

The County of Orange Report

September 15, 2020
by Lewis Consulting Group



Approves MWDOC MSA

Orange County LAFCO meet September 9th and the agenda was fairly short. However, the long anticipated MWDOC MSA was the major item of focus.

Staff recommended adoption of the MSA and MWDOC General Manager Rob Hunter thanked the staff for the fairness and cooperative nature that existed throughout the process.

The Yorba Linda Water District submitted a letter expressing its frustration about the geographic composition of MWDOC's Metropolitan appointees on the Board. The letter raises their concern about what they see as a current North / South imbalance.

Commissioner Jim Fisler used the opportunity to question staff regarding the need to bring LAFCO Commissioners into the process sooner, allowing the ability to help shape MSR comments. Commissioner Davert in addition to his comments in the Yorba Linda letter, also questioned GM Rob Hunter on the legality of MWDOC's sphere of influence going beyond County boundary lines. GM Hunter said that while it was legal, MWDOC had little or no interest in assuming the Central Basin, which was the impetus for Director Davert's question.

After a relatively short discussion, the MSR was approved with an unanimous vote.

The Orange County Sanitation District's MSR was also approved unanimously, but after additional comments from the Yorba Linda Water District expressing concerns about the fairness of existing Board composition.



Recent O.C. Board of Supervisors Meetings

The September 1st meeting of the Board of Supervisors only had three things on the agenda and only one of substance. The one of substance was explanation of the finalization of the 2020/2021 fiscal budget.

Overall, it is rather amazing the County has weathered the COVID-19 storm and economic shutdown as well as it has.

The County, due to COVID-19, changed up their normal budget process, opting to adopt a base budget on June 2nd which allowed them to pay more bills while they waited for a time to add certainty to the process. Both the September 1 budget explanation and the September 15 vote proved to be the right time.

The 2020/2021 final budget is \$7.5 billion which represents a 4.2% increase over the previous year. This was accomplished while only dipping mildly into its reserves, an estimated \$10-30 million from the Orange County Employers Retirement System and \$11 million from the Teeter penalty fund reserves. This is a far cry from the massive borrowing required during the Orange County Bankruptcy.

This budget contains no layoffs or furloughs and the number of County employees remains steady from the prior year.

The County does have a challenge, Proposition 172 dedicated sales tax revenues for law enforcement plummeted and was backfilled by county augmentations. Also, the County has been facing a structural challenge since 1978's passage of Proposition 13 which locked in a punitive and unequal distribution of property tax dollars. For example, Orange County only receives 5% of the property tax, while San Diego County receives 12%. Despite that, last week the rating agency FITCH reaffirmed its AAA rating for Orange County.

Out of the \$7.5 billion adopted budget:

43% is spent on community services

20% public protection

19% infrastructure and environmental resources

10% insurance, reserves and miscellaneous expenses

and lastly 7% for general government, capital improvements and debt services

By expenditure category - 30% of the budget goes to salaries and benefits and 29% to services and supplies.

September 15th meeting Features Airport Contracts Finalization

At last Tuesday's Board meeting, a four year tedious and tumultuous process was concluded as the Board voted unanimously to award a contract to ACI to become one of

two fixed-base operators at the airport. By a four to one vote, the Board then voted in favor of Clay Lacy becoming the second FBO provider. Supervisor Don Wagner voted no and had made it known he preferred the retention of incumbent Atlantic Aviation.

In addition to ACI and Clay Lacy, the other big winner in the airport fight were Newport Beach residents, who have long lobbied for limitation on the number of flights and operating hours. In addition to Atlantic Aviation, another loser appeared to be operator Jet Suite X. According to the owner, they were never notified by the County or airport staff that they were being removed from the general aviation portion of the airport; they literally read about it in a revised public agenda. Apparently ACI and Clay Lacy were notified in a late contract amendment they could not sub-lease to Jet Suite X. Several dozen people spoke to the item heaping praise on the relatively new business and the Board was presented with 6,000 e-mails from very satisfied customers, but it fell on deaf ears. Also an attorney from Atlantic Aviation announced that on Monday, September 14th, because the Board was not following procedures outlined in the RFP, that they were filing an official protest. County Counsel however, stated that Supervisors are enabled with certain powers enshrined in California code and they can ignore aspects of the RFP if they choose. Late in the day, there appeared to be some sympathy for perhaps letting Jet Suite X move to the commercial side of the airport.

Lastly, during the COVID-19 health report it was noted that Orange County continues to show great improvement in COVID-19 numbers and on September 22nd some public schools will begin to open.

