

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

July 11, 2016

PLEDGE OF ALLEGIANCE

CALL TO ORDER

5:00 p.m., Board Room, District Office
15600 Sand Canyon Avenue, Irvine, California

ROLL CALL

Directors LaMar, Reinhart, Swan, Withers and President Matheis

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 the need to discuss and/or take immediate action on item(s).

PRESENTATIONS

3. **IRWD'S NEW COMBINATION SEWER CLEANING VACTOR**

Staff will provide an overview of the capabilities and features of the Combination Sewer Cleaning Vactor, the newest addition to IRWD's fleet.

4. **DEPARTMENT OF HOMELAND SECURITY URBAN AREA SECURITY INITIATIVE GRANT OVERVIEW**

Staff will present an overview of the Municipal Water District of Orange County's successful effort to secure a Department of Homeland Security Urban Area Security Initiative grant to purchase mobile diesel refueling trailers; one of which will be assigned to IRWD.

WORKSHOP

5. IRVINE RANCH WATER DISTRICT BIOSOLIDS PROGRAM OVERVIEW

Staff will present an overview of IRWD's Biosolids Program that will include a summary of national and state-wide issues pertaining to the biosolids industry, as presented by Mr. Greg Kester of the California Association of Sanitation Agencies, and a discussion of local issues and the steps IRWD is taking in preparation of its pellet production program, as provided by staff.

CONSENT CALENDAR

Resolution No. 2016-16

Items 6-13

6. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the June 27, 2016 Regular Board meeting be approved as presented.

7. PROPOSED SALARY GRADE SCHEDULE CHANGES FOR FY 2016-17

Recommendation: That the Board rescind Resolution No. 2015-27 and adopt a resolution establishing a revised schedule of positions and salary rate ranges effective July 1, 2016.

Reso. No. 2016-

8. DYER ROAD WELLFIELD WELL NO. 18 REHABILITATION CONSTRUCTION AWARD

Recommendation: That the Board authorize the General Manager to execute a construction contract with Best Drilling and Pump, Inc. in the amount of \$345,520 for the Dyer Road Wellfield Well No. 18 Rehabilitation, project 4401.

9. IRVINE BUSINESS COMPLEX APPURTENANCE RELOCATIONS BID REJECTION

Recommendation: That the Board reject all bids received for the Irvine Business Complex Appurtenance Relocations, projects 6849 and 6850, and authorize staff to re-bid the project after revising the project documents.

10. 2016 LEGISLATIVE UPDATE

Recommendation: That the Board adopt a "WATCH" position on SB 814 (Hill) and a "SUPPORT IF AMENDED" position on AB 2909 (Levine).

CONSENT CALENDAR – Continued	Resolution No. 2016-16	Items 6-13
11.	<u>UPDATED WATER USE EFFICIENCY OUTREACH PROGRAMS</u> Recommendation: That the Board authorize the General Manager to execute a Professional Service Agreement with Sukle Advertising & Design in the amount of \$115,000 for a water use efficiency message and creative development program.	
12.	<u>ELECTION OF CALIFORNIA SPECIAL DISTRICTS ASSOCIATION SOUTHERN NETWORK SEAT B BOARD MEMBER</u> Recommendation: That the Board review the candidates for the Southern Network Seat B representative on the California Special Districts Association (CSDA) Board of Directors, and authorize the District to cast its ballot in favor of Orange County Cemetery District Director Bill Nelson and submit it to CSDA no later than the August 5, 2016, deadline.	
13.	<u>STAKEHOLDER OUTREACH SERVICES</u> Recommendation: That the Board approve a six-month Professional Services Agreement, from approximately July 15, 2016, through January 14, 2017, with Curt Pringle & Associates for \$6,000 per month for a total contract amount not to exceed \$36,000.	
ACTION CALENDAR		
14.	<u>SPECIALIZED LEGAL COUNSEL SERVICES – ENVIRONMENTAL QUALITY AND COMPLIANCE</u> Recommendation: That the Board authorize the General Manager to execute a Letter of Engagement with Nossaman LLP to provide specialized legal counsel for environmental issues.	
15.	<u>WATERSMART SOFTWARE VARIANCE NO. 3</u> Recommendation: That the Board authorize the General Manager to execute Variance No. 3 to the Professional Services Agreement between IRWD and WaterSmart Software Inc. in the amount of \$107,850 to continue administering IRWD's Water Smart Program for up to six additional months.	
16.	<u>DECLARATION OF WATER SHORTAGE LEVEL ONE</u> Recommendation: That the Board adopt a resolution rescinding Resolution No. 2015-18 and declaring Water Shortage Level One which represents a low level shortage condition.	Reso. No. 2016-

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.


17. A. General Manager's Report

B. Directors' Comments

C. The meeting will be adjourned to Thursday, July 14, 2016 at 8:00 a.m. to hold a Strategic Planning Workshop in the Sand Canyon Multi-Purpose Room.

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.

July 11, 2016
Prepared and
Submitted by: N. Savedra
Approved by: P. Cook



CONSENT CALENDAR

MINUTES OF BOARD MEETING

SUMMARY:

Provided are the minutes of the June 27, 2016 Regular Board Meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE JUNE 27, 2016 REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – June 27, 2016 Minutes

Exhibit "A"

MINUTES OF REGULAR MEETING – JUNE 27, 2016

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 5:05 p.m. by President Matheis on June 27, 2016 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None

Also Present: General Manager Cook, Executive Director of Engineering and Water Quality Burton, Executive Director of Finance and Administration Clary, Executive Director of Water Policy Weghorst, Executive Director of Operations Shields, Director of Water Resources Sanchez, Director of Treasury and Risk Management Jacobson, Director of Human Resources Roney, Assistant Director of Recycling Operations Zepeda, Assistant Director of Water Operations Roberts, Legal Counsel Arneson, Assistant Secretary Savedra, Government Relations Officer Compton, Water Quality Manager Oldewage, Water Resources Manager Welch, Manager of Risk and Contracts Shinbashi, Mr. Dane Johnson, Mr. Ray Thatcher, Ms. Tina Bertsch, Ms. Rosemary Riddle, Mr. Jim Reed, Mr. Bruce Newell, and other members of the public and staff.

COMMUNICATIONS TO THE BOARD

Written Communications: None

Oral Communications: None

ITEMS RECEIVED TOO LATE TO BE AGENDIZED: None

PUBLIC HEARING – 2015 URBAN WATER MANAGEMENT PLAN

General Manager Cook said that staff has prepared an update to its 2015 Urban Water Management Plan ("UWMP") in accordance with the Urban Water Management Planning Act (Act) of 1983. Prior to adopting a 2015 UWMP, a public hearing is necessary.

President Matheis declared this to be the time and place for a hearing on the report relative to 2015 Urban Water Management Plan, and declared the hearing open. She asked the Assistant Secretary how the hearing was noticed.

Assistant Secretary Savedra said that the report was filed with the Secretary on May 24, 2016 and notice of the filing of the report and the time and place of this hearing was published in the Orange County Register on May 30, 2016 and June 6, 2016. A notice was also posted in the District office on May 24, 2016.

President Matheis asked the Board for a motion to receive and file the Affidavit of Posting and Proof of Publication.

Exhibit "A"

On MOTION by Swan, seconded and unanimously carried, THE AFFIDAVIT OF POSTING AND THE PROOF OF PUBLICATION PRESENTED BY THE ASSISTANT SECRETARY WAS RECEIVED AND FILED.

President Matheis requested Legal Counsel to describe the nature of the proceedings.

Legal Counsel Arneson said that the proceedings would provide all persons interested an opportunity to be heard concerning any matter set forth in the Plan.

President Matheis inquired of the Assistant Secretary whether there have been any written communications. Assistant Secretary Savedra said that no written communication was received.

President Matheis inquired whether there is anyone present who wishes to address the Board concerning the 2015 Urban Water Management Plan. There were none.

President Matheis inquired whether there are any comments or questions from members of the Board of Directors. There were none.

On MOTION by Swan, seconded and unanimously carried on a 5-0 vote, THE HEARING WAS CLOSED AND THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2016-9

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT
RESCINDING RESOLUTION NO. 2011-19 AND
ADOPTING THE 2010 URBAN WATER MANAGEMENT PLAN
FOR SAID DISTRICT

PUBLIC HEARING - REPORT ON WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS

General Manager Cook reported that the 2015 Report on Water Quality Relative to Public Health Goals is a triennial report required by the California Health and Safety Code summarizing constituents detected in the District's water supply at levels exceeding applicable Public Health Goals or Maximum Contaminant Level Goals during calendar years 2013, 2014 and 2015. Mr. Cook said that a public hearing regarding the report will be held at this evening's Board meeting to accept any public comments that may be provided regarding the report.

President Matheis declared this to be the time and place for the hearing on the Report on Water Quality Relative to Public Health Goals, and declared the hearing open. She requested the Assistant Secretary to report the manner by which the Notice of Hearing was given.

Assistant Secretary Savedra said that the Notice of this hearing was published in the Orange County Register on June 11, 2016. A Notice was also posted in the District office on June 6, 2016. She presented an Affidavit of Posting and the Proof of Publication for the Board to receive and file.

Exhibit "A"

On MOTION by Swan, seconded and unanimously carried, THE AFFIDAVIT OF POSTING AND THE PROOF OF PUBLICATION PRESENTED BY THE ASSISTANT SECRETARY WAS RECEIVED AND FILED.

President Matheis inquired of the Assistant Secretary whether there have been any written communications. Assistant Secretary Savedra said there were none.

President Matheis asked legal counsel to describe the nature of the proceeding.

Legal Counsel Arneson described the nature of the proceedings, saying that the purpose of the hearing was to provide an opportunity for all persons interested to comment on the public health goals.

President Matheis inquired if staff would like to give a report. There were no comments from staff.

President Matheis inquired whether there is anyone present who wished to address the Board concerning the Report on Water Quality Relative to Public Health Goals. There were none.

She further inquired whether there are any comments or questions from members of the Board of Directors. There were none.

On MOTION by Swan, seconded and unanimously carried on a 5-0 vote, THE HEARING WAS CLOSED AND THE REPORT ON WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS WAS RECEIVED AND FILED.

PUBLIC HEARING - PROPOSED CHANGES TO THE SCHEDULE OF RATES AND CHARGES EFFECTIVE JULY 1, 2016

General Manager Cook reported that the Fiscal Year (FY) 2016-17 Operating Budget was adopted at the April 25, 2016 Board meeting. Mr. Cook said that the proposed changes to the District's rates and charges were publicly noticed by mail as required under Proposition 218, and protests to the implementation of those rates and charges have been tallied by the District.

President Matheis declared this to be the time and place for a hearing on the proposed changes to the rates and charges and asked the Assistant Secretary how the hearing was noticed.

Assistant Secretary Savedra said that the hearing was noticed by mail and she presented the affidavit of mailing. On MOTION by Swan, seconded and unanimously carried, THE AFFIDAVIT OF MAILING BY AN INDEPENDENT PROCESSING FIRM PRESENTED BY THE ASSISTANT SECRETARY WAS RECEIVED AND FILED.

President Matheis asked Legal Counsel Arneson to describe the nature of the proceedings. Legal Counsel Arneson said that the public hearing is held, pursuant to Proposition 218, Article XIID of the Constitution of the State of California, for all persons interested to be heard, to present objections or protests, including any written comments submitted, concerning the increase in property-related rates and charges and any proposed new property-related rates and charges.

Exhibit "A"

President Matheis asked for a staff report on the proposed rates and charges and inquired whether there have been any written communications. Assistant Secretary Savedra said there was two letters received late this afternoon protesting the rates and charges from Ms. Hollie Washington and Ms. Lynn Wolfe.

Mr. Christopher Smithson said that as of today, and including the two letter received late this afternoon, 13 written protest letters were received which represents 0.01% of the total customers, substantially less than the 50% which would have been required to prevent the Board from adopting the current proposed rates and charges.

Using a PowerPoint presentation, Mr. Smithson said that the proposed changes were reviewed at three Finance and Personnel Committee meetings and two Board workshops. Mr. Smithson said the key drivers' comparison to the prior year budget are due to the following increases: Salaries and Benefits (8.2%); Purchased Water (3.4%); Repairs and Maintenance (6.0%); Electricity (-9.8%); and Other Expenses (9.1%). He reviewed the proposed rate adjustments and made a comparison from the current to the proposed charges in the various rate areas for water, sewer and recycled service for the three rate areas. He then reviewed comparisons showing the changes in a typical residential customer's rates from the current rate to the proposed rate for FY 2016-17 for the three separate rate areas.

Mr. Smithson said that due to the numerous calls received in the Customer Service department asking why the wasteful tier rate is decreasing and why are the rates for low volume and base rate tiers are increasing, Mr. Smithson proceeded to provide an explanation and said this information was also posted on the District web-site for its customers. He said the primary reason that rates for the low volume and base rate tiers are increasing this year is due to a 25% increase in uncontrollable pass through charges from the Orange County Water District for pumping groundwater. The costs associated with pumping groundwater are directly tied to the rates that are charged for the low volume and base rate tiers.

Mr. Smithson further explained that the wasteful tier rate decreasing is based on the actual cost to provide the water service to customers. The decrease in rate from the prior year is caused by a reduction in wasteful tier costs as well as anticipated higher water usage by customers in the wasteful tier in FY 2016-2017. The other factor used in developing rates is anticipated water usage, which spreads the identified costs based on anticipated water usage to each tier. In FY 2016-2017, water usage in the Wasteful tier is expected to be higher than what was forecast in the prior year, which serves to spread the costs associated with the wasteful tier over a greater number of units, thus reducing the wasteful tier rate from the prior year's rate.

President Matheis said that there is one individual who wished to address the Board regarding the proposed rate increases.

Ms. Hollie Washington a resident of Irvine stated that Mr. Smithson had answered her questions relative to the rate increase in his presentation. However, she did inquire about employee salaries and ask if this information was available to review. President Matheis stated this information could be found on the District's web-site.

Director Matheis further addressed Ms. Washington's employee salaries inquiry stating the increase is due to the hiring of additional staff for the operations of the Michelson Water Recycling Facility and the Baker Water Treatment Plant.

Exhibit "A"

President Matheis asked if there are any other persons who wished to be heard. There were none.

President Matheis inquired whether there were any comments or questions from members of the Board of Directors. There were none.

On MOTION by Swan, seconded and unanimously carried on a 5-0 vote, THE HEARING WAS CLOSED AND THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2016-10

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH
WATER DISTRICT, ORANGE COUNTY, CALIFORNIA
ADOPTING CHANGES TO THE SCHEDULE OF RATES AND CHARGES
AS SET FORTH IN EXHIBIT "B" TO THE RULES AND
REGULATIONS OF IRVINE RANCH WATER DISTRICT
FOR WATER, SEWER AND RECYCLED WATER SERVICE

CONSENT CALENDAR

Director Reinhart asked that Item No. 7 be moved to the Action Calendar as he would like to delete a meeting, and Director LaMar also requested that two meetings be deleted. There being no objections, Item No. 7 was moved accordingly. On MOTION by Swan, seconded and unanimously carried, CONSENT CALENDAR ITEMS 6, AND 8 THROUGH 18 WERE APPROVED AS FOLLOWS:

6. MINUTES OF REGULAR BOARD MEETINGS

Recommendation: That the minutes of the May 23, 2016, and June 6, 2016 Regular Board meetings be approved as presented.

8. FISCAL YEAR 2016-17 GENERAL COUNSEL SERVICES FOR BOWIE, ARNESON, WILES AND GIANNONE

Recommendation: That the Board approve and authorize the General Manager to execute the Engagement Agreement with Bowie, Arneson, Wiles and Giannone effective July 1, 2016 for general counsel services in the amount not to exceed \$400,000.

9. APPROVING QUITCLAIM OF ASSETS, LIQUIDATION AND DISSOLUTION OF IRWD WATER SERVICE COMPANY II LLC

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

Exhibit "A"

RESOLUTION NO. 2016-11

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE IRVINE RANCH WATER DISTRICT APPROVING
QUITCLAIM OF ASSETS, LIQUIDATION AND
DISSOLUTION OF IRVINE RANCH WATER
DISTRICT WATER SERVICE COMPANY II LLC

10. MAY 2016 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Monthly Interest Rate Swap Summary for May 2016, and disclosure report of reimbursements to Board members and staff; approve the May 2016 summary of payroll ACH payments in the total amount of \$1,612,023 and approve the May 2016 accounts payable disbursement summary of warrants 367199 through 367877, Workers' Compensation Distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$15,492,878.

11. LUMP SUM PAYMENT OPTION FOR EMPLOYER CONTRIBUTION FOR FY 2016-17 TO THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Recommendation: That the Board approve the lump sum payment for employer contributions to the California Public Employees Retirement System (CalPERS) by making a one-time contribution of \$5,450,130 for the District's FY 2016-17 employer contribution.

12. ASSET OPTIMIZATION – LAKE FOREST / SERRANO SUMMIT PROPERTY DEVELOPMENT AND CONSULTANT CONTRACT UPDATE

Recommendation: That the Board approve an increase to the FY 2015-16 Capital Budget in the amount of \$245,040 for the Lake Forest / Serrano Summit project (Project No. 1264) for design and consulting services.

