


REGIONAL WATER ISSUES

April 18, 2023



1



PFAS CONDITIONS AND STATUS

April 18, 2023



2

PFAS Conditions and Status

- Orange County Groundwater Basin
- Impacts to the Replenishment Assessment
- Potential Impacts to Mesa Water Supplies

3 | April 18, 2023



3

Groundwater Producers in PFAS Program

(12 out of 19 Producers in Program)

Producer	# of Wells
Anaheim	14
Buena Park	
EOCWD	2
Fullerton	3
Fountain Valley	
Garden Grove	6
GSWC	3
Huntington Beach	0
IRWD	1
La Palma	

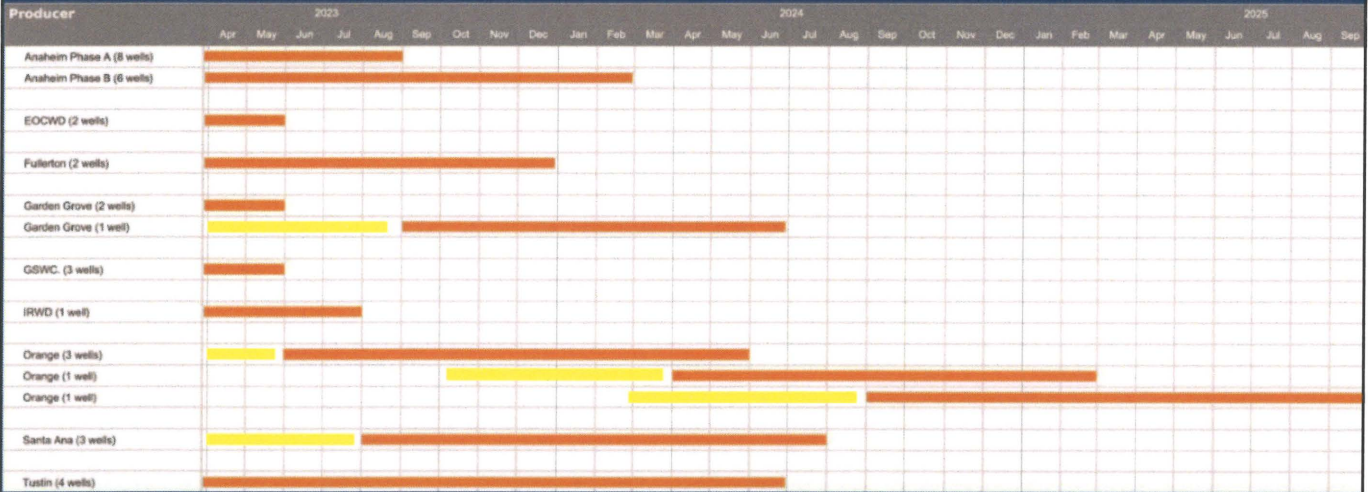
Producer	# of Wells
Mesa Water	
Newport Beach	
Orange	9
Serrano Water	2
Seal Beach	
Santa Ana	4
Tustin	4
Westminster	
Yorba Linda WD	<u>10</u>
Total	58

