plant tissues and surrounding soil surface. Quantitatively, it is expressed in terms of depth of water per unit area during a specified period of time.

FCH Federal Clearing House – Environmental Review/Processing

FEMA Federal Emergency Management Agency

Filtration: The process of allowing water to pass through layers of a porous material such as sand, gravel or charcoal to trap solid particles. Filtration occurs in nature when rain water soaks into the ground and it passes through hundreds of feet of sand and gravel. This same natural process of filtration is duplicated in water and wastewater treatment plants, generally using sand and coal as the filter media.

Flocculation: A chemical process involving addition of a coagulant to assist in the removal of turbidity in water.

Forebay: A reservoir or pond situated at the intake of a pumping plant or power plant to stabilize water level; also, a portion of a groundwater basin where large quantities of surface water can recharge the basin through infiltration.

Gray water reuse: Reuse, generally without treatment, of domestic type wastewater for toilet flushing, garden irrigation and other non-potable uses. Excludes water from toilets, kitchen sinks, dishwashers, or water used for washing diapers.

Green Acres Project (GAP): A 7.5 million gallons per day (MGD) water reclamation project that serves tertiary treated recycled water to irrigation and industrial users in Costa Mesa, Fountain Valley, Huntington Beach, Newport Beach, and Santa Ana.

God Squad: A seven-member committee that is officially called the "Endangered Species Committee". Members consist of Secretary of the Interior, the Secretary of Agriculture, the Secretary of the Army, the Chairman of the Council of Economic Advisers, the Administrator of the National Oceanic and Atmospheric Administration and one individual from the affected state. The squad was established in 1978 by an amendment to the 1973 Endangered Species Act (ESA). It has only been called into action three times to deal with proposed federal agency actions that have been determined to cause "jeopardy" to any listed species. Such actions may receive an exemption from the ESA if five members of the committee determine that the action is of regional or national significance, that the benefits of the action clearly outweigh the benefits of conserving the species and that there are no reasonable and prudent alternatives to the action.

Groundwater: Water that has percolated into natural, underground aquifers; water in the ground, not water puddled on the ground.

Groundwater basin: A groundwater reservoir defined by the overlying land surface and the underlying aquifers that contain water stored in the reservoir. Boundaries of success-ively deeper aquifers may differ and make it difficult to define the limits of the basin.

Groundwater mining: The withdrawal of water from an aquifer in excess of recharge over a period of time. If continued, the underground supply would eventually be exhausted or the water table could drop below economically feasible pumping lifts.

Groundwater overdraft: The condition of a groundwater basin in which the amount of water withdrawn by pumping exceeds the amount of water that recharges the basin over a period of years during which water supply conditions approximate average.

Groundwater recharge: The action of increasing groundwater storage by natural conditions or by human activity. See also: Artificial recharge.

Ground Water Replenishment System (GWRS): A joint project of the Orange County Water District and the Orange County Sanitation District that will provide up to 100,000 acre-feet of reclaimed water annually. The high-quality water will be used to expand an existing underground seawater intrusion barrier and to replenish the groundwater basin underlying north and central Orange County.

Groundwater table: The upper surface of the zone of saturation (all pores of subsoil filled with water), except where the surface is formed by an impermeable body.

GPM: Gallons per minute.

Ground Water Replenishment System (GWRS): Orange County Water District's state-of-the-art, highly advanced, waste-water treatment facility.

Hydrologic balance: An accounting of all water inflow to, water outflow from, and changes in water storage within a hydrologic unit over a specified period.

Hydrologic cycle: The process of water constantly circulating from the ocean, to the atmosphere, to the earth in a form of precipitation, and finally returning to the ocean.

Imported water: Water that has originated from one hydrologic region and is transferred to another hydrologic region.

Inflatable rubber dams: Designed to replace temporary sand levees that wash out during heavy storm flow, the dams hold back high-volume river flows and divert the water into the off-river system for percolation.

Influent: Water or wastewater entering a treatment plant, or a particular stage of the treatment process.

Irrigation: Applying water to crops, lawns or other plants using pumps, pipes, hoses, sprinklers, etc.

JPIA Joint Powers Insurance Authority. A group of water agencies providing self-insurance to members of the ACWA.

LAIF Local Agency Investment Fund. Statewide pool of surplus public agency money managed by State Treasurer.

Leach: To remove components from the soil by the action of water trickling through.

MAF: Million acre feet.

MCL: Maximum contaminant level set by EPA for a regulated substance in drinking water. According to health agencies, the maximum amount of a substance that can be present in water that's safe to drink and which looks, tastes and smells good.

MET: Metropolitan Water District of Southern California.

MGD: Million gallons per day.

Microfiltration: A physical separation process where tiny, hollow filaments members separate particles from water.

Microorganism: An animal or plant of microscopic size.

MWD: Metropolitan Water District of Southern California.

MWDOC: Municipal Water District of Orange County. Intermediate wholesaler between MWD and 27 member agencies including ETWD.