13. 2016 LEGISLATIVE UPDATE

Recommendation: That the Board adopt a "Concerned" position on SB 1298, the Water Foundation's tiered water rates proposal, and authorize staff to communicate the District's concern over any water rate legislation which is not consistent with the California Constitution, voluntary in nature, or provide sufficient clarity or flexibility to water agencies. authorize staff to encourage the Water Foundation to set their proposal aside this year and continue working with the water community over the fall on the constitutional concerns with the proposal and to more fully reflect the proposal the District put forward with EMWD last year.

Exhibit "A"

14. FY 2016-17 OPERATING BUDGET VENDOR EXPENDITURE COMMITMENTS GREATER THAN \$100,000

Recommendation: That the Board approve the list of vendor commitments greater than \$100,000 based on approved FY 2016-17 Operating Budget expenditures.

15. INFORMATION SERVICES PROFESSIONAL SERVICES SUPPORT CONTRACT RENEWALS

Recommendation: That the Board authorize the General Manager to execute Professional Services Agreements for the period July 1, 2016 to June 30, 2017 with Infosys Ltd. in the amount of \$375,000 for managed support services and one-time projects; LCS Technologies in the amount of \$100,000 for on-call database administration services; and Outsource Technical in the amount of \$225,000 for on-call programming, analysis, project management, and networking services.

16. OPERATIONS CENTER PERMANENT BACKUP GENERATOR CONSTRUCTION AWARD

Recommendation: That the Board authorize a budget increase for project 6167 in the amount of \$660,000, from \$618,800 to \$1,278,800; find that the irregularities in the bid submitted by Johnson-Peltier did not affect the amount of the bid or afford Johnson-Peltier a competitive advantage over the other bidders and waive the irregularities; and authorize the General Manager to execute a construction contract with Johnson-Peltier in the amount of \$955,255 for the Operations Center permanent backup generator, project 6167.

17. RANCHO PARKWAY ZONE C RECYCLED WATER PIPELINE FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Rancho Parkway Zone C Recycled Water Pipeline, project 6215, authorize the filing of a Notice of Completion, and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

18. THREE-YEAR CATHODIC PROTECTION MONITORING PROGRAM CONSULTANT SELECTION FOR FISCAL YEAR 2016-17 THROUGH FISCAL YEAR 2018-19

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement with HDR Engineering in the amount of \$243,800 for the three-year Cathodic Protection Monitoring program for FY 2016-17 through FY 2018-19.

ACTION CALENDAR

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

Director Reinhart said that he did not attend a monthly meeting with General Manager Paul Cook and asked that this meeting be deleted from in his list of meetings. Director LaMar said that he did not attend a South Orange County Agencies' Meeting nor a Southern California Water Committee Water Energy Workshop and asked that these meetings be deleted from his list of meetings. On MOTION by Withers, seconded and unanimously carried, THE BOARD RATIFIED/APPROVED THE MEETINGS AND EVENTS FOR STEVEN LAMAR, MARY AILEEN MATHEIS, DOUGLAS REINHART, PEER SWAN, AND JOHN WITHERS AS AMENDED.

SETTING CONNECTION FEES AND PROPERTY TAXES FOR FISCAL YEAR 2016-17

General Manager Cook reported that staff recommends changes to the existing connection fees and tax rates based on updated data within the IRWD improvement districts (IDs). Mr. Cook said that the long-term capital funding plan, completed in November 2013, established connection fees and formed new IDs for funding capital requirements and setting tax rates. Connection fees were last updated in July 2015. He said the District's financial model has been updated for rate setting for FY 2016-17 to include updated capital improvement program; dedication of open space where development was planned (East Orange); commercial and residential development with no tax base; and updated assessed valuations. He further said that that the proposed connection fees assume an increase within each of the IDs based on the Engineering News Records (ENR) estimated capital cost increase of 1.62%.

Mr. Smithson reported that there were changes in the Capital Improvement Program primarily as a result of project allocation shifts related to the reduced development in the East Orange area. He said staff recommends increasing connection fees to match the estimated increase in capital from ENR. This increases the water and sewer connection fee \$93, from \$4,910 to \$5,003 per unit or 1.9%. He said that staff recommends maintaining the current consolidated tax rate of \$0.7500 per \$100 of land assessed value in order to maintain the 50/50 split. He said that some development is being considered that will have no tax base. This includes both potential residential units as well as commercial development. He further said that staff recommends establishing a separate connection fee within the water and sewer IDs for land with no tax base. The connection fee will be based on the assumption that development is funded entirely from connection fees with no sharing of costs with property tax revenue. Establishing the rate structure will protect other developers by fairly allocating costs to all development within the IDs.

Mr. Smithson also reported that there were changes in the Capital Improvement Program with increases to the Tustin Legacy development projects and OCSA increases that increased capital costs associated with the sewer system by \$3.8 million. Current development projections show residential development will end within the next few years while commercial development is expected to continue for several years. He said that staff recommends increasing connection fees and property tax rates to offset the increase in capital. This will increase water and sewer connection fee \$973, from \$6,948 to \$7,921 per unit or 14%. He said that staff recommends increasing the property tax rate from \$0.06400 to \$0.09900 or \$0.035 per \$100 of land assessed value in order to maintain the 50/50 split.

Exhibit "A"

Director Swan reported that this item was reviewed and approved by the Finance and Personnel Committee on June 7, 2016. On MOTION by Swan, seconded and unanimously carried, THE BOARD APPROVED IDENTIFIED INCREASES IN CONNECTION FEES AND PROPERTY TAX RATES AND ADOPTED THE FOLLOWING RESOLUTIONS BY TITLE:

RESOLUTION NO. 2016-12

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA ADOPTING CHANGES TO CONNECTION FEES AS SET FORTH IN THE SCHEDULE OF RATES AND CHARGES IN EXHIBIT "B" TO THE RULES AND REGULATIONS OF IRVINE RANCH WATER DISTRICT FOR WATER, SEWER, RECYCLED WATER AND NATURAL TREATMENT SYSTEM SERVICE

RESOLUTION NO. 2016-13

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA ESTABLISHING AD VALOREM TAX REVENUES FOR FISCAL YEAR 2016-17

RESOLUTION NO. 2016-14

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT AMENDING ALLOCATION OF AD VALOREM PROPERTY TAXES TO DEBT SERVICE, SUBJECT TO PLEDGE

ZONE A TO B AND ZONE A TO C BOOSTER PUMP STATIONS PROJECT CONSULTANT SELECTION

General Manager Cook reported that in accordance with the Recycled Water Distribution System Analysis report dated March 4, 2016, two booster pump stations are proposed to serve near-term and future demands in Zone B and Zone C and will ultimately replace the Northwood Zone B Booster Pump Station (BPS), replace the Orchard Hills Zone A to C BPS, and allow the Rattlesnake Zone A to C BPS to be converted to serve Zone C+. The project will also include facility planning and provisions for the future Zone A to Syphon BPS which will be located on the site when Syphon Reservoir is expanded.

Executive Director of Engineering and Water Quality Burton that the non-potable water distribution system has undergone significant changes in operation, demands, and facility planning over the past several years. The most significant changes to the demands and operation are within the recycled water system, specifically the Zone B and Zone C pressure zones north of the I-5 Freeway. In addition to the demand and development changes, recycled water usage from the Michelson Water Recycling Plant is intended to be maximized to the greatest extent possible.

Exhibit "A"

Mr. Burton said that the proposed Project facilities will be constructed in two phases. The first phase is needed to meet demands for the Near-Term and Future phases and includes the Zone A to B BPS and the Zone A to C BPS. The Zone A to B BPS will meet the growth in demands to Zone B and ultimately replace the existing Northwood Zone B BPS. The Zone A to C BPS will meet the growth in demands to Zone C and ultimately replace the existing Orchard Hills Zone A to C BPS. The second phase will be required to meet demands for the Ultimate Phase, which will include consideration for the future Syphon Reservoir Expansion project.

Mr. Burton said that the near-term phase includes upcoming or ongoing developments or facilities that are currently in either the preliminary design, final design, or construction phase. The future phase is an intermediate phase between the near-term and the ultimate phases and accounts for anticipated development in the Great Park. The ultimate phase includes the Syphon Reservoir expansion and assumes all other currently known developments are built-out. Ultimately, three pump stations will be located at the project site. The three pump stations will pump from Zone A to Zone B, Zone C, and to Syphon Reservoir. Additionally, the pump stations and appurtenant facilities will be designed with adequate flexibility to enable the pump stations to meet both Zone B and C demands from either Zone A or from Syphon Reservoir in the ultimate phase, while at the same time filling the Syphon Reservoir through the Zone A to Syphon BPS. He said the proposed location for the project has been coordinated with the Irvine Company and a lot has been provided within the Planning Area 5B development area at the corner of Jeffrey and Irvine Boulevard.

Mr. Burton said that staff received proposals for engineering design, bidding support, and construction phase services for the Zone A to B and Zone A to C Booster Pump Stations Project from AECOM, Brown and Caldwell, Carollo, and Tetra Tech. While each firm presented creative engineering alternatives for meeting the goals of this project and developed thorough approaches for completing the project, AECOM's proposal presented excellent design concepts that optimized the use of the available site space and provided operational flexibility when the Syphon Reservoir expansion occurs in the future. AECOM also proposed to reduce the design schedule duration by one month. He said that while each firm presented creative engineering alternatives for meeting the goals of this project and developed thorough approaches for completing the project, AECOM's proposal presented excellent design concepts that optimized the use of the available site space and provided operational flexibility when the Syphon Reservoir expansion occurs in the future. AECOM also proposed to reduce the design schedule duration by one month.

Director LaMar reported that this item was reviewed and approved by the Engineering and Operations Committee on June 21, 2016. On MOTION by LaMar, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH AECOM IN THE AMOUNT OF \$832,155 FOR ENGINEERING DESIGN, BIDDING SUPPORT, AND CONSTRUCTION PHASE SERVICES FOR THE ZONE A TO B AND ZONE A TO C BOOSTER PUMP STATIONS, PROJECTS 4400 AND 4457.

PROPOSED 2016 GENERAL OBLIGATION BOND AND CERTIFICATES OF PARTICIPATION DEBT ISSUANCE

General Manager Cook reported that based on the District's decreasing cash balances, additional planned capital projects and regulations limiting reimbursement of prior Capital Fund and

Exhibit "A"

Replacement Fund expenditures, staff recommends the issuance of debt to fund previous and future capital expenditures. He said that in May 2016, staff and the District's independent registered municipal advisor, Public Financial Management (PFM), developed and distributed a Request for Proposal to a group of pre-qualified underwriters for a bond issuance estimated for September 2016.

Director of Treasury and Risk Management Jacobson reported that as of April 30, 2016, the District's cash balance was \$237 million, which is a \$207 million (or 46.6%) decrease from December 2010 when the District last issued new money debt (\$175 million Build America Bonds). All bond proceeds from the 2010 bond issuance have since been spent. The District's history of sufficient unrestricted cash balances (liquidity) has been a substantial contributor to its current exemplary credit ratings (AAA, AAA, Aa1). Cash flow projections indicate that further reductions in the District's cash balances will continue.

Mr. Jacobson said that Public agencies are permitted to issue bonds for reimbursement of previous capital expenditures and to fund future planned capital projects. Treasury regulations provide the District with the ability to reimburse costs for a period of up to three years following expenditures for an open project, and 18-months following Board acceptance of a project. As was previously discussed with the Committee, in September 2016 the District will begin to lose the ability to reimburse the capital and replacement funds for significant expenditures that have occurred over the past three years. The capital reimbursements are primarily related to the Biosolids project as well as the Baker Water Treatment facility and other smaller capital projects.

Mr. Jacobson said that staff proposes the District proceed with a General Obligation (GO) bond issuance, primarily for new capital reimbursement, with an expected issuance in September 2016 for a maximum of \$130,000,000 million, including cost of issuance. The proposed bond proceeds would reimburse advances from the Capital Fund for expenditures from September 2013 through August 2016. He further said that staff also proposes issuing Certificate of Participation (COPs) to reimburse replacement-related capital expenditures for construction of the District's Biosolids facility. Based on the amount of replacement costs expended to date, as well as remaining projected replacement expenditures for the Biosolids facility, staff proposes an amount not to exceed \$100,000,000, including cost of issuance. Utilizing a COPs structure for Replacement Fund expenditures is necessary because the use of District GO authorization is not permitted to finance replacement project expenditures. The proposed COPs issuance is net of \$11.1 million in contributions to the Replacement Fund received from fiscal year 2013-14 through fiscal year 2016-17 from the Biosolids fixed charge paid by District customers during that period. He said the District currently has \$54.7 million COPs outstanding at a fixed rate of 3.82%. As part of the recommended COPs issuance, staff also recommends including the option to refund all, or a portion of, the District's 2010 COPs fixed rate issue, should favorable economics continue. Based on current economics, a refunding of the issue would generate savings to the District of approximately \$5.0 to \$5.5 million.

Mr. Jacobson said that in connection with the GO and COPs issuance, staff received proposals from Bank of America Merrill Lynch (BAML), Goldman Sachs (Goldman), Morgan Stanley, Citigroup, US Bank and Wells Fargo to act in an underwriter capacity for the District's debt issuance. He said that based on staff's analysis of the proposals, staff recommends that BAML and Morgan Stanley be retained as underwriters for the GO bond issue and Goldman Sachs be retained as underwriter for the COP's issue, including any potential refunding of the 2010 COPs

Exhibit "A"

issue. Additionally, it is recommended that Orrick, Herrington & Sutcliffe, and Bowie, Arneson, Wiles & Giannone be retained as co-bond counsel.

Director Swan reported that this item was reviewed and approved by the Finance and Personnel Committee on June 7, 2016. On MOTION by Swan, seconded and unanimously carried THE BOARD APPROVED THE ISSUANCE OF GENERAL OBLIGATION BONDS IN AN AMOUNT NOT TO EXCEED \$130 MILLION IN EITHER A FIXED OR VARIABLE MODE TO BE DETERMINED PRIOR TO ISSUANCE, AND APPROVED THE ISSUANCE OF CERTIFICATES OF PARTICIPATION IN AN AMOUNT NOT TO EXCEED \$100 MILLION, IN A FIXED OR VARIABLE MODE TO BE DETERMINED PRIOR TO ISSUANCE, AND APPROVED THE RETENTION OF BANK OF AMERICA MERRILL LYNCH AND MORGAN STANLEY AS UNDERWRITERS FOR THE GO BOND ISSUE, AND APPROVED THE RETENTION OF GOLDMAN SACHS AS UNDERWRITER FOR THE COPS ISSUE (TO INCLUDE ANY POTENTIAL REFUNDING OF THE DISTRICT'S 2010 COPS ISSUE), AND RETAINED ORRICK, HERRINGTON & SUTCLIFFE AND BOWIE, ARNESON, WILES & GIANNONE AS CO-BOND COUNSEL, AND RETAINED BANK OF NEW YORK MELLON AS TRUSTEE/PAYING AGENT FOR THE GO BOND ISSUE, AND RETAINED US BANK AS TRUSTEE/PAYING AGENT FOR THE COP'S ISSUE; AND ADOPTED THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2016 -15

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE IRVINE RANCH WATER DISTRICT
DECLARING INTENTION TO ISSUE
CONSOLIDATED BONDS OF SAID DISTRICT
(CONSOLIDATED SERIES 2016)

SANTIAGO HILLS II ZONE 5 TO 6 AND ZONE C+ TO E PUMP STATIONS AND
ZONE 6 RESERVOIR CONSULTANT SELECTIONS

General Manager Cook reported that The Irvine Community Development Company (ICDC) is currently developing the Santiago Hills II (SHII) development located in the City of Orange. He said that ICDC completed the Sub Area Master Plan (SAMP) update for SHII, which identifies the need for a new Zone 5 to 6 domestic water and Zone C+ to E recycled water pump stations and a Zone 6 domestic water reservoir to serve the development.

Executive Director of Engineering and Water Quality Burton said that the SHII development, which is divided into a northern and southern section by Santiago Canyon Road, consists of approximately 200 acres of low to medium density residential units and over 200 acres of open space and landscaped areas. The SHII SAMP describes various District infrastructure improvements required to serve the new development domestic and recycled water including domestic water and recycled water pump stations and a domestic water reservoir. He said that the proposed Zone 5 to 6 and Zone C+ to E pump stations, which will be located next to the existing Zone 5 to 8 pump station on Santiago Canyon Road, will supply domestic water and recycled water to the SHII community. The proposed Zone 5 to 6 domestic water pump station will supply the proposed 2.4 million gallon (MG) Zone 6 domestic water reservoir that will serve the northern section of the development and after reducing pressure through a pressure reducing valve, will

Exhibit "A"

serve the southern section. The proposed Zone C+ to E recycled water pump station will directly feed the entire SHII development through a closed-loop system. To better manage the schedule for the design and construction of the SHII pump stations and reservoir improvements, staff divided the project into two components: (1) the SHII Zone 5 to 6 and Zone C+ to E Pump Stations Project and (2) the SH II Zone 6 Reservoir Project. The design and construction of the two projects will progress simultaneously with completion anticipated in Summer 2018.