4 | April 18, 2023

4

58 Wells
 21 Operational
 37 Design/Construction

Design
 Construction

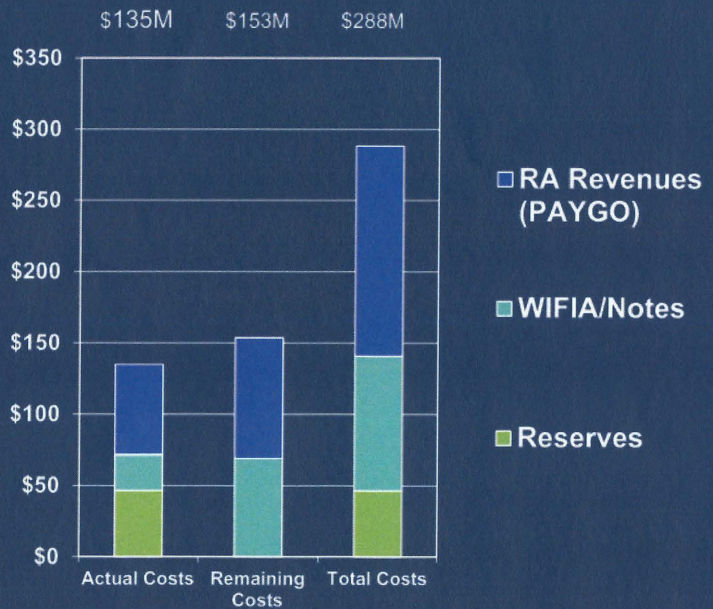


5 | April 18, 2023

5

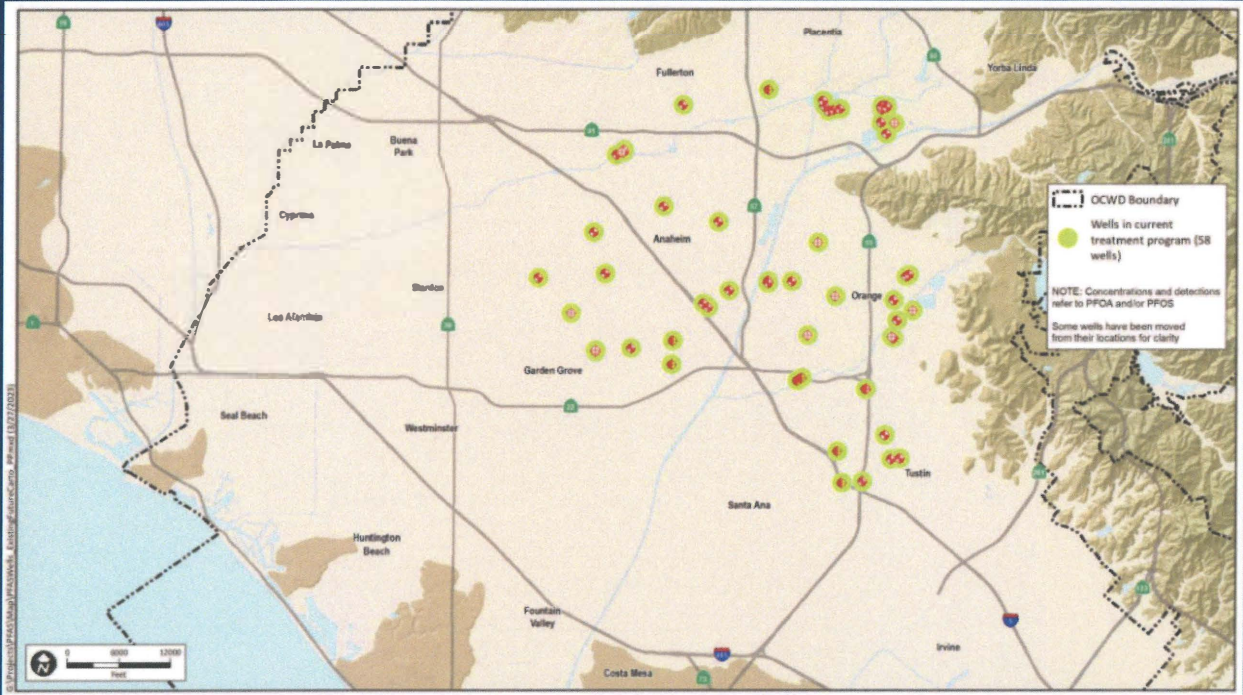
First 58 Wells Costs and Financing

- ▶ First phase of PFAS Well treatment includes 58 Producer wells
- ▶ Total cost - ~\$288M
- ▶ Financed with \$95M WIFIA/Notes, \$46M Reserves, and \$147M RA Revenues (PAYGO)



