

The County of Orange Report

Prepared for the Mesa Water District

July 22, 2022
by Lewis Consulting Group

Grand Jury Urges OC Water Consolidation



On June 22, 2022 the OC Grand Jury weighed in on Orange County water governance by releasing a report titled **Water in Orange County Needs One Voice**.

Before unveiling their case for major agency consolidation, the Grand Jury first noted *“the current structure of wholesale water supply and operations in Orange County, although fragmented between Orange County Water District (OCWD), Metropolitan Water District of Southern California (MET), and Municipal Water District of Orange County (MWDOC), has been successful in providing reliable, high-quality drinking water.”*

The Grand Jury also acknowledged that reform might be difficult, *“although any consolidation or formation of a new water agency would pose political, administrative, and operational challenges, the OCGJ concluded that, at long last, it is time for Orange County to operate with one water voice.”*

However, the OCGJ concluded *“that now is the time to have a single wholesale water supply agency in Orange County. Based on statements made during numerous OCGJ interviews, multiple water professionals support moving from two to one wholesale entity for Orange County.”*

In crafting the opinion, the OCGJ interviewed “reliable sources” who claim the current water system in Orange County is dysfunctional. Proponents of consolidation argue that its occurrence would help lobbying efforts by speaking with one voice, increased coordination between North and South County Water Agencies, greater centralized planning for emerging water interruptions, some cost savings by eliminating duplicate administrations, professional consultive and lobbying expenses.

Opponents to the report scoff and say that Orange County’s evolved water system is the envy of much of the state. Some wonder if this has more to do with “empire building” and creating a new system for picking MET Board members. Others wonder whether some in South Orange County see this as an opportunity to work towards accessing North and Central Orange County ground water?

The Grand Jury let their feelings toward the Orange County Water District and the Municipal Water District be known. The OCGJ describes OCWD as “a recognized worldwide leader in groundwater resource management and reclamation. Its leadership, innovation, and expertise can be further utilized to serve all of Orange County in developing additional innovative and beneficial programs.”

At the same time, the OCGJ questioned MWDOC's effectiveness. “Reliable sources shared opinions with the OCGJ that the current OC wholesale structure is ‘dysfunctional’, ‘prevents speaking with one voice for all of Orange County water interests’ involving the aquifer and imported water sources, and ‘currently provides redundant services with redundant costs.’ Also, multiple member agencies of MWDOC have expressed dissatisfaction with MWDOC’s operating effectiveness related to MET board and legislative representation, member charges for provided services, and the scope of emergency preparedness.”

As you might expect, the two agencies reacted quite differently to the report. The OCWD issued a press release entitled “Orange County Water District Commends Grand Jury Recommendation for One Wholesale Water Agency to Lead County with One Voice”. By contrast, MWDOC has not issued a press release but is apparently waiting to file its required response to the Orange County Grand Jury. However, at a recent sub-committee meeting, several MWDOC Directors voiced their displeasure. Director Al Nederhood had a lengthy rebuttal to much of the OCGJ’s findings, calling much of it a “pie in the sky presentation”; while Director Seckel observed he felt the Grand Jury had been taken advantage of. STAY TUNED!



LAFCO Holds Strategic Planning Workshop

The July 13th meeting of OCLAFCO commenced with the swearing-in of four out of five eligible Commissioners: Davert, Freshly, McGregor and Wagner to new four-year terms. Commissioner Peggy Huang was absent.

The balance of the meeting dealt with LAFCO's Strategic Planning Workshops. The facilitator was William Kelly, President of Kelly Associated Management Group. The main purpose was to set goals and objectives for the organization's next three fiscal cycles 2022-2025.

Commissioners and staff had previously submitted items to be discussed using a SWOT analysis — **S**trength, **W**eaknesses, **O**pportunities and **T**hreats.

Among perceived **S**trengths mentioned were governance policy/setting, an enhanced website, guaranteed revenue stream, an upcoming MSR dashboard and fiscal indicators, digitization of record keeping and encouragement of shared services.

