


The Municipal Water District of Orange County



Elected Officials Forum
April 7, 2022



I pledge allegiance to the flag
of the United States of
America, and to the republic
for which it stands, one nation
under God, indivisible, with
liberty and justice for all.

MWDOC Elected Officials Forum

Agenda

- 🔥 MWDOC (and MET's) Budget and Proposed Activities for FY 2022-2023
- 🔥 Water Emergency Response Organization of Orange County (WERO) Activities
- 🔥 Drought Update & Water Use Efficiency Activities



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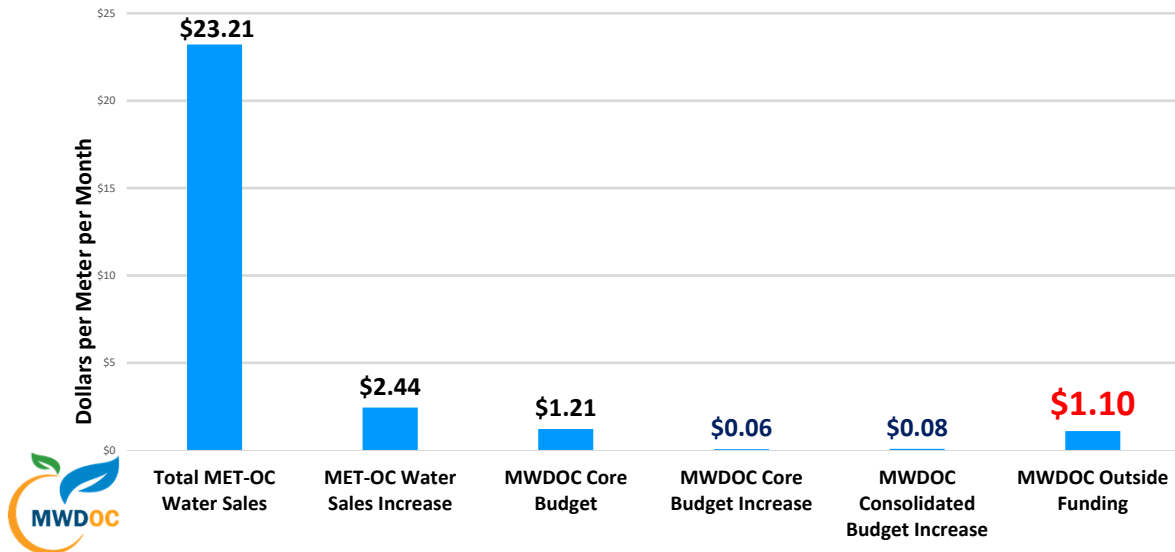
MWDOC (and MET's) Budget and Proposed Activities for FY 2022-2023

Harvey De La Torre, Assistant General Manager
Municipal Water District of Orange County

Elected Officials Forum - April 7, 2022



MET and MWDOC Total Cost per Meter per Month FYE'23 (proposed)



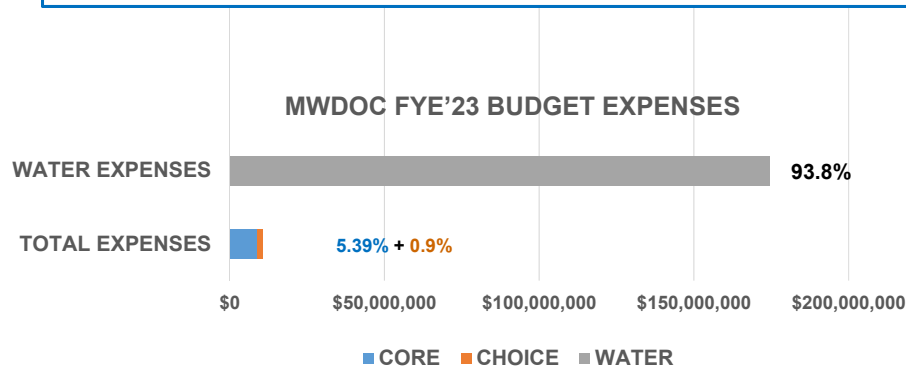
MWDOC Total Budget Summary



OC RATE INCREASE FINANCIAL IMPACTS

METROPOLITAN RATE INCREASE vs. MWDOC RATE INCREASE

40:1



Transitory Biennial Budget

- Within the next year Metropolitan is engaging in the following:
 - 2020 Integrated Resources Plan
 - Rate Refinement process
 - Develop a long-term financial plan
 - Implement key strategic priorities-determine MWD Business Plan for the next 25 years
 - Complete an Organizational Structure Study
- The proposed budget strikes a balance between funding Metropolitan's current strategic priorities, addressing drought conditions, maintaining financial robustness, and moderating rate impacts.



Finance & Insurance Committee

Item # 9-2 Slide 4

February

Biennial Budget Highlights

- 5% catch-up for the loss of WSR revenue
- Lower water transactions
 - 1.59 MAF FY 2022/23
 - 1.54 MAF FY 2023/24
 - Downward trending to 1.51 MAF by FY 2025/26
- To mitigate the rate impacts, the proposed budget includes actions to reduce the projected cost increases to 3% per year (well below the rate of inflation) while still adding 20 FTE positions to perform necessary work.
 - Workshop #2 - review unfunded priorities
- In total, the proposed annual overall rate increase for 8% for CY 2023 and 2024
- The ten-year forecast projects overall rate increases of 5% annually



Finance & Insurance Committee

Item # 9-2 Slide 5

February 7, 2022

MET Key Budget Assumptions



Fiscal Year Ending	Approved	Proposed**	
	2022	2023	2024
Overall increase January	4.0%	8.0%	8.0%
Total Water Transactions*	1.6 MAF)	1.59 MAF	1.54 MAF
State Water Project Allocation	50%	25%	40%
Colorado River Aqueduct Diversions	0.733 MAF	1.007 MAF	0.923 MAF
Capital Investment Plan (CIP)	\$250 M	\$300 M	\$300 M
PAYGo (% of CIP)	55%	45%	45%



* Includes water sales, exchanges, and wheeling

** Subject to change, still in discussion with MET Board, pending approval on April 12

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Proposed Biennial Budget Rate Increases

