

The County of Orange Report

Prepared for the Mesa Water District

October 21, 2021
by Lewis Consulting Group



LAFCO - On the Agenda

The October 13th meeting was held once again without the public in attendance.

Appearing on the consent calendar were both the first quarter 2021/2022 financial report along with the legislative quarterly report.

A public hearing was held on the transfer of about 1/3 of an acre from both the City of Orange and MWDOC to the City of Anaheim. On the action agenda were the following items:

AGENDA #8 - COMMISSION DISCUSSION AND ACTION

a.) SECTION 115 PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST

The Commission will consider adoption of the benefits trust and administrative agreement with the Public Agency Retirement Services (PARS) and relative amendments to the agency's accounting and financial policies.

b.) 2021 ORANGE COUNTY LAFCO STRATEGIC PLAN

The Commission will consider adoption of the 2021 Strategic Plan.

c.) ASSEMBLY BILL 361 – OPEN MEETINGS AND TELECONFERENCES FOR STATE AND LOCAL AGENCIES

The Commission will discuss and consider action regarding AB 361, legislation recently signed by the Governor involving open meetings and teleconferences due to the COVID-19 pandemic.

After debating the merits of the proposed Mesa Water District amendment to the new Strategic Plan, the Commission, looking for input from any other members of the public; decided to postpone this matter until their November meeting.



Board of Supervisors - Key Actions

SEPTEMBER 28TH BOARD OF SUPERVISORS MEETING - A public hearing was held on the on-going process of redistricting for the new configurations of Orange County's five supervisorial districts. October 15 marks the last day that members of the public could submit proposed maps. Three more public meetings - Nov. 2nd, Nov 9th and Nov 16th will be held to receive comments and present and receive maps. The November 16 meeting is the targeted date for selection of the final maps, but the final Board ordinance is scheduled for December 7, 2022.

The stakes this year are greater than usual because of the "blueing" of Orange County will make it difficult to maintain a Republican Board majority for the duration of the decade.

Following the census, the ideal population for each supervisorial district is 638,601 persons. The law allows a 10% population deviation between the most populous and least populous districts. Current Supervisor Wagner's Third District is the most overpopulated +8.8% above the target of 638,601. Supervisor Do's First District is the most underpopulated at -5.36%. The combined total is a variance of 14.17%, which necessitates a legal change in district lines.



The big questions are - Will this process end up being a yawning affair with only minimal changes? Or will there be an attempt to create a solidly Latino district? This could be accomplished by combining Santa Ana with part of the City of Anaheim. Will there be an attempt to create a solidly Asian district anchored by Garden Grove and Westminster? Lastly, will the new plan be an incumbent protection plan or a plan that creates competition and political opportunity?

OCTOBER 5TH BOARD OF SUPERVISORS MEETING - The final sale of the Greenspot property was concluded. The high bidder for the 1,657 acres in the City of Highland was the San Bernardino Municipal Water District with a winning bid of \$31,815,000. After subtracting fees, the net sale was \$29,028,726. Of that total over \$20 million is sent to the State of California, leaving the County of Orange Real Estate Development Program and Flood Control District Fund 400 with equal proceeds of \$3,818,729.

OCTOBER 19TH BOARD OF SUPERVISORS MEETING - There was an item accommodating additional South Orange County growth. The item allows for the creation of a Community Foundation District and the issuance of \$165 million in bonds to fund infrastructure for a new phase of build out of the Rancho Mission Vago development. When completed, the final plan calls for 14,000 dwelling units along with retail, office and recreational uses. This will be contained in a development area of 7,700 acres while an additional 15,000 acres were set aside for green space.

Orange County COVID-19 on Decline

The Delta variant peaked a couple of months ago and the number of hospitalizations, particularly those in the ICU have dramatically declined.

ORANGE COUNTY COVID-19 STATS	10/21/2021	AS OF 9/23/2021
CUMULATIVE CASES TO DATE	302,631	294,871
CUMULATIVE DEATHS TO DATE	5,550	5,371
DEATHS REPORTED TODAY	12	8
CUMULATIVE TESTS TO DATE	5,333,647	4,976,573
TESTS REPORTED TODAY	14,047	16,435
CASES CURRENTLY HOSPITALIZED	200 *	313 *
CASES CURRENTLY IN ICU	42	87
CUMULATIVE RECOVERED TO DATE	291,100 *	279,753 *

* = INCLUDES **ICU** CASES

Could This Be the World's Winter of Discontent?