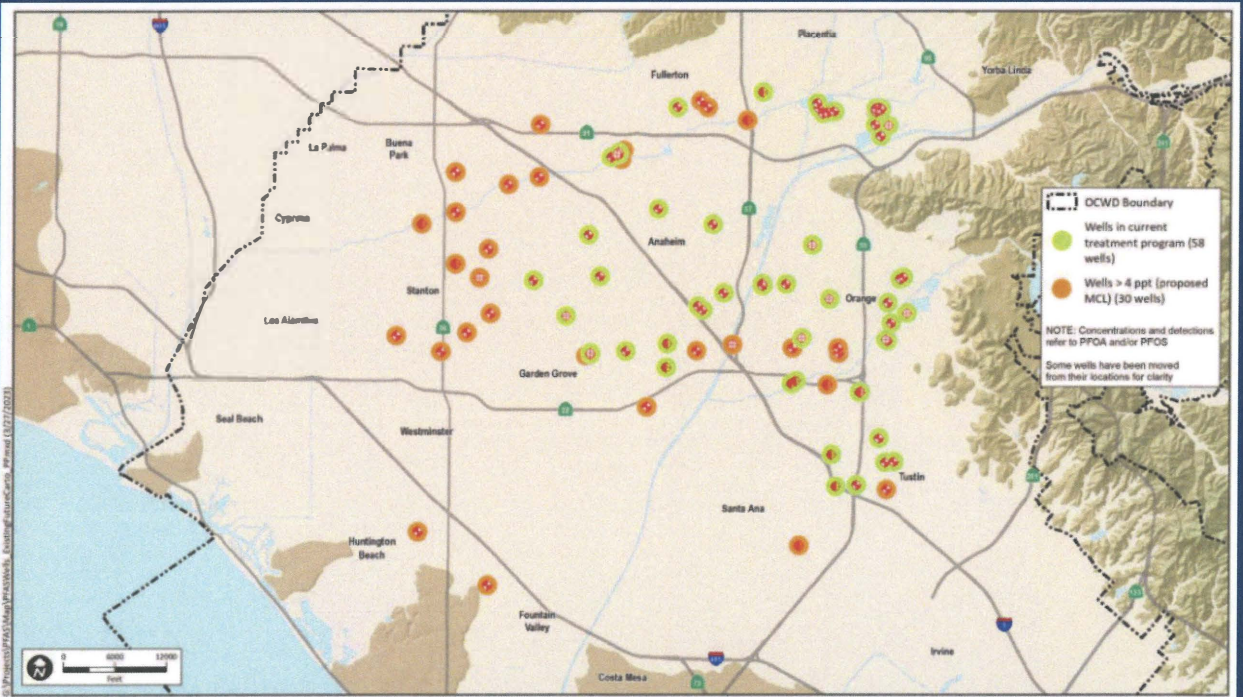
6 | April 18, 2023

6



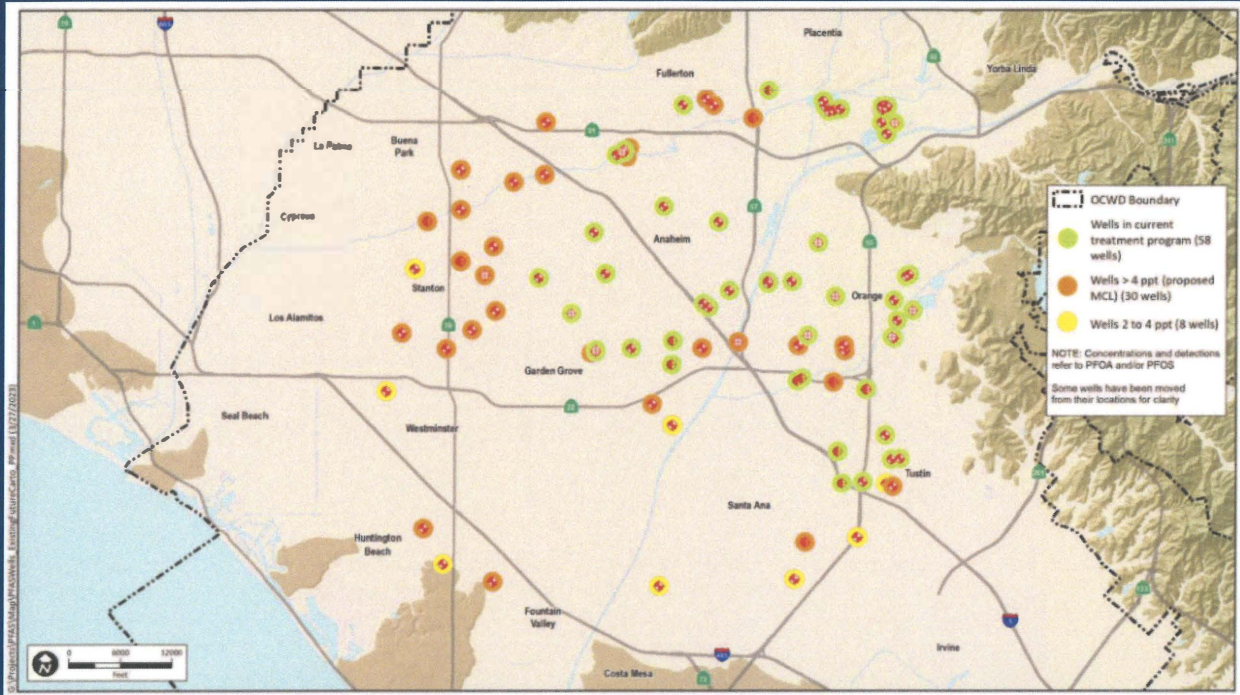
7 | April 18, 2023

7



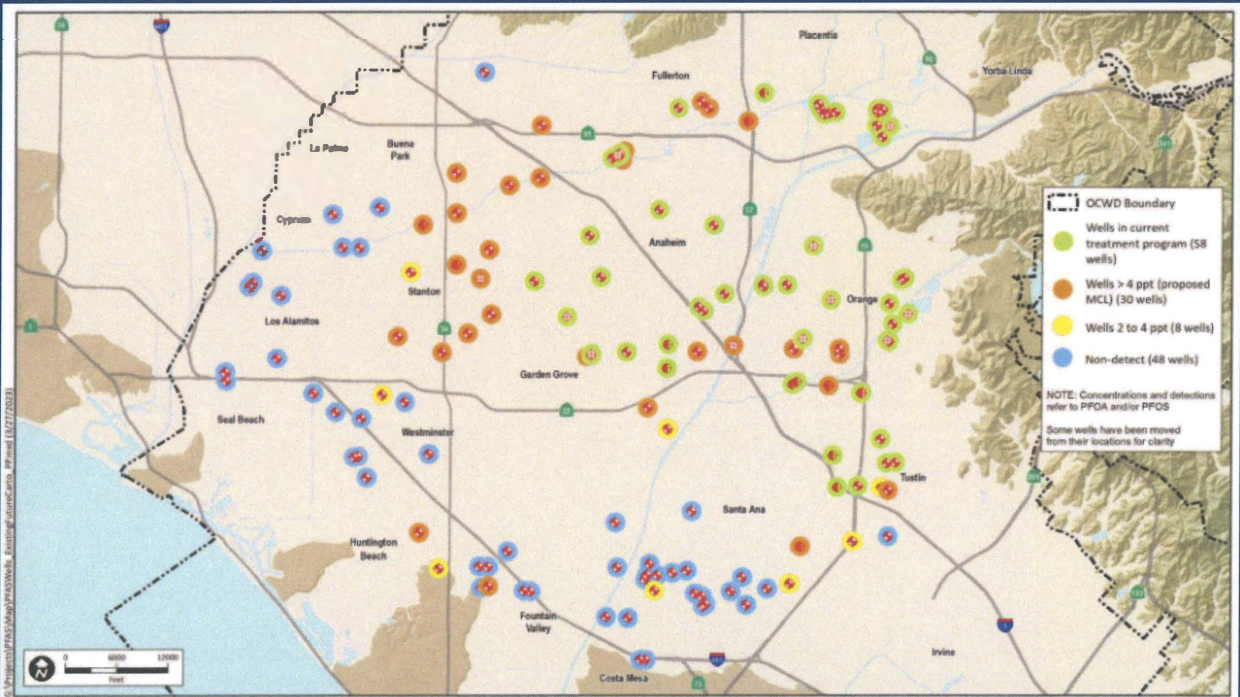
8 | April 18, 2023

8