Weaknesses identified included delays in MSR's, lack of public and stakeholders knowledge of OCLAFCO's HR issues — compensation, staff size, succession & professional development.

Threats identified included: differing direction after leadership change, cyber-security, inflation/gas prices, HR items including staff departure, legislative effort to weaken LAFCO, LAFCO's perception among stakeholders and confusing South County politics.

The most important category was Opportunities in which 24 items were initially nominated. Near the end of the meeting, Commissioners voted by placing adhesive dots on the matters they felt were most important to focus on. Going forward, the five identified goals for attempted implementation include:

1. **COMMUNICATION** - better interaction with interested groups such as CALAFCO, CSAC, ACG-OC, regional Chamber and business groups.
2. **LEGISLATIVE ENGAGEMENT** - an emphasis on coalition building on issues of mutual interest.
3. **MSR PERFORMANCE ANALYTICS** - developing standards to quantify the MSR process, possibly the use of stakeholders survey.
4. **MSR STREAMLINING** - possible use of abbreviated MSR's for future cycles.
5. **SUCCESSION PLANNING** -

LAFCO will hold a follow-up meeting on August 10, 2022 to review staff's work on developing a new plan incorporating the five main Opportunities.

For LAFCO watchers, it has become apparent that under the leadership of Doug Davert with a heavy lift from Commissioner Jim Fisler, LAFCO has become a "kinder and gentler" agency winning overwhelming approval from Orange County Special Districts.

Who Will Be Our Next Representative in Congress???

PORTER VS BAUGH

Votes received in June 7 th primary	Porter	86,742 or 51.7%
	Baugh	51,776 or 30.9%



Porter 51.7% verse ALL REPUBLICANS COMBINED 48.3%.
So far NO polls have been publicly released.

PREDICTIONS

Larry Sabator's Crystal Ball	47 th C.D. leans Democrat
538 to Win	Porter has 69% chance of winning
270 to Win	Leans Democrat
Cook Political Report	Leans Democrat

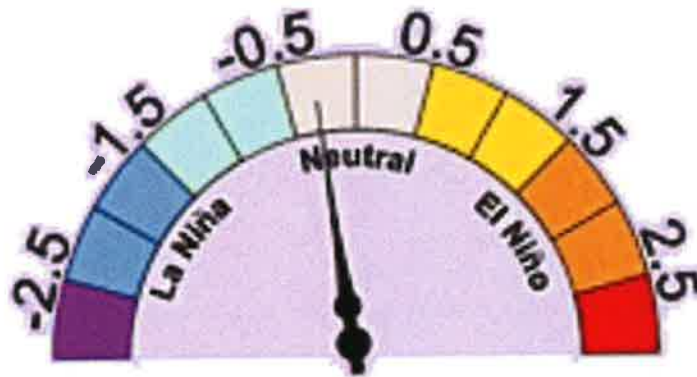
The 47th Congressional race is in play and if the race becomes "nationalized", issues like inflation and illegal immigration can make this race very competitive.

Orange County COVID-19 Update

ORANGE COUNTY COVID-19 STATS	7/18/2022	6/13/2022
CUMULATIVE CASES TO DATE	625,100	586,120
CUMULATIVE DEATHS TO DATE	7,181	7,076
DEATHS REPORTED TODAY	11	8
CUMULATIVE TESTS TO DATE	9,592,490	9,301,644
TESTS REPORTED THIS WEEK	55,938	65,212
CASES CURRENTLY HOSPITALIZED	298 *	194 *
CASES CURRENTLY IN ICU	45	19
CUMULATIVE RECOVERED TO DATE	589,302 *	556,320 *

* = INCLUDES *ICU* CASES

ENSO METER



La Niña Weakens, But NO El Niño in Sight

Our current La Niña has faded into a more neutral reading, but it is forecast to return. According to the National Weather Services Climate Prediction Center, there is a 60% probability that it returns in the Fall of 2022 and lasts through the winter of 2023. Could this be more troubling news about Southwest drought relief?