Mr. Burton said that staff received proposals for design of the SHII Zone 5 to 6 and Zone C+ to E Pump Stations Project from Arcadis, GHD, Lee & Ro, and Stantec. CDM Smith declined to submit. Lee & Ro's proposal presented the most relevant overall pump station experience and a detailed understanding of the complexity and issues associated with the project. Lee & Ro's proposal demonstrated a solid understanding of the coordination required with other projects in the vicinity and presented a thorough understanding of the system hydraulics. The staff proposed for Lee & Ro's design team, which includes sub-consultants, have successfully completed previous pump station projects including the recently completed Hidden Canyon Booster Pump Station Project, which is very similar to the proposed SHII pump stations. He said that Lee & Ro's proposed design fee is \$538,869. The construction phase services are not included in the scope of work and will be negotiated at the end of the design phase when the project is fully defined.

Mr. Burton said that staff received proposals for design of the SHII Zone 6 Reservoir Project from Kleinfelder and Tetra Tech. AECOM and HDR declined to submit. Kleinfelder's proposal presented an excellent understanding of the project and staff capable of meeting the demanding design schedule. He said that Kleinfelder recently completed the design of the ILP North Conversion Reservoir project and is familiar with the Santiago Hills development and parties involved. Kleinfelder has recent experience coordinating with the Irvine Company on the ILP North Conversion project that will prove beneficial for the proposed reservoir project. Kleinfelder's proposed design fee is \$480,057. The construction phase services are not included in the scope of work and will be negotiated at the end of the design phase when the project is fully defined.

Director LaMar reported that this item was reviewed and approved by the Engineering and Operations Committee on June 21, 2016. On MOTION by LaMar, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH LEE & RO IN THE AMOUNT OF \$538,869 FOR ENGINEERING SERVICES FOR THE SANTIAGO HILLS II ZONE 5 TO 6 AND ZONE C+ TO E PUMP STATIONS, PROJECT 7136 AND 7139, AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH KLEINFELDER IN THE AMOUNT OF \$480,057 FOR ENGINEERING SERVICES FOR THE SANTIAGO HILLS II ZONE 6 RESERVOIR, PROJECT 7138.

BAKER WATER TREATMENT PLANT CONTRACT CHANGE ORDER AND CONSULTANT VARIANCES

General Manager Cook reported that the PCL Construction is constructing the Baker Water Treatment Plant (Baker WTP), which is about 90 percent complete. The project, which was originally scheduled for completion in April 2016, has experienced various delays and is now scheduled for completion in November 2016.

Exhibit "A"

Executive Director of Engineering and Water Quality Burton said that the Baker WTP is a regional project that will produce up to 28 million gallons per day of drinking water. The source water for this facility will be untreated imported water from Metropolitan Water District of Southern California (MWD) and local water from Irvine Lake. He said that Project participants include El Toro Water District, Moulton Niguel Water District, Santa Margarita Water District, Trabuco Canyon Water District, and IRWD. The Baker WTP will utilize microfiltration and ultraviolet disinfection as the primary treatment processes. The project also includes the construction of Raw Water Conveyance Facilities (RWCF) that will be used to pump water from Irvine Lake to the Baker WTP. These facilities will provide an operational source of supply and, in the event of short-term water shortage emergencies, will enhance water reliability for the project participants. Construction of both projects commenced in January 2014.

Mr. Burton said that the majority of the total cost of the change order is associated with two items including a negotiated settlement with PCL relative to all schedule delay impacts and any potential associated costs encountered during construction of the project to date, and building structural steel framing modifications. The balance of the change order consists of a variety of other items associated with changes necessary to provide for complete and functional systems in accordance with District standards which staff have confirmed are necessary.

He said that during construction of the project, multiple construction issues were encountered that impacted completion of the project in accordance with the original schedule. To date, PCL has submitted two separate notices of owner-caused delays with each containing a request for additional contract time and compensation associated with extended overhead costs. The first notice of delay, associated with delays related to electrical work in the treatment building, requested a contract time extension of 78 calendar days and compensation of \$842,638. The second notice of delay, associated with building structural steel design issues, requested a contract time extension of 56 calendar days and compensation of \$594,424. Staff and the District's construction management consultants evaluated the notices and replied that PCL's justifications for the owner-caused delays were without merit. After several written correspondences and meetings between staff and PCL, it was agreed to elevate the discussions beyond the field management teams of both IRWD and PCL to attempt to resolve the dispute without further impacting the construction progress. Following these discussions and negotiations, the mutually agreed upon resolution includes a schedule extension of 216 calendar days and compensation to PCL in the amount of \$395,000 in exchange for an all-inclusive settlement for all supplemental, indirect, consequential, cumulative costs and delays, including extended overhead costs, associated with all impacts resulting from schedule delays from the date of the Notice of Award through June 8, 2016. The agreed upon time extension exceeds the additional time formally requested by PCL in the two notices of delay because the time extension also accounts for shared project delays associated with other construction issues that are not solely attributable to either PCL or IRWD.

He further said that the second largest component of the change order is for building structural steel framing modifications. During the course of submittal review and inspection of the partially erected building structures, the engineer of record noted that required roof decking support members and required framing for roof penetrations were not being provided as required per the drawings and technical specifications. PCL disagreed with the engineer's assertion and claimed that the additional support members and framing were not explicitly identified on the structural drawings and the technical specifications, and therefore, those items were not accounted for in PCL's bid. Staff reviewed the issue and determined that the drawings and specifications, while

Exhibit "A"

showing some portions of the disputed work, could have been more explicit and more closely coordinated to convey the requirements. Staff confirmed that the additional support members and framing were required, and as such, agreed to compensate the contractor for the direct costs associated with this work.

Mr. Burton said that staff reviewed this change order and recommends approval in the amount of \$631,372 and an additional 216 calendar days for a completion date of November 18, 2016. In accordance with the Baker WTP Agreement, Baker Project Committee approval of the contract change order is required. The Baker Project Committee verbally concurred with the change order including the settlement and contract time extension at its June 9, 2016 meeting. The El Toro Water District Board formally approved the change order June 23, 2016, and the other partner agencies are currently in the process of obtaining formal approval of the change order from their respective Boards.

Mr. Burton said the construction management (CM) team consists of a combination of IRWD staff and consultants including Carollo Engineers, HDR, Jacobs, and Arcadis. Carollo Engineers, with various sub-consultants, is providing engineering services during the construction phase and is scoped to provide various post-construction phase services during the first year of plant operation to verify plant performance criteria. HDR, Jacobs, and Arcadis are providing various construction management support services including engineering support, construction inspection, schedule review/support, and the project document control system. He said that to continue providing construction management support services through the extended project duration, variances to each consultant PSA are required. Each variance will provide additional scope and budget to maintain the onsite presence of the CM Team through the November 18, 2016 project completion date. Staff also requested each consultant to include a contingency budget for an additional two months of CM support services should the project extend beyond the revised completion date. The contingency budget will be held in reserve and will only be used upon receipt of written authorization from IRWD. In accordance with the Baker WTP Agreement, Baker Project Committee approval of the variances is required. The Baker Project Committee verbally concurred with the need for the variances, including the contingency budget, at its June 9, 2016 meeting. The El Toro Water District Board formally approved the variances June 23, 2016, and the other partner agencies are currently in the process of obtaining formal approval of the variances from their respective Boards.

Director LaMar reported that this item was reviewed and approved by the Engineering and Operations Committee on June 21, 2016. On MOTION by LaMar, seconded and unanimously carried, THE BOARD APPROVED CONTRACT CHANGE ORDER NO. 20 IN THE AMOUNT OF \$631,372 AND A CONTRACT TIME EXTENSION OF 216 CALENDAR DAYS WITH PCL CONSTRUCTION; AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 2 IN THE AMOUNT OF \$501,600 WITH CAROLLO ENGINEERS FOR ADDITIONAL ENGINEERING SUPPORT SERVICES; AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 2, IN THE AMOUNT OF \$416,813 WITH HDR FOR ADDITIONAL CONSTRUCTION SUPPORT SERVICES; AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 1 IN THE AMOUNT OF \$204,290 WITH JACOBS PROJECT MANAGEMENT COMPANY FOR ADDITIONAL CONSTRUCTION SUPPORT SERVICES; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 1 IN THE AMOUNT OF \$116,885 WITH ARCADIS U.S. FOR ADDITIONAL CONSTRUCTION SUPPORT SERVICES FOR THE BAKER WATER TREATMENT PLANT, PROJECT 5027.

Exhibit "A"

GENERAL MANAGER'S REPORT

General Manager Cook reported that Mr. Bruce Newell spoke to the Operations Group regarding fire awareness and prevention. He said Orange County Fire Authority (OCFA) provided support for last weekend's Laguna Canyon fire using water from Sand Canyon Reservoir. Mr. Cook also reported that OCFA will be using Irvine Lake for helicopter training.

DIRECTOR'S COMMENTS

Director LaMar reported on his attendance at an CCEEB Water Quality Task Force meeting, and a Natural Communities Coalition Quarterly meeting. He also said that the NCC will be celebrating its 20-year anniversary in September.

Director Withers reported on his attendance at an Orange County Forum and a ISDOC Quarterly meeting.

Director Swan reported on his attendance at an WACO Planning Committee meeting, OCWD Board and Committee meetings, a OCWA luncheon meeting and a Newport Bay Watershed meeting.

Director Matheis reported on her attendance at a California Water Law & Policy Conference in San Francisco and an Orange County Forum. She said this forum presented a report on the economic outlook for Orange County.

Director of Treasury & Risk Management Rob Jacobson introduced the new Manager of Risk and Contracts Mr. Allen Shinbashi in the Finance Department.

CLOSED SESSION:

President Matheis said that the following Closed Sessions would be held:

Conference with Legal Counsel relative to anticipated litigation- Government Code Section 54956.9(d)(2) – significant exposure to litigation (one potential case), and Government Code Section 54956.9(d)(4) initiation of litigation (one potential case).

OPEN SESSION:

Open session was resumed. President Matheis reported that on motion duly made and carried with Directors LaMar, Reinhart, Swan, Withers, and Matheis voting aye, a revised draft of the proposed tolling agreement with Orange County Water District (OCWD) was approved and authorized to be transmitted to OCWD.

CLOSED SESSION:

Conference with Labor Negotiators - Government Code Section 54957.6
Agency Designated Representatives: Paul Cook and Jenny Roney
Employee Group: Managers, Supervisors and Confidential Employees.

Exhibit "A"

OPEN SESSION:

No action was reported from the Closed Session. A motion was made and seconded to approve a cost of living adjustment of 2% for eligible employees in supervisory, management and confidential positions. After discussion the motion was called and carried unanimously. General Manager Cook stated that when he communicated this salary change to the supervisory, management and confidential positions, he would also remind these employees that the Board would, next year, be reviewing the adjustments to ensure that the salary and benefits for employees remains fair and competitive

ADJOURNMENT

There being no further business, President Matheis adjourned the Board Meeting at 8:25 p.m.

APPROVED and SIGNED this 11th day of July, 2016.

President, IRVINE RANCH WATER DISTRICT

Assistant Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:
Legal Counsel – Bowie, Arneson, Wiles & Giannone

By: _____

July 11, 2016

Prepared by: Gretchen Ronin

Submitted by: Jenny Roney

Approved by: Paul Cook 

CONSENT CALENDAR

PROPOSED SALARY GRADE SCHEDULE CHANGES FOR FY 2016-17

SUMMARY:

Each year during the preparation of IRWD's Operating Budget, staff reviews current budgeted positions, salaries, and benefits to determine necessary staffing levels and maintain a competitive compensation package within the industry. As a result of the adoption of the FY 2016-17 Operating Budget and Board action taken on June 27, 2016, staff recommends the Board rescind Resolution No. 2015-27 and adopt a resolution establishing a revised schedule of positions and salary rate ranges effective July 1, 2016.

BACKGROUND:

Staff's justifications for staffing and organizational changes and the associated costs and cost savings have been incorporated in the FY 2016-17 Operating Budget, adopted by the Board on April 25, 2016. The revised salary grade schedule, which is attached as Exhibit "A", incorporates the 2% Cost of Living Adjustment for the General Employees Unit, as executed in Article IX of the Memorandum of Understanding, approved by the Board on August 24, 2015. Also included in the revised salary grade schedule is the 2% Cost of Living Adjustment for the Supervisors, Managers, and Confidential Employees, as approved by the Board on June 27, 2016. All of the proposed changes to the Salary Grade Schedule are presented in redlined form. The resolution rescinding Resolution No. 2015-27 and establishing a revised schedule of positions and salary rate changes is attached as Exhibit "B".

FISCAL IMPACTS:

The fiscal impacts of this item were included in the FY 2016-17 Operating Budget adopted by the Board of Directors on April 25, 2016.

ENVIRONMENTAL COMPLIANCE:

This item is not a project as defined in the California Environmental Quality Act Code of Regulations, Title 14, Chapter 3, Section 15378.

COMMITTEE STATUS:

This item did not go to a Committee. It is a follow-up to the adoption of the FY2016-17 Operating Budget, adopted by the Board of Directors on April 25, 2016 and Board action taken on June 27, 2016.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2016 -

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT RESCINDING
RESOLUTION NO. 2015-27 AND ESTABLISHING
REVISED SCHEDULE OF POSITIONS AND SALARY
RATE RANGES

LIST OF EXHIBITS:

Exhibit "A" – Proposed IRWD Salary Grade Schedule

Exhibit "B" – Resolution

EXHIBIT "A"

**IRVINE RANCH WATER DISTRICT
SALARY GRADE SCHEDULE
GENERAL EMPLOYEES' UNIT**

August 15, 2015/July 1, 2016

<u>NON-EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE 1.N	\$27092763	\$33593426	\$3526-3597
SALARY GRADE 2.N	\$2768-2823	\$34513520	\$3624-3696
SALARY GRADE 3.N	\$2826-2883	\$3546-3617	\$27243798
SALARY GRADE 4.N	\$28772935	\$3649-3722	\$3831-3908
SALARY GRADE 5.N	\$29433002	\$3750-3825	\$3938-4017
SALARY GRADE 6.N Office Assistant Mail Coordinator	\$30023062	\$38593936	\$40514132
SALARY GRADE 7.N	\$3061-3122	\$3966-4045	\$4165-4248
SALARY GRADE 8.N	\$3128-3191	\$4080-4162	\$42844370
SALARY GRADE 9.N	\$31893253	\$4192-4276	\$4402-4490
SALARY GRADE 10.N	\$3254-3319	\$4306-4392	\$45214611
SALARY GRADE 11.N Material Control Clerk I Maintenance Apprentice Utility Worker	\$33173383	\$44184506	\$4636-4729
SALARY GRADE 12.N	\$33823450	\$4546-4637	\$47754871
SALARY GRADE 13.N Customer Service Specialist I Support Specialist	\$3446-3515	\$46774771	\$4911-5009

SALARY GRADE 14.N	<u>\$35233593</u>	<u>\$48084904</u>	<u>\$50495150</u>
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SALARY GRADE 15.N	<u>\$35993671</u>	<u>\$49375036</u>	<u>\$51845288</u>
Office Specialist			
<u>Development Services Specialist</u>			
Collection Systems Technician I			

SALARY GRADE 16.N	<u>\$36833757</u>	<u>\$50755177</u>	<u>\$53275434</u>
Accounting Clerk			
Customer Service Field Technician			
Metering Systems Technician I			
Water Maintenance Technician I			
Laboratory Analyst			

SALARY GRADE 17.N	<u>\$37623837</u>	<u>\$52045305</u>	<u>\$54615570</u>
Customer Service Specialist II			

SALARY GRADE 18.N	<u>\$38443921</u>	<u>\$53425449</u>	<u>\$56095721</u>
Material Control Clerk II			
Senior Support Specialist			

SALARY GRADE 19.N	<u>\$39324011</u>	<u>\$54765586</u>	<u>\$57525867</u>
Senior Office Specialist			
Purchasing Coordinator			
<u>Senior Development Services Specialist</u>			

SALARY GRADE 20.N	<u>\$40374118</u>	<u>\$56535766</u>	<u>\$59366055</u>
Senior Accounting Clerk			
Engineering Technician I			
<u>GIS Technician I</u>			
Operator I			
Collection Systems Technician II			

SALARY GRADE 21.N	<u>\$41514234</u>	<u>\$58245940</u>	<u>\$61176239</u>
Customer Service Specialist III			
Senior Customer Service Field Technician			
Collection Systems CCTV Technician H			

SALARY GRADE 22.N	<u>\$42664351</u>	<u>\$60076127</u>	<u>\$63096435</u>
Sr. Purchasing Coordinator			
Metering Systems Tech. II			
Water Maintenance Technician II			
Maintenance Mechanic			
Facilities Services Technician			

