

**AGENDA
IRVINE RANCH WATER DISTRICT
BOARD OF DIRECTORS
REGULAR MEETING**

January 12, 2015

PLEDGE OF ALLEGIANCE

CALL TO ORDER

5:00 P.M., Board Room, District Office
15600 Sand Canyon Avenue, Irvine, California

ROLL CALL

Directors Matheis, Reinhart, Swan, Withers and President LaMar

NOTICE

If you wish to address the Board on any item, including Consent Calendar items, please file your name with the Secretary. Forms are provided on the lobby table. Remarks are limited to five minutes per speaker on each subject. Consent Calendar items will be acted upon by one motion, without discussion, unless a request is made for specific items to be removed from the Calendar for separate action.

COMMUNICATIONS TO THE BOARD

1. A. Written:

B. Oral:

2. **ITEMS RECEIVED TOO LATE TO BE AGENDIZED**

Recommendation: Determine that the need to discuss and/or take immediate action on item(s)

WORKSHOP

3. **IRVINE RANCH WATER DISTRICT STRATEGIC MEASURES**

Recommendation: That the Board provide feedback on the proposed IRWD Strategic Measures.

CONSENT CALENDAR

Resolution No. 2015-1

Items 4-7

4. **MINUTES OF REGULAR BOARD MEETING**

Recommendation: That the minutes of the December 15, 2014 Regular Board meeting be approved as presented.

CONSENT CALENDAR – Continued	Resolution No. 2015-1	Items 4-7
<p>5. <u>RATIFY/APPROVE BOARD OF DIRECTORS' ATTENDANCE AT MEETINGS AND EVENTS</u></p> <p>Recommendation: That the Board ratify/approve meetings and events for Steven LaMar, Mary Aileen Matheis, Douglas Reinhart, Peer Swan and John Withers.</p> <p>6. <u>RATIFICATION OF MEMORANDUM RELATIVE TO THE BOARD, COMMITTEE AND OTHER ASSIGNMENTS, AND APPROVAL OF AGENCY AND OUTSIDE ORGANIZATION BOARD REPRESENTATION AT MEETINGS/EVENTS FOR 2015</u></p> <p>Recommendation: That the Board ratify the Memorandum dated January 12, 2015 entitled Officers of the Board, Committees and Other Assignments; approve attendance for meetings and events for the Board's representation for calendar year 2015, as delineated, and adopt two resolutions: 1) rescinding Resolution No. 2013-3 and revising the Assignment of Directors to Committees of the Board, and 2) rescinding Resolution No. 2004-50 and appointing Member and Alternate Members to the South Orange County Wastewater Authority (SOCWA) JPA.</p> <p>7. <u>2015 STATE LEGISLATIVE UPDATE</u></p> <p>Recommendation: Receive and file.</p>	<p>Reso. No. 2015-</p> <p>Reso. No. 2015-</p>	
ACTION CALENDAR		
<p>8. <u>THIRD AMENDMENT TO THE AGREEMENT FOR PARTICIPATION AND FUNDING BY IRWD IN SPECIFIED MWDOC REBATE PROGRAMS</u></p> <p>Recommendation: That the Board authorize the General Manager to execute the Third Amendment to the Agreement for Participation and Funding by IRWD in Specified Municipal Water District of Orange County Rebate Programs, subject to non-substantive changes, for specified rebate programs in the amount of \$645,000.</p> <p>9. <u>SALT MANAGEMENT PLAN UPDATE AND VARIANCE REQUEST</u></p> <p>Recommendation: That the Board authorize a budget increase in the amount of \$75,900, from \$396,400 to \$472,300, for Project 30380 (3779) and authorize the General Manager to execute Variance No. 2 with HDR in the amount of \$105,000.</p>		

OTHER BUSINESS

Pursuant to Government Code Section 54954.2, members of the Board of Directors or staff may ask questions for clarification, make brief announcements, make brief reports on his/her own activities. The Board or a Board member may provide a reference to staff or other resources for factual information, request staff to report back at a subsequent meeting concerning any matter, or direct staff to place a matter of business on a future agenda. Such matters may be brought up under the General Manager's Report or Directors' Comments.

10. A. General Manager's Report

B. Directors' Comments

C. CLOSED SESSION CONFERENCE with Real Property Negotiator relative to Government Code Section 54956.8
Property: OCSD Service Area 7 Sewer Infrastructure
Agency Negotiator: Paul Cook, General Manager
Purpose of Negotiations: Proposed Acquisition of Property - Price and Terms.


D. Open Session

E. Adjourn

* * * * *

Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Irvine Ranch Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection in the District's office, 15600 Sand Canyon Avenue, Irvine, California ("District Office"). If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available from the District Secretary of the District Office at the same time as they are distributed to Board Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available at the entrance to the Board of Directors Room of the District Office.

The Irvine Ranch Water District Board Room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.), please contact the District Secretary at (949) 453-5300 during business hours at least seventy-two (72) hours prior to the scheduled meeting. This agenda can be obtained in alternative format upon written request to the District Secretary at least seventy-two (72) hours prior to the scheduled meeting.

January 12, 2015
Prepared by: Christopher Smithson
Submitted by: Cheryl Clary
Approved by: Paul Cook 

WORKSHOP

IRVINE RANCH WATER DISTRICT STRATEGIC MEASURES

SUMMARY:

A summary document of the IRWD Strategic Measures has been prepared for the Board's review and comment. These measures are intended to reflect the critical performance measures that gauge the District's key business objectives. Staff recommends the Board provide feedback on the proposed Strategic Measures.

BACKGROUND:

The proposed strategic measures document summarizes a number of operating performance, financial, customer and other key measures important to the ongoing operation of the District. These measures were selected and designed to provide the Board members a "snapshot" view of the measures that would be of interest to the Board.

These performance measures will provide staff and the Board a metric for tracking the District's effectiveness and efficiency trends. The proposed Strategic Measures document is included in Exhibit "A".

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

THAT THE BOARD PROVIDE FEEDBACK ON THE PROPOSED IRWD STRATEGIC MEASURES.

LIST OF EXHIBITS:

Exhibit "A" – Proposed Strategic Measures

IRVINE RANCH WATER DISTRICT

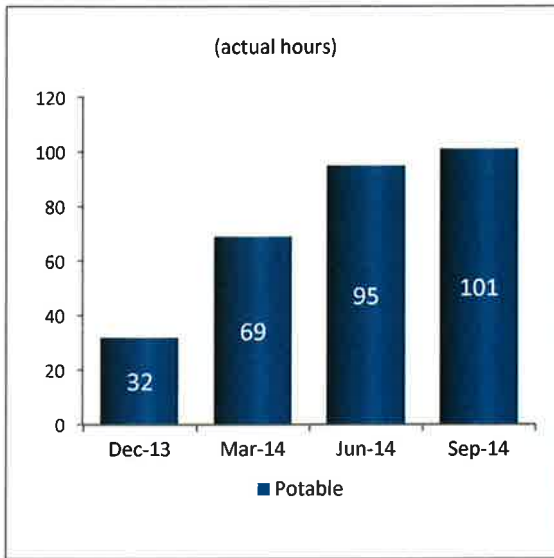
Exhibit "A"

Operational Performance Measures

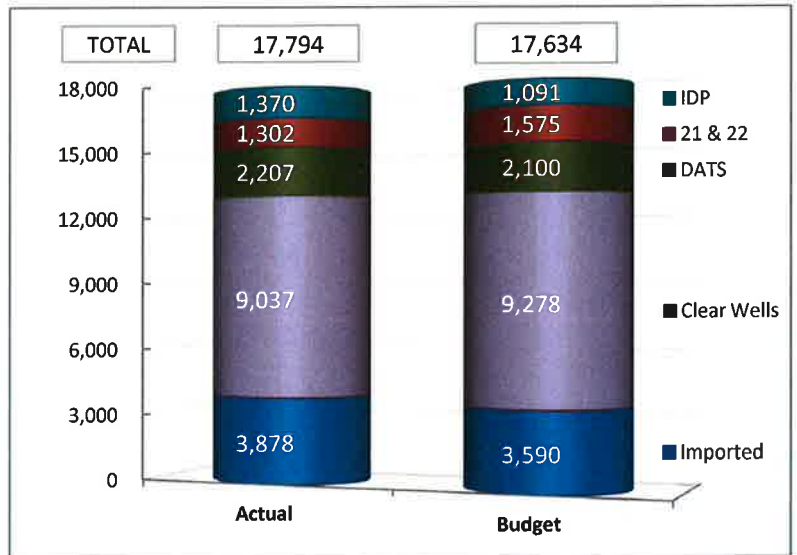
Data as of September 2014

DRAFT - NUMBERS ARE PRELIMINARY

Customer Reliability

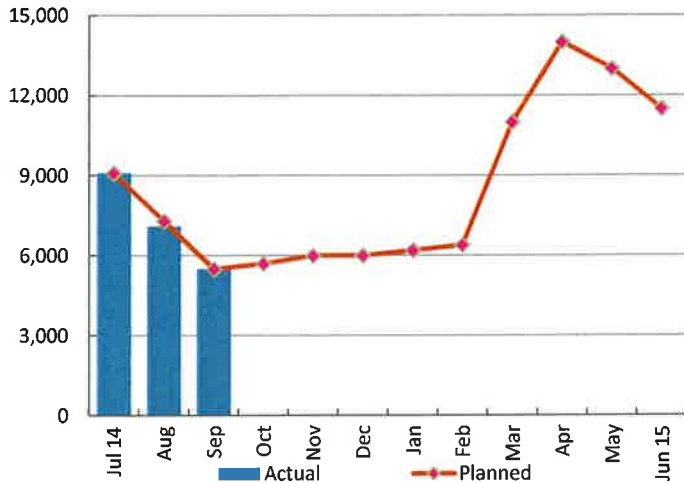


Potable Water Production FYTD (AF)

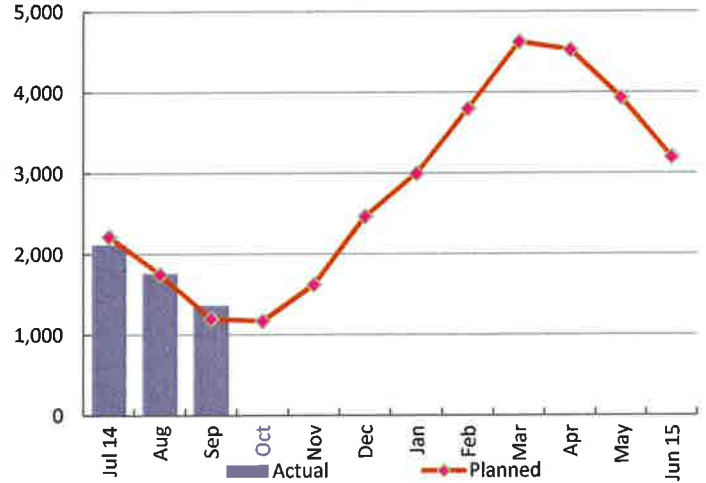


Non-Potable Reservoir Storage (AF)

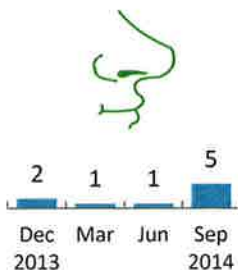
Irvine Lake



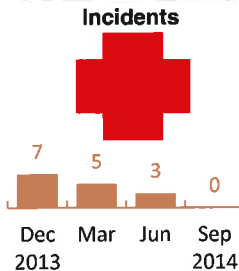
Recycled



Odor Complaints



OSHA Recordables Incidents



Regulatory Compliance Incidents

Category	Dec 2013	Mar	Jun	Sep 2014
AQMD	0	0	0	0
Plants	0	0	0	0
Sewer Spills	0	0	0	0