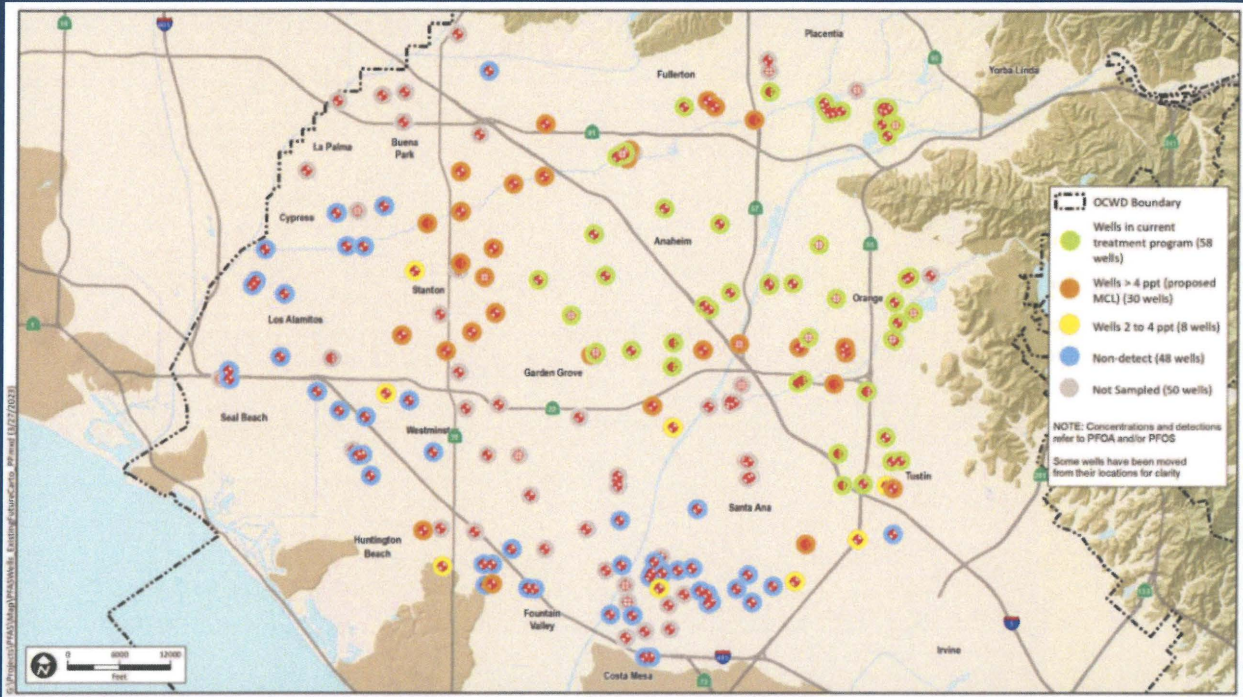
9 | April 18, 2023

9



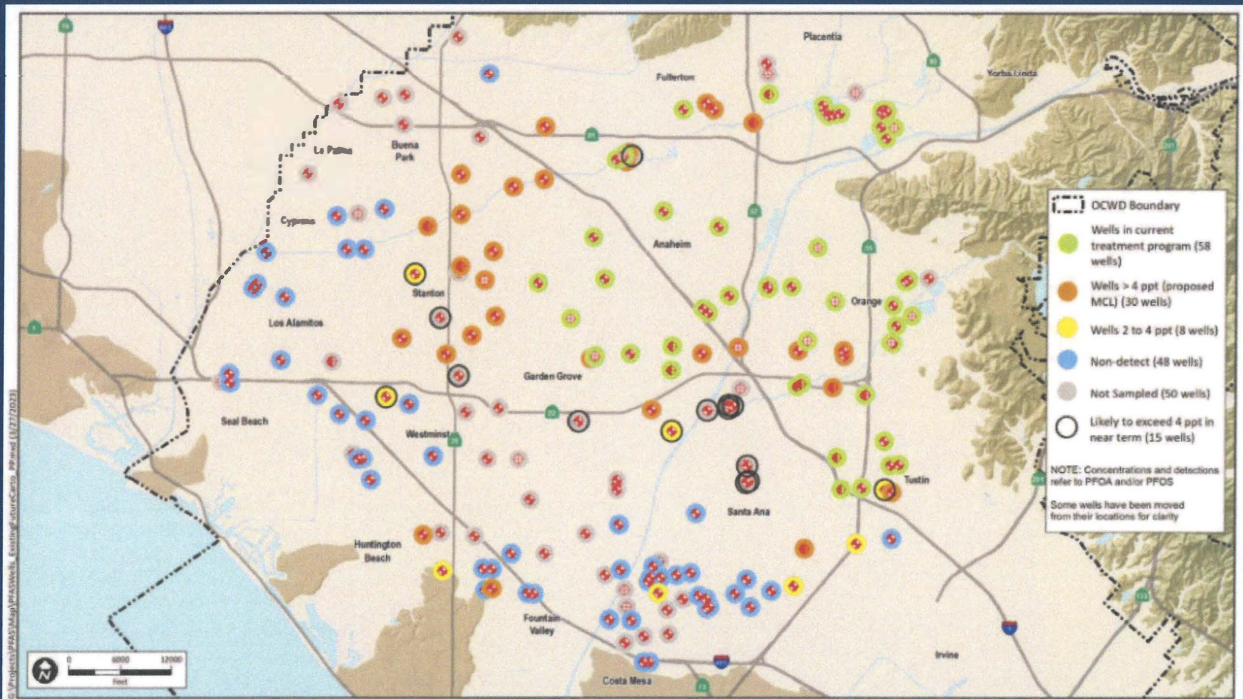
10 | April 18, 2023

10



11 | April 18, 2023

11



12 | April 18, 2023

12