Vehicle/Equipment Mechanic
 Recycled Water Specialist
 Public Affairs Assistant

SALARY GRADE 23.N Construction Inspector I	<u>\$43784466</u>	<u>\$61896313</u>	<u>\$6498 6628</u>
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SALARY GRADE 24.N Buyer Cross Connection Specialist Wetlands Specialist Water Use-Efficiency Specialist	<u>\$45024592</u>	<u>\$6383 6511</u>	<u>\$67026836</u>
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SALARY GRADE 25.N Engineering Technician II GIS Technician II Senior Collection Systems Technician Senior Collection Systems CCTV Technician	<u>\$4621 4713</u>	<u>\$6579 6711</u>	<u>\$6909 7047</u>
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SALARY GRADE 26.N Metering Systems Tech. III Water Maintenance Technician III	<u>\$4763 4858</u>	<u>\$67756911</u>	<u>\$71137255</u>
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SALARY GRADE 27.N Accountant Senior Vehicle/Equipment Maintenance Mechanic Senior Facilities Services Technician Operator II Senior Maintenance Mechanic Senior Recycled Water Specialist	<u>\$49014999</u>	<u>\$69747113</u>	<u>\$73237469</u>
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SALARY GRADE 28.N Construction Inspector II Automation Technician Landscape Contracts Administrator Electrical Technician Instrumentation Technician Scientist	<u>\$50455146</u>	<u>\$71817325</u>	<u>\$75417692</u>
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SALARY GRADE 29.N Payroll Administrator Senior Buyer Engineering Technician III GIS Technician III Senior Wetlands Specialist Operator III Lead Maintenance Mechanic Recycled Water Project Specialist	<u>\$51955299</u>	<u>\$73907538</u>	<u>\$77597914</u>
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Senior Water Use-Efficiency Specialist
Public Affairs Specialist

SALARY GRADE 30.N	<u>\$53525459</u>	<u>\$76087760</u>	<u>\$79908150</u>
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Risk Analyst
Senior Electrical Technician
Senior Instrumentation Technician
Graphic Design Specialist

SALARY GRADE 31.N	<u>\$55405620</u>	<u>\$78387995</u>	<u>\$82288393</u>
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Treasury Analyst
Information Services Coordinator
Construction Inspector III
Water Use-Efficiency Analyst

SALARY GRADE 32.N	<u>\$56695782</u>	<u>\$80698230</u>	<u>\$84738642</u>
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Automation Specialist
Senior Scientist

SALARY GRADE 33.N	<u>\$58345951</u>	<u>\$83048470</u>	<u>\$87198893</u>
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Operations Coordinator

SALARY GRADE 34.N	<u>\$60076127</u>	<u>\$85338704</u>	<u>\$89649140</u>
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Electrical/Instrumentation Designer

SALARY GRADE 35.N	<u>\$61886312</u>	<u>\$87898965</u>	<u>\$92299414</u>
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IRVINE RANCH WATER DISTRICT
SALARY GRADE SCHEDULE
GENERAL EMPLOYEES' UNIT
August 15, 2015

<u>EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE 1.E	\$43564443	\$55985710	\$58765994
SALARY GRADE 2.E	\$45014591	\$58145930	\$61056227
SALARY GRADE 3.E	\$46465739	\$60316152	\$63336460
SALARY GRADE 4.E	\$47914887	\$62626387	\$65756707
SALARY GRADE 5.E	\$49375036	\$64946624	\$68206956
SALARY GRADE 6.E	\$51065208	\$67466881	\$70847226
SALARY GRADE 7.E	\$52705375	\$69957135	\$73447491
SALARY GRADE 8.E	\$54425551	\$72697414	\$76337786
SALARY GRADE 9.E	\$56075719	\$75357686	\$79118069
SALARY GRADE 10.E Analyst Assistant Engineer Public Affairs Analyst Regulatory Compliance Analyst	\$57955911	\$78207976	\$82128376
SALARY GRADE 11.E	\$59806100	\$81108272	\$85168686
SALARY GRADE 12.E Programmer/Analyst Energy Analyst Laboratory QA/QC	\$61756299	\$84218589	\$88409017
SALARY GRADE 13.E Right of Way Agent Water Resources Planner	\$63746501	\$87278902	\$91629345

<u>EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE 14.E Associate Engineer	\$65826714	\$90649245	\$95169706
SALARY GRADE 15.E Automation Programmer	\$67906926	\$94029590	\$987110068
SALARY GRADE 16.E	\$70177157	\$97589953	\$1024610451
SALARY GRADE 17.E Engineer	\$72447386	\$1014610318	\$1062110833
SALARY GRADE 18.E	\$74757625	\$1050210712	\$1102611247
SALARY GRADE 19.E	\$77127866	\$1089011108	\$1143511664
SALARY GRADE 20.E	\$79528111	\$1129211518	\$1185812095
SALARY GRADE 21.E	\$81958359	\$1170011934	\$1228612532
SALARY GRADE 22.E	\$84588627	\$1213512378	\$1274412999
SALARY GRADE 23.E	\$87268901	\$1257612828	\$1320513469
SALARY GRADE 24.E	\$89629141	\$1308213344	\$1373514010
SALARY GRADE 25.E	\$92399424	\$1357713849	\$1425514540
SALARY GRADE 26.E	\$96609853	\$1429414580	\$1500915309
SALARY GRADE 27.E	\$1010310305	\$1505115352	\$1580416120
SALARY GRADE 28.E	\$1056710778	\$1584516162	\$1663716970
SALARY GRADE 29.E	\$1104911270	\$1668317017	\$1751717867
SALARY GRADE 30.E	\$1156011791	\$1756817919	\$1844718816

<u>EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE 31.E	\$1213412377	\$1856518936	\$1949319883
SALARY GRADE 32.E	\$1274312998	\$1962320015	\$2060421016
SALARY GRADE 33.E	\$1337613644	\$2073721152	\$2177422209
SALARY GRADE 34.E	\$1404714328	\$2191422352	\$2300823468

Effective Date 08/15/2015 07/01/2016

IRVINE RANCH WATER DISTRICT
SALARY GRADE SCHEDULE
SUPERVISORS, MANAGERS, AND CONFIDENTIAL EMPLOYEES

July 1, 2015/July 1, 2016

<u>NON-EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE U1.N	\$29692750	\$33433410	\$35093579
SALARY GRADE U2.N	\$27552810	\$34343503	\$36073679
SALARY GRADE U3.N	\$28132869	\$35283599	\$37063780
SALARY GRADE U4.N	\$28642921	\$36313704	\$38133889
SALARY GRADE U5.N	\$29292988	\$37323807	\$39193997
SALARY GRADE U6.N	\$29873047	\$38403917	\$40324113
SALARY GRADE U7.N	\$30463107	\$39474026	\$41454228
SALARY GRADE U8.N	\$31133175	\$40604141	\$42634348
SALARY GRADE U9.N	\$31733236	\$41724255	\$43814469
SALARY GRADE U10.N	\$32383303	\$42864372	\$44994589
SALARY GRADE U11.N	\$33013367	\$43964484	\$46144706
SALARY GRADE U12.N	\$33663433	\$45244614	\$47524847
SALARY GRADE U13.N	\$34293498	\$46544747	\$48884986
SALARY GRADE U14.N	\$35063576	\$47854881	\$50255126
SALARY GRADE U15.N	\$35813653	\$49135011	\$51595262
SALARY GRADE U16.N	\$36663739	\$50505151	\$53025408

<u>NON-EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE U17.N	\$37443819	\$51765280	\$5435-5544
SALARY GRADE U18.N	\$38263903	\$53165422	\$55825694
SALARY GRADE U19.N	\$39133991	\$54505559	\$5724-5838
SALARY GRADE U20.N	\$40184098	\$56265739	\$59086026
SALARY GRADE U21.N	\$43134214	\$57965912	\$6088-6210
SALARY GRADE U22.N Executive Secretary Human Resources Assistant	\$42454330	\$59786098	\$6278-6404
SALARY GRADE U23.N	\$43574444	\$61606283	\$64676596
SALARY GRADE U24.N	\$44814571	\$63526479	\$66706803
SALARY GRADE U25.N	\$45984690	\$65476678	\$6876-7014
SALARY GRADE U26.N Executive Assistant	\$47414836	\$67426877	\$70797221
SALARY GRADE U27.N	\$48784976	\$69407079	\$72877433
SALARY GRADE U28.N	\$50215121	\$71467289	\$75057655
SALARY GRADE U29.N Safety & Security Specialist Administrative Assistant	\$51705273	\$73547501	\$77227876
SALARY GRADE U30.N Collection Systems Supervisor	\$53265433	\$75727723	\$79518110

<u>NON-EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE U31.N Human Resources Analyst Cross Connection Supervisor Water Maintenance Supervisor Facilities Services Supervisor Fleet Supervisor	\$54845594	\$78007956	\$81898353
SALARY GRADE U32.N Network Administrator Mechanical Maintenance Supervisor	\$56425755	\$80208191	\$84328601
SALARY GRADE U33.N Construction Inspection Supervisor	\$58065922	\$82648429	\$86778851
SALARY GRADE U34.N Automation Supervisor Electrical Supervisor Instrumentation Supervisor	\$59786098	\$84928662	\$89189096
SALARY GRADE U35.N Operations Supervisor	\$61596282	\$87478922	\$91859369

<u>EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE U14.E District Secretary Assistant Facilities/Fleet Manager	\$65506681	\$90209200	\$94709659
SALARY GRADE U15.E Senior Programmer/Analyst Senior Network Administrator Applications Analyst Laboratory Supervisor Assistant Asset Manager	\$67585893	\$93579544	\$982310019
SALARY GRADE U16.E Assistant Operations Manager Principal Analyst Natural Resources Manager Collection Systems Manager Laboratory Manager Water Use Efficiency Manager	\$69837123	\$97119905	\$1019710401
SALARY GRADE U17.E District Safety and Security Manager Customer Service Manager Purchasing Manager Engineer Construction Inspection Manager Field Services Manager Construction and Field Services Manager Water Maintenance Manager Natural Resources Manager Collection Systems Manager Facilities/Fleet Manager Water Efficiency Manager	\$72067350	\$1006810269	\$1057010781
SALARY GRADE U18.E Public Affairs Manager Human Resources Manager Treasury Manager Manager of Contracts Administration & Risk Senior Applications Analyst Senior Applications Developer Senior Database Administrator Chief Plant Operator Water Quality Manager Regulatory Compliance Manager	\$74397588	\$1045110660	\$1097311192
SALARY GRADE U19.E	\$76757829	\$1083711054	\$1138011608

<u>EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
Operations Manager Electrical and Automation Manager Mechanical Services Manager Recycled Water Development Manager Water Resources Manager			
SALARY GRADE U20.E Controller Manager of Strategic Planning and Analysis Networking & Support Manager Senior Engineer	<u>\$79148072</u>	<u>\$1123811463</u>	<u>\$1180112037</u>
SALARY GRADE U21.E	<u>\$81558318</u>	<u>\$1164411877</u>	<u>\$1222712472</u>
SALARY GRADE U22.E Applications Manager	<u>\$84178585</u>	<u>\$1207712319</u>	<u>\$1268312937</u>
SALARY GRADE U23.E Governmental Relations Officer Principal Engineer Assistant Director of Water Operations Assistant Director of Recycling Operations Assistant Director of Maintenance	<u>\$86848858</u>	<u>\$1251512765</u>	<u>\$1314413404</u>
SALARY GRADE U24.E	<u>\$89199097</u>	<u>\$1301913279</u>	<u>\$1366913942</u>
SALARY GRADE U25.E	<u>\$91959379</u>	<u>\$1351213782</u>	<u>\$1418614470</u>
SALARY GRADE U26.E	<u>\$96149806</u>	<u>\$1422614511</u>	<u>\$1493715236</u>
SALARY GRADE U27.E Director of Public Affairs Director of Human Resources Treasurer/Director of Risk Management Director of Administrative Services Director of Water Resources	<u>\$1005510256</u>	<u>\$1497915279</u>	<u>\$1572816043</u>
SALARY GRADE U28.E	<u>\$1051610726</u>	<u>\$1576916084</u>	<u>\$1655716888</u>
SALARY GRADE U29.E	<u>\$1099611216</u>	<u>\$1660316935</u>	<u>\$1743317782</u>

<u>EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE U30.E Executive Director of Finance Executive Director of Engineering & Water Quality Executive Director of Operations Executive Director of Water Policy	\$1150411734	\$1748417834	\$1835818725

SALARY GRADE U31.E	\$1207612318	\$1847618846	\$1940019788
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SALARY GRADE U32.E	\$1268212936	\$1952819919	\$2050520915
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SALARY GRADE U33.E	\$1334213578	\$2063721050	\$2166922102
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SALARY GRADE U34.E General Manager	\$1398014260	\$2180822244	\$2289823356
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Effective Date 07/01/2015 07/01/2016

EXHIBIT "B"

RESOLUTION NO. 2016 -

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT,
RESCINDING RESOLUTION NO. 2015-27 AND
ESTABLISHING A REVISED SCHEDULE OF POSITIONS
AND SALARY RATE RANGES

WHEREAS, the Board of Directors of Irvine Ranch Water District, by adoption of Resolution No. 2015-24 on September 28, 2015, established a Schedule of Positions and Salary Rate Ranges of the Irvine Ranch Water District; and

WHEREAS, the Board of Directors of Irvine Ranch Water District has reviewed the Schedule of Positions and Salary Rate Ranges and desires to make revisions thereto.

NOW, THEREFORE, the Board of Directors of Irvine Ranch Water District does hereby resolve, determine and order as follows:

Section 1. That the Schedule of Positions and Salary Rate Ranges adopted by Resolution No. 2015-27 on September 27, 2015 is hereby rescinded, effective July 1, 2016.

Section 2. That the Schedule of Positions and Salary Rate Ranges for the Irvine Ranch Water District be and hereby is approved and adopted as more particularly set forth in Exhibit "A" to this Resolution, attached hereto and by this reference made a part hereto.

Section 3. That the provisions of this Resolution shall be effective July 1, 2016.

ADOPTED, SIGNED and APPROVED THIS 11th day of July 2016.

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

July 11, 2016

Prepared by: C. Spangenberg/M. Cortez

Submitted by: K. Burton *KLB*

Approved by: Paul Cook *A. G. C.*

CONSENT CALENDAR

DYER ROAD WELLFIELD WELL NO. 18 REHABILITATION CONSTRUCTION AWARD

SUMMARY:

The Dyer Road Wellfield (DRWF) Well No. 18 Rehabilitation project will rehabilitate the well to remove chemical and biological material from the well's wire-wrapped screened intervals and restore its production capacity. Staff recommends that the Board authorize the General Manager to execute a construction contract with Best Drilling and Pump, Inc., in the amount of \$345,520, for the DRWF Well No. 18 Rehabilitation, Project 4401.

BACKGROUND:

The DRWF Well No. 18 was built in 1983 and is located at the street intersection of Raitt Street and Warner Avenue within Adams Park in Santa Ana. A location map is attached as Exhibit "A". The well is 1,120 feet deep with seven screened intervals, and its initial production capacity was 3,700 gallons per minute (gpm).

Over time, the production capacity of Well No. 18 has decreased due to normal well degradation. In March 2016, the pump and motor seized and failed. The pump and motor were removed from the well and a closed circuit television video inspection was performed that indicated that the screens in the well were nearly completely plugged with chemical precipitation and biological material. The specific capacity of the well has also steadily declined since 1986 from 35 gpm/foot draw-down to 21 gpm/foot draw-down, prior to failing in March 2016. The well requires rehabilitation at this time to remove the chemical and biological material and to restore the hydraulics in the well.

Construction Award:

In April 2016, IRWD retained Richard C. Slade & Associates to provide design services for the well's rehabilitation. Richard C. Slade & Associates completed the rehabilitation design in June 2016, and the project was advertised for construction to a select list of four contractors. The bid opening was held on June 23, 2016 and only Best Drilling and Pump, Inc. submitted a bid; the bid amount was \$345,520. The engineer's estimate was \$333,000. The three other well rehabilitation contractors declined to bid on the project and cited their current work load and lack of available crews to work on the project. Previously, Best Drilling and Pump completed rehabilitation of Well Nos. 2 and 5, and did an excellent job in recovering production of these two wells. The bid summary is attached as Exhibit "B".

FISCAL IMPACTS:

Project 4401 is included in the FY 2016-17 Capital Budget and sufficient funds exist to complete the rehabilitation of DRWF Well No. 18.

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 15301 which provides exemption for minor alterations of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. A Notice of Exemption for the project was filed with the Orange County Clerk/Recorder on April 13, 2016.

COMMITTEE STATUS:

Construction awards are not routinely taken to Committee prior to submittal for Board approval.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH BEST DRILLING AND PUMP, INC., IN THE AMOUNT OF \$345,520, FOR THE DYER ROAD WELLFIELD WELL NO. 18 REHABILITATION, PROJECT 4401.

LIST OF EXHIBITS:

Exhibit "A" – Location Map
Exhibit "B" – Bid Summary

EXHIBIT "A"



RCS RICHARD C. SLADE & ASSOCIATES LLC
CONSULTING GROUNDWATER GEOLOGISTS
14051 Burbank Blvd., Suite 300
Sherman Oaks, CA 91401
Southern California: (818) 506-0418
Northern California: (707) 963-3914

FIGURE 1
WELL LOCATION MAP
DYER ROAD WELLFIELD WELL NO. 18
Job No. 382-OGE16-DRW18 April 2016

EXHIBIT "B"

Bid Opening: Thursday, June 23, 2016
3:00 P.M.