Non-point source pollution: Pollution that is so general or covers such a wide area that no single, localized source of the pollution can be identified.

NPDES National Pollution Discharge Elimination System

OCBC: Orange County Business Council.

OCEMA Orange County Environmental Management Agency

OCWD: Orange County Water District.

Opportunity:

1. A favorable juncture of circumstances.
2. A good chance for advancement or progress .

Organism: Any individual form of life, such as a plant, animal or bacterium.

PCM Professional Community Management, Inc. Property Management company providing services to Laguna Woods Village and other homeowner associations.

Perched groundwater: Groundwater supported by a zone of material of low permeability located above an underlying main body of groundwater with which it is not hydrostatically connected.

Percolation: The downward movement of water through the soil or alluvium to the groundwater table.

Permeability: The capability of soil or other geologic formations to transmit water.

Point source: A specific site from which waste or polluted water is discharged into a water body, the source of which is identified. See also: non-point source.

Potable water: Suitable and safe for drinking.

PPB: Parts per billion.

Precipitation: Water from the atmosphere that falls to the ground as a liquid (rain) or a solid (snow, sleet, hail).

Primary treated water: First major treatment in a wastewater treatment facility, usually sedimentation but not biological oxidation.

Primary treatment: Removing solids and floating matter from wastewater using screening, skimming and sedimentation (settling by gravity).

Prior appropriation doctrine: Allocates water rights to the first party who diverts water from its natural source and applies the water to beneficial use. If at some point the first appropriator fails to use the water beneficially, another person may appropriate the water and gain rights to the water. The central principle is beneficial use, not land ownership.

Pumping Plant: A facility that lifts water up and over hills.

Recharge: The physical process where water naturally percolates or sinks into a groundwater basin.

Recharge basin: A surface facility, often a large pond, used to increase the infiltration of surface water into a groundwater basin.

Reclaimed wastewater: Wastewater that becomes suitable for a specific beneficial use as a result of treatment. See also: wastewater reclamation.

Reclamation project: A project where water is obtained from a sanitary district or system and which undergoes additional treatment for a variety of uses, including landscape irrigation, industrial uses, and groundwater recharge.

Recycling: A type of reuse, usually involving running a supply of water through a closed system again and again. Legislation in 1991 legally equates the term "recycled water" to reclaimed water.

Reservoir: A place where water is stored until it is needed. A reservoir can be an open lake or an enclosed storage tank.

Reverse osmosis: (RO) A method of removing salts or other ions from water by forcing water through a semi-permeable membrane.

RFP Request for Proposal

Riparian: Of or on the banks of a stream, river, or other body of water.

RO: Reverse osmosis. See the listing under "reverse osmosis."

R-O-W Right-of-way

Runoff: Liquid water that travels over the surface of the Earth, moving downward due to gravity. Runoff is one way in which water that falls as precipitation returns to the ocean.

RWQCB Regional Water Quality Control Board. State agency regulating discharge and use of recycled water.

Safe Drinking Water Act (SDWA): The Safe Drinking Water Act (SDWA) was originally passed by Congress in 1974 to protect public health by regulating the nation's public drinking water supply. The law was amended in 1986 and 1996 and requires many actions to protect drinking water and its sources: rivers, lakes, reservoirs, springs, and ground water wells. (SDWA does not regulate private wells which serve fewer than 25 individuals.) SDWA authorizes the United States Environmental Protection Agency (US EPA) to set national health-based standards for drinking water to protect against both naturally-occurring and man-made contaminants that may be found in drinking water. US EPA, states, and water systems work together to make sure that these standards are met.

Safe yield: The maximum quantity of water that can be withdrawn from a groundwater basin over a long period of time without developing a condition of overdraft, sometimes referred to as sustained yield.

SAFRA Santa Ana River Flood Protection Agency

Salinity: Generally, the concentration of mineral salts dissolved in water. Salinity may be measured by weight (total dissolved solids - TDS), electrical conductivity, or osmotic pressure. Where seawater is known to be the major source of salt, salinity is often used to refer to the concentration of chlorides in the water.

SAWPA: Santa Ana Watershed Project Authority.

SCADA Supervisory Control and Data Acquisition

SCAP Southern California Alliance of Publicly. Newly formed group of public agencies seeking reasonable regulation of sewer industry.

SCH State Clearing House – Environmental Review/Processing

Seasonal storage: A three-part program offered by Metropolitan Water District of Southern California:

STSS (Short Term Seasonal Storage) financially encourages agencies with local groundwater production capabilities to produce a higher percentage of their demand in the summer from their local groundwater supplies, thus shifting a portion of their demand on the MWD system from the summer to winter;

LTSS (Long Term Seasonal Storage) financially encourages retail agencies to take and store additional amounts of MWD water above their normal annual demands for later use; Replenishment Water provides less expensive interruptible water that is generally available and used to increase the operating yield of groundwater basins.

Seawater intrusion: The movement of salt water into a body of fresh water. It can occur in either surface water or groundwater basins.