Funding PFAS Treatment Systems for the Additional Wells

- 30 to 45 wells
- Assume \$5 million per well
- \$150 to \$225 million
- Three additional Producers – Buena Park, Newport Beach & Westminster
- Assume Producers keep wells operating except during construction period

13 | April 18, 2023

13

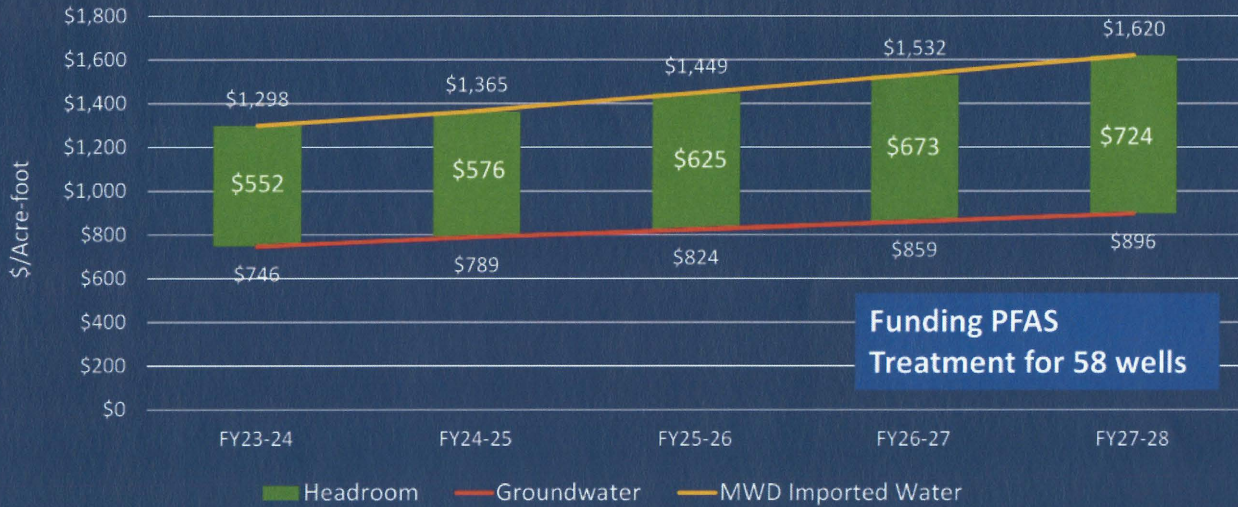
Estimated Necessary Annual Replenishment Assessment Increases for Fiscal Years FY24-25 to FY27-28