Rate Driver	Biennial Rate Impact
\$103.9 M higher Revenue Requirement	6%
60 TAF lower water transactions (1.60 MAF reduced to 1.54 MAF)	4%
Catch-up for loss of Water Stewardship Rate Revenues	5%
Increase to <u>partially</u> account for the fact that rate increases only in effect for half the fiscal year	1%
Rate increase over the biennium (8% in 2023 and 8% in 2024)	16%

- Results in \$84M draw from the Water Stewardship Fund and unrestricted reserves in FY 2022/23 and FY 2023/24
- Results in low revenue bond coverage of 1.4x for FY 2022/23 and 1.5x for FY 2023/24



MET Rates & Charges (initial proposal)



Rates & Charges Effective Jan. 1	2022 (Current)	2023 (Proposed)	% Change	2024 (Proposed)	% Change
Tier 1 Supply Rate (\$/AF)	\$243	\$328	35%	\$348	6%
Tier 2 Supply Rate (\$/AF)	\$285	\$532	87%	\$538	1%
System Access Rate (\$/AF)	\$389	\$373	(4%)	\$416	12%
Water Stewardship Rate (\$/AF)	\$0	\$0	0%	\$0	0%
System Power Rate (\$/AF)	\$167	\$187	12%	\$188	1%
Full Service Untreated Volumetric Costs (\$/AF)					
Tier 1	\$799	\$888	11%	\$952	7%
Tier 2	\$841	\$1,092	30%	\$1,142	5%
Treatment Surcharge (\$/AF)	\$344	\$364	6%	\$370	2%
Full Service Treated Volumetric Costs (\$/AF)					
Tier 1	\$1,143	\$1,252	10%	\$1,322	6%
Tier 2	\$1,185	\$1,456	23%	\$1,512	4%
Readiness-to-Serve Charge (\$/M)	\$140	\$145	4%	\$183	26%
Capacity Charge (\$/cfs)	\$12,200	\$10,800	(12%)	\$11,700	9%
Overall Rate Increase			8.0%		8.0%



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MWDOC FYE'23 Budget



STAFF LEVELS (MWDOC + WEROC)

- 📌 Total Staffing @ 39.63 FTE (+1.31 FTE)
- 📌 Full-time Staffing Level @ 33.66 FTE (+1.41 FTE)
- 📌 Core Staffing @ 31.83 FTE (-0.14 FTE)
- 📌 Choice Staffing @ 7.80 FTE (+1.45 FTE)

EXPENSE CATEGORY YTY CHANGES

- 📌 Staff & Director Salaries & Benefits (+) \$223,092 (4.1%)
- 📌 Software Support & Expense (+) \$65,813 (79.7%)
- 📌 Professional Fees (+) \$47,616 (5.5%)
- 📌 WEROC Expense (+) \$35,944 (13.8%)
- 📌 Outside Consulting (+) \$30,000 (7.9%)
- 📌 Computers & Equipment (+) \$20,500 (87.4%)

TOTAL OUTSIDE FUNDING

- 📌 WUE & LRP Funding @ \$14,053,268: (+) \$7,298,428 (108%)

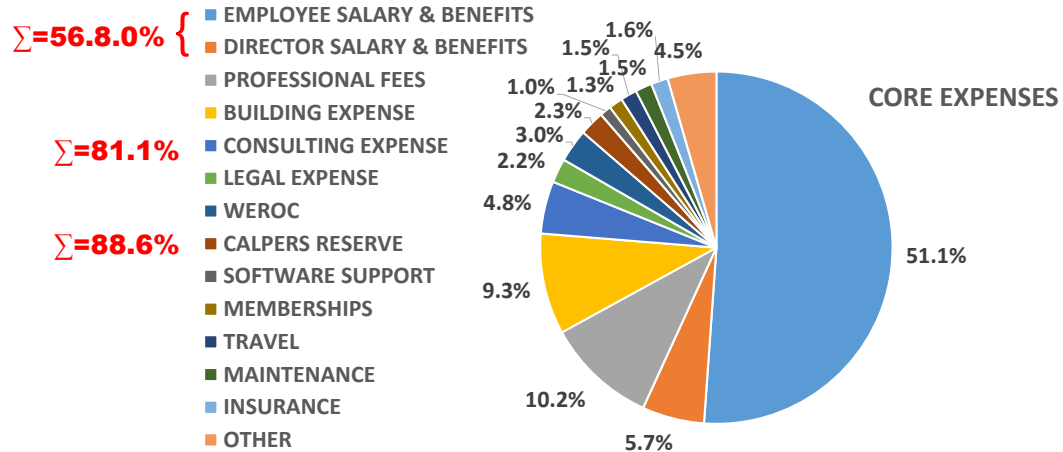
BUILDING IMPROVEMENT & CAPITAL ACQUISITION

- 📌 @ \$322,600: (-) \$853,548 (72.6%)



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FYE'23 Core Expense by Line Item



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MWD OC FYE'23 Budget Overview & Assumptions



SALARY CONTRIBUTION POOL

FYE'23 Budget @ 7.10% of Salaries & Wages

CPI @ 3.84% (Medium-Range)

FYE'22 @ 3.64% & 1.64% (Low-Range)

SALARY CONTRIBUTION POOL METHODOLOGY

CPI Range		Pool Formula
High	$\leq 4.7\%$	CPI + 4%
Medium	2.45% TO 4.7%	CPI + 85% CPI
Low	0% to 2.4%	CPI + 2%
Negative	$\leq 0\%$	50% CPI + 2%

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FYE'23 Department Priorities



MAJOR PROJECTS

- 🔸 Emergency Use of East OC Feeder #2 – Pilot Project
- 🔸 MET Shutdown Planning
- 🔸 MET Business Model & Long Term Financial Planning
- 🔸 MET Post IRP Implementation Plan
- 🔸 Colorado River & SWP Delta Conveyance Activities
- 🔸 WUE & Water Loss Program Implementation
- 🔸 WEROC Response Readiness, Training, Primary EOC
- 🔸 Legislation & Regulatory Leadership
- 🔸 Speakers Bureau & Education Initiatives
- 🔸 Performance Management
- 🔸 IT Audit Implementation & Software Upgrades