* 12 month rolling average

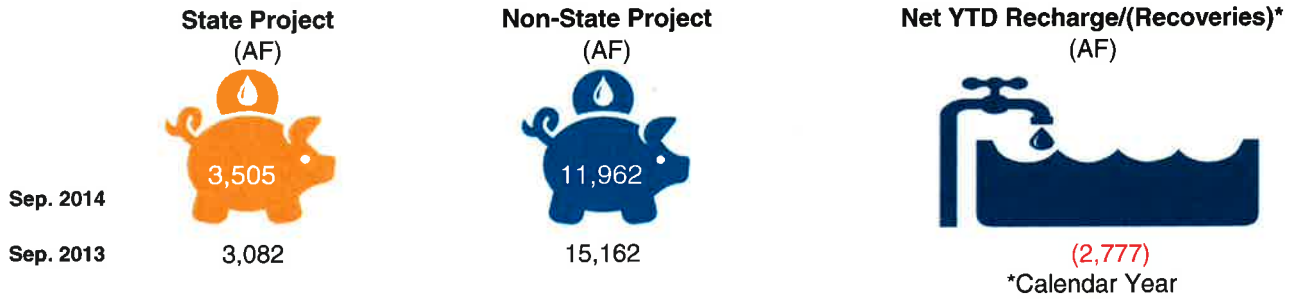
IRVINE RANCH WATER DISTRICT

Other Statistical Information

Data as of September 2014

DRAFT - NUMBERS ARE PRELIMINARY

Banked Water



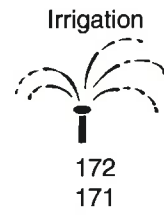
Certificates of Occupancies



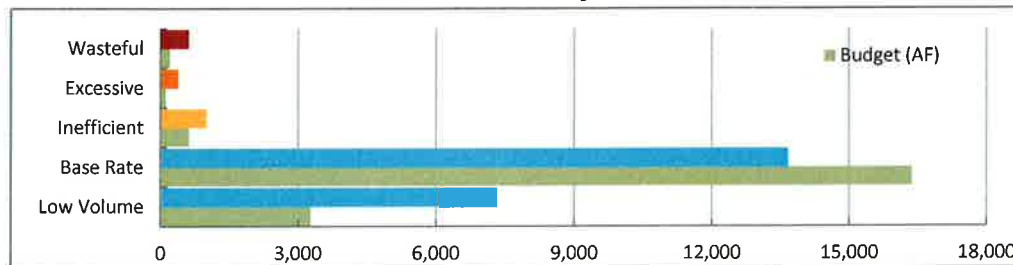
Gallons Per Capita Per Day Residential



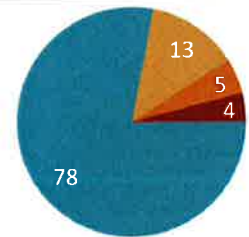
Acre-Feet Per Acre Per Month Irrigation



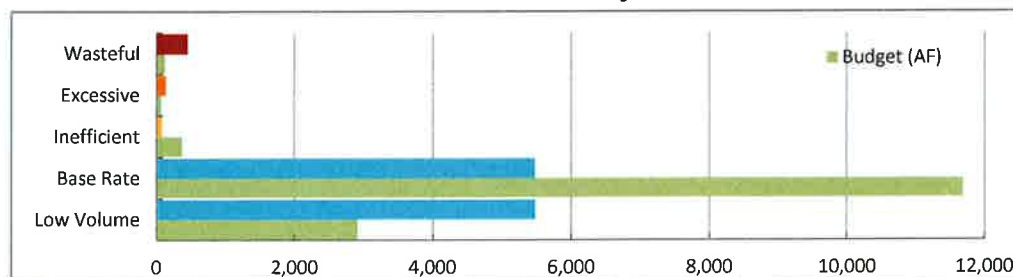
Potable Sales by Tier FYTD



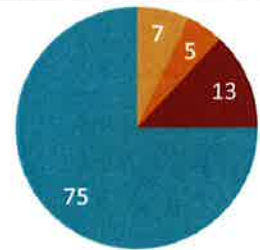
% of Customers by Tier



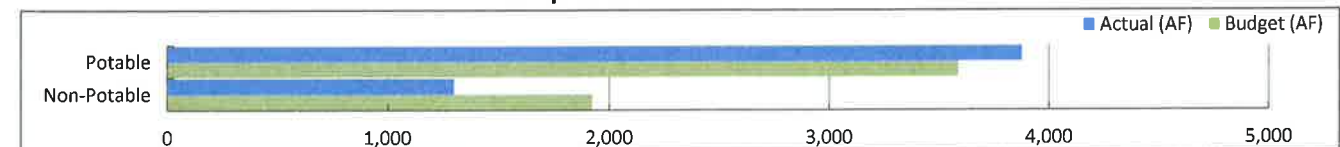
Non-Potable Sales by Tier FYTD



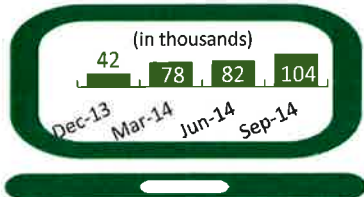
% of Customers by Tier



Imported Water FYTD





Website Hits



Customer Satisfaction Index*



January 12, 2015
Prepared and
Submitted by: L. Bonkowski 
Approved by: P. Cook 

CONSENT CALENDAR

MINUTES OF REGULAR BOARD MEETING

SUMMARY:

Provided are the minutes of the December 15, 2014 Regular Board Meeting minutes for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE DECEMBER 15, 2014 REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – Minutes of December 15, 2014 Regular Board Meeting

EXHIBIT "A"

MINUTES OF REGULAR MEETING – DECEMBER 15, 2014

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 5:00 p.m. by President LaMar on December 15, 2014 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Reinhart, Withers, Matheis, LaMar and Swan

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Engineering and Water Quality Burton, Executive Director of Finance Clary, Executive Director of Operations Sheilds, Executive Director of Water Policy Weghorst, Director of Treasury and Risk Management Jacobson, Director of Water Resources Sanchez, Assistant Director of Maintenance Drake, Legal Counsel Arneson, Secretary Bonkowski, Ms. Christine Compton, Mr. Mike Hoolihan, Mr. Jim Reed, Ms. Eileen Lin, Mr. Dane Johnson, Mr. Alex Aguilar, and other members of the public and staff.

WRITTEN COMMUNICATION:

Mrs. Joan Irvine Smith's assistant asked that the status of the Dyer Road Wellfield be included in the minutes as follows: Currently wells 2, 4, 6, C-8, C-9, 10, 13 and 15 will operate in accordance with the District's annual pumping plan and that wells 1, 3, 5, 7, 11, 12, 14, 16 and 18 will be off.

ORAL COMMUNICATION – None.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED– None.

PRESENTATION

NATIONAL PURCHASING INSTITUTE ACHIEVEMENT OF EXCELLENCE IN PROCUREMENT AWARD

Mr. Alex Aguilar presented the Achievement of Excellence in Procurement Award given to the District by the National Purchasing Institute for the 14th consecutive Year.

CONSENT CALENDAR

President LaMar and Director Swan both complimented staff on an outstanding job on the Comprehensive Annual Financial Report provided in item No. 9 on the Consent Calendar. There being no further comments, on MOTION by Withers, seconded and unanimously carried, CONSENT CALENDAR ITEMS 4 THROUGH 11 WERE APPROVED AS FOLLOWS:

CONSENT CALENDAR (CONTINUED)

4. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the November 24, 2014 Regular Board meeting be approved as presented.

5. RATIFY/APPROVE BOARD OF DIRECTORS' ATTENDANCE AT MEETINGS AND EVENTS

Recommendation: That the Board ratify/approve the meetings and events for Steven LaMar, Mary Aileen Matheis, Douglas Reinhart, Peer Swan, and John Withers as described.

6. 2014 GENERAL DISTRICT ELECTION RESULTS

Recommendation: That the Board adopt the following resolution by title:

RESOLUTION NO. 2014-54

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE
RANCH WATER DISTRICT DECLARING RESULTS OF
NOVEMBER 4, 2014 GENERAL DISTRICT ELECTION

7. NOVEMBER 2014 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Monthly Interest Rate Swap Summary for November 2014, and Disclosure Report of reimbursements to Board members and staff; approve the November 2014 summary of payroll each payments in the total amount of \$1,630,774 and approve the November 2014 accounts payable disbursement summary of warrants 353243 through 354104, workers' compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$19,718,589.

8. PROPOSED 2015 INVESTMENT POLICY

Recommendation: That the Board approve the proposed 2015 Investment Policy; and adopt the following resolution by title:

RESOLUTION NO. 2014-55

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT APPROVING INVESTMENT
POLICY AND AUTHORIZING THE TREASURER AND
ASSISTANT TREASURERS TO INVEST AND REINVEST
FUNDS OF THE DISTRICT AND OF EACH OF ITS
IMPROVEMENT DISTRICTS AND TO SELL
AND EXCHANGE SECURITIES.

CONSENT CALENDAR (CONTINUED)

9. FY 2013-14 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Recommendation: Receive and file.

10. TECHNOLOGY DRIVE AND LAGUNA CANYON ROAD CAPITAL RECYCLED WATER FACILITIES SUPPLEMENTAL REIMBURSEMENT AGREEMENT

Recommendation: That the Board authorize the General Manager to execute a Supplemental Reimbursement Agreement with Irvine Community Development Company for the Technology Drive and Laguna Canyon Road Capital Recycled Water Facilities, project 30366 (1015).

11. UTILITY BILLING SOFTWARE IMPLEMENTATION VARIANCE APPROVAL

Recommendation: That the Board authorize the General Manager to execute Variance No. 16, in the amount of \$4,400, Variance No. 17 in the amount of \$3,300, Variance No. 18 in the amount of \$4,125, and Variance No. 19 in the amount of \$6,600 with Infosys for additional implementation services for the Utility Billing Software Implementation, projects 11615 (3236) and 21615 (3237).

ACTION CALENDAR

2014 WATER-ENERGY GRANT PROGRAM APPLICATION

General Manager Cook reported that the Department of Water Resources (DWR) is seeking applications for grant funding under its 2014 Water-Energy Grant Program. Mr. Cook said that staff has prepared an application for a Water and Energy Residential Resource Savings Program which is a program that will be implemented in partnership with Southern California Gas Company (SCG) and Southern California Edison (SCE). Staff anticipates that up to 5,700 single-family and multi-family dwelling units may enroll in the program. As part of the application process, DWR requires a resolution adopted by each applicant's governing body, designating an authorized representative to submit a proposal for a grant and to enter into an agreement to receive the funding.

Director Matheis reported that this item was reviewed and approved by the Water Resources Policy and Communications committee on December 8, 2014. On MOTION by Matheis, seconded and unanimously carried, THE BOARD ADOPTED THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2014 – 56

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT AUTHORIZING
STAFF TO FILE AN APPLICATION WITH THE
CALIFORNIA DEPARTMENT OF WATER RESOURCES
FOR 2014 WATER-ENERGY GRANT PROGRAM FUNDING
AND AUTHORIZING THE GENERAL MANAGER TO
EXECUTE A RELATED AGREEMENT WITH THE
STATE OF CALIFORNIA.

ACTION CALENDAR (CONTINUED)

CONSULTANT SELECTION FOR WATER SUPPLY RELIABILITY STUDY AND MODEL DEVELOPMENT

Director of Water Resources Sanchez reported that in 2008, a Water Reliability Study was developed to assist the District with defining potable water reliability under different water supply and demand scenarios. Ms. Sanchez said that since the development of this study, IRWD has implemented new projects that will result in a significant reduction in the need for the development of additional supplies that were previously identified. The purpose of the proposed update to the study will be to re-evaluate the impacts of various supply and system interruption scenarios and to develop utilities to enhance the 2008 study. It will incorporate considerations of new and planned facilities as well as other changes that have occurred since 2008, including but not limited to: 1) Wells 21 and 22 Desalter Plant and the Baker Water Treatment Plant; 2) IRWD's commitments to other agencies through emergency interties; 3) updates to Metropolitan Water District's water supply reliability projections; 4) IRWD's water banking projects in the Central Valley; and 5) other foreseeable regional water supply projects. She said that other factors that were not considered in the 2008 study could offset the benefits of these projects including: 1) uncertainty in whether the alternative conveyance for the Bay Delta Conservation Plan (BDCP) will ever be permitted and constructed; 2) potential for long-term drought on the Colorado River; 3) the risk of San Joaquin River Delta levee failures during a significant earthquake; 4) failure of the Edmonston Pumping Plant that is located near the south end of the California Aqueduct; and 5) potential reductions in flows available for recharge in the Orange County basin.

Ms. Sanchez said that the study will be enhanced with the development of a user-friendly Demand Adjustment Tool that can be used to refine IRWD's demand projections through build-out based on factors such as long-term conservation and economic impacts that occur in various shortage and system scenarios. Another enhancement will be the development of modeling tools that will assist in IRWD's system and supply reliability planning efforts.

Ms. Sanchez said that staff issued a Request for Proposal and two related addendums to seven firms to prepare an updated and enhanced Water Reliability Study. Proposals were received from HDR, Carollo Engineers, Inc. and RMC Water and Environment. After completing a thorough evaluation of the written proposals and conducting interviews with each firm, staff recommends the selection of HDR to complete the work. HDR's approach will provide IRWD the ability to model impacts to system and supply reliability under various shortage scenarios that extend far beyond the approaches proposed by RMC and Carollo.

Director Matheis reported that this item was reviewed and approved by the Water Resources Policy and Communications Committee on December 8, 2014. Following discussion, staff said that they will schedule a workshop with HDR in the future to discuss assumptions with the Board. On MOTION by Matheis, seconded and unanimously carried, THE BOARD AUTHORIZED THE ADDITION OF PROJECT 11808 (6013) TO THE FY 2014-15 CAPITAL BUDGET IN THE AMOUNT OF \$496,900 WHICH INCLUDES \$50,000 FOR STAFF TIME AND \$5,000 FOR LEGAL ASSISTANCE, AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH HDR ENGINEERING, INC. IN THE AMOUNT OF \$376,800 TO CONDUCT THE WATER RELIABILITY STUDY TO PREPARE A DEMAND ADJUSTMENT TOOL AND A SYSTEM AND SUPPLY RELIABILITY MODEL.

