



AGENDA STAFF REPORT

Control: 26001849

MEETING DATE: 10/13/2026
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): All Districts
SUBMITTING AGENCY/DEPARTMENT: OC Waste & Recycling
DEPARTMENT CONTACT PERSON(S): Hany Ahmed, 949-728-3043
Tom Koutroulis, 714-834-4122

SUBJECT: Approve Memorandum of Understanding with Santa Margarita Water District

CEO CONCUR

Concur

COUNTY COUNSEL REVIEW

Approve agreement to form

CLERK OF THE BOARD

DISCUSSION

3 Votes Board Majority

Budgeted: N/A

Current Year Cost: N/A

Annual Cost: N/A

Staffing Impact: No

Sole Source: No

Current Fiscal Year

Funding Source: N/A

County Audit in Last 3

Revenue: N/A

years: No

Levine Act Review

Completed? N/A

Prior Board Action: N/A

RECOMMENDED ACTION(S):

Authorize the Director of OC Waste & Recycling to sign the Memorandum of Understanding for the Renewable Energy Exploratory Task Force between OC Waste & Recycling and Santa Margarita Water District.

SUMMARY:

The Renewable Energy Exploratory Task Force Memorandum of Understanding between OC Waste & Recycling and Santa Margarita Water District provides parties a mechanism to share consulting costs associated with obtaining the information needed to make fully informed decisions regarding a possible future energy partnership or arrangement and seek grant opportunities.

BACKGROUND INFORMATION:

OC Waste & Recycling (OCWR) is responsible for managing Orange County's (County) solid waste disposal system, which consists of three active regional landfill operations, 20 closed solid waste disposal sites, and four household hazardous waste collection centers.

One of OCWR's three landfills, the Prima Deshecha Landfill (Prima), is located in San Juan Capistrano. OCWR is studying the feasibility of developing a new facility at Prima to generate renewable energy

through utilization of the landfill gas (LFG) generated by the landfill. This project aims to provide public benefits to the south Orange County region by providing reliable, locally generated power, produced through environmentally sustainable processes in a financially responsible manner. Prima had such a facility in the past that was built and operated by a third-party vendor, but the South Coast Air Quality Management Permits expired requiring the decommissioning and removal of the facility in 2021. A more modern facility was planned to be built farther away from homes in the center of the landfill property after Zone 4 construction permits were approved allowing for development. The Zone 4 construction permits were approved on February 12, 2025.

Santa Margarita Water District (SMWD) provides water, recycled water and wastewater services to a population of approximately 215,000 residents in South Orange County. SMWD operates large, energy-intensive water and wastewater facilities that require reliable power, making them a natural and consistent customer for locally generated renewable energy. SMWD approached OCWR expressing interest in evaluating the feasibility of obtaining renewable energy for its water and wastewater operations from the anticipated Prima renewable energy project, requesting an evaluation to determine the feasibility of a potential energy partnership between the two agencies and to identify opportunities to supply renewable energy to their facilities.

The two agencies created an informal Joint Task Force (JTF) to consider preliminary matters regarding the feasibility of a potential energy partnership between the agencies and to identify opportunities to supply power to SMWD's various operational facilities. The parties are interested in conducting more detailed technical, financial and logistical studies to enable the parties to evaluate mutually beneficial arrangement options for the production and provision of renewable energy. whether a partnership is something each party and their governing boards may be interested in pursuing. In addition, SMWD is interested in contributing to the costs associated with the more detailed technical studies that are outlined in this MOU

This MOU is non-binding and does not commit either party to any specific course of action, future project, future partnership or financial commitment, but instead is intended to provide both parties a mechanism to obtain the information needed to make fully informed decisions regarding a possible future energy partnership or arrangement that would ultimately be presented to the respective governing boards of each party for approval.

As part of this task force, parties will look for available grant and other funding opportunities that may be available to fund portions of the parties' respective projects that might further enhance the financial feasibility of a future energy partnership or other arrangement. Specifically, the parties will consider whether joint grant applications might provide additional benefits to the parties.

FINANCIAL IMPACT:

N/A

STAFFING IMPACT:

N/A

REVIEWING AGENCIES/DEPARTMENTS:

N/A

ATTACHMENTS:

Attachment A – Renewable Energy Exploratory Task Force Memorandum of Understanding