Irvine K... District Bid Summary For
Dyer Road Wellfield Well No. 18 Rehabilitation
PR 4401


Entered By: J.K. Irey

				1			
				Engineer's Estimate		Best Drilling & Pump Inc.	
						Colton, CA 92324	
Item No.	Description	Qty	Unit	Unit Price	Total Amount	Unit Price	Total Amount
1	Mobilization/Demobilization of pump rig, equipment and accessories. Prepare contract documents and other preliminary work and procure NPDES permit from RWQCB, Santa Ana Region.	1	LS	\$60,000.00	\$60,000.00	\$30,000.00	\$30,000.00
2	Install and maintain sound barriers (walls) and conduct other sound mitigation measures, as necessary	260	LF	\$130.00	\$33,800.00	\$100.00	\$26,000.00
3	Brush well casing initially with nylon brush and bail sediment.	16	HRS	\$350.00	\$5,600.00	\$400.00	\$6,400.00
4	Perform Casing Inspection Thickness Measurement (CITM) survey of well casing.	1	LS	\$7,500.00	\$7,500.00	\$8,500.00	\$8,500.00
5	Conduct AirBurst or BoreBlast Methods	1	LS	\$15,000.00	\$15,000.00	\$15,000.00	\$15,000.00
6	Perform chemical treatment of well water using acids as specified.	1	LS	\$55,000.00	\$55,000.00	\$102,000.00	\$102,000.00
7	Perform mechanical development (airlifting and swabbing) of the well	110	HRS	\$500.00	\$49,000.00	\$450.00	\$49,500.00
8	Conduct treatment and discharge of mechanical development fluids via neutralization and blending and disposal of solids/sludges per specifications, including treatment and sampling for NPDES discharge compliance.	1	LS	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
9	Clear water column and provide up to three downwell color video surveys of well	3	EA	\$1,200.00	\$3,600.00	\$1,200.00	\$3,600.00
10	Mobilize, install and demobilize a diesel or gas motor, temporary test pump and equipment and accessories	1	LS	\$25,000.00	\$25,000.00	\$17,500.00	\$17,500.00
11	Perform pumping development of the well including monitoring of water levels and measurement of sand content.	48	HRS	\$350.00	\$16,800.00	\$425.00	\$20,400.00
12A	Perform step drawdown test including monitoring of water levels and measurements of sand content.	12	HRS	\$350.00	\$4,200.00	\$425.00	\$5,100.00
12B	Perform 24-hour constant rate pumping (aquifer) test, including monitoring of water levels and measurement of sand content.	24	HRS	\$350.00	\$8,400.00	\$425.00	\$10,200.00
13	Perform flow meter (spinner) survey under dynamic (pumping) conditions	1	LS	\$5,000.00	\$5,000.00	\$5,600.00	\$5,600.00
14	Provide equipment to conduct depth-specific groundwater sampling. Sampling and analysis to be performed by the DISTRICT.	8	PS	\$500.00	\$2,000.00	\$415.00	\$3,320.00
15A	Clear water column and provide a final downwell video survey of the well casing.	1	LS	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00
15B	Perform spinner survey under static conditions.	1	LS	\$5,000.00	\$5,000.00	\$5,600.00	\$5,600.00
16	Conduct well disinfection and clean up site.	1	LS	\$1,500.00	\$1,500.00	\$6,500.00	\$6,500.00
17A	Standby time with Active rig and crew as directed by DISTRICT.	16	HRS	\$150.00	\$2,400.00	\$50.00	\$800.00
17B	Standby time with Inactive rig and crew as directed by DISTRICT.	16	HRS	\$125.00	\$2,000.00	\$50.00	\$800.00
18	Repair/resurface parking lot, sidewalks, landscaping, and repair existing irrigation facilities, as necessary.	1	LS	\$10,000.00	\$10,000.00	\$7,500.00	\$7,500.00
TOTAL AMOUNT OF BID					\$333,000.00		\$345,520.00
						Manufacturers:	
						None Listed	
						Subcontractors:	
						General Pump Co.: Air Burst	

July 11, 2016

Prepared by: T. Bonkowski/M. Cortez

Submitted by: K. Burton

Approved by: Paul Cook 

CONSENT CALENDAR

IRVINE BUSINESS COMPLEX APPURTENANCE RELOCATIONS BID REJECTION

SUMMARY:

This project will relocate IRWD facilities to avoid conflicting with the City of Irvine's proposed sidewalk improvements in the Irvine Business Complex. Three bids were received and Paulus Engineering was the apparent low bidder with a bid of \$498,600. Staff determined that the contractors did not correctly bid the items for installing copper service laterals as specified in the contract documents and recommends that the Board reject all bids received for the Irvine Business Complex Appurtenance Relocations, Projects 6849 and 6850, and authorize staff to re-bid the project after revising the project documents.

BACKGROUND:

The City of Irvine has proposed sidewalk construction in three areas of the Irvine Business Complex: Millikan Avenue, from DuBridge Avenue to Barranca Parkway; DuBridge, Noyes, Gates and Hales Avenues; Armstrong Avenue, between Alton Parkway and Barranca Parkway; and Teller Avenue, north of Campus Drive. District facilities are currently located behind a curb and will require relocations to avoid conflict with the proposed sidewalk. The Irvine Business Complex relocations project will relocate 37 District facilities (e.g., meters, hydrants and backflow devices) as part of the City's ongoing sidewalk improvements in the Irvine Business Complex.

The project was advertised to 16 prequalified bidders in May 2016. Bids were received from three contractors: GCI Construction, Kennedy Pipeline Company, and Paulus Engineering. The bids ranged from \$498,600 to \$898,600; the engineer's estimate was \$324,500. Attached as Exhibit "A" is the Bid Summary. Staff evaluated the proposals and found that the contractors significantly differed from the engineer in the pricing of two-inch copper services. The contractors confirmed that their costs were based on installing the services via open trench. Since most water services in the Irvine Business Complex were originally installed with polyethylene piping, the plans specified the installation of the new copper services by pulling through the original plastic pipe, saving trenching costs. The contractors, however, reasoned that an excavation was necessary at the connection point to the main and where the copper service pipe would be silver-soldered, and these excavation areas in total would be nearly the entire length of the new service line. Since the contractors did not correctly bid the items for installing copper service laterals as specified in the project documents, staff recommends rejection of the bids and re-bidding after revising the plans and specifications.

FISCAL IMPACTS:

Projects 6849 and 6850 are included in the FY 2016-17 Capital Budget; the existing budget and Expenditure Authorization are sufficient.

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 15301 which provides exemption for minor alterations of existing public or private structure, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead determination. A Notice of Exemption for this project was filed with the Orange County Clerk/Recorder on January 8, 2016.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD REJECT ALL BIDS RECEIVED FOR THE IRVINE BUSINESS COMPLEX APPURTENANCE RELOCATIONS, PROJECTS 6849 AND 6850, AND AUTHORIZE STAFF TO RE-BID THE PROJECT AFTER REVISING THE PROJECT DOCUMENTS.


LIST OF EXHIBITS:

Exhibit "A" – Irvine Business Complex Appurtenance Relocations Bid Summary

EXHIBIT "A"

IRVINE RANCH WATER DISTRICT
 BID SUMMARY FOR
 IRVINE BUSINESS COMPLEX APPURTANCE RELOCATIONS PROJECT NO. 6849 6850

Item No	Description	Unit	Qty	Engineer's Estimate		1 Paulus Engineering, Inc. 2871 E. Coronado Street Anaheim, CA 92806		2 Kennedy Pipeline Company 61 Argonaut Aliso Viejo, CA 92656		3 GCI Construction, Inc. 1031 Calle Recodo, Ste D San Clemente, CA 92673	
				Unit Price	Total Bid Amount	Unit Price	Total Bid Amount	Unit Price	Total Bid Amount	Unit Price	Total Bid Amount
IRVINE BUSINESS COMPLEX APPURTENANCE RELOCATIONS - P											
1	Mobilization, Bonds & Insurance, Permits, Preconstruction Photos/Videos, Project Schedule, Project Sign, Cleanup, and Demobilization	1	LS	\$25,000.00	\$25,000.00	\$21,291.00	\$21,291.00	\$15,000.00	\$15,000.00	\$55,000.00	\$55,000.00
2	Remove and dispose existing 6-inch fireline backflow assembly, piping & concrete vault Install 6-inch double check (N-Pattern) backflow assembly, gate valve, pipeline, appurtenances & connections	1	EA	\$18,000.00	\$18,000.00	\$27,879.00	\$27,879.00	\$45,000.00	\$45,000.00	\$33,000.00	\$33,000.00
3	Remove and dispose existing 10-inch fireline backflow assembly, piping & concrete vault Install 10-inch double check (N-Pattern) backflow assembly, gate valve, pipeline & all appurtenances & connections	4	EA	\$25,000.00	\$100,000.00	\$32,849.00	\$131,396.00	\$78,313.00	\$313,252.00	\$43,500.00	\$174,000.00
4	Remove and dispose existing backflow assembly, Install new 2-inch Reduced Pressure Principle Backflow assembly including all connections	8	EA	\$4,000.00	\$32,000.00	\$3,140.00	\$25,120.00	\$7,000.00	\$56,000.00	\$13,500.00	\$108,000.00
5	Furnish and install new 2-inch Reduced Pressure Principle Backflow assembly including all connections	5	EA	\$3,000.00	\$15,000.00	\$2,719.00	\$13,595.00	\$7,000.00	\$35,000.00	\$13,500.00	\$67,500.00
6	Remove & dispose existing 2-inch service and meter box Install new 2-inch copper service from main line	4	EA	\$3,500.00	\$14,000.00	\$13,482.00	\$53,928.00	\$18,000.00	\$72,000.00	\$23,000.00	\$92,000.00
7	Remove & dispose existing 2-inch service and meter box Install new 2-inch copper service from main line	9	EA	\$2,000.00	\$18,000.00	\$12,140.00	\$109,260.00	\$15,000.00	\$135,000.00	\$21,500.00	\$193,500.00
8	Remove & dispose existing 2-inch service and meter box Install new 2-inch copper service from main line at near side of the street	1	EA	\$2,500.00	\$2,500.00	\$12,966.00	\$12,966.00	\$15,000.00	\$15,000.00	\$21,000.00	\$21,000.00
9	Furnish & install new 4-inch resilient wedge gate valve with 4"x2" companion flange & 2" insulating corp stop Remove & return existing 4-inch valves to IRWD	3	LS	\$2,500.00	\$7,500.00	\$6,428.00	\$19,284.00	\$12,000.00	\$36,000.00	\$5,400.00	\$16,200.00
10	Remove & relocate existing pressure reducing valve & box	1	EA	\$1,500.00	\$1,500.00	\$1,840.00	\$1,840.00	\$4,000.00	\$4,000.00	\$6,400.00	\$6,400.00
11	Remove post indicator valve & fire department connections, relocate and reconnect to new back backflow preventers	2	EA	\$3,000.00	\$6,000.00	\$1,766.00	\$3,532.00	\$4,000.00	\$8,000.00	\$6,400.00	\$12,800.00
12	Remove and Replace bollards	1	LS	\$1,000.00	\$1,000.00	\$1,049.00	\$1,049.00	\$7,000.00	\$7,000.00	\$8,100.00	\$8,100.00
13	Remove and replace existing fire hydrant	3	EA	\$4,000.00	\$12,000.00	\$18,548.00	\$55,644.00	\$7,000.00	\$21,000.00	\$19,300.00	\$57,900.00
14	Trench Safety Measures	1	LS	\$35,000.00	\$35,000.00	\$8,705.00	\$8,705.00	\$5,000.00	\$5,000.00	\$27,000.00	\$27,000.00
15	Traffic control	1	LS	\$35,000.00	\$35,000.00	\$2,000.00	\$2,000.00	\$5,000.00	\$5,000.00	\$24,200.00	\$24,200.00
16	Record Drawings	1	LS	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00	\$2,000.00
					\$324,500.00		\$489,489.00		\$774,252.00		\$898,600.00
Alternative Bid Item											
A1	N/A										
					\$0.00		\$0.00		\$0.00		\$0.00
Total Amount of Bid					\$324,500.00		\$489,489.00		\$774,252.00		\$898,600.00
SUB-TOTAL BASE BID TOTAL					\$324,500.00		\$489,489.00		\$774,252.00		\$898,600.00
Addition (+)					\$0.00		\$0.00		\$0.00		\$0.00
Reduction (-)					\$0.00		\$0.00		\$0.00		\$0.00
TOTAL AMOUNT OF BID					\$324,500.00		\$489,489.00		\$774,252.00		\$898,600.00
Manufactures: N/A						Manufactures:					
6 and 10-inch C-900 DR 14 PVC pipes: Vinyl Tech/Diamond						6 and 10-inch C-900 DR 14 PVC pipes: Vinyl Tech					
Gate Valves: Clow/AVK/M&H						Gate Valves: Clow					
Fittings/Bends/Flanges:						Fittings/Bends/Flanges: Star					
Fire Hydrants: Clow/Jones						Fire Hydrants: Clow					
Double Check Backflow Preventers: Wilkins						Double Check Backflow Preventers: Wilkins					
Reduced Pressure Principle Backflow Preventers: Wilkins						Reduced Pressure Principle Backflow Preventers: Wilkins					
Subcontractors: N/A						Subcontractor:					
						Hardy & Harper (215952): Asphalt					
						Hardy & Harper (215952): Slurry Seal					

July 11, 2016
Prepared and
submitted by: C. Compton
Approved by: Paul Cook 

CONSENT CALENDAR

2016 LEGISLATIVE UPDATE

SUMMARY:

This report provides an update on the 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.

Staff recommends that the Board consider the following actions/positions:

- *SB 814 (Hill, D-San Mateo)- Drought: Excessive Water Use— “WATCH”, and*
- *AB 2909 (Levine, D-Santa Rosa)- Water: Transfer or Exchange: Expedited Review— “SUPPORT IF AMENDED”.*

BACKGROUND:

The last day for policy committees to meet and report bills was July 1, as was the start of the Summer Recess. The Legislature will return from recess on August 1. When the Legislature returns, the fiscal committee deadline will be immediately around the corner. Fiscal committees have until August 12 to meet and report bills to the floor. The last day for each house to pass bills in this legislative session is August 31, which is the day the Final Legislative Recess begins.

A copy of the 2016 Legislative Matrix is attached as Exhibit “A”. Exhibit “B” is the “2016 Legislative Update: Links to Bill Texts,” which contains links to the bills discussed below, unless a separate exhibit is noted.

State Budget Update:

May Revenue Numbers:

On June 10, 2016, State Controller Betty Yee released her monthly report on the State’s finances. She announced that the State took in \$7.43 billion, which was \$154.3 million or two percent less than projections. Despite May’s receipts, revenue receipts for the year through May 31 have come in at \$1.7 billion, or 1.7 percent, higher than projected in the adopted Fiscal Year 2015-16 budget. The State’s General Fund outstanding loan balance was \$7.39 billion, or \$852.9 million less than projected, as of the end of May in the Fiscal Year 2015-16 budget.

2016 State Legislation:

As has been traditionally done in July after the House of Origin deadline, staff has provided an update on each bill the District has taken a position or actively monitored during this legislation session. A summary and a status report on each bill are provided below:

AB 1713 (Eggman, D-Stockton)— Sacramento-San Joaquin Delta:

AB 1713 by Assemblymember Susan Eggman (D, Stockton) sought to prohibit the construction of the California WaterFix, unless it was approved via initiative by California voters on or after January 1, 2017. Metropolitan Water District of Southern California (MWD) asked its member agencies, and retail agencies that rely on MWD supplies, to sign a coalition letter opposing AB 1713. In response to MWD's request, IRWD adopted an "oppose" position on AB 1713 and authorized the District to work with its industry partners to communicate continued support for the 2009 Delta package and policies that further the co-equal goals of water supply reliability and the Delta ecosystem.

IRWD joined the coalition of water agencies opposed to the proposal. On May 27, 2016, the bill was held on the Assembly Appropriations Suspense File.

AB 1755 (Dodd, D-Woodland)— The Open and Transparent Water Data Act:

AB 1755, authored by Assemblymember Bill Dodd (D, Woodland), would enact The Open and Transparent Water Data Act. The bill would have required the Department of Water Resources (DWR) to create, operate and maintain a statewide, integrated water data platform that would integrate existing water and ecological data information from multiple databases and provide data on completed water transfers and exchanges. It would also require DWR, the State Water Resource's Control Board and the California Department of Fish and Wildlife (DFW) to develop protocols for data sharing, documentation, quality control, public access and promotion of open-source platforms and decision support tools related to water data.

AB 1755 was heard and passed by the Senate Natural Resources and Water Committee on June 28, 2016. The bill has been referred to the Senate Appropriations Committee. IRWD currently has no position on AB 1755.