ACTION CALENDAR (CONTINUED)

ENTERPRISE ASSET MANAGEMENT SYSTEM PROJECT SUPPORT

Executive Director of Operations Shields reported that the Enterprise Asset Management System (EAMS) is designed to improve the District's ability to manage and derive maximum value from its assets from acquisition to retirement. This system will provide tools for tracking and scheduling preventive and predictive maintenance, regulatory compliance, budgeting and procurement analysis, and monitoring of key performance indicators (KPIs). The first phase of the project includes the pre-implementation activities such as asset inventory and data collection, asset identification, condition assessment protocols, and criticality rating. Tasks in the second phase of the project involve finalizing the purchase of the EAMS software, importing the data collected during phase one, and agency-wide implementation and training. This will complete the first major goal of utilizing the EAMS as a replacement computerized maintenance management system for the legacy Tabware program currently in use. Future phases will include the addition of piping systems (known as "horizontal assets"), integration of the geographic information system, and the use of maintenance schedulers and planners.

Mr. Shields said that during the planning stages for the EAMS project, project management for phase one was anticipated to be provided by IRWD staff; however changes occurred that resulted in a new approach. Based on the experience gained since the initiation of the pre-implementation of phase one, it became clear from the project scope that a qualified, dedicated, full-time outside consulting Project Manager with the required skill set is required. The Operations Department will be able to continue to provide guidance as well as staff for the data collection effort and other support as needed.

Mr. Shields said there are several consultant firms that have extensive experience and knowledge of all aspects of EAMS implementation. He said that the District is seeking an appropriately qualified individual that was locally based, and could provide the required full-time onsite Project Management support for at least one year. The District has spoken with several consulting firms regarding the District's needs for this project and that GHD is qualified as one of these firms and a key member of their staff, Mr. Iday Syachrani, PhD, is uniquely qualified to fill the pre-implementation phase project management role.

Director Reinhart said that this item was reviewed and approved by the Engineering and Operations Committee on December 9, 2014. On MOTION by Reinhart, seconded and unanimously carried, **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$310,200 WITH GHD FOR PROJECT MANAGEMENT SUPPORT SERVICES FOR THE ENTERPRISE ASSET MANAGEMENT SYSTEM PROJECT.**

ACTION CALENDAR (CONTINUED)

WELLS ET-1 AND ET-2 REHABILITATION CONSTRUCTION AWARD

General Manager Cook reported that Wells ET-1 and ET-2 are part of the El Toro Groundwater Remediation Program which is designed to clean up the TCE found in portions of the groundwater basin beneath the former El Toro Marine Corps Air Station and central Irvine. These two wells have experienced decreased production over the years and need to be rehabilitated. The goal of this project is to increase both the specific capacity and the production capacity of the wells. The rehabilitation efforts include mechanical cleaning, nylon and/or wire brushing, air bursting, chemical addition, swabbing, air lifting, and mechanical development at each well to break up and remove the consolidated material caused by microbial and inorganic fouling. Work also includes necessary repairs and replacement of various pump components in both wells. Staff has notified the Department of the Navy (DON) that the District will be applying for reimbursement of the well rehabilitation costs for both wells up to a maximum of \$1 million as stipulated in the Settlement Agreement with the DON from the Contingency Fund Account.

Executive Director of Engineering and Water Quality Burton said that the project was advertised November 6, 2014, to a select list of seven contractors including Bakersfield Well & Pump Company, Best Drilling and Pump, Inc., South West Pump & Drilling, Inc., General Pump Company, Inc., Hydro Resources, Rottman Drilling Company, and Hidden Valley Pump Systems, Inc. Mr. Burton said that the bid opening was held December 9, 2014, with bids received from Best Drilling and Pump, Inc. and General Pump Company, Inc. General Pump Company, Inc. is the apparent low bidder with a bid amount of \$679,525. Staff reviewed General Pump Company's bid and has determined that it is responsive. The engineer's estimate, prepared by Richard C. Slade and Associates, was \$688,800. Following discussion, on MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED A BUDGET INCREASE IN THE AMOUNT OF \$52,500, FROM \$877,800 TO \$930,300 FOR PROJECT 30402 (4328), AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH GENERAL PUMP COMPANY, INC IN THE AMOUNT OF \$679,525 FOR THE WELLS ET-1 AND ET-2 REHABILITATION, PROJECT 30402 (4328).

ANNUAL BOARD OF DIRECTORS' FEES

General Manager Cook reported that the Finance and Personnel Committee annually reviews the Board of Directors' compensation and recommends to the Board to either accept or deny a fee increase for the new calendar year. Mr. Cook said that the current compensation for the Board of Directors is \$237 per meeting not to exceed ten meetings per month. In accordance with Section 20202 et seq. of the California Water Code, the Board's meeting compensation increases on January 1 of each year by five (5%) percent. If the Board accepts the increase, the resulting per meeting fee will be \$249. The last Board of Directors' compensation increase was effective in January 2009.

Director Swan said that this was reviewed by the Finance and Personnel Committee meeting on December 9, 2014 and the Committee recommended accepting the five percent increase. Legal counsel Arneson corrected the five percent amount to \$248 per meeting, not \$249 as noted on the write-up as the amount cannot exceed five percent.

On MOTION by Swan, seconded and unanimously carried, THE BOARD ACCEPTED THE FIVE (5%) PERCENT SCHEDULED COMPENSATION INCREASE FOR CALENDAR YEAR 2015 FOR A TOTAL OF \$248 PER MEETING.

ELECTION OF OFFICERS OF 2015

General Manager Cook acted as temporary Chair and called for nominations. Director Swan nominated Director LaMar as President and Director Matheis as Vice President. There being no further nominations, Director Withers made a motion for nominations to be closed. On MOTION by Swan, seconded and unanimously carried on a roll call vote (5-0) (Matheis, Reinhart, LaMar, Swan and Withers voting aye), STEVE LAMAR WAS ELECTED PRESIDENT AND MARY AILEEN MATHEIS WAS ELECTED VICE PRESIDENT.

OTHER BUSINESS

GENERAL MANAGER'S REPORT

General Manager Cook reported on IRWD's assistance with two leaks at the Serrano Water District; one at its large pump station, and the other at a 14" line.

Mr. Cook reported on IRWD hosting an ACC-OC newly elected officials briefing at our headquarters facility where he was able to provide a brief overview of the water industry.

Mr. Cook reported that this Wednesday staff will be attending a State Water Resources Control Board workshop regarding the drought regulations with staff providing comments on the allocation rate structure. He said that he will keep the Board updated on this issue.

DIRECTORS' COMMENTS

Director Matheis reported on her attendance at the ACWA fall conference in San Diego which she said was very effective and a Colorado River Water Users Association annual conference in Las Vegas where the Legal Affairs Committee held a discussion on Proposition 218 and tiered water rates.

Director Withers noted that he will be attending an OCSD Board meeting this Wednesday and an NWRI meeting this Thursday.

Director Reinhart reported on his attendance at the ACWA fall conference as well as the Colorado River Water Users Association annual conference.

Director Swan reported on his attendance at the ACWA fall conference as well as the Colorado River Water Users Association annual conference where he spent time with representatives from Mexico relative to environmental improvements. He further updated the Board on the increased flows in the Bay Delta and Oroville due to the recent rain events.

Director LaMar reported on his attendance at the ACWA fall conference and noted the discussions at the Government Affairs Committee. He also said he attended the Colorado River Water Users Association annual conference.

OTHER BUSINESS (CONTINUED)

Consultant Bruce Newell provided an update on the Santiago Canyon conditions with the recent rain events.

Consultant Jim Reed reported on the meetings he attended on behalf of the District including ISDOC, SOCWA, WACO and the City of Lake Forest Council meeting.

CLOSED SESSION

President LaMar said that the Closed Session with Legal Counsel relative to CONFERENCE WITH LEGAL COUNSEL RELATIVE TO EXISTING LITIGATION - Government Code Section 54956.9(d)(1) – Mid-Century Insurance v. IRWD, Patrick Madden Morgan, and The Paper Company.

OPEN SESSION

Following the Closed Session, the meeting was reconvened with all Directors present. President LaMar said that there was no action to report from the Closed Session item.

ADJOURNMENT

President LaMar adjourned the meeting.

APPROVED and SIGNED this 12th day of January, 2015.

President, IRVINE RANCH WATER DISTRICT


Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson,
Wiles & Giannone

January 12, 2015

Prepared and

Submitted by: N. Savedra 

Approved by: P. Cook 

CONSENT CALENDAR

RATIFY/APPROVE BOARD OF DIRECTORS'
ATTENDANCE AT MEETINGS AND EVENTS

SUMMARY:

Pursuant to Resolution 2006-29 adopted on August 28, 2006, approval of attendance of the following events and meetings are required by the Board of Directors.

Events/Meetings

Steven LaMar

12/05/14 CCEEB Water Quality Task Force Meeting
01/15/15 Monthly Discussion w/General Manager Paul Cook regarding District Activities
01/23/15 ACC-OC City Legislative Roundtable w/Senator Tony Mendoza
01/30/15 Irvine Chamber & UCI Business Outlook 2015

Mary Aileen Matheis

01/23/15 Tustin Mayor Chuck Puckett's Inaugural Dinner Meeting
01/30/15 Irvine Chamber & UCI Business Outlook 2015

Douglas Reinhart

01/20/15 IRWD Rate Plan Meeting relative to Orange Park Acres Service Area

Peer Swan

01/06/15 ACWA Special Executive Meeting via teleconference
01/21-23/15 CASA Winter Conference, Palm Springs, CA
01/29-30/15 ACWA Board Meeting, Sacramento, CA

John Withers

12/11/14 OCBC/ACC-OC-The Orange County Leadership Symposium
12/22/14 Meeting w/Ed Casey regarding East Orange County Water District
01/20/15 IRWD Rate Plan Meeting relative to Orange Park Acres Service Area
01/23/15 Tustin Mayor Chuck Puckett's Inaugural Dinner Meeting
01/30/15 Irvine Chamber & UCI Business Outlook 2015

RECOMMENDATION:

THAT THE BOARD RATIFY/APPROVE THE MEETINGS AND EVENTS FOR STEVEN LAMAR, MARY AILEEN MATHEIS, DOUGLAS REGINART, PEER SWAN, AND JOHN WITHERS AS DESCRIBED.

LIST OF EXHIBITS:

None

January 12, 2015

Submitted and

Approved by: Paul Cook 

CONSENT CALENDAR

RATIFICATION OF MEMORANDUM RELATIVE TO THE BOARD, COMMITTEE AND OTHER ASSIGNMENTS, AND APPROVAL OF AGENCY AND OUTSIDE ORGANIZATION BOARD REPRESENTATION AT MEETINGS/EVENTS FOR 2015

SUMMARY:

As a result of changes implemented by President LaMar on Committees and other assignments, the following actions are necessary:

- Ratify the January 12, 2015 memorandum relative to Board, Committees and Other Assignments;
- Approve attendance for meetings and events for District representation by the Directors for the 2015 calendar year;
- Adopt a resolution revising the assignment of Directors to Committees of the Board; and
- Adopt a resolution rescinding Resolution No. 2004-50 and appointing member and alternate members to the South Orange County Wastewater Authority.

BACKGROUND:

Directors serve on various standing and established ad hoc committees and represent the District in various other assignments. President LaMar has reviewed various Committee and other assignments and has made changes in the Memorandum (provided as Exhibit "A") which are highlighted in bold text. Resolutions have also been prepared revising the assignment of Directors to Committees of the Board (provided as Exhibit "B") and appointing member and alternate members to the South Orange County Wastewater Authority (provided as Exhibit "C"). The changes to the assignments are as follows:

Other Officers of the District:

No changes.

Standing Committees Changes:

Water Resources Policy and Communications – Matheis (Chair) and LaMar

Ad Hoc Committees Changes:

- Ocean Desalination added – LaMar (Chair) and Swan
- City of Tustin – LaMar (Chair) and Matheis

Agencies Representation Changes:

South Orange County Wastewater Authority - Reed added as a second alternate

Organizations Representation Changes:

No changes.

Internal Organizations Changes:

- IRWD Improvement Corporation – Matheis (President) and LaMar (Vice President)
- Joint Powers Agency Commission –deleted as agency - dissolved on March 14, 2014 per JPA agreement

Supported Organizations Changes:

- Shadetree Partnership – Swift added as Director

Organization/Committee Staff Representation and Support:

No changes.

