



Advanced Purified Water Project

A Partnership: Santa Margarita Water District,
City of Mission Viejo, Lake Mission Viejo Association

Mayor Frank Ury, April 2016





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 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

Frank Ury

Mayor, Mission Viejo

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