AB 2022 (Gordon, D-Los Altos)— Advanced Purified Demonstration Water:

The WaterReuse Association of California, the Orange County Water District (OCWD) and the Orange County Sanitation District have co-sponsoring AB 2022, authored by Assemblymember Richard Gordon (D, Los Altos). The bill would permit the bottling of advanced purified reuse water for educational purposes and for the purpose of promoting water recycling. If enacted, the bill would allow OCWD to bottle water from the Groundwater Replenishment System (GWRS) for educational and demonstration purposes. Under current law, OCWD is unable to bottle GWRS water.

AB 2022 is currently in the Senate Appropriations Committee. It was set for hearing on June 27, 2016, but the hearing was postponed at the Committee's request. IRWD has taken a "support" position on AB 2022.

AB 2488 (Dababneh, D-Van Nuys) — Fully Protected Species: Unarmored Threespine Stickleback:

The California Endangered Species Act prohibits the taking of an endangered or threatened species unless the DFW has authorized the take, the take is minimized and fully mitigated, and the take is incidental to an otherwise lawful activity. While DFW can issue incidental take permits for endangered or threatened species, the fully protected species statutes prohibit all take of fully protected species, with only a few narrow exceptions. AB 2488 (Dababneh, D-Van Nuys) would add an additional exception to the fully protected fish species exceptions already in statute. If enacted, AB 2488 would permit DFW to authorize the take of the unarmored threespine stickleback during periodic dewatering, inspection, maintenance, or repair of the MWD's Foothill Feeder.

AB 2488 was heard and passed by the Senate Natural Resources and Water Committee on June 20, 2016. The bill has been referred to the Senate Appropriations Committee. IRWD has taken a "support" position on AB 2488.

AB 2583 (Frazier, D-Fairfield) — Sacramento-San Joaquin Delta Reform Act of 2009:

The Sacramento-San Joaquin Delta Reform Act of 2009 established the Delta Stewardship Council and required the Council to develop, adopt, and commence implementation of a comprehensive management plan for the Delta, known as the Delta Plan. Under the Delta Reform Act, the Delta Plan is required to further the coequal goals of providing a more reliable water supply and protecting, restoring, and enhancing the Delta ecosystem. The Act dealt with how permitting of a new conveyance facility and the Bay Delta Conservation Plan would proceed.

AB 2583 (Frazier, D-Fairfield) sought to modify the Delta Reform Act substantially. AB 2583 would have added substantial, new requirements to the Delta Reform Act for the California WaterFix or any other change in conveyance within the Delta. Furthermore, it would have delayed the start of construction of any Delta fix for a number of years and added significant new financial and regulatory hurdles that any new facility would need to overcome.

The bill was heard by the Assembly Water, Parks and Wildlife Committee on April 19, 2016. It failed passage and thus, failed to meet the House of Origin deadline. IRWD has taken an "oppose" position on AB 2583.

AB 2909 (Levine, D-Santa Rosa) — Water: Transfer or Exchange: Expedited Review:

On June 21, 2016, Assembly Water, Parks and Wildlife Chairman Marc Levin (D, Santa Rosa) gutted and amended AB 2909. As amended, AB 2909 would require the State Board to develop and implement an expedited 30-day review process for approval of environmentally beneficial reoccurring water transfers or exchanges. The bill defines environmentally beneficial transfers or exchanges as "a transfer that does not negatively impact an ecosystem's health or local drinking water supply in the source area and includes any of the following:"

- A transfer between water users that is designed to benefit the environment;

- A transfer that protects habitat and sensitive wildlife or enhances managed wetland supply, wildlife refuges, ecosystems and instream flow;
- A transfer that benefits local drinking water supplies by reducing local groundwater overdraft or improving water quality; and
- A transfer that contributes to the implementation of the Sustainable Groundwater Management Act.

As currently drafted, the bill also contains a sunset date of January 1, 2022.

Consistent with prior Board direction, staff has reviewed Chairman Levine's water transfer legislation to ensure that it would support IRWD's interest in water transfers and exchanges, and the District's water banking programs. Upon conducting the review, staff noted that transfers to facilitate groundwater conjunctive use or storage programs, thereby reducing competition for surface water supplies during droughts and supply interruptions, were not listed as environmentally beneficial transfers qualifying for expedited review by the State Board. Staff has raised this issue with Chairman Levine's staff and asked that they consider an amendment to list these types of transfers in their bill. Staff is waiting for a response from the Chairman's staff, and will provide the Water Resources Policy and Commutations Committee with an update on any new developments. Given the amendments IRWD has requested, staff recommends that the Board adopt a "support if amended" position on AB 2909.

AB 2909 was heard and passed by the Senate Natural Resources and Water Committee on June 28, 2016. The bill has been referred to the Senate Appropriations Committee.

Staff also continues to participate on the Association of California Water Agencies (ACWA) State Legislative Committee's Work Group on Water Transfers, which has begun discussing the contents of a possible ACWA-sponsored bill on water transfers next year. The ACWA State Legislative Committee decided to adopt an "oppose" position on AB 2909 because it preferred pursuing legislation next year.

ACA 8 (Bloom, D-Santa Monica) — Local Government Financing Water Facilities and Infrastructure: Voter Approval:

Article XIII of the California Constitution requires a city, county or special district to obtain a 2/3 majority vote prior to levying any ad valorem tax greater than 1 percent, prior to levying a special tax, and before it incurs bonded indebtedness. ACA 8, as introduced by Assemblymember Richard Bloom (D, Santa Monica), proposes to amend these provisions of the constitution as they relate to entities funding water, stormwater and wastewater infrastructure. ACA 8 seeks to lower the voter approval threshold for ad valorem taxes greater than 1 percent, special taxes, and bonded indebtedness from 66.7 percent to 55 percent if the tax or debt issuance will solely finance the construction of water, stormwater and wastewater infrastructure. Assemblymember Bloom has authored the proposed constitutional amendment on behalf of the West Basin Municipal Water District.

ACA 8 has been referred to the Assembly Committee on Local Government. IRWD has not taken a position on ACA 8.

SB 20 (Pavley, D-Calabasas)— California Water Resiliency Investment Act:

In August 26, 2015, Senator Fran Pavley (D, Calabasas) gutted and amended SB 20 to begin a policy conversation on a public goods charge for water. As amended at that time, the bill did not contain a funding mechanism but would have created the California Water Resiliency Investment Fund. Amendments to SB 20 that would have sought to establish a public goods charge for water were expected to be released in early January 2016, but were never released. On June 20, 2016, SB 20 was gutted and amended again. The bill now seeks to establish a Low Carbon Fuels Council to accelerate the development of in-state production of low carbon fuels and to identify any gaps in existing programs, policies or activities that would impede the construction of low carbon fuel production facilities.

IRWD has taken an “oppose” position on any public goods charge for water inconsistent with the Board-adopted policy principles.

SB 163 (Hertzberg, D-Van Nuys) — Wastewater Treatment: Recycled Water:

SB 163 authored by Senator Bob Hertzberg (D, Van Nuys) proposed a ban on ocean discharge of treated wastewater. Specifically, the bill would have declared that the discharge of treated wastewater from ocean outfalls, except in compliance with the bill’s provisions, is a waste and unreasonable use of water in light of the cost-effective opportunities to recycle water for further beneficial use.

The bill, which was amended on June 8, 2016, was heard by the Assembly Environmental Safety and Toxic Materials Committee on June 14. The Committee had a thorough discussion of the bill at which time the author stated that he would amend the bill further to address the Committee’s concerns. Based on the author’s proposed amendments, the Committee decided to set the bill for a special hearing on June 21. On June 20, Senator Hertzberg announced that he would not be moving the bill forward this year, but stated that he will introduce a similar measure next year. Attached as Exhibit “C” is a copy of a letter sent by Senator Hertzberg to supporters of SB 163 outlining his plans for next year’s proposal.

IRWD took an “oppose” position on SB 163 and worked with the coalition led by the California Association of Sanitation Agencies and WaterReuse California to oppose the bill.

SB 814 (Hill, D-San Mateo) — Drought: Excessive Water Use:

SB 814 (Hill, D-San Mateo) would require each urban retail water supplier to establish a local definition of excessive water use, and would prohibit excessive water use as defined by the urban water supplier during a drought. As amended, the bill authorizes two methods by which an urban retail water supplier may restrict excessive water use and comply with the requirements of the bill. The first method would allow an urban retail water supplier to identify and restrict excessive water use through the establishment of a rate structure that includes block tiers, water budgets, or rate surcharges over and above base rates for excessive water used by residential

customers. The second method would allow an urban retail water supply to identify and restrict excessive water use through the establishment of an excessive water use ordinance, rule, or tariff condition. The ordinance, rule or tariff condition must include a definition of excessive water use. The bill also sets the fine for violating the ordinance, rule or tariff punishable at up to \$500 per 100 cubic feet of water or 748 gallons used above the excessive water use threshold. The bill limits these requirements to periods during which the Governor has issued a proclamation of a state of emergency based on drought conditions or when local water supply shortage conditions exist.

As previously drafted SB 814 would have impacted IRWD's ability to use its allocation-based tiered rate structure to respond to the drought and water supply shortages. As a result, the Board originally adopt an "oppose unless amended" position on SB 814, and authorized staff to work to obtain amendments to the bill recognizing the use allocation-based tiered rate structures as a method for discouraging excessive water use. Following the bill being amended to reflect allocation-based tiered rates, IRWD adopted a "seek amendments" position on the bill and authorized staff to obtain further clarifying amendments to preserve agency flexibility in complying with SB 814, if it is enacted.

Staff was able to obtain clarifying amendments. Given that these clarifying amendments have been placed into the bill, staff recommends that the Board revise the District's position and adopt a "watch" position on SB 814. SB 814 was heard and passed by the Assembly Appropriations Committee on June 29, 2016. The bill is now on the Assembly Floor.

SB 885 (Wolk, D-Vacaville) — Construction Contracts: Indemnity:

When contracting with a design professional, public agencies often place a clause in the agreement requiring the design professional to legally defend the public agency if a claim or lawsuit directly related to the design work is filed against the agency— this is known as a duty to defend. As introduced, SB 885 (Wolk, D-Vacaville) proposed to make such provisions largely unenforceable.

SB 885 was referred to the Assembly Judiciary Committee and scheduled for hearing on June 28, 2016. The hearing was canceled at the author's request, and as a result, it appears that SB 885 will not move forward this year. IRWD took an "oppose" position and joined a coalition of public agencies opposing SB 885 because the bill would have required a public entity to front the defense costs for a private entity that has a duty to defend, created conflicts within public-private partnerships, and effectually eliminated the incentive for public agencies and design professionals to work together towards settlement of a lawsuit, rather than the costlier process of litigation.

SB 970 (Leyva, D-Chino)— Greenhouse Gas Reduction Fund: Grant Program:

The Inland Empire Utilities Agency (IEUA) is the sponsor of SB 970, authored by Senator Connie Leyva (D, Chino). Senator Leyva and IEUA were seeking to establish a grant program, which would award matching funds from Cap-and-Trade revenues for wastewater projects, which integrate food waste processing and result in the diversion of organics from local landfills. On April 20, 2016, SB 970 was heard by the Senate Environmental Quality Committee. The bill

was gutted and amended in the Committee as the author and IEUA continue to work with stakeholders and the Department of Resources, Recycling and Recovery (CalRecycle) on developing a grant program for wastewater treatment facilities. Further amendments were made to the bill on May 10 and June 20.

SB 970, as amended, would require CalRecycle to consider the amount of greenhouse gas emissions reductions that may result from a compost or anaerobic digestion project receiving grants funds, and the amount of organic material that may be diverted from landfills as a result of the project. This bill would also require CalRecycle, to the degree that funds are available, to provide larger grant awards for large-scale regional integrated projects that provide cost-effective organic waste diversion and maximize environmental benefits.

Given the ongoing discussions taking place with CalRecycle and others, IRWD adopted a “support in concept” position on SB 970 and on the development of a State program, which would provide grants to wastewater agencies for the development or implementation of projects that would integrate food waste processing at wastewater treatment facilities and which would result in the diversion of organics from local landfills. IRWD also adopted a “support in concept” position on the dedication of Cap-and-Trade revenues to public wastewater treatment facilities.

SB 970 was passed by the Assembly Natural Resources Committee on June 27, and referred to the Assembly Appropriations Committee.

SB 974 (Senate Governance and Finance Committee) — Local Government Omnibus Act of 2016:

Each year, the Senate Governance and Finance Committee authors the Local Government Omnibus Act, which is a bill that proposes minor changes to statutes affecting local agencies’ powers and duties. The bill is a consensus bill meaning that if anyone objects to a change included in the bill, it is removed. This year’s omnibus bill is SB 974. As in the past, the bill proposes relatively minor, noncontroversial changes to the laws affecting local agencies’ powers and duties that do not warrant a separate and expensive bill. This year’s bill includes clarifying, noncontroversial amendments to statutes affecting local agencies’ power and duties related to county recorders, veterans’ records, notaries, general plans, local agency investment requirements, vehicle license fees, Kern County Water Authority, and sewer agency ordinance and resolutions.

In the beginning of the legislative year, staff submitted the proposed changes related to sewer agency ordinance and resolutions for the Committee’s consideration. Under state law today, various provisions of the Health and Safety Code related to sewer agency authorities intermittently refer to “ordinance” and “ordinance or resolution.” The inconsistency may have resulted from prior amendments that did not conform to all references. This results in possible ambiguity as to the form of adoption required. Since both “ordinance” and “ordinance or resolution” are used in these sections, and are internally cross-referenced, it appeared that the intent was to allow the use of ordinances or resolutions. The proposal included in SB 974 seeks to make all references in these sections consistent, referencing ordinance or resolutions, so that there is no confusion as to which is required.

IRWD took a “support” position on SB 974 given the inclusion of District’s sewer agency ordinance and resolution proposal in the bill. SB 974 was heard and passed by the Assembly Appropriations Committee on June 29, 2016. The bill is now on the Assembly Floor.

SB 1298 (Hertzberg, D-Van Nuys)— Local Government: Fees and Charges:

On June 13, 2016, Senator Bob Hertzberg gutted and amended SB 1298 inserting the Water Foundation’s water and sewer rate proposal into the bill. As gutted and amended, SB 1298 would have:

- Defined the proportional cost of service attributable to a parcel so that it includes low income rate subsidization (“life line rates”);
- Defined sewer service consistent with the Public Utilities Code; and
- Authorized agencies to charge, in addition to any property-related fee or charge imposed pursuant to Article XIII D of the California Constitution for water service, a separate and distinct conservation and efficiency fee to create price signals to encourage conservation and encourage increased efficiency in the use of water.

On June 27, Senator Hertzberg’s staff announced further amendments to SB 1298. The amendments removed all portions of the bill related to lifeline rates and all of the tiered water rate provisions. The bill now seeks to authorize the funding of stormwater management as a sewer service charge by defining sewer service. It also proposes to add a definition of the “proportional cost of service attributable to the parcel” to state law.

SB 1298 was heard by the Assembly Local Government Committee on June 29. The was passed, and will now move to the Assembly Floor. IRWD took a “concerned” position on SB 1298. Staff was authorized to communicate the District’s concern over any water rate legislation which is not consistent with the California Constitution, voluntary in nature, or provide sufficient clarity or flexibility to water agencies, and to encourage the Water Foundation to set its proposal aside this year and continue working with the water community over the fall on the constitutional concerns with the proposal and to more fully reflect the proposal the District put forward with Eastern Municipal Water District last year.

SB 1317 (Wolk, D-Vacaville) — Conditional Use Permit: Groundwater Extraction Facility:

SB 1317, authored by Senator Lois Wolk (D, Vacaville), would require a city or county overlying a high or medium priority basin to issue a groundwater extraction permit for the development of any groundwater extraction facility, with limited exception. The purpose of the proposed permit process was aimed at preventing a new groundwater extraction facility from contributing to or creating an undesirable result, as defined in the Sustainable Groundwater Management Act, within the groundwater basin.

Both the Orange County groundwater basin and the Kern County sub-basin of the San Joaquin Valley Groundwater Basin are classified a high or medium priority basin. If SB 1317 were

enacted, the cities and counties in these basins would be required to issue groundwater extraction permits for the development of groundwater extraction facilities. The permits could impact IRWD's groundwater production and water banking activities. As a result, IRWD adopted an "oppose unless amended" position on SB 1317 and sought amendments to protect water banking projects and sustainable groundwater management within Orange County. In June, amendments proposed by IRWD were inserted into the bill.

SB 1317 has been referred to the Assembly Local Government Committee. It was set for hearing on June 29, 2016, but the hearing was canceled at the author's request. Communication with the author's office has indicated that Senator Wolk will no longer be moving the bill forward this year.

2016 Legislative Planning

ACWA's Call for Legislative Proposals:

Each year the ACWA State Legislative Committee solicits legislative proposals from ACWA members, which it considers at its Annual Planning Meeting in the fall. The State Legislative Committee evaluates the proposals and determines whether to sponsor or support legislation based on ACWA's Strategic Business Plan, policy principles and priorities. In order to have a proposal considered, ACWA requires the proposal to be submitted by September 2, 2016.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on July 7, 2016.