Additionally, pursuant to Resolution 2006-297 adopted on August 28, 2006, approval/ratification of attendance of events and meetings is required by the Board of Directors. For those meetings and events shown without specific dates, approval is requested to authorize attendance for calendar year 2015. Based upon the annual assignment of Board members for outside agency representation, attendance at these meetings below is considered authorized under the District’s policy. Assignments are summarized below:

Organizations Representation:

- | | |
|--|---|
| • Association of CA Water Agencies (ACWA) | All Board Members |
| • ACWA/Joint Powers Insurance Authority | Swan (Representative), Matheis (Alternate) |
| • CalDesal | LaMar (Representative, Reinhart (Alternate) |
| • CA Association of San. Agencies (CASA) | Swan (Representative), Withers (Alternate) |
| • CA Special Districts Association (CSDA)
Education Committee | Matheis (Representative) |
| • El Toro Restoration Advisory Board | Matheis (Representative), Cook (Alternate) |
| • Independent Special Districts of OC (ISDOC)
(Alternate) | Matheis (Representative), Withers |
| • Irvine Chamber of Commerce | Matheis (Representative), LaMar (Alternate) |
| • National Water Research Institute (NWRI) | Withers (Representative), LaMar (Alternate) |
| • Nature Reserve of Orange County (NROC) | LaMar (Representative), Cook (Alternate) |
| • Newport Bay Watershed Executive Comm. | Swan (Representative), Cook (Alternate) |
| • Newport Chamber of Commerce | Swan (Representative), Matheis (Alternate) |
| • Orange County Business Council (OCBC) | LaMar (Representative), Withers (Alternate) |
| • Orange County Council of Governments | Matheis (Representative), LaMar (Alternate) |
| • South County Chamber of Commerce | Reed (Representative), Reinhart (Alternate) |
| • South Orange County Watershed
Management Area Executive Committee | Matheis (Representative), LaMar (Alternate) |

- | | |
|--|---|
| • Southern California Water Dialogue Group | Swan (Representative), LaMar (Alternate) |
| • So. California Water Committee (SCWC) | LaMar (Representative), Matheis (Alternate) |
| • Urban Water Institute (UWI) | Matheis (Representative), Swan (Alternate) |
| • WaterReuse Association | Reinhart (Representative), Cook (Alternate) |
| • Water Advisory Committee of OC (WACO) | All Board Members |
| • Water Education Foundation (WEF) | Matheis (Representative) |

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was not submitted for Committee review.

RECOMMENDATION:

THAT THE BOARD RATIFY THE MEMORANDUM DATED JANUARY 12, 2015 ENTITLED OFFICERS OF THE BOARD, COMMITTEES AND OTHER ASSIGNMENTS; APPROVE ATTENDANCE FOR THE MEETINGS AND EVENTS FOR THE BOARD'S REPRESENTATION FOR CALENDAR YEAR 2015 AS DELINEATED IN THE WRITE-UP; AND ADOPT THE FOLLOWING RESOLUTIONS BY TITLE:

RESOLUTION NO. 2015-

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT, RESCINDING RESOLUTION NO. 2013-3 AND REVISING THE ASSIGNMENT OF DIRECTORS TO COMMITTEES OF THE BOARD

RESOLUTION NO. 2015 –

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT, RESCINDING RESOLUTION NO. 2004-50 AND APPOINTING MEMBER AND ALTERNATE MEMBERS TO THE SOUTH ORANGE COUNTY WASTEWATER AUTHORITY (SOCWA) JPA

LIST OF EXHIBITS:

Exhibit “A” – Memorandum from President LaMar dated January 12, 2015 entitled Officers of the Board, Committee and Other Assignments

Exhibit “B” – Resolution Revising the Assignment of Directors to Committees of the Board

Exhibit “C” – Resolution Rescinding 2004-60 and Appointing Member and Alternate Members to the South Orange County Wastewater Authority (SOCWA) JPA

EXHIBIT "A"

MEMORANDUM

DATE: January 12, 2015
TO: Board of Directors
FROM: Steve LaMar, President
SUBJECT: MEMORANDUM RELATIVE TO OFFICERS OF THE BOARD, COMMITTEES,
AND OTHER ASSIGNMENTS

District Board of Directors:

- President Steve LaMar
- Vice President Mary Aileen Matheis
- Directors Doug Reinhart, Peer Swan, and John Withers

Other Officers of the District:

- District Treasurer Rob Jacobson
- Assistant District Treasurers Cheryl Clary, Tanja Fournier
- District Secretary Leslie Bonkowski
- Assistant District Secretaries Nancy Savedra, Joan Arneson

Standing Committees*:

- Asset Management Withers, Swan (Alt. LaMar)
- Finance and Personnel Swan, LaMar (Alt. Matheis)
- Engineering and Operations Reinhart, Withers (Alt. Swan)
- Water Resources Policy and Communications Matheis, LaMar (Alt. Reinhart)
- Water Banking Swan, Reinhart (Alt. Matheis)

Ad Hoc Committees*:

- Bay Delta LaMar, Swan
- Board Process LaMar, Matheis
- City of Newport Beach Swan, Matheis
- City of Irvine / Great Park Matheis, LaMar
- City of Lake Forest Matheis, Reinhart
- City of Orange / OPA Reinhart, Withers
- City of Tustin LaMar, Matheis
- MWDOC Reinhart, LaMar
- Ocean Desalination LaMar, Swan
- Orange County Water District Swan, Reinhart
- OCWD / MWDOC Joint Planning Reinhart, Swan
- San Joaquin Marsh Swan, Matheis
- Serrano Water District Swan, Reinhart

* Committee chair name shown first

Agencies Representation:

- Municipal Water District of Orange County Reinhart (Representative), LaMar (Alternate)
- Orange County Sanitation District (OCSD) Withers (Director), Reinhart (Alternate)
- Orange County Water District (OCWD) Swan (Representative), Reinhart (Alternate)
- So OC Wastewater Authority (SOCWA)*** Reinhart (Director), Cook (1st Alt.) and **Reed (2nd Alt.)**
- Santiago Aqueduct Commission (SAC)*** Reed** (Director) and Reinhart (Alternate)

Organizations Representation:

- Association of CA Water Agencies (ACWA) All Board Members
- ACWA/Joint Powers Insurance Authority Swan (Representative), Matheis (Alternate)
- CalDesal LaMar (Representative), Reinhart (Alternate)
- CA Association of San. Agencies (CASA) Swan (Representative), Withers (Alternate)
- CA Special Districts Association (CSDA) Matheis (Representative)
- Education Committee
- El Toro Restoration Advisory Board Matheis (Representative), Cook (Alternate)
- Independent Special Districts of OC (ISDOC) Matheis (Representative), Withers (Alternate)
- Irvine Chamber of Commerce Matheis (Representative), LaMar (Alternate)
- National Water Research Institute (NWRI) Withers (Representative), LaMar (Alternate)
- Nature Reserve of Orange County (NROC) LaMar (Representative), Cook (Alternate)
- Newport Bay Watershed Executive Comm. Swan (Representative), Cook (Alternate)
- Newport Chamber of Commerce Swan (Representative), Matheis (Alternate)
- Orange County Business Council (OCBC) LaMar (Representative), Withers (Alternate)
- Orange County Council of Governments Matheis (Representative), LaMar (Alternate)
- South County Chamber of Commerce Reed** (Representative), Reinhart (Alternate)
- South Orange County Watershed Management Area Executive Committee Matheis (Representative), LaMar (Alternate)
- Southern California Water Dialogue Group Swan (Representative), LaMar (Alternate)
- So. California Water Committee (SCWC) LaMar (Representative), Matheis (Alternate)
- Urban Water Institute (UWI) Matheis (Representative), Swan (Alternate)
- WaterReuse Association Reinhart (Representative), Cook (Alternate)
- Water Advisory Committee of OC (WACO) All Board Members
- Water Education Foundation (WEF) Matheis (Representative)

Internal Organizations:

- Bardeen Partners, Inc. Withers, President; Swan, Vice President
LaMar, Matheis and Reinhart, Members
Jacobson, Treasurer
Fournier, Assistant Treasurer
L. Bonkowski, Secretary
- IRWD Improvement Corporation **Mary Aileen Matheis, President; LaMar, Vice President**
Swan, Reinhart, and Withers Members
Jacobson, Treasurer
L. Bonkowski, Secretary

** Appointed representative

*** Notify agency of any change(s)

Internal Organizations (continued):

- IRWD Water Service Corporation
Matheis, President; LaMar, Vice President
Swan, Reinhart and Withers, Members
Jacobson, Treasurer
L. Bonkowski, Secretary
- Post-employment Benefits Retirement Trust Board
Swan, Chairman; LaMar, Vice Chair
Cook, Member
Jacobson, Treasurer
Fournier, Assistant Treasurer
L. Bonkowski, Secretary

Supported Organizations:

- San Joaquin Wildlife Sanctuary, Inc.
Swan, President; Matheis, Director
L. Bonkowski, Treasurer, Director and Secretary
- Shadetree Partnership, Inc.
Matheis, President
T. Bonkowski, Director and Treasurer
L. Bonkowski, Director and Secretary
Cook, Director
Swift, Director

Organization/Committee Staff Representation and Support:

- Association of CA Water Agencies (ACWA) Cook, Beeman, Compton
- California Assoc. of Sanitation Agencies Cook, Sheilds
- California Municipal Utilities Assoc. (CMUA) Cook, Compton
- California Special Districts Assoc. (CSDA) Beeman, Compton
- American Water Works Assoc. (AWWA) Cook, Sheilds
- California Water Environmental Assoc. Cook, Sheilds
- Dyer Road Well Field Cook (Representative), Burton (Alternate)
- Newport Bay Watershed Mgmt. Comm. Tettemer (Representative), Cook (Alternate)
- South Orange County Watershed Mgmt Area Executive Committee Tettemer
- WaterReuse California Cook, Tettemer, and Compton
- National Water Research Institute (NWRI) Oldewage

EXHIBIT "B"

RESOLUTION NO. 2015- ____

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT, RESCINDING
RESOLUTION NO. 2014-3 AND REVISING THE
ASSIGNMENT OF DIRECTORS TO COMMITTEES
OF THE BOARD

WHEREAS, by adoption of Resolution No. 2014-3 on February 10, 2014, the Board of Directors of Irvine Ranch Water District appointed members of the Board of Directors to serve on Committees of the Board; and

WHEREAS, it is the desire of the Board of Directors to revise the assignment of Directors to Board Committees. Additionally, the President has the authority to appoint an additional alternate as appropriate to Committees in the absence of the members and alternate.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors of Irvine Ranch Water District as follows:

Section 1. That Resolution No. 2014-3 be and hereby is rescinded.

Section 2. That the following Committee assignments* are hereby made:

- Asset Management Withers, Swan, (La Mar, Alternate)
 - Engineering and Operations: Reinhart, Withers (Swan, Alternate)
 - Finance and Personnel Swan, LaMar (Matheis, Alternate)
 - Water Banking Swan, Reinhart (Matheis, Alternate)
 - Water Resources Policy and Communications Matheis, LaMar (Reinhart, Alternate)
- Committee Chair name shown first

ADOPTED, SIGNED and APPROVED this 12th day of January 2015.

President
IRVINE RANCH WATER DISTRICT
and of the Board of Directors
thereof

Secretary
IRVINE RANCH WATER DISTRICT
and of the Board of Directors
thereof

APPROVED AS TO FORM:
BOWIE, ARNESON,
WILES & GIANNONE
Legal Counsel - IRWD

EXHIBIT "C"

RESOLUTION NO. 2015-

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT RESCINDING 2004-50
AND APPOINTING MEMBER AND ALTERNATE MEMBERS TO THE
SOUTH ORANGE COUNTY WASTEWATER AUTHORITY
(SOCWA) JPA

WHEREAS, pursuant to Section IV of the Joint Powers Agreement creating the South Orange county Wastewater Authority (SOCWA), the agreement provides for each member Agency to appont one person to act as Director of its Board; and

WHEREAS, pursuant to Section I of Amendment No. 6 of the Joint Powers Agreement, each member agency may appoint two alternate members, designated a first alternate member and a second alternate member..

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

Section 1: That Resolution No. 2004-50 dated September 27, 2004 be rescinded in its entirety.

Section 2: That Douglas J. Reinhart, a Board of Director of the Irvine Ranch Water District , be and the same is hereby appointed member of the SOCWA.

Section 3: That Paul Cook, General Manager of the Irvine Ranch Water District be the first alternate member and Jim Reed, consultant to the Irvine Ranch Water District, be and the same are hereby appointed second alternate members of SOCWA.

Section 4: The Secretary of IRWD is hereby directed to forward a certified copy of this resolution to the South Orange County Wastewater Authority.

ADOPTED, SIGNED AND APPROVED this 12th day of January, 2015.

President/Vice President
IRVINE RANCH WATER DISTRICT
and of the Board of Directors thereof

Secretary
IRVINE RANCH WATER DISTRICT
and of the Board of Directors thereof


APPROVED AS TO FORM:


BOWIE, ARNESON, WILES & GIANNONE
Legal Counsel - IRWD

By _____

January 12, 2015

Prepared by: C. Compton

Submitted by: P. Weghorst 

Approved by: Paul Cook 

CONSENT CALENDAR

2015 STATE LEGISLATIVE UPDATE

SUMMARY:

This report provides an update on the 2015-2016 legislative session and IRWD priorities. As legislation develops, staff will provide updates and recommendations to the Water Resources Policy and Communications Committee and the Board, as appropriate.

BACKGROUND:

The 2015-2016 legislative session convened on December 1, 2014, and new members of the Legislature were sworn into office that day. The Legislature then recessed until January. On January 5, 2015, the Legislature reconvened to begin the first year of the 2015-2016 legislative session. Prior to the reconvening of the 2015-2016 session, 78 Assembly bills and 60 Senate bills had been introduced.

January 10, 2015 marked the day the proposed budget must be submitted to the Legislature by the Governor, while January 30 is the last day for bills to be submitted to the Office of the Legislative Counsel. The bill introduction deadline is February 27. Policy committee deadlines are in early May.