# of Wells \ Financing	With WIFIA Loan (49%)	No Debt
30	Scenario #1 ~8%	Scenario #3 ~11%
45	Scenario #2 ~10%	Scenario #4 ~15%

14 | April 18, 2023

14

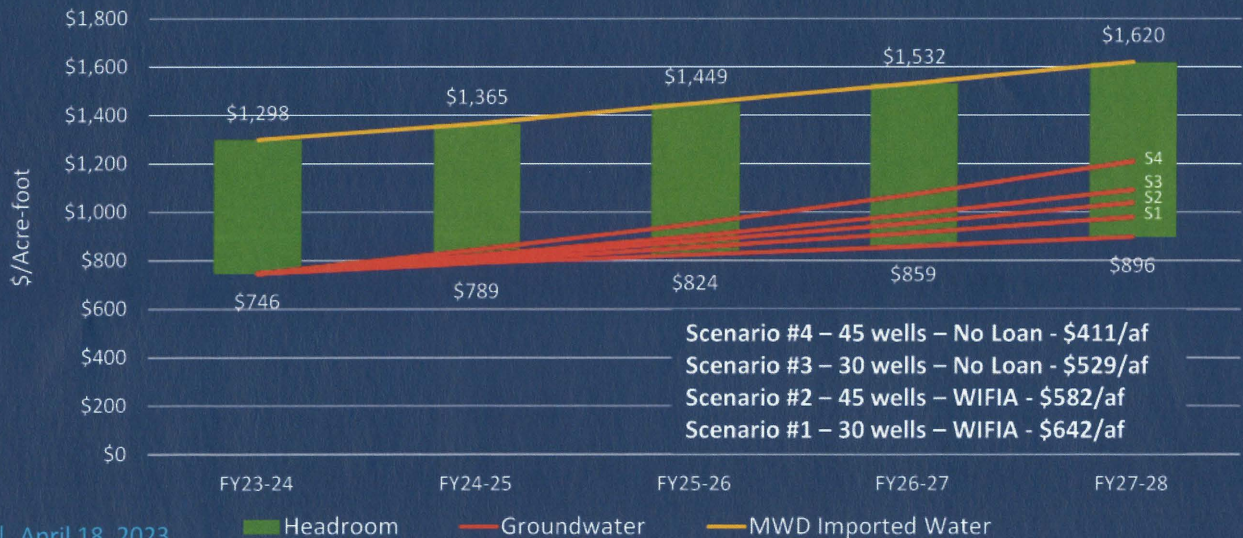
Projected Headroom Between the Unit Cost of MWD Imported Water vs Groundwater



15 | April 18, 2023

15

Projected Headroom Between the Unit Cost of MWD Imported Water vs Groundwater



16 | April 18, 2023

16

District Debt Credit Ratings

- Board policy to maintain AAA credit rating
- Both Fitch and S&P currently rate the District's obligations as AAA
- District to continue to maintain strong financial metrics:
 - Debt Service Coverage
 - Days Cash On Hand
 - Leverage

17 | April 18, 2023

17

Going Forward

- Complete the construction of treatment systems for the current 58 impacted wells to return groundwater pumping to normal levels
- Continue to monitor the state and federal MCL setting processes
- Refine expected number of additional future wells that may require treatment systems and the expected capital cost
- Continue seeking grants from the state and federal government
- Continue legal actions to seek reimbursement from chemical companies

18 | April 18, 2023

18

Potential Impacts to Mesa Water Supplies

- Currently all Mesa Water Wells are non-detect
- Well Nos. 3, 5, 6, and 11 are under state monitoring orders.
- Well Nos. 12 and 14 zone sampling had detections below notification levels for PFOA and PFOS
- 2021 well head results were non-detect for both wells
- Additional UCMR testing required