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Not Incorporated Items



SAWPA FUNDING REQUEST

- 🔸 Santa Ana Watershed Modification Pilot Program
- 🔸 Total of \$20,000 - Four Year Program
- 🔸 Request Letter in Attachment C



WEROC PRIMARY EMERGENCY OPERATIONS CENTER

- 🔸 FYE'22 includes funding through design and costing
- 🔸 FYE'23 budget does not include any construction funding
- 🔸 Partners & Grants

FUTURE FINDINGS OF IT EXTERNAL AUDIT

- 🔸 Estimated Completion in April 2022

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FYE'23 Budget Reserve Funding Level



Of the \$6,748,228 FYE'23 Reserve Target, the budget is projected to bring the reserves to \$6,342,353 leaving a shortfall of \$405,875

		A	B
1	FYE'23 Budget Reserve Funding Goal		\$ 664,214
2	Election Reserve Funding	300,728	
3	Building Reserve Funding	437,590	
4	Planned Draw from Reserves	(479,979)	
5	Net Reserve Contribution		258,339
6	FYE'23 Unfunded Balance to Fully Fund Reserve Target		\$ 405,875

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MWD OC FYE'23 Reserve Policy & Targets



RESERVE POLICY DISCUSSIONS

- Facilitated Member Agency Discussion Project
 - All Member Agencies
 - Both Governance & Management Interviews
 - Specific Issue on Questionnaire
- Third-Party Policy Review
- Budget Process

RESERVE TARGET CALCULATION

- Presentation & Discussion was held at A&F committee (Mar 9)



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Reserve Discussions Recap



- 💧 The Reserve Discussions are occurring during March and April but are expected to extend beyond
- 💧 At the March A&F committee, the Board discussed potential reserve actions, including liquidating the Tier 2 Reserve fund
- 💧 Reserve actions considered at the April A&F committee will be incorporated into the Third Draft Budget
 - 💡 **Staff recommendation:**
 - 💧 Liquidate the Tier 2 Reserve and direct the General Manager to apply those reserve funds to fully fund the reserves and issue payment credits to the Member Agencies for FYE'23
- 💧 Any actions taken after the April Board meeting will not be reflected in the FYE'23 budget or rates

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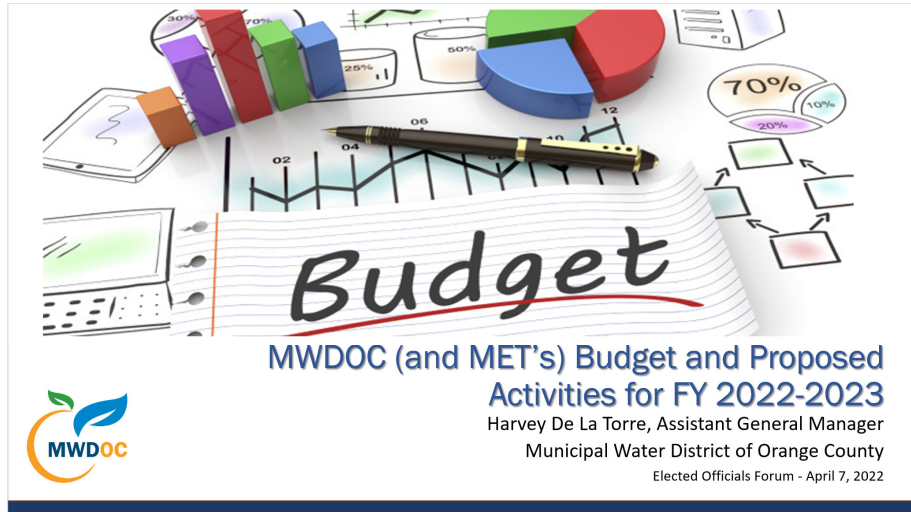
MWDOC FYE'23 Budget - Schedule



- January 2022
 - Year-End Projections & Conceptual Budget Review @ A&F Committee (1-12)
 - Member Agency Managers Meeting (1-20)
- February 2022
 - First Draft Budget @ A&F Committee (2-9)
 - Initial Member Agency Choice Participation Confirmation (2-21)
 - Member Agency Managers Meeting (2-17)
- March 2022
 - Second Draft Budget @ A&F Committee (3-9)
 - CHOICE Program Discussions
 - Member Agency Managers Meeting (3-17)
 - Member Agency Formal Comments (3-25)
- April 2022
 - Elected Officials Meeting (4-7)
 - Third Draft Budget @ A&F Committee Meeting (4-13)
 - Board Approval of Final Budget & Rates (4-20)
- June 2022
 - Member Agencies Confirm Final Choice participation (6-10)
- August 2022
 - Reconciliation of FY 2020-21 WUE & Choice Programs
- September/October 2022
 - Revised Final Choice Budget @ A&F Committee
 - Board Approval of Revised Final Choice Budget

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Questions



Water Emergency Response Organization of Orange County (WEROC) Activities

Vicki Osborn, Director of Emergency Management

Elected Official Forum

April 7, 2022



WEROC Mission Statement



The Water Emergency Response Organization of Orange County (WEROC) Emergency Management Program is charged with supporting the resiliency of Orange County's water and wastewater agencies, and the community it serves by working with these agencies and the County to build, sustain, and improve the capability to mitigate against, prepare for, respond to, and recover from threatened or actual natural disasters, acts of terrorism, or other man-made disasters.