A copy of the 2015 State Legislative Matrix is attached as Exhibit "A".

Governor's Inaugural Address and State of the State Address:

Governor Brown was sworn into office on January 5, 2015. Following his swearing in, he delivered his inaugural address, which also served as the Governor's constitutionally required annual report to the Legislature.

State Budget:

November's Revenue Numbers

On December 9, 2014, State Controller John Chiang released his monthly report on the State's finances. He announced that the State took in \$6.4 billion during the month of November. This amount was \$154.7 million, below budget estimates. The shortfall reflects the fact that income tax revenues came in \$259.5 million lower than estimates and sales taxes came in \$103.3 million lower than expected. Corporate taxes were \$163.8 million higher than anticipated.

The State ended the month with a General Fund cash deficit of \$18.5 billion, which was covered by internal and external borrowing.

Updates on Legislation of Interest to IRWD:

With the 2015 legislative session underway, a number of legislative and regulatory proposals of interest to the water community will be discussed and introduced in the coming month. Members of the Legislature have already begun discussing implementation of the 2014 water bond, technical clean-up of last year's groundwater legislation and legislation to streamline groundwater adjudications. There have also been various discussions within association, non-governmental and special interest groups on Proposition 218 reform, the water-energy nexus and water conservation.

IRWD's Association and Industry Partner Activities:

Association of California Water Agencies:

As previously reported to the Board, the Association of California Water Agencies (ACWA) held its 2015 legislative planning meeting on October 24, 2014. In 2015, ACWA will be working on clean-up legislation to the recently enacted sustainable groundwater legislation, including legislation to streamline adjudications. Additionally, ACWA will sponsor or co-sponsor several legislative proposals.

The ACWA State Legislative Committee considered ACWA sponsorship of three legislative proposals — legislation related to hexavalent chromium, CEQA notice requirements and IRWD's recycled water proposal. Each proposal and the Committee's action on each proposal are discussed in detail below.

- Hexavalent Chromium: In July, California adopted a new primary drinking water standard for hexavalent chromium (Cr-VI). The standard was set at 10 parts per billion. Water systems must begin monitoring for Cr-VI by January 1, 2015— six months after the effective date of the standard's adoption. Water agencies with drinking water that exceeds the standard must take steps to ensure compliance. In many cases, the necessary steps to ensure compliance will require improvements to treatment plants and other infrastructure improvements. The ACWA State Legislative Committee reviewed the proposal and recommended that ACWA sponsor a legislative proposal which would allow the State Water Resources Control Board (SWRCB) to grant water systems a variance from the requirement to comply with the standard if the water system owner has developed and is implementing a compliance plan that would bring the system into compliance by the earliest feasible date.
- CEQA Notice Requirements: As part of the California Environmental Quality Act (CEQA), a local agency must file a notice of exemption, negative declaration, mitigated negative declaration, or notice of determination with the county clerk of each county in which its project is located. Each county clerk must post the notice for 30 days, then return it to the local agency with a notation of the period for which it was posted. If the county clerk fails to properly post the notice, the statute of limitations for a CEQA challenge is extended from 30 or 35 days to 180 days. This notice requirement can often be challenging for water projects, which move water throughout the state, and may be located in multiple counties. Yuba County Water Agency asked ACWA to sponsor

legislation to change the notice requirement to permit a local agency to file the CEQA notice for an inter-county water project with the Office of Planning and Research for posting on the statewide CEQAnet website. The ACWA State Legislative Committee reviewed the proposal and recommended that ACWA co-sponsor the legislative proposal with the McGeorge Law School Legislative and Public Policy Clinic.

- IRWD's Recycled Water Proposal: The ACWA State Legislative Committee also discussed IRWD's legislative proposal on recycled water, which has been previously discussed with the Committee. After some discussion, IRWD asked the Committee to defer consideration of the proposal until January so that the District could work with ACWA members who had expressed concern about the specific language of the proposal. IRWD staff has been working with a number of agencies on the proposal. The ACWA State Legislative Committee will reconsider IRWD's proposal on January 16, 2015.

Staff is also participating in ACWA's Water Storage Policy Task Force. One of the primary purposes of this task force is to develop policies, subject to the approval of the ACWA Board, that the California Water Commission and the Department of Water Resources can utilize as they develop their own policies and funding criteria for dispersing funds from the recently-passed Water Bond (Proposition 1).

Bioenergy Association of California:

IRWD joined the Bioenergy Association of California (BAC) in 2013. BAC's purpose is the promotion of sustainable bioenergy production with a focus on promoting community-scale bioenergy generation from a wide range of sustainably available organic waste sources, including dairy and agricultural waste, food and food processing waste, water treatment waste, other organic urban waste and forest biomass. BAC will be moved to an elected Board of Directors on January 1, 2015. Bobbi Larsen, Executive Director of the California Association of Sanitation Agencies (CASA), was selected BAC's 2015 Chair.

At its December 10, 2014 Board meeting, BAC adopted its legislative priorities for 2015. The association's 2015 priorities are:

- Attempt to increase cap and trade revenues for bioenergy in the state budget and through agency processes;
- Support potential legislation to lower the British thermal unit (BTU) requirement for pipeline biogas established as part of AB 1900;
- Seek opportunities to achieve a higher Renewable Portfolio Standard Renewable Energy Credit (REC) value for generation used onsite; and
- Pursue a Renewable Gas Standard.

Staff has worked to ensure that the wastewater sector has representation on the BAC Board of Directors and encouraged BAC to prioritize issues of interest to the wastewater section in 2015.

California Association of Sanitation Agencies:

The State Legislative Committee for the California Association of Sanitation Agencies (CASA) held its 2015 planning meeting on December 9, 2014. In 2015, CASA will prioritize its legislative engagement and focus on those issues which have the most direct impact on wastewater operations. The association expects to engage in discussions surrounding cap-and-trade revenue appropriations and legislation related to flushable wipes, pharmaceuticals and microbeads.

California Municipal Utilities Association:

The California Municipal Utilities Association (CMUA) held its annual planning meeting on November 7, 2014. In 2015, CMUA will engage on the implementation of Proposition 1, emergency drought legislation, groundwater sustainability clean-up legislation, Proposition 218 reforms, the water-energy nexus and other issues related to energy utilities.

California Special Districts Association:

The California Special Districts Association (CSDA) held its annual planning meeting on November 7, 2014. In 2015, CSDA will co-sponsor urgency legislation with other local government associations to provide technical and clarifying changes to AB 1525, the mandatory paid sick leave bill which was enacted last year. The association will also consider legislation that would allow special districts to author ballot arguments in support of citizen generated ballot measures and will explore ways to reduce special district election costs.

WaterReuse California:

WaterReuse California has set its 2015 legislative and regulatory plan to include targeted actions with the Legislature and the SWRCB. As part of its plan, WaterReuse will engage with the Legislature on the implementation of the water bond and with the SWRCB on issues related to recycled water. WaterReuse plans to engage with SWRCB to seek improvements to the regulatory environment for recycled water, updates to Title 17 and Title 22 and additional funding opportunities for recycled water.

The WaterReuse Legislative/Regulatory Committee also discussed IRWD's legislative proposal on recycled water, which includes language on recycled water storage. After some discussion, IRWD asked the Committee to defer consideration of the proposal until January so that the District could work with WaterReuse members who had expressed concern about specific language in the proposal. IRWD staff has been working with a number of agencies on the proposal. The WaterReuse Legislative and Regulatory Committee will reconsider IRWD's proposal on January 16, 2015.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on January 8, 2015.

RECOMMENDATION:

RECEIVE AND FILE.

LIST OF EXHIBITS:

Exhibit "A" – 2015 IRWD Legislative Matrix

EXHIBIT "A"
IRWD 2015 LEGISLATIVE MATRIX
Updated: January 5, 2015

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
<u>AB 1</u> Brown (D)	Drought: Local Governments: Fines		Prohibits a city, county, or city and county from imposing a fine under any local maintenance ordinance or other relevant ordinance for a failure to water a lawn or having a brown lawn during a period for which the Governor has issued a proclamation of a state of emergency based on drought conditions.	12/01/2014 - INTRODUCED.	
<u>AB 10</u> Gatto (D)	Political Reform Act of 1974.		Increases the thresholds at which a public official has a disqualifying financial interest in sources of income in investments in business entities and in interests in real property. Revises the dollar amounts associated with the value ranges for reporting the value of economic interests. Requires certain public officials to disclose information relating to governmental decisions for which the public official had a disqualifying financial interest.	12/01/2014 - INTRODUCED.	
<u>AB 67</u> Gonzalez (D)	Double Pay on the Holiday Act of 2015		Enacts the Double Pay on the Holiday Act of 2015. Requires an employer to pay at least 2 times the regular rate of pay to an employee for work on a family holiday.	12/17/2014 - INTRODUCED.	
<u>SB 2</u> Anderson (R)	Property Taxation: Exemptions: Veterans' Organization		Relates to a veterans' organization property tax exemption. Provides that the veterans' organization exemption shall not be denied to a property on the basis that the property is used for fraternal, lodge, or social club purposes. Provides that the exemption shall not apply to any portion of a property that consists of a bar where alcoholic beverages are served.	12/01/2014 - INTRODUCED.	
<u>SB 3</u> Leno (D)	State Minimum Wage		Provides for a graduated increase in the state's minimum wage as of specified calendar years and an increase yearly thereafter using the state consumer price index.	12/01/2014 - INTRODUCED.	
<u>SB 7</u> Wolk (D)	Housing: Water Meters: Multi-unit Structures		Encourages the conservation of water in multifamily residential rental buildings through means within the landlord's or the tenant's control, and to ensure that the practices involving the submetering of dwelling units for water service are just and reasonable, and including appropriate safeguards for both tenants and landlords. Authorizes building standards that require the installation of water submeters in multiunit residential buildings. Defines the term submeter for the Water Measurement Law.	12/01/2014 - INTRODUCED.	

IRWD 2015 LEGISLATIVE MATRIX
Updated: January 5, 2015

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
<u>SB 13</u> Pavley (D)	Groundwater		Authorizes the State Water Resource Control Board to designate a basin as a probationary basin and to develop an interim plan. Provides a local agency or groundwater sustainability agency a specified time to remedy deficiencies. Provides that if the Department of Water Resources determines that all or part of a basin or sub-basin is not being monitored, then it would require the Department to determine whether there is sufficient interest in establishing a groundwater sustainability plan.	12/01/2014 - INTRODUCED.	
<u>SB 20</u> Pavley (D)	Wells: Reports: Public Availability		Amends an existing law which requires a person who digs, bores, or drills a water well, cathodic protection well, or a monitoring well to file a report of completion with the Department of Water Resources. Requires the Department to make reports available to the public. Requires the Department to redact from the report specified information pertaining to the well owner.	12/01/2014 - INTRODUCED.	
<u>SB 32</u> Pavley (D)	Global Warming Solutions Act of 2006: Emissions Limit		Requires the State Air Resources Board to approve a specified statewide greenhouse gas emission limit.	12/01/2014 - INTRODUCED.	
<u>SB 47</u> Hill (D)	Environmental Health: Synthetic Turf		Requires the Office of Environmental Health Hazard Assessment, in consultation with the Department of Resources Recycling and Recovery, the State Department of Public Health, and the Department of Toxic Substances Control, to prepare and provide to the Legislature and post on the office's Internet Web site a study analyzing synthetic turf, for potential adverse health impacts.	12/17/2014 - INTRODUCED.	
<u>SJR 1</u> Beall (D)	Social Security: Retirement Benefits: Public Employees		Requests the President and the Congress of the United States to enact the Social Security Fairness Act of 2013, which would repeal the Government Offset and the Windfall Elimination Provisions from the Social Security Act.	12/01/2014 - INTRODUCED.;12/0 1/2014 - To SENATE Committee on RULES.	

January 12, 2015

Prepared By: A. McNulty *Am. JS*

Submitted by: F. Sanchez/P. Weghorst *pmw*

Approved by: Paul A. Cook *Paul Cook*

ACTION CALENDAR

THIRD AMENDMENT TO AGREEMENT FOR PARTICIPATION AND FUNDING IN SPECIFIED MWDOC REBATE PROGRAMS

SUMMARY:

Irvine Ranch Water District's water use efficiency program includes a Tactical Incentive element to encourage customers to install water conservation devices. Incentive payments are based on IRWD's calculated avoided costs and are cost-effective for IRWD. Staff has reviewed program payment obligations, funding levels and water savings, and subject to non-substantive changes, recommends that the Board authorize the General Manager to execute an amendment to the existing agreement with the Municipal Water District of Orange County (MWDOC) to provide incentives at the levels specified per device, for a total funding amount of \$645,000 in FY 2014-15.

BACKGROUND:

Tactical Incentives are one of the key elements of IRWD's Water Use Efficiency Program. These Incentives are cost-effective financial incentives provided by IRWD to supplement existing regional rebate programs administered by Metropolitan Water District of Southern California and/or MWDOC. The incentives are based on IRWD's calculated avoided costs resulting from the installation of the various conservation devices.