Seawater barrier: A physical facility or method of operation designed to prevent the intrusion of salt water into a body of freshwater.

Secondary treatment: The biological portion of wastewater treatment which uses the activated sludge process to further clean wastewater after primary treatment. Generally, a level of treatment that produces 85 percent removal efficiencies for biological oxygen demand and suspended solids. Usually carried out through the use of trickling filters or by the activated sludge process.

Sedimentation: The settling of solids in a body of water using gravity.

Settle: To clarify water by causing impurities/solid material to sink to a container's bottom.

Sewer: The system of pipes that carries wastewater from homes and businesses to a treatment plant or reclamation plant. Sewers are separate from storm drains, which is a system of drains and pipes that carry rain water from urban streets back to the ocean. Overwatering your yard can also cause water to run into the streets and into storm drains. Storm drain water is not treated before it is discharged.

SigAlert: Any unplanned event that causes the closing of one lane of traffic for 30 minutes or more, as opposed to a planned event, like road construction, which is planned.

SJBA San Juan Basin Authority

Sludge: The solids that remain after wastewater treatment. This material is separated from the cleaned water, treated and composted into fertilizer. Also called biosolids.

SOCWA South Orange County Wastewater Authority. Regional Joint Powers Authority formed for collection and treatment of sewerage (previously known as AWMA/SERRA/SOCRA). SOCWA member agencies:

CSC – City of San Clemente

CSJC – City of San Juan Capistrano

CLB – City of Laguna Beach

ETWD – El Toro Water District

EBSD – Emerald Bay Service District

IRWD – Irvine Ranch Water District

MNWD – Moulton Niguel Water District

SCWD – South Coast Water District

SMWD – Santa Margarita Water District

TCWD – Trabuco Canyon Water District

SRF State Revolving Fund

Storm Drain: The system of pipes that carries rain water from urban streets back to the ocean. Overwatering your yard can also cause water to run into the streets and into storm drains. Storm drain

water is not treated before it is discharged. Storm drains are separate from sewers, which is a separate system of pipes to carry wastewater from homes and businesses to a treatment plant or reclamation plant for cleaning.

Storm flow: Surface flow originating from precipitation and run-off which has not percolated to an underground basin.

SWP: State Water Project. An aqueduct system that delivers water from northern California to central and southern California.

SWRCB State Water Resources Control Board

TDS: Total dissolved solids. A quantitative measure of the residual minerals dissolved in water that remain after evaporation of a solution. Usually expressed in milligrams per liter.

Tertiary treatment: The treatment of wastewater beyond the secondary or biological stage. Normally implies the removal of nutrients, such as phosphorous and nitrogen, and a high percentage of suspended solids.

THM: Trihalomethanes. Any of several synthetic organic compounds formed when chlorine or bromine combine with organic materials in water.

TMA: Too many acronyms.

TMDL: Total maximum daily load; A quantitative assessment of water quality problems, contributing sources, and load reductions or control actions needed to restore and protect bodies of water.

Transpiration: The process in which plant tissues give off water vapor to the atmosphere as an essential physiological process.

Turbidity: Thick or opaque with matter in suspension; muddy water.

Ultraviolet light disinfection: A disinfection method for water that has received either secondary or tertiary treatment used as an alternative to chlorination.

VE Value Engineering

VOC: Volatile organic compound; a chemical compound that evaporates readily at room temperature and contains carbon.

Wastewater: Water that has been previously used by a municipality, industry or agriculture and has suffered a loss of quality as a result.

Water Cycle: The continuous process of surface water (puddles, lakes, oceans) evaporating from the sun's heat to become water vapor (gas) in the atmosphere. Water condenses into clouds and then falls back to earth as rain or snow (precipitation). Some precipitation soaks into the ground (percolation) to replenish groundwater supplies in underground aquifers.

Water rights: A legally protected right to take possession of water occurring in a natural waterway and to divert that water for beneficial use.

Water-use Efficiency: The water requirements of a particular device, fixture, appliance, process, piece of equipment, or activity.

Water year (USGS): The period between October 1st of one calendar year to September 30th of the following calendar year.

Watermaster: A court appointed person(s) that has specific responsibilities to carry out court decisions pertaining to a river system or watershed.

Water Reclamation: The treatment of wastewater to make it suitable for a beneficial reuse, such as landscape irrigation. Also called water recycling.

Watershed: The total land area that from which water drains or flows to a river, stream, lake or other body of water.

Water table: The top level of water stored underground.

WEF Water Environment Federation. Formerly – Water Pollution Control Federation (WPCF). International trade group advising members of sewage treatment techniques and their effect on the environment.

Weir box: A device to measure/control surface water flows in streams or between ponds.

Wellhead treatment: Water quality treatment of water being produced at the well site.

Wetland: Any area in which the water table stands near, at, or above the land surface for a portion of the year. Wetlands are characterized by plants adapted to wet soil conditions.

Xeriscape: Landscaping that requires minimal water.