



STEERING COMMITTEE

Agenda Report

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File #: 2026-4961

Agenda Date: 6/24/2026

Agenda Item No: 3.

FROM: Robert Thompson, General Manager
Originator: Mike Dorman, Director of Engineering

SUBJECT:

AGREEMENT WITH IRVINE RANCH WATER DISTRICT MOOTING DEFUNCT PRIOR CONTRACTS AND TERMINATING SURVIVAL PROVISIONS

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Approve and authorize the General Manager to execute the Agreement Mooting Defunct Prior Contracts and Terminating Survival Provisions between Orange County Sanitation District and Irvine Ranch Water District, in a form approved by General Counsel.

BACKGROUND

Orange County Sanitation District (OC San) and Irvine Ranch Water District (IRWD) have had cooperative agreements dating back to the early 1960s. IRWD formally joined the Joint Powers Authority that defined the County Sanitation Districts of Orange County (OC San's predecessor agency) in 1986 as County Sanitation District of Orange County No. 14. Over the course of this relationship, the two agencies have entered into dozens of agreements relating to joint projects, cooperative efforts, conveyances, and financing. As these many agreements between OC San and IRWD have been approved, it has become increasingly more difficult to effectively monitor and track which provisions remain operable and which have been terminated, expired, or superseded.

The OC San Board of Directors took two major initial steps toward these ends in November 2025 with its approval of the new Flow Exchange Agreement, which ratified and clarified service responsibility and aligned revenue collection in some of the shared service areas, and provided for OC San's service to the LAW RP Area through the annexation of the LAW RP Area into OC San; and the Green Acres Project (GAP) Flows Agreement, which established rights and duties with respect to IRWD's supply of recycled water to OCWD's GAP or Groundwater Replenishment System (GWRS), and IRWD's capacity to discharge recycled water into the OC San ocean outfall system. These consolidated and updated the prior agreements between the agencies relating to these topics.

Staff and counsel for both agencies have continued working cooperatively to review the remaining agreements. This proposed Agreement is the next logical step as it formally removes those agreements that have been terminated, expired, superseded, or are no longer applicable.

RELEVANT STANDARDS

- Maintain collaborative and cooperative relationships with regulators, stakeholders, and neighboring communities
- Maintain a culture of improving efficiency to reduce the cost to provide the current service level or standard

PROBLEM

OC San and IRWD have a long history of working cooperatively as reflected by their numerous agreements. However, as layers of agreements have developed, they have lacked internal reference, cross references, and a coherent chronology. Accordingly, it requires significant effort to determine where the parties stand, poses challenges for future collaboration, and hinders efficient interagency governance moving forward.

PROPOSED SOLUTION

Approve the proposed Agreement Mooting Defunct Prior Contracts and Terminating Survival Provisions that identifies all prior agreements between the parties that are defunct and no longer operative. It classifies as defunct all agreements that have expired or been superseded and all agreements with obligations that have been performed or otherwise satisfied. It also ends agreements with unnecessary surviving provisions relating to representations, warranties, covenants, indemnification, disclosure, notice, confidentiality, and severability.

TIMING CONCERNS

Significant effort has been made in the review of these prior agreements. Delaying approval of this agreement may stall progress on active agreements and result in repeated staff efforts.

RAMIFICATIONS OF NOT TAKING ACTION

If no action is taken, OC San and IRWD will continue relying on agreements in their current state. As future agreements are required, additional effort and associated costs may be required, and efficient interagency governance may be impacted. In addition, the benefits of staffs' and counsels' efforts to clarify existing positions are likely to be lost with time.

PRIOR COMMITTEE/BOARD ACTIONS

May 2026 - Authorized staff to take all steps necessary to work with Irvine Ranch Water District and the Orange County Local Agency Formation Commission to bring to effect the annexation of the area serviced by the Los Alisos Water Recycling Plant to Orange County Sanitation District; Authorized the General Manager to execute associated Annexation documents in a form approved by General Counsel; and Adopted Resolution No. OC SAN 26-07, entitled: "A Resolution of the Board of Directors of the Orange County Sanitation District authorizing initiation of proceedings and requesting the Orange County Local Agency Formation Commission to undertake proceedings for the Annexation to the Orange County Sanitation District, of territory in the Irvine Ranch Water District.

November 2025 - Approved and authorized the General Manager to execute the Flow Exchange Agreement between Orange County Sanitation District and Irvine Ranch Water District, in a form approved by General Counsel; and Approved and authorized the General Manager to execute the GAP Flows Agreement between Orange County Sanitation District, Irvine Ranch Water District, and Orange County Water District, for a term of 20 years, in a form approved by General Counsel.

ADDITIONAL INFORMATION

Going forward, the parties' contractual relationship will be governed solely by their currently operative agreements. Though this agreement does not make changes to these operative agreements, the mooting of the defunct agreements and terminated survival provisions provides transparency to both agencies and helps ensure a common understanding of current obligations.

The effort to review those agreements that remain will continue. As all outstanding obligations and provisions are identified, the intention is to consolidate these elements, where beneficial, into a modern, unified framework that can be easily managed and operated.

CEQA

N/A

FINANCIAL CONSIDERATIONS

The proposed agreement will streamline future interagency coordination, thereby reducing administrative costs.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Agreement Mooting Defunct Prior Contracts and Terminating Survival Provisions