In May 2014, the Board approved a Second Amendment to the Agreement for Participation and Funding by IRWD in Specified MWDOC Rebate Programs for a total funding amount of \$500,000 in FY 2014-15. MWDOC has recently informed staff that \$145,000 in rebates that were reserved in FY 2013-14 were not paid until the beginning of FY 2014-15. These payments were made from the \$500,000 total funding amounts for FY 2014-15.

IRWD has funding that was accrued from the FY 2013-14 budget that was set aside to cover the \$145,000 obligation. However, MWDOC does not have a method for applying rebate funding from a previous fiscal year. To facilitate the use of the accrued funds, a third amendment to the existing agreement with MWDOC has been prepared. This amendment will ensure \$500,000 in approved incentive funding for device rebate reservations for FY 2014-15 as well as fund \$145,000 in previous year rebate obligations that were paid early in the fiscal year for FY 2014-15. This amendment is attached as Exhibit "A".

Staff recommends that the Board approve the amendment to the agreement with MWDOC to increase the maximum funding cap to \$645,000 by adding in IRWD's accrued previous year funding of \$145,000 to the Commercial Program with the device amounts remaining unchanged as shown in the following table.

Proposed Funding Levels FY 2014-2015

Program	Maximum Funding	Devices	IRWD Rebate Funding Level Per Device
SoCal Water\$mart Residential Program	\$400,000	High Efficiency Clothes Washer (HECW)	\$165
		High Efficiency Toilet (HET)	\$50

Program	Maximum Funding	Devices	IRWD Rebate Funding Level Per Device
SoCal Water\$mart Commercial Program	\$245,000	Commercial High Efficiency Toilet	\$50
		Multi-Family High Efficiency Toilet	\$50
		Zero Water/Ultra Low Water Urinals	\$100
		Connectionless Food Steamer	\$485 Per Compartment
		Commercial Ice Making Machine (Tier III)	\$250
Total Funding for All Programs	\$645,000		

FISCAL IMPACTS:

Accrued funding in the amount of \$145,000 from the FY 2013-14 operating budget for tactical incentives is available to supplement the \$500,000 in tactical incentive funding that is included in FY 2014-15 operating budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed and approved by the Water Resources Policy and Communications Committee on January 8, 2015.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE THIRD AMENDMENT TO THE AGREEMENT FOR PARTICIPATION AND FUNDING BY IRWD IN SPECIFIED MUNICIPAL WATER DISTRICT OF ORANGE COUNTY REBATE PROGRAMS, SUBJECT TO NON-SUBSTANTIVE CHANGES, FOR SPECIFIED REBATE PROGRAMS IN THE AMOUNT OF \$645,000.

LIST OF EXHIBITS:

Exhibit "A" – Third Amendment to Agreement for Participation and Funding By Irvine Ranch Water District in Specified Municipal Water District of Orange County Rebate Programs

EXHIBIT "A"

**Third Amendment to
Agreement for Participation and Funding By
Irvine Ranch Water District in Specified
Municipal Water District of Orange County
Rebate Programs**

This Third Amendment ("Amendment") to the existing "Agreement for Participation and Funding by Irvine Ranch Water District in Specified Municipal Water District of Orange County Rebate Programs" ("Agreement") is entered into by and between the Municipal Water District Of Orange County ("MWDOC") and Irvine Ranch Water District ("IRWD"). The Agreement provides for participation in and co-funding by IRWD for residential and commercial water use efficiency devices through Metropolitan Water District of Southern California's ("Metropolitan") SoCal WaterSmart ("WaterSmart") residential and commercial rebate programs in IRWD's service area.

This Amendment modifies the Agreement, which includes without limitation all previous amendments and attachments. Except as stated below, this Amendment is effective January 12, 2015, and the Agreement, as amended hereby, remains in full force and effect.

1. Exhibit "A" to the Agreement, entitled "Proposed Rebate Funding Levels FY 2014-2015," is hereby deleted in its entirety and replaced with the following table.

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Exhibit A: Proposed Rebate Funding Levels FY 2014-2015

Program	Devices	Metropolitan Rebate Level Per Device	IRWD Rebate Funding Level Per Device	IRWD Maximum Funding*
SoCal WaterSmart Residential Program	High Efficiency Clothes Washer (HECW)	\$85	\$165	\$400,000
	High Efficiency Toilet (HET) (Single Family)	\$100	\$50	
Program	Devices	Metropolitan Rebate Level Per Device	IRWD Rebate Funding Level Per Device	IRWD Maximum Funding*
SoCal WaterSmart Commercial Program	Multi-Family High Efficiency Toilet	\$100	\$50	\$245,000
	Multi-Family High Efficiency Toilet (4 Liter)	\$145	\$50	
	Commercial High Efficiency Toilet (Tank Type and Flushometer)	\$100	\$100	
	Zero Water/Ultra Low Water Urinals	\$200	\$100	
	Connectionless Food Steamer	\$485	\$485 Per Compartment	
	Ice Making Machine	\$1,000	\$250	
Total Funding for All Programs				\$645,000

* Where indicated, "Maximum Funding" amounts for certain programs are subject to the provisions of Paragraph 3 of the Agreement and will be adjusted upon notification by IRWD to transfer funding between programs.

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Dated: _____

MUNICIPAL WATER DISTRICT OF
ORANGE COUNTY

By: _____
Robert J. Hunter
General Manager


Dated: _____

IRVINE RANCH WATER DISTRICT

By: _____
Paul Cook,
General Manager

Dated: _____

Approved As To Form:
Bowie, Arneson, Wiles & Giannone

By:  _____
Joan C. Arneson
Legal Counsel - IRWD

January 12, 2015

Prepared by: R. Bennett

Submitted by: F. Sanchez/P. Weghorst *PAW*

Approved by: Paul Cook *[Signature]*

ACTION CALENDAR

SALT MANAGEMENT PLAN UPDATE AND VARIANCE REQUEST

SUMMARY:

On September 9, 2013, the Board authorized a Professional Services Agreement with HDR, Inc. to develop a Recycled Water System Salt Management Plan that would provide a comprehensive salt balance and an analysis of historic and future salt concentration trends throughout the District. The plan would also include salt management strategies, cost estimates for implementing recommended actions and recommendations for policies to consider in managing recycled water salt concentrations throughout the District. Staff has determined that additional analysis is required to enhance HDR's recycled water system model, develop a second future baseline and evaluate additional alternatives. To perform this work, HDR has prepared Variance No. 2 to the Professional Services Agreement. Staff recommends that the Board authorize a budget increase to the FY 2014-15 Capital Budget in the amount of \$75,900, from \$396,400 to \$472,300, for project 30380 (3779) and authorize the General Manager to execute Variance No. 2 with HDR in the amount of \$105,000.

BACKGROUND:

Concentrations of total dissolved solids (TDS) in product water from the Michelson Water Recycling Plant (MWRP) appear to be increasing over time. From March 2011 to February 2012, concentrations exceeded discharge limits as set by the Regional Water Quality Control Board (RWQCB). Changes in the quality of recycled water in the future are expected throughout the District as a result of changes to imported water quality as well as IRWD projects that have recently been completed or are expected to be completed in the future. These projects include the Michelson Phase 2 Expansion, the Wells 21 and 22 Treatment Plant, the Baker Water Treatment Plant, and the Syphon Reservoir Interim Improvements.

In order to meet RWQCB discharge limits from both the MWRP and the Los Alisos Water Recycling Plant (LAWRP) and to continue to provide high quality recycled water to IRWD customers, the development of a Salt Management Plan was approved by the Board on September 9, 2013. In 2014, Variance No. 1 was approved as a no-cost change in HDR's scope of work that authorized HDR to perform additional data collection and evaluation instead of sampling and lab analysis of new water quality data. Following is an update of the Salt Management Plan.

Salt Management Plan Update:

In order to evaluate salt concentrations in recycled water throughout the District, a comprehensive salt balance model has been developed by HDR. The model has been calibrated to monthly historic data over a five-year study period and clearly identifies in-lieu recharge

operations as the primary reason MWRP's product water exceeded the RWQCB limit for total dissolved solids from March 2011 to February 2012. The model has been used to quantify all sources of salt throughout the District and to predict future salt concentrations as a result of operation of the Michelson Phase 2 Expansion, the Wells 21 and 22, the Baker Water Treatment Plant, and the Syphon Reservoir Interim Improvements. At the meeting, staff will provide an update on further progress in the development of the Salt Management Plan.

Variance No. 2:

To complete the Salt Management Plan, staff has determined that additional analysis is required to enhance the recycled water system salt balance model, to develop a second future baseline and to evaluate additional alternatives. To perform this work, staff has negotiated Variance No. 2 in the amount of \$105,000. Following is an overview of the work items to be performed under Variance No. 2:

Project Meetings:

In order to efficiently review progress on the Salt Management Plan development, additional bi-weekly progress meetings will be conducted during the execution of work under Variance No. 2.

Model Enhancements:

The original scope of work included the development of a salt balance model that tracks all inputs and outputs of salt throughout the District for both historic and future time periods. The following out-of-scope work items are needed to enhance the model:

- The salt balance model will be enhanced to include three-panel graphics that will provide visualization of key model input and results. Revisions will also be made to provide model result summaries and model use instruction worksheets;
- An automated calibration process will be developed to allow key unmeasured data such as the salt contribution per capita to be refined for each of the 18 modeled sewersheds on a monthly time step; and
- Additional investigations will be performed to quantify the impact of in-lieu groundwater pumping, water efficiency measures and salt contributions from institutional and commercial sources.

Salt Reduction Alternatives:

The original scope of work provided for HDR to conduct four alternative analyses and to develop one future baseline. Two additional alternatives are included in Variance No. 2 to evaluate potential management options. In addition, a second future baseline will be developed to evaluate the sensitivity of future salt concentrations to the quality of imported water and IRWD's ability to pump local groundwater. With the addition of two new alternatives and a second baseline, a total of eight additional alternatives will be analyzed using the model.

Other Activities:

Other work activities listed in Variance 2 include the development of the ability to simulate non-potable reservoir operations and to conduct additional staff interviews related to the work. Additional details of the professional services to be provided by HDR under Variance No. 2 are provided as Exhibit "A".

FISCAL IMPACTS:

Project 30380 (3779) is included in the FY 2014-15 Capital Budget for \$396,400. The negotiated cost for HDR to provide the services described in Variance No. 2 is \$105,000. To complete this work, an increase to the FY 2014-15 Capital Budget in the amount of \$75,900 to Project 30380 (3779) is required as shown below.

<u>Project No.</u>	<u>Current Budget</u>	<u>Addition</u>	<u>Total Budget</u>
30380 (3779)	\$396,400	\$75,900	\$472,300

ENVIRONMENTAL COMPLIANCE:

This project is exempt from the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15262, which provides exemption for planning studies.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on January 8, 2015.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE A BUDGET INCREASE IN THE AMOUNT OF \$75,900, FROM \$396,400 TO \$472,300 FOR PROJECT 30380 (3779) AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 2 WITH HDR IN THE AMOUNT OF \$105,000.

LIST OF EXHIBITS:

Exhibit "A" – HDR Scope of Work, Budget and Schedule for Variance No. 2

EXHIBIT "A"

IRVINE RANCH WATER DISTRICT PROFESSIONAL SERVICES VARIANCE

Project Title: Recycled Water Salt Management Plan

Project No.: 30380 (3779)

Date: December 1, 2014

Purchase Order No.: 30380 (3779)

Variance No.: Two

Originator: IRWD ENGINEER/CONSULTANT Other (Explain) _____

Description of Variance (*attach any back-up material*):

Authorization of additional scope items as requested by IRWD (see attached document for detailed description of scope items)

Engineering & Management Cost Impact:

Classification	Manhours	Billing Rate	Labor \$	Direct Costs	Subcon. \$	Total \$
See attached Table						105,000
Total \$ =						105,000

Schedule Impact:

Task No.	Task Description	Original Schedule	Schedule Variance	New Schedule
1	Project Management	7/11/14	8 months	3/30/15
4	Evaluation of Salt Sources	5/2/14	7 months	12/15/14
5	Evaluation Methodology , Salt Reduction Alternatives	5/30/14	7 months	1/15/15
6	Management Strategy Framework	5/30/14	8 months	2/15/15
7	Salt Management Plan	7/4/14	8 months	3/30/15
9	Reservoir Operation and Coordination with Operations	N/A		12/15/14

Required Approval Determination:

Total Original Contract \$ <u>290,400</u>	<input type="checkbox"/> Director: Cumulative total of Variances less than or equal to \$50,000. <input type="checkbox"/> Executive Director: Cumulative total of Variances less than or equal to \$75,000. <input type="checkbox"/> General Manager: Cumulative total of Variances less than or equal to \$100,000. <input checked="" type="checkbox"/> Board: Cumulative total of Variances greater than \$100,000.
Previous Variances \$ <u>0</u> This Variance \$ <u>105,000</u>	
Total Sum of Variances \$ <u>105,000</u> New Contract Amount \$ <u>395,400</u>	
Percentage of Total Variances to Original Contract <u>36.2</u> %	

ENGINEER/CONSULTANT: HDR Engineering, Inc.

