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Emerald Bay Service District  
600 Emerald Bay  
Laguna Beach, California 92651  
(949)494-8571

DIRECTORS

DANIEL HOEFFLIN  
JOHN MARCONI  
JOHN McDERMOTT  
GARY PICKETT  
SUSAN THOMAS

September 17, 2024

Ms. Maria Hernandez  
Presiding Judge of the Superior Court  
700 Civic Center Drive West  
Santa Ana, CA 92701

Orange County Grand Jury  
700 Civic Center Drive  
Santa Ana, CA 92701

Re: Emerald Bay Service District  
Response to Orange County Grand Jury Report

Emerald Bay Service District (EBS D) writes in response to a report issued by the Orange County Grand Jury entitled, "Emerging Opportunities in South County Water/Wastewater Systems".

In compliance with Penal Code Section 933 (e), EBS D is required to comment to the presiding judge of the Superior Court on the findings and recommendations contained in the Report which are under EBS D's control within 90 days of the Report being published. Responses to the findings and recommendations in the Report are due by September 20, 2024.

In the Report, the Grand Jury identified two findings and one recommendation relevant to EBS D.

Please find enclosed EBS D's Resolution No. 24-09-17-01, "A Resolution of the Board of Directors of the Emerald Bay Service District Regarding Response to June 14, 2024, Grand Jury Report".

The findings and the District's responses, are as follows:

**FINDING F3.** SOCWA's member agencies have widely diverse populations, requirements, and revenues. This has led to conflicts over governance, facility operation, and control, affecting the evolving potential for wastewater reuse.

**EBS D RESPONSE:** The District AGREES with this finding.

**FINDING F4.** There is currently no unified strategy for the future of water/wastewater provision in South Orange County.

**EBS D RESPONSE:** The District DISAGREES with this finding. The District receives its water supply from the Laguna Beach County Water District (LBCWD) through a contractual agreement. LBCWD, along with other South County Agencies, receives its water supply through the Municipal Water District of Orange County (MWDOC), as a member agency of the Metropolitan Water District (MWD), who is the wholesale supplier for Southern California.

The District conveys its wastewater to SOCWA for treatment at the Coastal Treatment Plant (CTP). This treatment plant also provides wastewater treatment to the City of Laguna Beach (CLB) and the South Coast Water District (SCWD), which serves the residents of Dana Point. This treatment plant is in the process of modernization, utilizing alternative wastewater treatment strategies to limit the amount of discharge to the ocean and to process biosolids as a resource. The treatment plant currently treats the wastewater to tertiary standards for irrigation.

**RECOMMENDATION R2:** The OCGJ recommends that by January 1, 2025, LAFCO form a task force comprising representatives of affected water agencies to study the transformation of SOCWA and prepare a report on the future of water/wastewater in South Orange County.

**EBS D RESPONSE:** The District DISAGREES with this recommendation. Representatives from the member agencies of SOCWA have been meeting over the past year to study the transformation of SOCWA. Several agreements have been drafted and are being reviewed by each of the member agencies of SOCWA. The goal is to have these agreements adopted by the member agency's Board of Directors and/or City Council by the end of the calendar year (December 31).

There would be no need to have LAFCO form a task force that would at best be duplicitous to achieve what is currently being pursued.

The EBSD Board of Directors appreciates the opportunity to respond to the Report. Should you require any additional information on this topic, please do not hesitate to contact Michael Dunbar, General Manager, Emerald Bay Service District.

Sincerely,



Michael Dunbar, P.E.  
General Manager  
Emerald Bay Service District

Cc: Board of Directors

**RESOLUTION NO. 24-09-17-01**

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE EMERALD BAY SERVICE DISTRICT REGARDING RESPONSE TO JUNE 14, 2024, GRAND JURY REPORT**

**WHEREAS**, on June 14, 2024 the Orange County Grand Jury (“Grand Jury”) issued a report entitled *“Emerging Opportunities in South County Water/Wastewater Systems* (the “Report”), which report included the following findings/conclusions applicable to the Emerald Bay Service District (“EBSD”):

F3. SOCWA's member agencies have widely diverse populations, requirements, and revenues. This has led to conflicts over governance, facility operation, and control, affecting the evolving potential for wastewater reuse.

