



# AGENDA STAFF REPORT

Control: 26001078

**MEETING DATE:** 05/19/2026

**LEGAL ENTITY TAKING ACTION:** Board of Supervisors

**BOARD OF SUPERVISORS DISTRICT(S):** All Districts

**SUBMITTING AGENCY/DEPARTMENT:** OC Public Works

**DEPARTMENT CONTACT PERSON(S):** Amanda Carr, 714-955-0601  
Grant Sharp, 714-955-0633

**SUBJECT:** Approve Agreement for Rainwater Collection Incentives Pilot Program

<b>CEO CONCUR</b> Concur	<b>COUNTY COUNSEL REVIEW</b> Approve agreement to form	<b>CLERK OF THE BOARD</b> CONSENT CALENDAR 3 Votes Board Majority
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<b>Budgeted:</b> Yes	<b>Current Year Cost:</b> \$100,000	<b>Annual Cost:</b> N/A
<b>Staffing Impact:</b> No		<b>Sole Source:</b> No
<b>Current Fiscal Year Revenue:</b> N/A	<b>Funding Source:</b> See Financial Impact Section	<b>County Audit in Last 3 years:</b> No
<b>Levine Act Review Completed?</b> N/A		
<b>Prior Board Action:</b> N/A		

**RECOMMENDED ACTION(S):**

Approve Agreement between the County of Orange and the Municipal Water District of Orange County for Residential and Commercial Rainwater Collection Incentives Pilot Program, effective for a two-year term upon execution of all necessary signatures, with a one-time program funding amount of \$100,000.

**SUMMARY:**

Approval of the agreement for Residential and Commercial Rainwater Collection Incentives Pilot Program will allow OC Public Works to continue incentivizing rainwater collection and stormwater best management practices in South Orange County to support compliance with National Pollutant Discharge Elimination System permit requirements.

**BACKGROUND INFORMATION:**

In connection with its stormwater management program, the County of Orange (County), along with the cities of South Orange County, is subject to requirements in a Municipal Separate Storm Sewer System permit (“MS4 permit”) issued by the San Diego Regional Water Quality Control Board, pursuant to Section 402 of the federal Clean Water Act. The MS4 permit requires the County and its co-permittee cities to reduce pollutant discharges to waters of the United States, to the maximum extent practicable, and to effectively prohibit non-stormwater discharges into the storm sewer system.

To comply with MS4 permit requirements, OC Public Works developed the H2OC RainSmart Rebates Pilot Program (RainSmart Program). The RainSmart Program offers rebates to incentivize property owners to install water quality-

focused landscape features (e.g. rain gardens, rain barrels, cisterns) to retain or capture flows onsite and, thereby, reduce runoff entering the storm sewer system. The RainSmart Program is intended to be administered in cooperation with partnering South Orange County water agencies, to make the program available to their residential and commercial water customers.

The proposed Agreement MA-080-26011156 (Agreement) would commence a two-year pilot partnership with the Municipal Water District of Orange County (MWDOC). Under the Agreement, MWDOC would provide administrative support for the processing and issuance of RainSmart Program rebates, using MWDOCs existing procedures for its own water conservation-focused rebate programs (e.g. turf replacement and irrigation efficiency rebates). Partnering with MWDOC will allow participants to combine water conservation and water quality incentives, increasing program effectiveness while reducing administrative redundancy.

Under the Agreement, OC Public Works will provide a one-time lump sum payment of \$100,000 to fund RainSmart rebates and reimburse MWDOC's administrative costs. MWDOC will deduct a per-application administrative fee and issue rebates directly to approved program participants upon confirmation from OC Public Works that project requirements have been met. Remaining funds at the end of the Agreement term will be returned to the County.

OC Public Works recommends the Board of Supervisors approve the Agreement with MWDOC, effective for a two-year term upon execution of all necessary signatures, with a one-time program funding amount of \$100,000.

**Compliance with CEQA:** This action is not a project within the meaning of the CEQA Guidelines Section 15378 and is therefore not subject to CEQA, since it does not have the potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. The approval of this agenda item does not commit the County to a definite course of action in regard to a project, since the item is limited to approval of an agreement for water quality program administration. The proposed activity is therefore not subject to CEQA. Any future action connected to this approval that constitutes a project will be reviewed for compliance with CEQA.

**FINANCIAL IMPACT:**

Appropriations for the Agreement are included in Budget Control 034, OC Watersheds, FY 2025-26 Budget and will be included in the budgeting process in future years. The funding source is 100 percent Other (90 percent OC Stormwater Program cost share and 10 percent Transfer-in from Fund 400). As the pilot is focused on areas served by South Orange County water agencies, the contributing municipalities that participate in the OC Stormwater Program include the Orange County Flood Control District, the County of Orange, and the municipalities of Aliso Viejo, Dana Point, Laguna Beach, Laguna Hills, Laguna Niguel, Laguna Woods, Lake Forest, Mission Viejo, Rancho Santa Margarita, San Clemente, and San Juan Capistrano.

The proposed Agreement is contingent upon funding availability. In the event funding is reduced or terminated, the County may renegotiate the level of services and/or terminate the Agreement, without penalty.

**STAFFING IMPACT:**

N/A

**REVIEWING AGENCIES/DEPARTMENTS:**

N/A

**ATTACHMENTS:**

Attachment A - Agreement MA-080-26011156 with Municipal Water District of Orange County