IRVINE RANCH WATER DISTRICT

Company Name
Benjamin T. Patu
Project Engineer/Manager

12/19/2014
Date

Department Director Date

[Signature]
Engineer's/Consultant's Management

12/19/14
Date

General Manager/Board Date

IRVINE RANCH WATER DISTRICT

PROFESSIONAL SERVICES VARIANCE REGISTER

Project Title: <u>Recycled Water Salt Management Plan</u>				
Project No.: <u>30380 (3779)</u> Project Manager: <u>Ray Bennett</u>				
Variance No.	Description	Dates		Variance Amount
		Initiated	Approved	
1	Modification of the scope of Task 8 for additional data gathering and evaluation	11/13/14	12/11/14	\$0
2	Authorization of additional scope items including additional alternatives, reservoir modeling, etc. (see attached).	12/1/14		\$105,000

Memo

Date: Tuesday, November 25, 2014
Project: Irvine Ranch Water District Recycled Water Salt Management Plan
To: Ray Bennett
From: Benjamin Porter
Subject: Variance 2

The Recycled Water Salt Management Plan (RWSMP) project was originally authorized for a seven task budget of \$243,000 with an optional eighth task that included an additional budget of \$47,400 resulting in an authorized budget of \$290,400. Variance No. 1 authorized the eighth task and included a scope modification to the project. Variance No. 2 provides additional scope items with a corresponding budget of \$105,000, increasing the authorized budget to \$395,400. Variance No. 2 includes new items that were not included in the original scope and the associated increased effort required for the following project tasks:

- Task 1 – Project Management/Meetings and Coordination
- Task 4 – Evaluate Contributing Salt Sources
- Task 5 – Define Evaluation Methodology and Identify Salt Reduction Alternatives
- Task 9 – Non-Potable Reservoir Operations and Coordination with Operations

Task 1: Project Management/Meetings and Coordination

Additional project meetings and coordination not included in the original scope of work are expected to be required to complete the project as follows:

- Task 1.1. Project management, administration, and coordination. As a result of increased project complexity, the effort required for project management will be greater than the original scope of work. Up to eight months of additional project management are expected to complete the project.
- Task 1.3. Client progress meetings. The project team has been conducting bi-weekly progress meetings either via conference call or in person at HDR's offices or IRWD Headquarters. These meetings were not included in the original scope and budget. Up to sixteen additional meetings are expected to complete the project.

Task 4: Evaluate Contributing Salt Sources

The additional out of scope activities associated with Evaluation of Contributing Salt Sources are the result of adding new model features, complexity, and enhancements. In addition, conversion of the model from a seasonal model to a monthly model and an investigation of TDS on local agriculture were performed in Task 4.

- **Task 4.A. Model Enhancements.** Development of the model required significantly more effort than originally scoped to include features that were not originally anticipated when the budget was developed. These include:
 - 4.A.1. Time series graphs with the ability to turn on and off each parameter. Data were shown in terms of water use, salt load, and TDS values. A three-panel graph was developed on which most parameters modeled in the program can be turned on and off. Three default scenarios were also developed to illustrate specific interactions of modeled parameters.
 - Notes on Non-Compliance (data evaluation and summary)
 - In lieu period impacts required more meetings and more critical evaluation of data
 - Contacted multiple IRWD staff members from the Operations (Production and Treatment), Water Resources Planning, and Water Quality Departments on several occasions via phone and email (including meetings when necessary) to obtain information, collect data, and model IRWD's historic and future participation in the In Lieu Pumping Program.
 - Re-evaluate model and make modifications to incorporate system changes under in lieu period operation.
 - 4.A.2. Provide three operating modes for the model: Historic Calculation, Historic Predictive, and Future
 - Historic Calculation – Uses known source water and plant influent/effluent data to calculate average water use, salt contribution, and system outflow (i.e., potable water that is not discharged to the sewer, including irrigation) by sewershed.
 - Historic Predictive – Uses the average sewershed information identified in the Historic Calculation to estimate monthly values that are used to predict plant influent/effluent, system outflow, and plant sludge discharge in a predictive mode. Calibration is achieved by an iterative process that adjusts the monthly parameters within a user specified range of reasonableness.
 - Future – Uses the average monthly water use, salt contribution, and system outflow by sewershed estimated from the Historic Predictive model to calculate historic and future plant influent, effluent, system outflow and the plant sludge discharge.
 - 4.A.3. Rebalancing the model to achieve calibration
 - Identified parameters that could be adjusted to the Historic Predictive model to improve calibration. Developed a scatter plot that compares the Historic Predictive model to measured data.
 - Identified parameters that could be adjusted to the Future model to improve the model calibration. Developed a scatter plot that compares the Future model to the measured data.
 - 4.A.2 and 4.A.3. Additional model evaluation and review due to increased model complexity
 - The IRWD Salt Model has grown in scope and complexity and required an increased effort to evaluate the model and each modification to integrate new information/data, mass balance calculation change, and/or apply an exception to the model's typical calculation process and methodology.
 - With the additional effort required to understand and build a more complex model comes additional effort required to review and QC the model through each change.

- 4.A.4. Model graphic sheet
 - Developed a summary graphic sheet to represent the salt loads in, through, and out of IRWD's system. This graphic sheet includes reference links to other cells and worksheets within the model and required several revisions to complete.
 - An additional simplified graphic sheet was developed.
- 4.A.5. Global chart modifications
 - The model contains numerous figures (graphic plots and pie charts) to graphically present model results. Enhancing the model subsequently required certain figures to be changed or adjusted. Multiple enhancements to the model required the figures to be enhanced repeatedly.
- 4.A.6. Separate Institutional and Commercial sources
 - Data and information provided from Institutional and Commercial sources were grouped into different categories. In some cases, Institutional and Commercial users were grouped together as Commercial users. In other cases, they were kept separate. It was determined that Institutional and Commercial users have different typical uses regarding flow, expected TDS concentration increases, and subsequent salt loads. Therefore, the Institutional and Commercial sources were kept separate and engineering estimations were applied to discern between Institutional and commercial flows and loads.
- 4.A.7. Water Efficiency
 - Contacted multiple IRWD staff members from the Water Resources Planning, Water Resources Policy, and Water Efficiency Departments on several occasions via phone and email (including meetings when necessary) to obtain information, collect data, and model IRWD's water efficiency program and historic and future efforts for water conservation.
 - Evaluated residential indoor water usage and determined a reasonable estimate for future indoor water reduction among residential customers.
- 4.A.8. ReadMe sheet
 - Developed a ReadMe sheet to provide the User with an understanding of the purpose and intent of the model, direction to navigate the model, a general description of the worksheets, and a key or legend to model cell formatting that indicated which cells were a modeling parameter, reference cell, calculation output, historical data, modeling data entry, or macro-adjusted balance parameter.
- 4.A.8. Introduction sheet
 - Developed an Introduction sheet to provide the User with a Table of Contents, which includes the general organization of the model, a description of each sheet, a list of tables and their associated titles or descriptions, and a formatting legend.
- Task 4.B. Conversion from seasonal to monthly model. A seasonal model was originally anticipated to account for changes in water sources during the summer versus the winter, and to account for fluctuations in irrigation usage. To fully model the running annual average permit requirement, the model was expanded to calculate TDS values on a monthly basis. The monthly model development required additional effort that was not included in the original scope of work.

- Task 4.C. Agriculture and TDS. During the evaluation of salt sources, IRWD indicated that some potential agricultural users were concerned with concentrations of particular TDS constituents (e.g. chloride) that may be harmful to local crops like avocado and strawberries. The project team conducted an investigation and prepared a memorandum of key agricultural crops in the IRWD service area and analyzed the potential impact of using recycled water to irrigate those crops.

Task 5: Define Evaluation Methodology & Identify Salt Reduction Alternatives

The project was originally scoped to include one baseline to represent future conditions and three to five future alternatives to reduce salt load and MWRP effluent TDS. The project baseline was expected to be developed from historic data (e.g. Colorado River TDS) and future operating conditions (e.g. Basin Pumping Percentage) that would remain static over time unless known changes would impact them. However, preliminary baseline results indicate that reducing salt loads may not be required in the future. To adapt to this change in project expectation, and demonstrate the sensitivity to future operating conditions, the potential of including the @Risk excel add-on will be evaluated and a second, baseline will be developed as follows:

- Task 5.A. Evaluate the @Risk excel add-on to include probabilistic future scenarios in the model. During the September workshop and in subsequent discussions, introducing variability of future water supply sources and qualities was discussed. The excel add-on @Risk was discussed as a potential means of introducing this variability. The feasibility of using @Risk concluded that it would not be cost-effective and would negatively impact the model's processing speed. A brief technical memo was prepared that described the impacts of using @Risk in various ways.
- Task 5.B. Additional Baseline and Alternatives Evaluation. Developing two baselines to evaluate alternative futures with potential project alternatives is the recommended method of completing the alternatives evaluation. To introduce a range of future conditions, each baseline would use different historical data and system operations to simulate future data fluctuation. The following alternative futures are suggested:
 1. Best Estimate Baseline
 2. Possible Baseline

The differences between the two baselines will be based upon the following six specific parameters as described below and summarized in Table 1;

1. Basin Pumping Percentage (BPP)
 - a. OCWD's goal is to maintain a 70% BPP for the next ten years and increase to a 75% BPP afterwards. The Best estimate baseline will include the OCWD values while the Possible Baseline will include a lower BPP estimate.
2. Frequency of In-Lieu Periods
 - a. Historically In-Lieu periods do not follow a pattern, but could occur every several years. In-lieu periods will occur once in ten years for the Best Estimate Baseline and more frequently for the Possible Baseline.
3. Recycled Water (RW) Penalty
 - a. IRWD expects the RW Penalty to expire by 2016. The Best Estimate Baseline will include the 2016 expiration date while the Possible Baseline will have a different expiration date.
4. TDS concentration of Colorado Water

- a. Colorado River water is higher in TDS than that of State Project Water and future concentrations of Colorado River water may increase. The Best Estimate Baseline will use average historical TDS values for Colorado River Water while the Potential Baseline will include the maximum flow-weighted average required for the Colorado River. The Colorado River water quality standards evaluated by the Colorado River Basin Salinity Control Forum at three monitoring stations located on the lower main stem of the Colorado River. The Colorado River Aqueduct that supplies water to Diemer WTP ties in downstream of the Hoover Dam and upstream of the Parker Dam. The flow-weighted average criterion at this point is 723 mg/l.
- 5. TDS concentration of State Project Water (SPW)
 - a. State Project Water TDS does not vary significantly. Average values will be used for the Best Estimate Baseline while the historic maximum will be used for the Possible Baseline.
- 6. Blend of Colorado and SPW from the Diemer WTP
 - a. The blend of the two water sources will vary for the two baselines. The Best Estimate Baseline will use average historic data while the Possible Baseline will include more Colorado River water.

Table 1. Future Baseline Factors

	Future Scenario	
	Best Estimate Baseline	Possible Baseline
Basin Pumping Percentage (BPP)	70% until 2024 75% after 2024	60%
In Lieu Period	Every 10 years	Every 5 years
Recycled Water Penalty	Expires in 2016	Never Expires
Colorado River Water Quality	Average	Maximum per Colorado River Basin Salinity Control Forum
State Water Project Water (SWP) Quality	Average	Maximum Historic
Diemer WTP Blend of Colorado and SPW	Average	More Colorado River Water

Six alternative salt mitigation alternatives will be applied to each baseline scenario. These alternatives include:

1. Poseidon Huntington Beach Desalination Plant
2. Salt Removal at MWRP
3. Brine Disposal to MWRP
4. Salt Reduction for Sensitive Users
5. Undefined Alternative 1
6. Undefined Alternative 2

The alternatives described in the following paragraphs are individual changes to the baselines; they do not impact one another.

- o Poseidon Huntington Beach Desalination Plant
 - Poseidon Water has already begun construction on the Carlsbad Desalination Plant (CDP) 50 miles south of the IRWD service area.

Poseidon has plans to construct a similar plant in Huntington Beach. If completed, the Huntington Beach Desalination Plant (HBDP) will produce potable water through the treatment of seawater. Two potential users of Poseidon water have been identified; OCSD recharge and South Orange County deliveries. Each use may be expected to have a different impact on IRWD. For this alternative, the most likely use of Poseidon water will be identified by interviewing IRWD personnel and readily available data from the project sponsors and evaluated using the model with both the Best Estimate and Potential Baselines.

- Salt Removal at MWRP
 - The Salt Removal at MWRP alternative will model a scenario where a Reverse Osmosis process is installed to treat a portion of the effluent flow at MWRP. This process will be modeled as another treatment process where there are three primary streams, Influent, Effluent, and Brine. Results will provide a feasibility level estimate of the capital, operating and maintenance cost per mg/l of TDS removed assuming future inflows to MWRP increase over a range of three values selected from the Possible Baseline. Future MWRP outflows will be estimated to meet the current discharge limit of 720 mg/l. One inflow alternative will be selected by the project team and simulated by the model with both the Best Estimate and Potential Baselines. The alternative will have a direct impact on the predictive salinity of MWRP effluent by reducing the TDS concentration.
- Brine Disposal to MWRP
 - This alternative will evaluate the impact of a salt removal project within IRWD's service area with brine disposal to MWRP. IRWD staff will provide a potential project description, anticipated flow rates and brine concentrations. The alternative will be simulated by the model with both the Best Estimate and Potential Baselines. Results will include an estimate of MWRP outflow with the brine disposal discharge and a recommendation for IRWD to consider a brine disposal surcharge and/or discharge limit.
- Salt Reduction for Sensitive Users
 - This alternative will evaluate the cost to reduce the TDS of IRWD's non-potable water supply to a single, sensitive user. IRWD staff will provide a potential project description, anticipated flow rates, and TDS reduction requirement. This alternative will not have a direct impact on the MWRP effluent where the compliance point is measured. However, it will evaluate the cost of providing a lower salinity water source by treatment or blending that includes the impact of seasonal water storage for a sensitive customer.
- Undefined Alternatives 1 and 2
 - The currently undefined alternatives will be discussed with IRWD staff. The alternatives will also be a single change to a baseline, such as altering either a source water or treatment of a portion of effluent. This work is not to exceed the detail and complexity of the previous four alternatives.