After months of intermittent power losses on October 9, 2021, the entire country of Lebanon was plunged into darkness. Lebanon has dealt with a huge port explosion, government corruption, a collapsing currency, food shortages and finally a fuel shortage, which temporarily closed the nation's two largest power plants. While Lebanon has faced unique dire circumstances, could it also be the proverbial canary in the coal mine as it relates to winter power shortages.

At present, the world is facing unexpected challenges. The Pandemic along with a recovery resulting in increased consumer demand thwarted by supply bottlenecks is not our only worry. This winter countries who have too quickly transitioned to "green energy" may face the brunt - higher prices, fuel shortages and energy outages. All of this may be compounded by an unusually brutal winter, now predicted by numerous weather forecasters. The impending transition to La Niña is yet another clue that in winter a collapsing polar vortex will spread frigid air into both Europe and North America at the worst possible time (think Texas freeze). Already numerous countries are dealing with huge energy challenges.

The United States was a net energy exporter in both 2019 and 2020, so despite rising gas prices, we are better positioned than most countries to deal with the energy shock. In India, which is heavily coal reliant, 63 of 138 of its power plants have less than two days supply of coal. India relies on coal for 70% of its power.



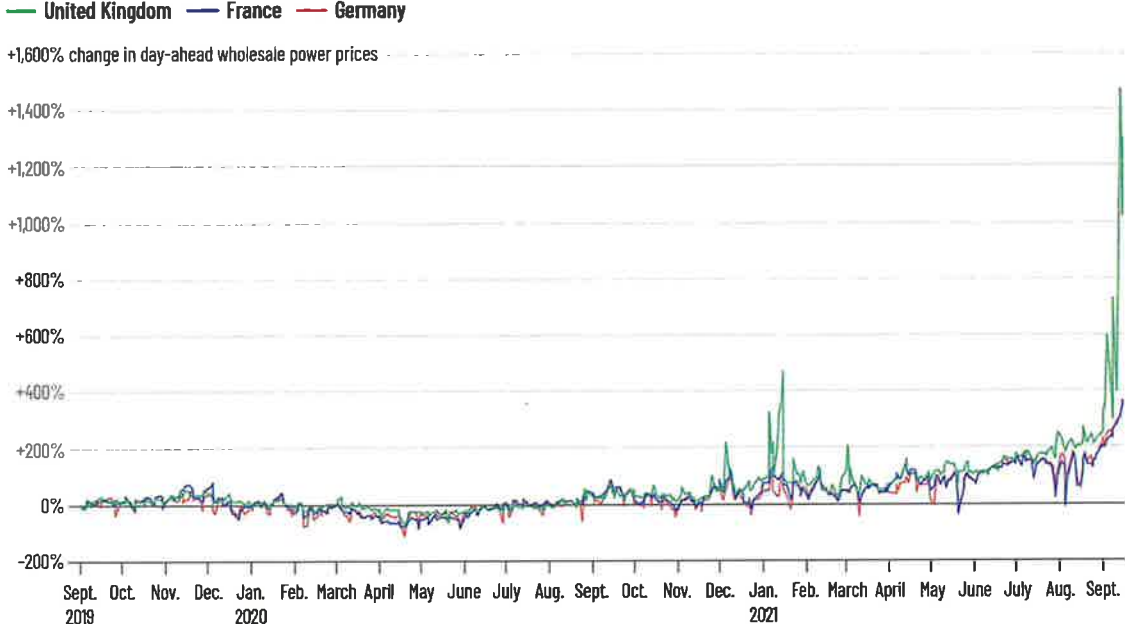
Coal Price Surge, 27 September 2021. Source: Trading Economics

China has been particularly hit hard and energy is being rationed weekly across the country. The energy shortage is responsible for the closure of numerous factories. England may be the most imperiled as its quick transition to green energy had wind power providing 24% of the nation's energy. However, a windless summer reduced that

power supply to just 7%. As countries are searching for additional supplies of oil, natural gas and coal, prices are surging across the board.

The cost of power in Europe is soaring

Gains have been most pronounced in the United Kingdom, which relies heavily on natural gas for electricity generation.



Source: Independent Commodity Intelligence Services
Graphic: Natalie Leung, CNN

Russia, which is energy rich, seems to be willing to hold Europe hostage by transferring more of its current energy exports to China. This winter could be profoundly challenging.

It's Official!

ENSO METER



On October 14, 2021 NOAA, the National Oceanic & Atmospheric Administration, officially declared that La Niña has returned.

California Drought - Worst in the Nation

Map released: October 21, 2021

Data valid: October 19, 2021

