



Funds Transfer from West Orange County Water Board to Huntington Beach

***City Council
August 18, 2026***

WOCWB Overview

Over the last 70 years, the West Orange County Water Board has supported water transportation for member agencies via a Joint Powers Agreement

- **West Orange County Water Board (WOCWB) is a Joint Powers Agency** originally established in 1955 with the mission of transporting water to its member agencies via **two large-capacity pipelines**
 - ❖ Member agency cities are **Huntington Beach, Seal Beach, Westminster, and Garden Grove** as of the revised Joint Power Agreement drafted in 1967
 - ❖ Water is delivered from the Municipal Water District of Orange County through the **OC-9 and OC-35 connections** at Katella Avenue and Dale Street in Stanton
 - ❖ WOCWB has **no employees** but contracts several functions on a time/materials basis
 - ❖ **WOCWB General Manager** formulates budget to conduct administrative affairs and issue purchase/work orders
- Ownership/capacity rights across member agencies as follows: **56.1% for Huntington Beach**, 25.4% for Westminster, 14.3% for Seal Beach, and 4.2% for Garden Grove (WOCWB Board has five seats with **Huntington Beach having two seats** and other member agencies having one seat each)

Current Situation

WOCWB has the opportunity to revert over \$4 million back to its member agencies' Enterprise Funds (specifically Water Fund) due to prior payments that are no longer necessary for capital improvements

- In 2020, Engineering staff presented a **\$8 million proposal** to the WOCWB Board implementing a **Cathodic Protection Program on the transmission mains** to extend their 60+ year lifespans rather than replace them
 - Board approved plan to contribute \$1 million per year beginning in Fiscal Year 2020/21 (prorated by each agency's ownership percentage of the Board) and a **total of \$6 million was collected**
 - In Fiscal Year 2023/24, the Board's engineering consultant began a study and determined that **Cathodic Protection was not feasible** for OC-9 or OC-35 due to segments being **too narrow**
 - A subsequent engineering feasibility study in 2024-2025 listed repairs totaling \$620,000 to areas of high concern and the **Board repurposed \$1 million to cover these repairs and contingencies**
- These collections have left WOCWB with an approximately **\$7.6 million fund balance versus a conservative estimate of \$2 million required** to cover necessary future capital expenditures – we are proposing to **revert \$4.6 million** to member agencies and leave approximately \$3 million in WOCWB (highest fund balance prior to Cathodic Program was \$1.6 million)

Recommendation

Approve and authorize the WOCWB Board members for Huntington Beach to vote in favor of the return of \$4.6 million in excess funds to the member agencies at the October 21, 2026 WOCWB meeting





Questions?