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Background



Volunteer Emergency Preparedness Organization

Created in 1983 (37 years ago)

- WEROC's primary mission was originally to coordinate and support emergency preparedness activities
- Radio Communication (1st Radio System)
- Mutual Assistance Agreement (VEPO Agreement)
- Part time job duty
- Name changed to WEROC in 1999

* Note the County Operational Area Agreement was not created until 1995

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WEROC Signatories – 36 Total

CITIES

1. Anaheim
2. Brea
3. Buena Park
4. Fountain Valley
5. Fullerton
6. Garden Grove
7. Huntington Beach
8. La Habra
9. La Palma
10. Laguna Beach
11. Newport Beach
12. Orange
13. San Clemente
14. Santa Ana
15. Seal Beach
16. Tustin
17. Westminster



SPECIAL DISTRICTS

1. Costa Mesa Sanitary District
2. East Orange County Water District
3. El Toro Water District
4. Emerald Bay Service District
5. Irvine Ranch Water District
6. Laguna Beach County Water District
7. Mesa Water District
8. Midway City Sanitary District
9. Moulton Niguel Water District
10. Municipal Water District of OC
11. Orange County Sanitation District
12. Orange County Water District
13. Santa Margarita Water District
14. Serrano Water District
15. South Coast Water District
16. South OC Wastewater Authority
17. Trabuco Canyon Water District
18. Yorba Linda Water District

PRIVATE

Golden State Water Company



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WEROC Funding Structure

Funding Agencies

- City of Anaheim
- City of Fullerton
- City of Santa Ana
- Municipal Water District of Orange County
- OC San (Orange County Sanitation District)
- Orange County Water District
- South Orange County Wastewater Authority



Operational Revenue Share	Op. Budget Share (%)
Anaheim	3.8%
Fullerton	3.8%
Santa Ana	3.8%
SOCWA	3.8%
OCSD	9.8%
OCWD	25.0%
MWDOC	50.0%

The WEROC Foundation



Preparedness

- Training, Planning and Exercises
- Day to Day Member Agency Support
- WEROC EOC Preparedness
- Required Planning and Plans

Recovery Support

- FEMA Public Assistance Process
- Post Event Secondary Impacts Planning

WEROC Emergency Response Coordination

- MWDOC Staff Commitment to Respond
- Information Collection/Intelligence Sharing
- Inter-Agency Cooperation
- Communication Systems
- Resource Needs
- WEROC EOCs

Representation

- Local, Regional, State and Federal Meetings
- WEROC became an integral member of the County's Operational Area

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Accomplishments 2020-2021



- COVID
- AWIA
- WEROC EOP
- PSPS SOP
- Smoke Procedures
- Hazard Mitigation
- Activations and Coordination (Fire, PSPS, Line Breaks, Supply)
- ICS Trainings
- Mutual Aid Requests

- WEROC Strategic Assessment Report
- Safety Center
- Exercise and Training Program
- OCIAAC Partnership
- Cyber Communications & Task Force
- Phase 1 WEROC EOC
- Continued EOC Readiness
- ADVOCACY

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WEROC Incidents by County Board of Supervisor Districts - Year 2020 - 2021

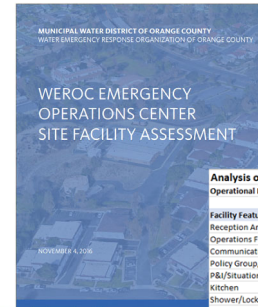
ALL DISTRICTS <ul style="list-style-type: none"> • COVID (37 AGENCIES) • HEAT AND CAISO ENERGY EVENTS (3) • DROUGHT 	DISTRICT THREE <ul style="list-style-type: none"> • CYBER EVENT (2 AGENCIES) • SILVERADO FIRE (8 AGENCIES) • BOND FIRE (4 AGENCIES) • PUBLIC SAFETY POWER SHUTOFF (5 EVENTS – 4 AGENCIES)
DISTRICT ONE <ul style="list-style-type: none"> • CYBER EVENT (1 AGENCY) 	DISTRICT FOUR <ul style="list-style-type: none"> • BLUE RIDGE FIRE (3 AGENCIES) • PUBLIC SAFETY POWER SHUTOFF (4 EVENTS – 5 AGENCIES) • SUPPLY CHAIN IMPACT (1 AGENCY)
DISTRICT TWO <ul style="list-style-type: none"> • CYBER EVENT (2 AGENCIES) • SUSPICIOUS ACTIVITY EVENT (1 AGENCY) • SUSPICIOUS PACKAGE (1 AGENCY) • HUNTINGTON BEACH OIL SPILL PIPELINE P00547 (2 AGENCIES) 	DISTRICT FIVE <ul style="list-style-type: none"> • CYBER EVENT (2 AGENCIES) • 3 MAJOR WATER MAIN BREAKS (3 AGENCIES) • SEWER SPILL (1 AGENCY) • HB OIL SPILL PIPELINE P00547 (2 AGENCIES) • PUBLIC SAFETY POWER SHUTOFF (1 EVENT – 2 AGENCIES)



WEROC Emergency Operations Center Project ASKING FOR FUNDING PARTNERSHIPS TO MAINTAIN CAPABILITIES

How We Got Here

- 💧 WEROC EOC Site Facility Assessment 2016
- 💧 WEROC EOC Seismic Assessment 2017
- 💧 WEROC Program Assessment - 11/2020
- 💧 Other Facilities – EOC Alternatives Research Presentation – April 2021
- 💧 April 21, 2021 - P&O WEROC EOC Project Decision Go/No Go
 - 🔥 Decision to update Design and Costs for Project and bring back to the Board

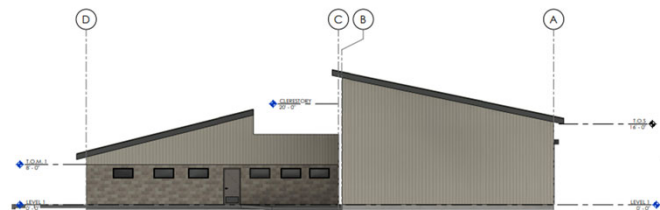


Analysis of IRWD Sand Canyon Community Room

Operational Need/Function	Yes	No
Facility Features/Flexibility		
Reception Area		
Operations Floor space of 1500 sf min		
Communication/Radio Room		
Policy Group/BC/Breakout Conference Rooms		
PBA/Situation Room		
Kitchen		
Shower/Lockerroom		
Supply/Storage		
Accessibility/Sustainability		
Risk Analysis Rating		
Security		
WEROC Access to location		
Storage for Food/Water Supplies		
Storage for Operational Items		
Back up Power		
Communications/Networks		
Internet Connection		
Network Capability		
MWD OC Server Space available		
AV Display multi points within room		
Radios		
Phone Lines		
ERNET & Satellite		
Dataports		
Electrical outlets		