RECOMMENDATION:

THAT THE BOARD ADOPT A "WATCH" POSITION ON SB 814 (HILL) AND A "SUPPORT IF AMENDED" POSITION ON AB 2909 (LEVINE).

LIST OF EXHIBITS:

- Exhibit "A" – IRWD Legislative Matrix
- Exhibit "B" – 2016 Legislative Update Report: Links to Bill Texts
- Exhibit "C" – Letter from Senator Hertzberg on 2017 Recycled Water Legislation

EXHIBIT "A"
IRWD 2016 LEGISLATIVE MATRIX
Updated 06/30/2016

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 12</u> Cooley (D)	State Government: Administrative Regulations: Review		Requires each state agency after a noticed public hearing, to review the agency's regulations, identify any regulations that are duplicative, overlapping, inconsistent, or out of date, to revise those identified regulations, and report to the Legislature and Governor.	08/27/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<u>AB 45</u> Mullin (D)	Household Hazardous Waste		Requires the Department of Resources Recycling to adopt model ordinance for a comprehensive program for the collection of household hazardous waste. Authorizes a local jurisdiction proposing to enact an ordinance for the collection and diversion of such waste to adopt a Department model. Requires a determination as to whether a nonprofit organization has been created and funded to make grants to local entities for purposes related to the disposal of such waste.	06/29/2016 - In SENATE Committee on ENVIRONMENTAL QUALITY: Heard, remains in Committee.
<u>AB 259</u> Dababneh (D)	Personal Information Privacy		Requires an agency, if the agency was the source of the breach and the breach compromised a person's social security number, driver's license number, or California identification card number, to offer to provide the person with identity theft prevention and mitigation services at no cost for not less than 12 months.	08/27/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<u>AB 291</u> Medina (D)	Environmental Quality Act: Local Agencies: Water		Authorizes a local agency, for certain water projects, to file a specified notice with the county clerk of the county in which the local agency's principal office is located, along with any required payment to the Department of Fish and Wildlife, and with the Office of Planning and Research and to transmit a copy of the notice to the county clerk of the counties in which the project is located. Requires the notice and the copies of the notice to be available to for public inspection. Relates to challenges.	06/10/2015 - From SENATE Committee on ENVIRONMENTAL QUALITY with author's amendments.;06/10/2015 - In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.
<u>AB 453</u> Salas (D)	Groundwater: Semitropic Water Storage District		Authorizes, until a groundwater sustainability plan is adopted, a local agency that has adopted a groundwater management plan to impose fees on the extraction of groundwater from a groundwater basin to fund costs of groundwater management and to collect groundwater extraction information, as long as a groundwater management plan	06/15/2016 - In SENATE. Read second time. To third reading.

IRWD 2016 LEGISLATIVE MATRIX
Updated 06/30/2016

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			adopted before a specified date, is in effect. Authorizes the Semitropic Water Storage District to impose fees and collect groundwater extraction information.	
<u>AB 577</u> Bonilla (D)	Biomethane: Grant Program		Requires the development and implementation of a grant program to award grants for projects that produce biomethane, that build or develop collection and purification technology or infrastructure, or that upgrade or expand existing biomethane facilities. Authorizes moneys in the Greenhouse Gas Reduction Fund to be used to fund grants awarded under the program.	09/11/2015 - Re-referred to SENATE Committee on RULES.
<u>AB 590</u> Dahle (R)	Greenhouse Gas Reduction Fund		Provides that moneys in the Greenhouse Gas Reduction Fund account may be made available for expenditure by the State Energy Resources Conservation and Development Commission for maintaining the current level of biomass power generation or geothermal energy generation in the State and revitalizing currently idle facilities in strategically located regions. Establishes requirements for an applicant to receive available funding for a facility's eligible electrical generation.	08/27/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<u>AB 615</u> Rendon (D)	Office of Sustainable Water Solutions: Assistance		Amends existing law that establishes the Office of Sustainable Water Solutions to promote permanent and sustainable drinking water and wastewater treatment solutions to ensure the effective and efficient provision of safe, clean, affordable, and reliable drinking water and wastewater treatment services and authorizes the office to provide technical assistance to disadvantaged communities and small drinking water systems and wastewater systems. Specifies the technical assistance that may be provided.	06/18/2015 - To SENATE Committee on ENVIRONMENTAL QUALITY.
<u>AB 647</u> Eggman (D)	Beneficial Use: Storing of Water Underground		Declares that the diversion of water to underground storage constitutes a beneficial use of water if the water so stored is thereafter applied to the beneficial purposes for which the appropriation for storage was made, or if the water is so stored consistent with a sustainable groundwater management plan,	06/30/2015 - From SENATE Committee on NATURAL RESOURCES AND WATER with author's amendments.;06/30/2015 - In SENATE. Read second time and

IRWD 2016 LEGISLATIVE MATRIX
Updated 06/30/2016

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			statutory authority to conduct groundwater recharge, or a judicial degree and is for specified purposes. Requires applying for a permit or petition for a change. Requires including specified conditions.	amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.
AB 723 Rendon (D)	Rental Property: Plumbing Fixtures: Replacement		Requires the lease or rental agreement of a single-family residential real property or any portion of a multifamily residential real property or commercial real property that is entered into, renewed, or amended, be accompanied by a disclosure stating the property owner's responsibility to replace all noncompliant plumbing fixtures with water-conserving plumbing fixtures.	07/16/2015 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
AB 935 Salas (D)	Water Projects		Requires, upon appropriation by the Legislature, the Department of Water Resources to provide funding for certain projects, provided that certain conditions are met.	09/10/2015 - In SENATE. From third reading. To Inactive File.
AB 937 Salas (D)	Groundwater Plan/Assistance: Disadvantaged Communities		Requires the Department of Water Resources to provide technical assistance to disadvantaged communities so that they may participate in groundwater planning, including planning for regional groundwater banking, with any county or other local agency.	08/27/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
AB 938 Rodriguez (D)	Sustainable Groundwater Management Act: Basins		Amends the Sustainable Groundwater Management Act. Authorizes a watermaster or local agency administering an adjudicated basin to elect that the basin be subject to the provisions of the Act. Authorizes a court with jurisdiction over the basin to issue and order to set a hearing to determine if the basin shall be subject to the Act. Requires written notice to the Department of Water Resources that the basin is subject to the Act. Requires the notice to be posted on the Department's Web site.	03/09/2016 - From SENATE Committee on NATURAL RESOURCES AND WATER with author's amendments.;03/09/2016 - In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.
AB 954 Mathis (R)	Water and Wastewater Loan and Grant Pilot Program		Creates the Water and Wastewater Loan and Grant Program. Require the State Water Resources Control Board to establish a pilot program to provide low-interest loans and grants to local agencies for grants to eligible individual homeowners for purposes relating to drinking water and wastewater treatment. Creates a related fund for use under	08/27/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.

IRWD 2016 LEGISLATIVE MATRIX
Updated 06/30/2016

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			the program. Transfers a specified amount of funds from the General Fund to the fund.	
<u>AB 1144</u> Rendon (D)	Renewables Portfolio Standard Program: Credits		Provides that renewable energy credits may be used to meet certain portfolio content requirements if the credits are earned by electricity that is generated by an entity that would be excluded from the definition of an electrical corporation by operation of the exclusions for entities employing landfill or digester gas technology that meets certain requirements, including that the electricity is used at a wastewater treatment facility. Prohibits certain marketing claims.	08/17/2015 - From SENATE Committee on APPROPRIATIONS with author's amendments.;08/17/2015 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 1173</u> Williams (D)	Water Equipment: Backflow Prevention Devices Testing		Requires, if a local health officer does not maintain a program for certificate of backflow prevention device testers, the testing and maintenance of such device be performed by a person who has received a California-specific certification for such devices from one of the specified entities or a similar certification provider deemed acceptable by the State Water Resources Control Board.	07/14/2015 - In SENATE Committee on ENVIRONMENTAL QUALITY: Not heard.
<u>AB 1201</u> Salas (D)	Delta: Predation by Nonnative Species	Support	Requires the State Department of Fish and Wildlife to develop a science-based plan that addresses predation by nonnative species upon species of fish listed pursuant to the State Endangered Species Act that reside all or a portion of their lives in the Sacramento-San Joaquin Delta and that considers predation reduction for all Chinook salmon and other native species not listed pursuant to the Act. Provides for input from the scientific community, water users and fishing communities.	08/27/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<u>AB 1242</u> Gray (D)	Water Quality and Storage		Provides provisions of law requiring a specified increase in statewide water storage capacity, and updating water strategies and implementation plans. Requires the Water Resources Control Board, in formulating policy for water quality control and adopting or approving a water quality control plan for the Sacramento-San Joaquin Delta, to take into consideration any applicable groundwater	09/02/2015 - In SENATE. Read second time. To third reading.;09/02/2015 - Re-referred to SENATE Committee on RULES.

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			sustainability plan or alternative and available information on impacts of groundwater use and beneficial uses of water.	
<u>AB 1463</u> Gatto (D)	California Covenants Program: Tuition: Income Exclusion		Establishes the Covenants Program and related fund. Provides the program is a prepaid college tuition program under which an individual could purchase a fixed percentage of the tuition and mandatory systemwide fees for an academic year of full-time enrollment as an undergraduate at a campus of the California State University, the University of California, or an independent institution of higher education for a beneficiary who meets specified criteria. Provides an gross income exclusion for purchase funds.	06/27/2016 - Withdrawn from SENATE Committee on ENVIRONMENTAL QUALITY.;06/27/2016 - Re-referred to SENATE Committee on RULES.
<u>AB 1550</u> Gomez (D)	Greenhouse Gases: Investment Plan: Communities		Relates to greenhouse gases and investments in communities. Requires the Greenhouse Investment Fund plan to allocate a minimum percentage of the available moneys in the Greenhouse Gas Reduction Fund to projects located within disadvantaged communities and a minimum percentage to projects that benefit low-income households, with a fair share of the moneys targeting households with incomes below a percentage of the federal poverty level.	06/29/2016 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass as amended to Committee on APPROPRIATIONS.
<u>AB 1586</u> Mathis (R)	Environmental Quality Act: Temperance Flat Reservoir		Prohibits the court, in an action or proceeding alleging a violation of the California Environmental Quality Act, from staying or enjoining the construction or operation of the Temperance Flat Reservoir unless the court makes certain findings.	04/04/2016 - In ASSEMBLY Committee on NATURAL RESOURCES: Failed passage.;04/04/2016 - In ASSEMBLY Committee on NATURAL RESOURCES: Reconsideration granted.
<u>AB 1587</u> Mathis (R)	Groundwater		Requires, in implementing competitive grants under the Water Quality, Supply, and Infrastructure Improvement Act of 2014, for projects that develop and implement groundwater planning requirements, special consideration be given to those projects that would create groundwater recharge basins in areas of fallow	05/27/2016 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

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			farmland. Appropriates a specified amount of funding from the proceeds of the Act for the purposes of the grant program.	
AB 1588 Mathis (R)	Water and Wastewater Loan and Grant Program		Requires the State Water Resources Control Board to establish a program to provide funding to counties to award low-interest loans and grants to eligible applicants for specified purposes relating to drinking water and wastewater treatment. Authorizes a county to apply for such funds. Creates the Water and Wastewater Loan and Grant Fund and provides the moneys in this fund are available to the Board to administer and implement the program. Transfers funds from the General Fund to the loan and grant fund.	06/29/2016 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass to Committee on APPROPRIATIONS.
AB 1589 Mathis (R)	Environmental Quality Act: Exemption:Drought Mitigation		Exempts from the requirements of the California Environmental Quality Act, for the duration of a state of emergency proclaimed by the Governor due to drought conditions, certain projects that are undertaken, carried out, or approved by a public agency to mitigate those drought conditions.	04/04/2016 - In ASSEMBLY Committee on NATURAL RESOURCES: Failed passage.;04/04/2016 - In ASSEMBLY Committee on NATURAL RESOURCES: Reconsideration granted.
AB 1590 Mathis (R)	State Water Resources Control Board: Appointments		Requires that additional members be appointed to the State Water Resources Control Board by the Legislature. Requires that vacancies be immediately filled by the appointing power.	03/10/2016 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;03/10/2016 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.
AB 1647 Waldron (R)	Environmental Quality: Water Storage Facilities		Exempts from the Environmental Quality Act a project to expand the storage capacity of an existing surface water storage facility, or to replace an existing surface water storage facility, that is owned and operated by a public entity if that public entity adopts, by resolution, findings and declarations that the project meets specified criteria.	04/04/2016 - In ASSEMBLY Committee on NATURAL RESOURCES: Not heard.

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AB 1649 Salas (D)	State Water Policy: Storage: Joint Powers Authorities		Requires the Department of Water Resources to develop a State water policy giving priority to the formation of joint powers authorities to address critical surface water storage needs and to funding of surface water projects. Provides that specified projects will meet statewide goals and provide specified public benefits to the greatest extent.	06/28/2016 - In SENATE Committee on NATURAL RESOURCES AND WATER: Failed passage.;06/28/2016 - In SENATE Committee on NATURAL RESOURCES AND WATER: Reconsideration granted.
AB 1694 Lackey (R)	Grant Program for School Drinking Water		Requires the State Water Resources Control Board to establish a grant program for grants to public elementary and secondary schools to improve access to, and the quality of drinking water. Specifies various types of projects for which the grants could be awarded. Provides the priority for such grants. Requires the establishment of grant application procedures. Appropriates funds therefor. Provides such funds would supplement not supplant other state funds apportioned to these local agencies.	03/31/2016 - Re-referred to ASSEMBLY Committees on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS and EDUCATION.
AB 1704 Dodd (D)	Water Rights: Irrigation: Lake or Streambed Agreements		Allows for a water use registrant to construct a facility to store water for small irrigation use during periods of high streamflow in exchange for the registrant reducing diversions during periods of low streamflow. Authorizes the issuance and renewal of registrations on those streamflow segments if the registration is consistent with applicable streamflow requirements. Relates updated procedures governing the diversion of water and notification of proposed registration.	06/28/2016 - From SENATE Committee on NATURAL RESOURCES AND WATER: Do pass to Committee on APPROPRIATIONS.
AB 1713 Eggman (D)	Sacramento-San Joaquin Delta: Peripheral Canal	Oppose	Prohibits the construction of a peripheral canal in the Sacramento-San Joaquin Delta unless expressly authorized by an initiative voted on by the voters of California, and requires the Legislative Analyst's Office to complete a prescribed economic feasibility analysis prior to a vote authorizing the construction of a peripheral canal.	05/27/2016 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
AB 1738 McCarty (D)	Building Standards: Dark Graywater		Defines dark graywater as a specified wastewater that comes from kitchen sinks and dishwashers. Requires the Department of Housing and Community Development, at the next triennial building	06/21/2016 - From SENATE Committee on TRANSPORTATION AND HOUSING: Do pass to

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			standards rulemaking cycle, to develop and submit for approval building standards for the construction, installation, and alteration of dark graywater systems for indoor and outdoor uses.	Committee on ENVIRONMENTAL SAFETY.
<u>AB 1749</u> Mathis (R)	Environmental Quality Act: Exemption: Porterville		Amends the California Environmental Quality Act which exempts projects that provide for the expansion of recycled water pipeline and directly related infrastructure within existing rights of way, and directly related groundwater replenishment, if the project does not affect wetlands or sensitive habitat where construction impacts are mitigated and undertaken to mitigate drought conditions for which an emergency was proclaimed. Exempts a water treatment project in the City of Porterville.	06/29/2016 - In SENATE Committee on ENVIRONMENTAL QUALITY: Failed passage.;06/29/2016 - In SENATE Committee on ENVIRONMENTAL QUALITY: Reconsideration granted.
<u>AB 1755</u> Dodd (D)	Open and Transparent Water Data Act		Enacts the Open and Transparent Water Data Act. Requires the Department of Water Resources to create, operate, and maintain a statewide integrated water data platform that integrates existing water and ecological data information from multiple databases and provide data on completed water transfers and exchanges. Creates a related fund to provide money to specified entities for the improvement of water data or for certain other purposes of the Act.	06/28/2016 - From SENATE Committee on NATURAL RESOURCES AND WATER: Do pass to Committee on APPROPRIATIONS.
<u>AB 1773</u> Oberholte (R)	Local Government Renewable Energy Program		Amends existing law that authorizes a local governmental entity to receive a bill credit to a designated benefiting account, for electricity exported to the electrical grid by an eligible renewable generating facility. Includes as a local governmental entity for this purpose a joint powers authority.	06/21/2016 - From SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS: Do pass to Committee on APPROPRIATIONS.
<u>AB 1815</u> Alejo (D)	Global Warming Solutions Act of 2006		Requires the Environmental Protection Agency to establish a comprehensive technical assistance program, upon the appropriation of moneys from the Greenhouse Gas Reduction Fund, for eligible applicants assisting eligible communities. Requires the Agency to provide technical assistance to communities based on a specified priority. Requires the Department of Finance to include in a specified	05/27/2016 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

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			investment plan an allocation to the Agency for the technical assistance program.	
AB 1842 Levine (D)	Water: Pollution: Fines		Imposes a civil penalty for each gallon or pound of polluting material discharged. Requires that the civil penalty be reduced for every gallon or pound of the illegally discharged material that is recovered and properly disposed of by the responsible party. Prohibits a person from being subject to multiple civil penalties for the same act or failure to act.	06/29/2016 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass as amended to Committee on APPROPRIATIONS.
AB 1866 Wilk (R)	High-Speed Rail Bond Proceeds: Water Projects		Provides that no further bonds shall be sold for high-speed rail purposes pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, except as specifically provided with respect to an existing appropriation for high-speed rail purposes for early improvement projects. Requires redirection of the unspent proceeds received from outstanding bonds issued for other high-speed rail purposes to fund capital expenditures for water projects.	04/11/2016 - In ASSEMBLY Committee on TRANSPORTATION: Failed passage.;04/11/2016 - In ASSEMBLY Committee on TRANSPORTATION: Reconsideration granted.
AB 1871 Waldron (R)	Coastal Resources: Development: Water Supply Projects		Limits the growth-inducing impacts the Coastal Commission may consider in its review of a coastal development permit for a water supply project.	03/18/2016 - From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.;03/18/2016 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.
AB 1882 Williams (D)	Oil and Gas: Groundwater Monitoring		Requires the Division of Oil, Gas, and Geothermal Resources to provide an opportunity and the information necessary for the State Water Resources Control Board and the appropriate regional water quality control board to review, comment on, and propose additional requirements for Class II underground injection well projects.	05/27/2016 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
AB 1925 Chang (R)	Desalination: Statewide Goal		Requires the State Department of Water Resources to establish a goal of a specific number of acre-feet of drinking water to be desalinated per year by a specified year and a greater number of acre-feet by a	05/04/2016 - In ASSEMBLY Committee on APPROPRIATIONS: Not heard.