F4. There is currently no unified strategy for the future of water/wastewater provision in South Orange County.

**WHEREAS**, the Report included the following Recommendations applicable to EBSD:

R2. The OCGJ recommends that by January 1, 2025, LAFCO form a task force comprising representatives of affected water agencies to study the transformation of SOCWA and prepare a report on the future of water/wastewater in South Orange County.

**WHEREAS**, Penal Code section 933.05 requires EBSD to respond to each Finding and Recommendation set forth in the Report and applicable to EBSD; and

**WHEREAS**, the Board of Directors of the EBSD desires to respond to each Finding and Recommendation by the Grand Jury;

**NOW, THEREFORE**, the Board of Directors of the EBSD does hereby resolve, determine and order as follows:

**Section 1.** EBSD agrees with Grand Jury Finding F3:

*F3. SOCWA's member agencies have widely diverse populations, requirements, and revenues. This has led to conflicts over governance, facility operation, and control, affecting the evolving potential for wastewater reuse.*

**Section 3.** EBSD disagrees with Grand Jury Finding F4:

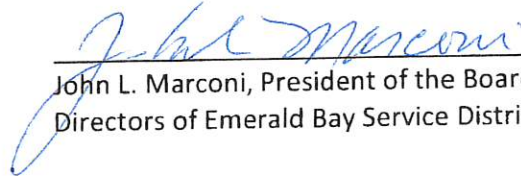
*F4. There is currently no unified strategy for the future of water/wastewater provision in South Orange County.*



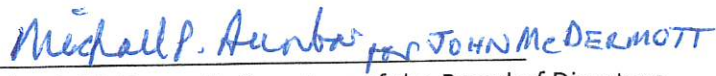
**Section 3.** EBSD disagrees with Grand Jury Recommendation R2:

*R2. The OCGJ recommends that by January 1, 2025, LAFCO form a task force comprising representatives of affected water agencies to study the transformation of SOCWA and prepare a report on the future of water/wastewater in South Orange County. (F3, F4).*

ADOPTED, SIGNED AND APPROVED this 17 day of SEPTEMBER 2024.

  
\_\_\_\_\_  
John L. Marconi, President of the Board of  
Directors of Emerald Bay Service District

ATTEST:

  
\_\_\_\_\_  
John A. McDermott, Secretary of the Board of Directors  
of Emerald Bay Service District

STATE OF CALIFORNIA)

) ss.

COUNTY OF ORANGE )

I, John A. McDermott, Secretary of the Board of Directors of the Emerald Bay Service District, do hereby certify that the foregoing resolution was duly adopted by the Board of Directors of said District at a regular meeting held on the 17 day of SEPTEMBER 2024, and that it was so adopted by the following vote:

|          |            |   |
|----------|------------|---|
| AYES:    | DIRECTORS: | MARCONI, McDERMOTT, HOFFLIN,<br>THOMAS, PICKETT |
| NOES:    | DIRECTORS: |   |
| ABSENT:  | DIRECTORS: |   |
| ABSTAIN: | DIRECTORS: |   |




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John A. McDermott, Secretary of the Board of Directors of Emerald Bay Service District

STATE OF CALIFORNIA)

) ss.

COUNTY OF ORANGE )

I, John A. McDermott, Secretary of the Board of Directors of the Emerald Bay Service District, do hereby certify that the above and foregoing is a full, true and correct copy of RESOLUTION NO. 24-09-17-01 of said Board, and that the same has not been amended or repealed.

Dated: SEPT. 17, 2024




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John A. McDermott, Secretary of the Board of Directors of Emerald Bay Service District