What Have We Done So Far: Design

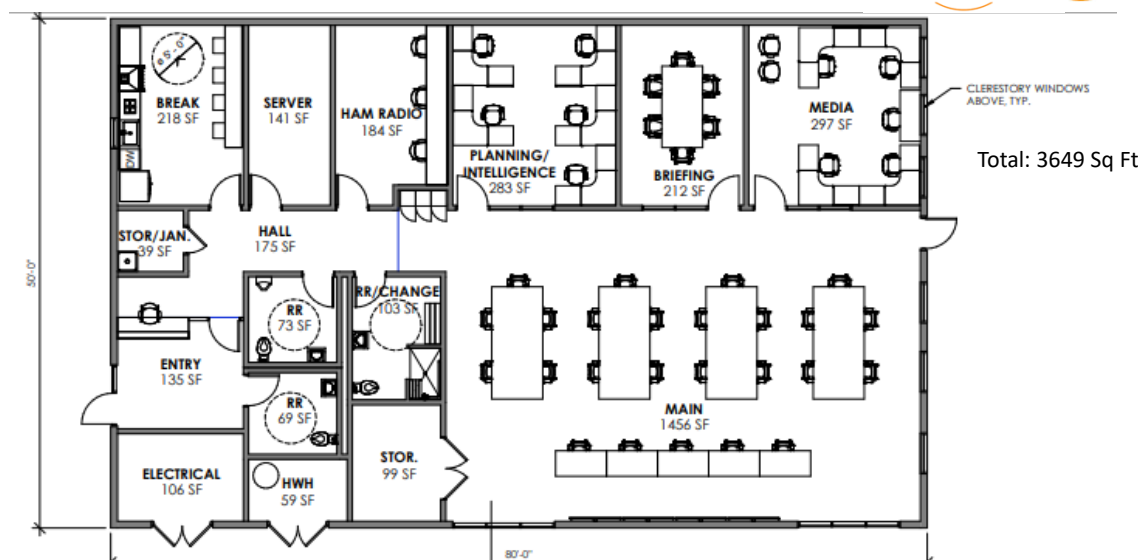
- 💧 RFP- Design.
 - 🔥 Joint effort with ETWD
- 💧 10/2021 P&O Committee Meeting
 - 🔥 Approved Cost Share agreement between MWD OC & ETWD for Design – Brady & ABS Consulting
- 💧 Monthly meetings with Brady on design
- 💧 30% Design
 - 🔥 Due March 2022



30% Design Results



30% Design Results



30% Design Results



30% Design Results



INTRODUCTION

BASIS OF ESTIMATE

This Cost Estimate is based upon initial assessments and ROM diagrams and verbal guidance provided by Jeff Katz Architecture.

ESTIMATE MARK UPS

The following markups are included in this estimate:

1) General Conditions	10.00% Included in unit costs
2) Overhead and Profit (OH&P)	4.25% Included in unit costs
3) Bonds & Insurance	2.50% Included in unit costs
4) Design Contingency	10.00% Included in unit costs
5) Escalation to MOC, July 2023	7.06% Included in unit costs

EXCLUSIONS

The following items are excluded from this estimate:

- 1) Professional fees, inspections and testing.
- 2) Escalation beyond midpoint of construction, July 2023. Anticipated construction start of January 2023 and a 12 month duration.
- 3) FF and E, unless specifically referenced in this estimate.
- 4) Plan check fees and building permit fees.
- 5) Construction/Owner's contingency costs.
- 6) Construction management fees.
- 7) Soft costs.
- 9) Off-site work.
- 10) Night time work.
- 11) Accelerated construction schedule.
- 12) Phasing.

30% Design Results



ITEMS AFFECTING COST ESTIMATE

Items that may change the estimated construction cost may include but are not limited to the following:

- 1) Unforeseen sub-surface condition.
- 2) Any changes to the scope of work not included in this report. We recommend updating the estimate to capture the value of any changes.
- 3) Sole source procurement.
- 4) Any changes or delay from the projected construction schedule.

CLARIFICATIONS

- 1) This estimate is based on the assumption of a competitive bid environment by a minimum of four at the General Contractor and the Subcontractor level.
- 2) This estimate assumes the use of prevailing wages.
- 3) This estimate assumes design-bid-build procurement method.
- 4) Prequalification process for General Contractor and Subcontractor has not been included in this estimate. If prequalification will be implemented, it will have a cost impact to the project.

30% Design Results



CONSTRUCTION COST SUMMARY

Base Scope Elements	Area	Cost / SF	Total
EOC BUILDING (PEMB)	4,000 SF	\$615.33	\$2,461,334
SITEWORK	5,400 SF	\$13.70	\$73,995
TOTAL CONSTRUCTION COST - OPTION 2A			\$2,535,328
EOC BUILDING (BRICK AND MORTAR)	4,000 SF	\$647.99	\$2,591,976
SITEWORK	5,400 SF	\$13.70	\$73,995
TOTAL CONSTRUCTION COST - OPTION 2B			\$2,665,971

Element	Quantity	Unit	Unit Cost	Total
EOC BUILDING (PEMB)				
Building scope				
Foundations	4,000	gsf	\$25.30	\$101,200
Slab on grade	4,000	gsf	\$17.10	\$68,400
Metal building erection	4,000	gsf	\$75.00	\$300,000
Miscellaneous metals, allowance	4,000	gsf	\$4.80	\$19,200
Prefabricated metal building structure, quote per	1	ls	\$133,062.00	\$133,062
Tax (city of Lake Forest)	7.75%	pct	\$133,062.00	\$10,312
Allowance for escalation of prefab building	15%	pct	\$133,062.00	\$19,959
Casework	4,000	gsf	\$6.90	\$27,600
Roofing, allowance	4,000	gsf	\$41.00	\$164,000
Doors and windows	4,000	gsf	\$47.80	\$191,200
Interior walls and finishes	4,000	gsf	\$116.00	\$464,000
Specialties, allowance	4,000	gsf	\$20.50	\$82,000
Residential appliances, OFOI				Excluded
Furniture, OFOI				Excluded
Fire sprinklers, allowance	4,000	gsf	\$11.30	\$45,200
Plumbing, allowance	4,000	gsf	\$29.40	\$117,600
HVAC, allowance	4,000	gsf	\$75.00	\$300,000
Electrical, allowance	4,000	gsf	\$95.50	\$382,000
Over-ex and recompact	4,000	gsf	\$8.90	\$35,600
TOTAL - EOC BUILDING (PEMB)				<u>\$2,461,334</u>
SITEWORK				
Sitework				
Sawcut and remove slab for new building and footings (5'-0" beyond building footprint)	5,400	sf	\$5.50	\$29,700
Haul-off and disposal fees	1	ls	\$6,074.70	\$6,075
Site utilities, not included				Excluded
Site electrical, not included				Excluded
Site low voltage, not included				Excluded
Re-instate concrete paving around perimeter	1,400	sf	\$27.30	\$38,220
TOTAL - SITEWORK				<u>\$73,995</u>