19 | April 18, 2023



19



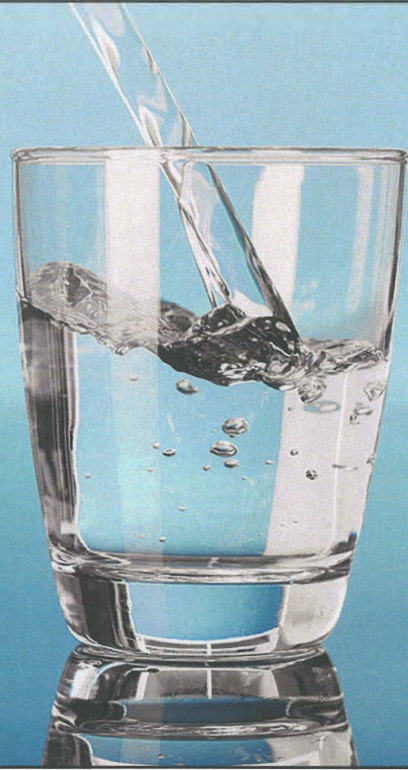
Questions?



20



MESA WATER SUPPLY



April 18, 2023

21

Mesa Water Supply – Local SiP

- Grant Application Submitted
 - Notice of Award – June 2023
 - Awarded Funding Available – November 2023
- SAM.gov
- Executive Committee to Washington D.C. June 2023
- Project Participants



22 | April 18, 2023



22

Mesa Water Supply – Local SiP



23 | April 18, 2023

23



Questions?



24



OC GROUNDWATER BASIN

April 18, 2023



25

Orange County Groundwater Basin

- South County Storage Exchange Program
 - City of Santa Ana
 - Orange County Water District
 - Moulton Niguel Water District
- Construction of an Emergency Interconnection between the City of Santa Ana and EOCF#2 to be used when EOCF#2 is not conveying treated water from MWD.

26 | April 18, 2023



26

South County Storage Exchange Program

- Summary of Agreement Actions
 - Preliminary Design Analysis of needed infrastructure
 - Environmental review of proposed facilities
 - Work with EOCF#2 Agencies to identify operational challenges

27 | April 18, 2023



27

South County Storage Exchange Program

- An agreement with the parties responsible for the operation and maintenance of EOCF#2 will be required.
 - East Orange County Water District
 - City of Huntington Beach
 - Irvine Ranch Water District
 - Laguna Beach County Water District
 - Mesa Water
 - Moulton Niguel Water District
 - City of Newport Beach
 - City of Orange
 - City of San Clemente
 - City of San Juan Capistrano
 - Santa Margarita Water District
 - South Coast Water District

28 | April 18, 2023



28

Legal Work



- The JPA does not establish a voting mechanism for resolution of disputes.
- Need a common understanding of key points of the agreements.
- MWDOC understands there may be a differing opinions on various key points and are open to suggestions for coming to a shared understanding.
- We encourage discussions with your agency’s legal counsel and have provided a link to relevant documents for those discussions.

https://www.dropbox.com/sh/kkqkzwnelbva/AAAaMDFC8fbOWws8ATaJn_7Wa?dl=0



29 | April 18, 2023

29

Our Read of Some Key Points



- The JPA expressly recognizes Metropolitan’s role to set rates, rules and regulations notwithstanding the assignment of capacity rights. (JPA, ¶123.)
- Because Metropolitan is obligated to act as a trustee for the benefit of all parties, it cannot allow the pipeline to be used in a manner that harms others (i.e., An agency making a claim that the introduction of groundwater would result in a diminution of water quality – Water Code 1810.)
- The JPA is silent on the type of water, and does not provide veto rights regarding water delivered through EOCF#2.
- Although some JPA members hold “clear title to a delivery capability”, Metropolitan holds title to the pipeline under the JPA.

30 | April 18, 2023

30

Next Meeting - Key Questions



Does your Agency Agree/Disagree with the following:

- ◆ Recognition of Metropolitan's role to set rates, rules and regulations.
- ◆ Metropolitan's trustee role for all parties, does not allow the pipeline to be used in a manner that harms others. Downstream stakeholders' concerns about water quality need to be considered.
- ◆ The JPA is silent on the type of water delivered through EOCF#2. Is the introduction of groundwater into EOCF#2 under circumstances defined in Admin Code 4519 acceptable (provided downstream stakeholder WQ concerns are addressed)?

If your agency disagrees with any interpretation, how do you suggest we resolve the disagreement?

31 | April 18, 2023

31



32