Advanced Purified Water Project
A Partnership: Santa Margarita Water District,
City of Mission Viejo, Lake Mission Viejo Association
Mayor Frank Ury
The Problem

• Mission Viejo Lake loses 300 ac/ft of water a year from runoff and evaporation
• Created a “target” from the state during drought

• How to make the Lake, and the City Parks, Sustainable?
The Opportunity

• Santa Margarita Water District had complete plans and approval for an Advanced Purified Water Project
  – Generates 600 ac/ft per year
  – Excess capacity available for other irrigation

• However, no near term funding source

• The main pivot point: Mission Viejo has over $26M in reserves, and is interested in leveraging for regional benefit
The Relationship

• Existing strong relationship between Mission Viejo and the Santa Margarita Water District
• Topic came up a holiday party
• Quickly turned from concept to action
• Focus: Win Win Win Win for all three agencies
The Project

• Advanced Purified Water Treatment
• Corner of Alicia and Marguerite
  – 100 yards from the Lake
• Takes disinfected tertiary effluent and purifies it for lake use
• 600 Acre Feet per year
• Cost $5.47M
The Benefits

• Focus on saving water
  – Taking 600 AFY off the local “water consumption grid”

• Off the “radar” of state water scrutiny

• Economic value
  – Water needed to maintain lake integrity
  – Property values
  – Promise to homeowners (both near lake and the overall city)
The Deal

• **$1M Grant from the City**
  – City secures water for Lake AND discounted water for park irrigation for 25 years
  – Recoup $860k over that time

• **$3M loan from the City**
  – Interest rate is above the long term rate for City investments, but below the borrowing rate for the Water District (+$150k for City)

• **Balance of costs borne by the District**
  – Approx $1.5M
The Twist

• Mission Viejo creates an irrevocable trust, for prepayment of City’s pension obligation
  – The Trust loans the $3M
  – Water district pays the trust back
  – Pension fund paid to 85%

• Two benefits to City
The Results

• Entire deal among the City, Water District and Lake completed in 90 days
• Online at the end of August (just when needed most)
• Takes Mission Viejo Lake and 80% of Mission Viejo Parks OFF the South OC Water Consumption grid
• Makes Lake Mission Viejo the first 100% sustainable man-made lake in California
Thanks

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