Excessive allowance for electrical work (estimator not aware electrical is already on site)

30% discount from the Preliminary Analysis between a Pre-Fabricated Metal vs. Brick and Mortar is now gone with current steel pricing

Current PEMB - \$2,461,334
Current B&M - \$2,591,976

Estimated Costs from April 2021 P&O Report
2021 PEMB - \$1,745,000

Element	Quantity	Unit	Unit Cost	Total
EOC BUILDING (BRICK AND MORTAR)				
Building scope				
Foundations	4,000	gsf	\$30.70	\$122,800
Slab on grade	4,000	gsf	\$17.10	\$68,400
CMU walls	3,120	sf	\$57.30	\$178,776
Structural steel, allowance	4,000	gsf	\$85.30	\$341,200
Metal deck	4,000	gsf	\$14.40	\$57,600
Miscellaneous metals, allowance	4,000	gsf	\$3.50	\$14,000
Casework	4,000	gsf	\$6.90	\$27,600
Roofing, allowance	4,000	gsf	\$41.00	\$164,000
Doors and windows	4,000	gsf	\$47.80	\$191,200
Interior walls and finishes	4,000	gsf	\$116.00	\$464,000
Specialties	4,000	gsf	\$20.50	\$82,000
Residential appliances, OFOI				Excluded
Furniture, OFOI				Excluded
Fire sprinklers, allowance	4,000	gsf	\$11.30	\$45,200
Plumbing, allowance	4,000	gsf	\$29.40	\$117,600
HVAC, allowance	4,000	gsf	\$75.00	\$300,000
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TOTAL - EOC BUILDING (BRICK AND MORTAR)				<u>\$2,591,976</u>
SITEWORK				
Sitework				
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Site electrical, not included				Excluded
Site low voltage, not included				Excluded
Re-instate concrete paving around perimeter	1,400	sf	\$27.30	\$38,220
TOTAL - SITEWORK				<u>\$73,995</u>



Funding Outreach: Federal



- 💧 FY 2022 Homeland Security Appropriations Bill
 - Request for \$3 million**
- 💧 April 2021
 - 🔥 Meeting with Senator Feinstein
 - 🔥 Meeting with Senator Padilla
 - 🔥 Letters of support requested and received
 - 🔥 Funding Application/Request submitted
- 💧 Our project was chosen as one of nine projects selected in California
- 💧 Dec 2021
 - 🔥 Notified project cut based on direction received from FEMA



Funding Outreach: Federal



- 💧 Continued Work after Appropriations by Government Affairs and WEROC:



- 🔥 1/2022 Outreach to the FEMA Region IX Administrator Bob Fenton
- 🔥 2/2022 Meeting with Representative Kim
- 🔥 3/2022 Follow-up conversations with FEMA Region IX Administrator Bob Fenton and Casey De Shong, Acting Branch Chief - Office of the Chief Financial Officer @HQ.
- 🔥 3/3022 Update federal support letters for upcoming FY23 appropriations request

Funding Outreach: State



- 💧 Dec 2021 - 2021 HMGP NOI released and Due Jan 2022
 - 🔥 NOI EOC Project Submitted by WEROC
- 💧 Dec 2021 - Engagement at State Legislative Level
- 💧 Jan 2022 DWR contacted potential funding opportunities
- 💧 March 2022 CalOES invites MWD OC/WEROC to submit sub-application for HMPG funding based on NOI request. Due April 2022



Cal OES
GOVERNOR'S OFFICE
OF EMERGENCY SERVICES

Funding Outreach: County



Our Ask

Request the County allocate \$1.15 million for the WEROC Operations Center from the American Recovery Act or other discretionary funding available.

- 💧 July 2021 - Initial Request Letter Sent to the County
- 💧 August 2021 - Meeting with CEO office
- 💧 Sept 2021 - Letters of Support Requested
- 💧 October 2021 - Meeting with County Board of Supervisor Don Wagner
- 💧 November 2021 - Meeting with County Board of Supervisor Lisa Bartlett
- 💧 February 2022 - Meeting with County Board of Supervisor Doug Chaffee
- 💧 February 2022 - Meeting with County Board of Supervisor Andrew Do
- 💧 February 2022 - County Support Letter Campaign
- 💧 March 2022 - Follow up Conversation with CEO and County on Process

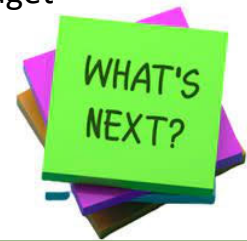
Goal - May County Budget

*** Government Affairs remained engaged with County BOS Wagner and Bartlett's office between November – February due to redistricting other meetings delayed*

Next Steps



- 💧 FY23 Appropriations Request to Senator Padilla's office due April 4th
- 💧 FY23 Appropriations Request to Senator Feinstein Office due April 4th
- 💧 Meeting scheduled with County Board of Supervisor Foley on April 7th
- 💧 HMGP Sub Application Due April 8th
- 💧 Remain in contact with FEMA as process proceeds
- 💧 Work with County Board Offices and CEO during County's budget process
- 💧 Finish the Design portion of the project, Summer 2022