Orange County COVID-19 Stats

ORANGE COUNTY COVID-19 STATS	AS OF 9/13/2020	AS OF 8/3/2020
CUMULATIVE CASES TO DATE	50,930	37,831
CUMULATIVE DEATHS TO DATE	1,093	651
DEATHS REPORTED TODAY	0	0
CUMULATIVE TESTS TO DATE	737,558	435,927
TESTS REPORTED TODAY	5,136	17,133
CASES CURRENTLY HOSPITALIZED	196 *	555 *
CASES CURRENTLY IN ICU	58	175
CUMULATIVE RECOVERED TO DATE	45,197 *	25,248 *

* = INCLUDES ICU CASES



Where Orange County Ranks [as of 9/13/2020]

LOCATION	POPULATION	CONFIRMED CASES	DEATHS
CALIFORNIA	40,129,160	754,923	14,329
LOS ANGELES COUNTY	10,247,557	253,985	6,208
RIVERSIDE COUNTY	2,468,145	55,073	1,103
ORANGE COUNTY	3,228,519	50,930	1,093
SAN BERNARDINO COUNTY	2,217,398	50,699	832
SAN DIEGO COUNTY	3,370,418	42,742	734



LATEST PRESIDENTIAL POLLS

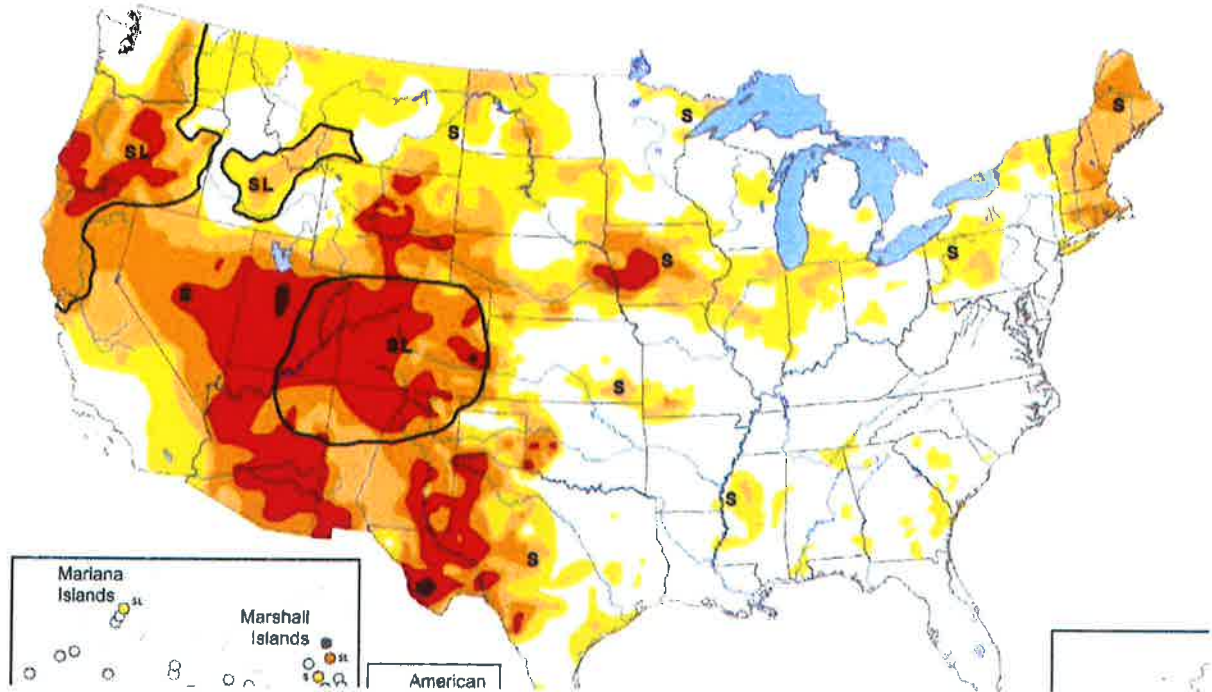
Former Vice-President Joe Biden continues to maintain a lead over President Trump in the national polling. But with 49 days until the November 3rd election, the race is starting to tighten.

DATE	POLL	RESULTS	SPREAD
SEPTEMBER 13	FOX	BIDEN 51, TRUMP 46	BIDEN +5
SEPTEMBER 11	THE HILL / HARRISX	BIDEN 47, TRUMP 39	BIDEN +8
SEPTEMBER 11	ECONOMIST / YOUNGOV	BIDEN 52, TRUMP 43	BIDEN +9
SEPTEMBER 11	CNBC / CHANGE RESEARCH	BIDEN 48, TRUMP 43	BIDEN +5
SEPTEMBER 11	RASMUSSEN REPORT	BIDEN 48, TRUMP 46	BIDEN +2

Drought Intensifies

Map released: September 10, 2020

Data valid: September 8, 2020



The Western drought is hitting the Four Corners area particularly hard and is taking its toll on the Colorado River flows and lake levels. Lake Powell is down 19 feet from one year ago and rivers feeding the lake are currently 68% of current level. Some computer models are predicting a favorable shift in the jet stream, which should help bring precipitation to Oregon and Washington and possible California. This would be fortuitous especially since we have now slipped into a mild La Niña.

ENSO METER