To accomplish the additional baseline and alternatives evaluation, the following subtasks will be completed:

- 5.B.1. Coordination and Meetings. As a result of this additional baseline and alternatives, up to two (2) additional 2-hour meetings would be conducted to review preliminary results with the IRWD project manager and staff.
- 5.B.2. QA/QC. As a result of this additional baseline and alternatives, additional QA/QC will be performed to review the predictive simulation of future baseline scenarios and salt mitigation alternatives.
- 5.B.3. Evaluate and develop one additional future baseline scenarios. The original scope included a single baseline scenario; however, the original baseline did not indicate that salt mitigation was necessary. Therefore, an additional baseline scenario with more variation in the future will be developed.
- 5.B.4. Evaluate and develop four additional future salt mitigation alternatives. The original scope included the evaluation of three to five salt mitigation alternatives on a single baseline. A second baseline requires twice the effort for evaluating future alternatives.
- 5.B.5. Evaluate and develop two additional undefined future salt mitigation alternatives. The complexity of these undefined alternatives will be at a similar level as the currently defined alternatives.

Task 9: Reservoir Operation and Coordination with Operations

Task 9.A Non-Potable Reservoir System Reporting. The scoped Salt Management model estimates the water quality provided to recycled water customers is the same as the recycled water quality discharged from either MWRP or LAWRP. This is consistent with the way IRWD's recycled water quality is administered. However, the model has the following limitations:

1. Recycled water quality estimates do not include the quality of imported supplies, which is typically occurs in the summer and is expected to continue until a Syphon reservoir expansion occurs.
2. Recycled water quality estimates do not include the quality of non-potable well supplies that typically operate year round due to a pumping agreement with the Navy.
3. Recycled water quality estimates do not include the quality from recycled reservoirs, which are influenced by rainfall, evaporation and, for Sand Canyon, Rattlesnake and Syphon reservoirs that are on waters of the United States, chemical treatment.
4. Alternatives such as the Syphon Reservoir expansion cannot be evaluated.

In order to address each of the above limitations in a cost-effective manner, the model will be enhanced to include a simplified Recycled Reservoir System Report that includes the following characteristics:

- The tool will estimate the water quality of the Non-potable Reservoir System as a whole that represents the total of IRWD's four recycled reservoirs (Sand Canyon, San Joaquin, Rattlesnake and Syphon).

- Results will provide one water quality estimate for the Non-Potable Reservoir System based upon the mixture of its individual supply components (i.e., the system's water quality will be estimated to be a complete mixture of the quality of its supplies).
- IRWD will provide total monthly values for reservoir inflow, reservoir outflow and reclaimed water use from 2008 through 2012 based on the water purchased / delivered information compiled by IRWD's accounting department (e.g. fn = WTRFLConSol12.xlsx).
- Net evaporation (evaporation less precipitation) will be estimated using an average monthly estimate (12 values that repeat each year) for climate data (precipitation less reservoir evaporation) times the surface area of the reservoirs. The surface area of the reservoirs will be estimated using a simplified relationship between reservoir volume and surface area to be provided by IRWD (e.g. Surface Area = a * Storage ** b).
- Runoff from watersheds tributary to the recycled reservoirs, if any, will not be included.
- IRWD will provide a chemical usage factor that will be used to calculate chemical usage as a function of reservoir inflow.
- The Non-potable Reservoir System Report will operate and report on existing, model output (e.g. Recycled Reservoir System operations will not influence the simulation of MWRP and LAWRP). Note that the model's current capability to include Sand Canyon Reservoir outflows that are mixed with MWRP outflows will continue to operate independently from the Recycled Reservoir System reporting.
- The Recycled Reservoir System report will result in a new worksheet within the existing model. It will be designed in a modular fashion such that the simplifying assumptions used to estimate the Recycled Reservoir System as a whole can be refined at a later date and separate scope of work to include individual reservoir operations and/or more detail for a selected inflow component (e.g. net evaporation).
- IRWD will provide non-potable well flow and TDS concentrations between 2008 and 2012 for use in the non-potable reservoir system modeling.
- No other factors that impact reservoir storage or salt load will be considered in the reservoir model.

Results will include three tables that include initial storage, inflow (MWRP, LAWRP, Wells and Imports), outflow (net evaporation and release) and ending storage by month in units of acre-feet (AF), pounds of TDS, and concentration (mg/L) of TDS. Historic simulations will include all readily available historic flow, storage, recycled water demand and water quality data. Future simulations will estimate reservoir outflows and water quality as a function of MWRP and LAWRP operations, recycled water demands, and the total system capacity.

To accomplish the Non-Potable Reservoir System Model, the following subtasks will be completed:

- 9.A.1. Coordination and Meetings. As a result of this additional task, up to three (3) additional 2-hour meetings will be conducted to review preliminary results with the IRWD project manager and staff.
- 9.A.2. QA/QC. As a result of this additional task, QA/QC will be performed to the Non-Potable Reservoir System Report that was not included in this variance for Task 1.
- 9.A.3. Analyze and Identify Model Inputs. The Non-Potable Reservoir System Report requires additional datasets that have not been provided at this time including the information compiled by IRWD's accounting department (e.g. fn = WTRFLConSol12.xlsx). HDR will review all reclaimed reservoir water quality and flow data provided by IRWD for inclusion in the model.
- 9.A.4. Model Development. The Historic Calculated and Historic Predictive reports will be based on available historic data. The Future reports will estimate reservoir outflows and water quality as a function of MWRP and LAWRP operations, recycled water demands, and the total system capacity.

A workshop for the RWSMP project was held on September 5, 2014 with key IRWD staff and project team members. During the workshop, the group identified three (3) items that needed additional attention and a closer review with IRWD staff to confirm the model inputs based on information previously provided to HDR. These included the following:

- 9.B.1. Source water contributions to each sewershed
- 9.B.2. Chemical evaluation and contributing salt load
- 9.B.3. Incorporation of 2013 data into the model
- 9.B.4. Model changes in accordance with meeting resolution

HDR will participate in one 2-hour meeting with IRWD Operations staff for each of the items listed above to confirm the model inputs and identify any discrepancies in the model of IRWD's system. For each meeting, HDR will prepare handouts and meeting minutes. IRWD will provide coordination and invite key IRWD staff that should attend each meeting. These meetings may result in changes to the model; the proposed scope and budget for this task is to address minor changes to the model (not to exceed 8 labor hours following each meeting) and does not include model recalibration.

Budget

The cost to perform the above scope modification is presented in the attached budget and results in an increase of \$105,000 to the project as shown in Table 2. The authorized budget will be increased to \$395,400.

Table 2. Budget Summary

Task	Budget	Variance Amount
1.0 - PROJECT MANAGEMENT/MEETINGS AND COORDINATION	\$ 53,600	\$ 6,000
2.0 - DATA GATHERING AND EVALUATION	\$ 33,200	\$ 0
3.0 - KICK OFF MEETING AND WORKSHOP	\$ 11,500	\$ 0
4.0 - EVALUATE SALT SOURCES	\$ 39,800	\$ 47,300
5.0 - DEFINE EVALUATION METHODOLOGY & IDENTIFY SALT REDUCTION ALTERNATIVES	\$ 44,000	\$ 28,600
6.0 - DEVELOP MANAGEMENT STRATEGY FRAMEWORK	\$ 39,700	\$ 0
7.0 - PREPARE RECYCLED WATER SALT MANAGEMENT PLAN	\$ 21,200	\$ 0
8.0 - DATA COLLECTION	\$ 47,400	\$ 0
9.0 - RECYCLED RESERVOIR REPORTING AND COORDINATION WITH OPERATIONS	\$ 0	\$ 23,100
TOTAL	\$ 290,400	\$ 105,000

Schedule

The additional time required to perform the above scope modifications is approximately three months that results in a revised project completion date of March 2015.

**Irvine Ranch Water District
Recycled Water Salt Management Plan
HDR's Estimated Level of Effort and Fee (Variance 2)**

TASK NO.	TASK DESCRIPTION	STAFF										FEE DOLLARS					
		Day Log/Wk	Ben Potter	Arny Gmae	Tim Thudt	Proj. Engineer	Project Engineer	Modeler	GIS Analyst	Admin Accountant	TOTAL LABOR	LABOR	TECH CHARGE	ODC	SUBCONSULTANT FEE	TOTAL	QUIP TOTAL
1	Project Management/Meetings and Coordination																
1.1	Project Administration including Work Plan, Schedule and Project Guide		3								3	6	831	22	0	0	853
1.2	Meetings including Preparation of Agendas and Minutes											0	0	0	0	0	0
1.3	Weekly and Monthly Status Reports		12	14		10						38	5,000	133	0	0	5,133
1.4	QA/QC											0	0	0	0	0	0
Subtotal Task 1		0	15	14	0	10	0	0	0	0	3	44	5,831	155	0	0	6,400
4	Evaluate Salt Sources											0	0	0	0	0	0
4.A	Model Enhancements											48	6,160	178	185	0	6,522
4.A.1	Time Series Graphs		8	4		38						72	9,300	206	278	0	9,845
4.A.2	Three Modes: Historic Calculation, Historic Predictive, Future		12	12		48						64	8,120	237	244	0	8,600
4.A.3	Rebalancing of model for improved R ² value		8	8		24						40	5,130	148	154	0	5,432
4.A.4	Graphic sheets		1			4		4				6	775	22	23	0	820
4.A.5	Global chart Modifications		1	1		4						14	1,810	52	54	0	1,916
4.A.6	Separation of Institutional and Commercial users		2	4		8						10	1,310	37	39	0	1,386
4.A.7	Residential water use		2	2		8						18	2,030	59	61	0	2,150
4.A.8	Roads and Introduction Street		12	12		48						72	9,300	266	278	0	9,845
4.B	Conversion to monthly model		1	1		4						6	775	22	23	0	820
4.C	Agriculture and TDS		1	1		4						6	775	22	23	0	820
Subtotal Task 4		0	54	52	0	120	12	0	0	0	0	216	44,710	1,233	1,241	0	47,200
5	Define Evaluation Methodology & Identify Salt Reduction Alternatives											23	2,935	85	88	0	3,108
5.A	Investigation of Incorporation of gRisk excel add-on into model		3	4		16						0	0	0	0	0	0
5.B	Additional Baseline and Alternatives Evaluation											0	0	0	0	0	0
5.B.1	Coordination and Meetings		8	8		8						22	2,990	81	90	0	3,161
5.B.2	QA/QC					4						4	816	15	24	0	855
5.B.3	Evaluate and develop 2 future baseline scenarios		10	12		24						46	6,080	170	183	0	6,443
5.B.4	Evaluate and develop 4 future salt mitigation alternatives		16	24		40						80	10,560	298	317	0	11,175
5.B.5	Evaluate and develop 2 future salt mitigation alternatives (yet to be determined)		4	8		16						28	3,620	104	108	0	3,832
Subtotal Task 5		0	39	56	4	104	0	0	0	0	0	203	27,011	751	776	0	28,537
9	Reservoir Operation and Coordination with Operations											0	0	0	0	0	0
9.A	Recycled Reservoir Systems Reporting											0	0	0	0	0	0
9.A.1	Coordination and Meetings		10	12		12						34	4,650	125	140	0	4,915
9.A.2	QA/QC					4						4	816	15	24	0	855
9.A.3	Analyze and Identify Model inputs		3	4		8						15	1,975	56	59	0	2,090
9.A.4	Model Development		4	8		40						52	6,500	182	195	0	6,877
9.B	Coordination with Operations											0	0	0	0	0	0
9.B.1	Meeting to discuss source water contributions to each sewerhead		3	4		4						11	1,495	41	45	0	1,581
9.B.2	Meeting to discuss chemical evaluation and contributing salt load		3	4		4						11	1,495	41	45	0	1,581
9.B.3	Meeting to discuss incorporation of 2013 data into the model		3	4		4						11	1,495	41	45	0	1,581
9.B.4	Model Changes in accordance with meeting resolution		3	8		14		4				27	3,435	100	103	0	3,638
Subtotal Task 9		0	29	42	4	88	4	0	0	0	0	165	21,661	611	611	0	23,882
TOTAL hours		0	127	164	8	430	16	0	0	0	3	758	99,413	2,885	2,763	0	104,960
TOTAL dollars																	185,800

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