Questions



Water Emergency Response Organization of Orange County (WEROC) Activities

Vicki Osborn, Director of Emergency Management
Elected Official Forum

April 7, 2022





Drought Update & Water Use Efficiency Activities

Joe Berg, Director of Water Use Efficiency
Elected Official Forum

April 7, 2022

Presentation Content

- 💧 Executive Order N-7-22 in response to current drought conditions
- 💧 Long-Term Water Use Efficiency Framework
- 💧 How is MWD OC supporting member agencies?
- 💧 Our “ask” of you tonight



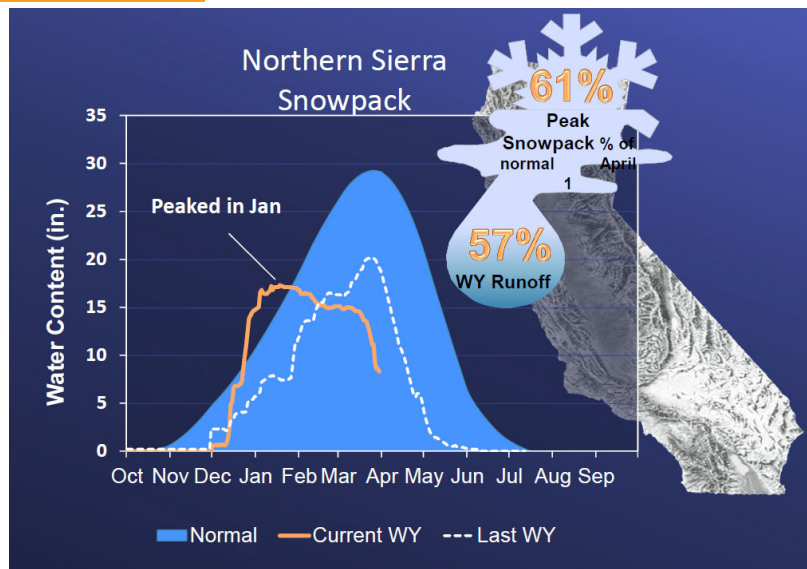
**Governor's
Executive Order
N-7-22 in
response to
current drought
conditions**



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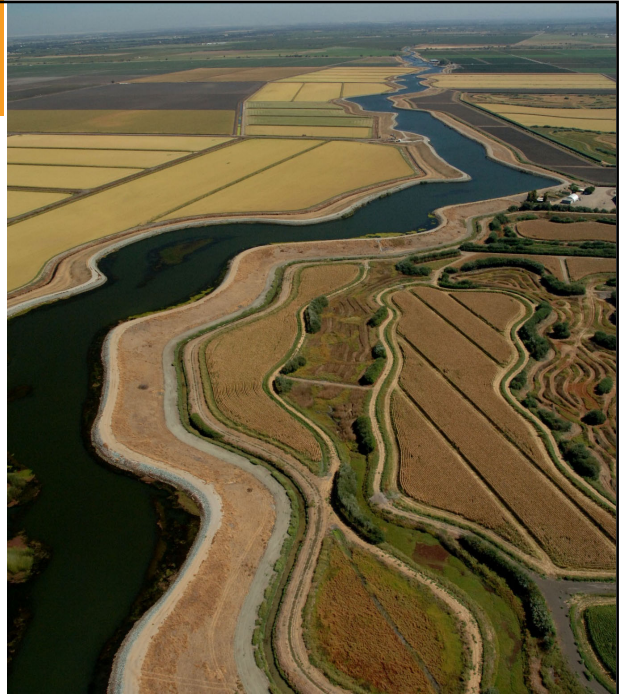
Statewide Conditions

- Started the year with record breaking conditions
- Peaked early in the water year with fairly low total precipitation
- Conditions particularly serious on the State Water Project



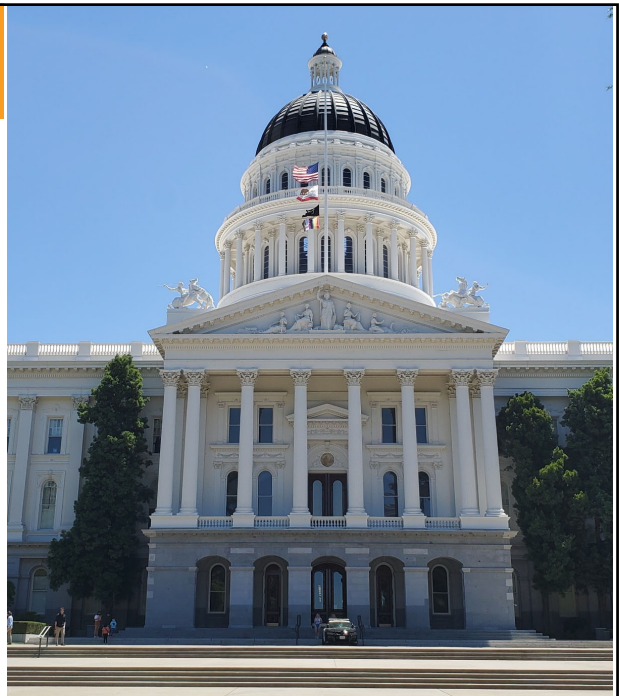
SWP Dependent Areas

- 💧 Specific areas of Metropolitan's system can only receive SWP supplies
- 💧 State Water Project (SWP) Allocation – 5%
 - 💧 Down from 15%
- 💧 MWD OC is **not** in a SWP dependent area
 - 💧 Can receive both Colorado & SWP supplies



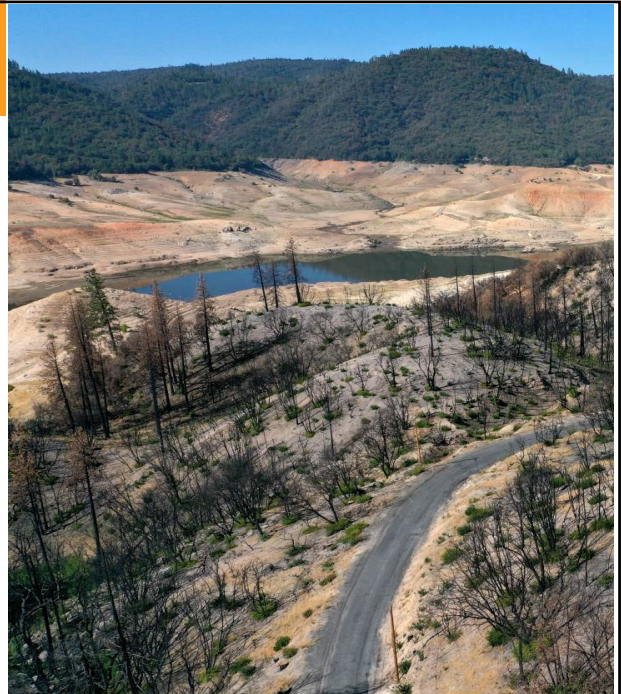
Governor's Executive Order

- 💧 Executive Order directed the SWRCB to **consider** emergency regulations for:
- 💧 Banning irrigation of “non-functional” turf in the commercial, industrial, and institutional sectors
- 💧 Requiring Urban Water Suppliers be at Level 2 of their Water Shortage Contingency Plans



What's Next

- ◆ SWRCB to consider emergency regulations per Executive Order
- ◆ Local Agencies should plan on going to Level 2 of their Water Shortage Contingency Plans
- ◆ Worsening conditions may warrant additional action by the State or Metropolitan

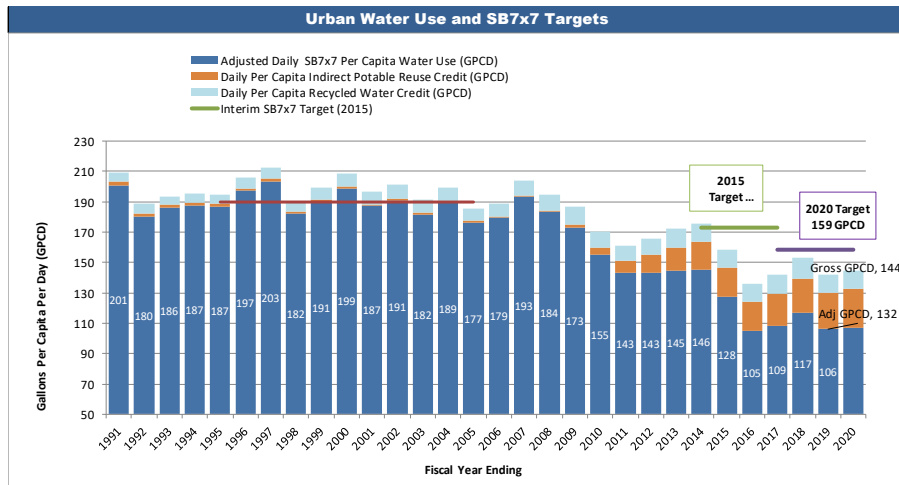


Long-Term Water Use Efficiency Framework



Where have we been?

Orange County Total Urban Water Use and SB7x7 Targets



Where are we going?



Urban Retail Suppliers Urban Water Use Objective (CWC §10609.20(c))

Indoor Residential

Aggregate estimated efficient indoor residential water use.



Outdoor Residential

Aggregate estimated efficient outdoor residential water use.



Outdoor Dedicated Irrigation Meters

Aggregate estimated efficient irrigation of landscape areas with dedicated irrigation meters or equivalent technology in connection with CII water use.



Water Losses

Aggregate estimated efficient water losses.



Variances

Aggregate estimated water use for variances approved by the State Water Board.



Allowable Bonus Incentive Adjustments (CWC §10609.20(D))

Which shall be limited in accordance with one of the following :

- Volume of potable water reuse from existing facility, with completed environmental review by 1/1/2019, that becomes operational by 1/1/2022, **not to exceed 15% of water use objective;**
- Volume of potable water reuse from new facility, **not to exceed 10% of water use objective.**



Urban Retail Supplier's Water Use Objective, adjusted for bonus incentive, for annual reporting purposes and comparison to the actual water use in the previous year. **Due by January 1, 2024** (extended from November 1, 2023 by AB 1414 in 2019).

Summary and Schedule

Standards Summary

- Indoor residential proposed GPCD recommendation:
 - 2020: 55 GPCD
 - 2025: 47 GPCD
 - 2030: 42 GPCD
- Outdoor Residential & Dedicated Irrigation Meters (CII Outdoor)
 - Irrigated Area ETAF
 - Residential & Dedicated Irrigation Meters
 - 80% ETAF until 2030; 65% beyond
 - Calculation is proposed to include only irrigated area; irrigable area may be included as a "buffer"
 - Residential Buffer if needed: 20% of irrigable area
 - No Buffer for Dedicated Irrigation Meters
- Water Loss, Variance, Potable Reuse Bonus, and CII Performance Measures
 - Recommendations pending

October 1, 2021
Standards recommendations by DWR/SWRCB to be made to the legislature

August 30, 2021
DWR to review residential landscape area errors and deliver final data to retailers

June 30, 2022
Legislature to adopt standards

January 1, 2024
First annual report on WUO and actual use is due

January 1, 2026
SWRCB may issue conservation order to supplier not meeting objective

January 1, 2030
Indoor standard proposed to lower to 42 GPCD

January 1, 2025
Indoor standard proposed to lower to 47 GPCD

January 1, 2027
Urban water suppliers to meet WUO



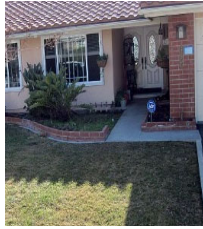
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How is
MWD OC
supporting
member
agencies?



OC's Water Use Efficiency Programs

REBATES



Turf Removal



Drip Irrigation



Smart Irrigation Timers



Sprinkler Nozzles



High Efficiency Toilets



Clothes Washers

OC's Water Loss Control Programs

Grant Funds



Water Balance Validation



Distribution System
Leak Detection



Meter Accuracy Testing



Distribution System Flushing



Technical Assistance

Our “ask” of you tonight?

💧 Legislative Positions:

- 💧 Senate Bill 1157 (Hertzberg) – Indoor Water Use Standard, oppose unless amended to include a study of unintended consequences before implementing the 2030 standard of 42 GPCD
- 💧 Assembly Bill 2142 (Gabriel) – Tax parity for turf removal rebates - support



Thank you for your attention.
We welcome any feedback as part
of our roundtable discussion.