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			later year, as part of a comprehensive water plan that fully evaluates other, specified options.	
<u>AB 1928</u> Campos (D)	Water Efficiency Landscape Irrigation Equipment		Postpones the date by which the Resources Conservation and Development Commission is to adopt the performance standards and labeling requirements for landscape irrigation equipment prohibit the sale of that equipment unless it meets the performance standards and labeling requirements.	06/28/2016 - From SENATE Committee on NATURAL RESOURCES AND WATER: Do pass to Committee on APPROPRIATIONS.
<u>AB 1986</u> Wilk (R)	Water Resources: Permit to Appropriate: Application		Requires, if the State Water Resources Control Board has not rendered a final determination on an application for a permit to appropriate water within a specified time period from the date the application to appropriate water was filed, the Board to issue a notice and provide an opportunity for protests before rendering a final determination.	05/27/2016 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>AB 1989</u> Jones (R)	Water and Greenhouse Gas Emissions Reduction		Requires the State Water Resources Control Board to develop and implement a grant and low-interest loan program for water projects that result in the net reduction of water-related greenhouse gas emissions.	05/27/2016 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>AB 2022</u> Gordon (D)	Advanced Purified Demonstration Water	Support	Authorizes the operator of an advanced purified demonstration water facility to cause the advanced purified demonstration water to be bottled and distributed as samples for educational purposes and to promote water recycling. Prohibits the advanced purified demonstration water in each bottle from exceeding a specified amount. Prohibits the water from being distributed unless it meets or is superior to all federal and state drinking water standards. Requires a recycling program for distributed bottles.	06/27/2016 - In SENATE Committee on APPROPRIATIONS: Not heard.
<u>AB 2040</u> Melendez (R)	Outdoor Water Efficiency Act of 2016: Tax Credits		Allows, under the Personal Income Tax Law, a credit for a percentage of the amount paid or incurred by a qualified taxpayer for water-efficiency improvements on qualified real property in the State. Limits the cumulative amount for each qualifying property.	05/27/2016 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

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			Requires the amount of the credit to be multiplied. Requires the taxpayer to obtain and retain a certification of the improvements from the appropriate water agency and to provide a copy of same to the Franchise Tax Board upon request.	
<u>AB 2076</u> Garcia (D)	Water and Energy Use Efficiency: Breweries		Requires the Department of Water Resources to develop water and energy use efficiency certification guidelines for the production of beer that includes certification seals. Requires the Department of Alcoholic Beverage Control to consult in label design and approval for the use of a seal on a beer bottle. Provides the procedures for the application of certification of a brewery. Requires the submission of a certification fee.	04/11/2016 - Re-referred to ASSEMBLY Committees on WATER, PARKS AND WILDLIFE and GOVERNMENTAL ORGANIZATION.
<u>AB 2099</u> Stone (D)	Safe Drinking Water Benefit		Requires the State Department of Social Services to convene a workgroup to develop recommendations for delivering a water benefit to supplement that purchase of drinking water for low-income households with inadequate access to safe drinking water. Requires a plan for identification of eligible households and the delivery of the benefit to those households. Requires the submission of a report with the recommendations to specified entities.	06/16/2016 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 2257</u> Maienschein (R)	Local Agency Meeting: Agenda: Online Posting		Amends the Ralph M. Brown Act, which enables the legislative body of a local agency to call both regular and special meetings. Requires online meeting agendas of specified legislative bodies to be posted on the agency's Web site homepage accessible through a direct link. Provides the requirements that exempts those legislative bodies from this requirement. Relates to integrated agenda management. Defines terms for these purposes.	06/29/2016 - From SENATE Committee on GOVERNANCE AND FINANCE: Do pass to Committee on APPROPRIATIONS.
<u>AB 2292</u> Gordon (D)	Global Warming Solutions Act: Disadvantaged Communities		Requires the State Environmental Protection Agency to update the State Communities Environmental Health Screening Tool that identifies disadvantaged communities regarding the monitoring and regulation of sources of emissions of greenhouse gases, when it	05/27/2016 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

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			comes to investment opportunities in the multiyear investment plan for moneys in the Greenhouse Gas Reduction Fund.	
<u>AB 2304</u> Levine (D)	State Water Market Clearinghouse	Seek Amendments	Establishes the State Water Market Clearinghouse within the Natural Resources Agency for making the water transfer and exchange process more transparent and more efficient and to enhance access to voluntary water market transactions. Requires a water market platform on the Clearinghouse's Internet Web site regarding water transfer or exchange. Requires convening a related task force, and requires the Clearinghouse to consider and act on the recommendations regarding transfers or exchanges.	05/25/2016 - In ASSEMBLY Committee on APPROPRIATIONS: Not heard.
<u>AB 2389</u> Ridley-Thomas S (D)	Special Districts: District-Based Elections		Amends existing law relating to special districts, district-based elections and reapportionment. Authorizes a governing body of a special district, to require, by resolution, the election of the members of its governing body be elected using district-based elections without being required to submit the resolution to the voters for approval. Requires the resolution to include a declaration that the change in the method of election is being made in furtherance of the purposes of the Voting Rights Act of 2001.	06/30/2016 - In SENATE. Read second time. To third reading.
<u>AB 2438</u> Waldron (R)	Environmental Quality Act		Relates to the Environmental Quality Act (CEQA). Exempts from CEQA a project for the construction and installation of a new pipeline or the maintenance, repair, restoration, reconditioning, relocation, replacement, removal, or demolition of an existing pipeline for the distribution of recycled water within a public street, highway, or right-of-way. Requires a public hearing.	06/29/2016 - In SENATE Committee on ENVIRONMENTAL QUALITY: Failed passage.;06/29/2016 - In SENATE Committee on ENVIRONMENTAL QUALITY: Reconsideration granted.
<u>AB 2444</u> Garcia E (D)	Water, Climate, Coastal Protection and Outdoor Access		Enacts the California Parks, Water, Climate, and Coastal Protection and Outdoor Access for All Act of 2016 which would authorize the issuance of bonds in a specified amount pursuant to the State General Obligation Bond Law to finance a water, climate, and coastal protection and outdoor access for all program.	06/29/2016 - From SENATE Committee on GOVERNANCE AND FINANCE: Do pass to Committee on APPROPRIATIONS.

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<u>AB 2446</u> Gordon (D)	State Water Resources Control Board: Judicial Review		Updates provisions regarding the issuance of a order by the State Water Resources Control Board and an aggrieved party petitioning the superior court for a writ of mandate for review of a decision or order issued by the Board. Provides that a decision or order under the Safe Drinking Water Act by the Board is not subject to court review if no aggrieved party petitions for such writ within a specified time period after a service of a copy of the order or decision issued by the Board.	06/28/2016 - From SENATE Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.
<u>AB 2456</u> Cooley (D)	Public Employee Retirement Benefits: Prefunding		Requires the Board of Administration of the Public Employee's Retirement System to develop, establish, and administer the State Employer's Pension Prefunding Trust Program in order to encourage State and local public employers that provide a defined benefit pension plan to their employees to effectively manage their pension contributions.	03/17/2016 - To ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.;03/17/2016 - From ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY with author's amendments.;03/17/2016 - In ASSEMBLY. Read second time and amen
<u>AB 2468</u> Hadley (R)	Public Employees' Retirement System		Authorizes a public agency that has contracted with the Board of Administration of PERS to offer an alternative formula from that required by the California Public Employees Pension Reform Act to be applicable to certain miscellaneous, nonsafety employees, if specified contingencies are satisfied. Requires that such employees who are not new members, that were employed by a public employer that did not contract with PERS until a specified date, be covered by a default benefit formula.	04/12/2016 - From ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY with author's amendments.;04/12/2016 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.
<u>AB 2480</u> Bloom (D)	Source Watersheds: Financing		Requires source watershed maintenance and repair to receive financing consideration on the same basis with other water collection and treatment infrastructure. Specifies that the maintenance and	06/28/2016 - From SENATE Committee on NATURAL RESOURCES AND WATER: Do

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			repair activities that are eligible are limited to certain forest ecosystem management activities.	pass to Committee on APPROPRIATIONS.
<u>AB 2488</u> Dababneh (D)	Protected Species: Stickleback: Possession	Support	Permits the Department of Fish and Wildlife to authorize, under the State Endangered Species Act, the take of unarmored threespine stickleback attributable to the periodic dewatering, inspection, maintenance, modification, or repair of the Metropolitan Water District of Southern California's Foothill Feeder water supply facility from Castaic Dam to the Joseph Jensen Treatment Plant in the County of Los Angeles, if certain conditions are satisfied. Requires certain reporting by the District.	06/21/2016 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 2515</u> Weber (D)	Water Conservation in Landscaping Act		Requires the Department of Water Resources to either update the model water-efficient landscaping ordinance or make a finding that an update to such ordinance at that time is not a useful or effective means to improve the efficiency of landscape water use or the administrative of the ordinance. Requires the Department to submit an update to the Building Standards Commission during the triennial revision process of the State Green Building Standards Code.	06/28/2016 - From SENATE Committee on NATURAL RESOURCES AND WATER: Do pass to Committee on APPROPRIATIONS.
<u>AB 2550</u> Patterson (R)	Instream Flow Curtailments and Compensation		Requires the State Water Resources Control Board to financially compensate a person who is unable to divert the full amount of water authorized under his or her permit or license due to a board-issued instream flow curtailment, and a person who is required to file a statement of diversion and use is unable to divert the same amount of water in the succeeding year due to a board-issued instream flow curtailment.	03/08/2016 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
<u>AB 2551</u> Gallagher (R)	Contract Procurement: Surface Storage Projects		Allows a local agency to use the construction management at-risk, design-build, or design-build operate method of delivery on a surface storage project. Requires such contracts to be awarded on the best value basis or to the lowest responsible bidder. Establishes a procurement process for these contracts. Provides reasons which	06/29/2016 - From SENATE Committee on GOVERNANCE AND FINANCE: Do pass as amended to Committee on APPROPRIATIONS.

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			would prohibit a contracting entity from being prequalified or short-listed.	
<u>AB 2555</u> Levine (D)	Building Standards: Water Conserving Plumbing Fixtures		Requires the State Building Standards Commission to develop regulations and mandatory building standards for the installation of water conserving plumbing fixtures in existing nonresidential and public buildings, including installation in all nonresidential buildings by a specified date.	06/22/2016 - Withdrawn from SENATE Committee on NATURAL RESOURCES AND WATER.;06/22/2016 - Re-referred to SENATE Committee on RULES.;06/22/2016 - Re-referred to SENATE Committee on TRANSPORTATION AND HOUSING.
<u>AB 2578</u> Bigelow (R)	Environmental Quality Act: Exemptions: Water Service		Exempts from the requirements of the California Environmental Quality Act, a project within a public street or highway or other public right-of-way for the maintenance, repair, restoration, reconditioning, relocation, replacement, removal or demolition of an existing water distribution pipeline to address water leakage. Exempts activities undertaken by a local agency in response to a drought to acquire water supplies, extend service, or provide water for drinking and sanitation.	03/18/2016 - From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.;03/18/2016 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.
<u>AB 2583</u> Frazier (D)	Sacramento-San Joaquin Delta Reform Act of 2009	Oppose	Relates to the Sacramento-San Joaquin Delta Reform Act of 2009, the Delta Stewardship Council, the Delta Plan and the California Water Fix. Provides that the new Delta water conveyance infrastructure is interdependent parts of a system. Amends the point of diversion to a point on the Sacramento River. Prohibits construction of a new Delta conveyance facility until contracts are signed by contractors who will receive the water that commit them to pay costs and to mitigate facility property taxes.	05/27/2016 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE without further action pursuant to JR 62(a).
<u>AB 2594</u> Gordon (D)	Stormwater Resources: Use of Captured Water		Authorizes a public entity that captures stormwater, in accordance with a stormwater resource plan and consistent with a municipal separate storm sewer system permit, before the water reaches a natural channel to use the captured stormwater.	06/28/2016 - From SENATE Committee on NATURAL RESOURCES AND WATER: Do

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				pass as amended to Committee on APPROPRIATIONS.
<u>AB 2601</u> Eggman (D)	Building Standard: Residential Property: Graywater		Requires the Department of Housing and Community Development to adopt and submit to Building Standards Commission for approval amendments to the building standards adopted pursuant to these provisions that require that all new single-family and duplex residential dwelling units include specified components to allow the separate discharge of graywater for direct irrigation.	03/10/2016 - To ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT.
<u>AB 2617</u> Mayes (R)	Water Efficiency Measures		Requires the Department of Water Resources to develop and solicit comments on a proposed report and, to issue a final report that contains recommendations to public entities to help them achieve water-resilient communities and prioritize cost-effective water efficiency measures with low adverse environmental impacts based on local conditions.	06/09/2016 - To SENATE Committee on RULES.
<u>AB 2801</u> Gallagher (R)	Local Government: Fees and Charges: Protest		Requires a local agency to keep written protests securely stored and sealed until a public hearing. Prohibits an agency from requiring such protest to include property identification other than street address unless there is not a street address, and from requiring such protest to be submitted on an agency form. Requires the agency maintain such protests for a minimum time period following the date of the hearing to consider the protests.	06/30/2016 - In SENATE. From Consent Calendar. To third reading.
<u>AB 2835</u> Cooper (D)	Public Employees:Orientation and Informational Programs		Requires public employers regulated by specified Acts to provide newly hired employees a specified public employee orientation. Requires the orientation to be conducted during regular workday at the worksite, and all newly hired employees attend the orientation in person. Requires the scheduling to be agreed upon with the recognized employee organization or exclusive representative. Authorizes a pre-orientation presentation by the organization. Requires providing certain information to the organization.	06/27/2016 - From SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.

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AB 2890 Env Safety & Toxic Material Cmt	Drinking Water and Wastewater Operator Certification		Requires the State Water Resources Control Board to appoint an advisory committee to examine and certify people to operate water treatment plants and water distribution systems, and to review all proposed regulations and make recommendations to the Board. Relates to water treatment operator-in-training. Revises procedures for the suspension or revocation of a valid operator license. Authorizes certificate reciprocity. Provides certificate application fraud civil liability. Relates to an advisory committee.	06/28/2016 - In SENATE. Read second time. To third reading.
AB 2909 Levine (D)	Water: Transfer or Exchange: Expedited Review		Requires the Water Resources Board to develop and implement an expedited review process for approval or petitions to temporarily change the point of diversion, place of use, or purpose of use due to a transfer or exchange of water or water rights if the transfer is for a recurring water transfer or an environmentally beneficial transfer. Requires the development of a review process for reoccurring water transfers between contractors for State Water Project water.	06/28/2016 - From SENATE Committee on NATURAL RESOURCES AND WATER: Do pass to Committee on APPROPRIATIONS.;06/28/2016 - In SENATE Committee on NATURAL RESOURCES AND WATER: Reconsideration granted.;06/28/2016 - From SENATE Committee on NATURAL RESOURCES
AB 2910 Local Government Cmt	Local Government: Organization: Omnibus Bill		Revises provisions of the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 to remove references to a public agency's current service area and instead include references to the public agency's jurisdictional boundaries. Provides a purpose of a local agency formation commission is to encourage government services efficiency. Relates to commission membership. Relates to agency reorganization. Relates to uncollected revenues and taxes upon disincorporation. Relates to hospital districts.	06/16/2016 - In SENATE. From Consent Calendar. To third reading.
ACA 8 Bloom (D)	Local Government Financing: Water Facilities: Voters		Proposes an amendment to the Constitution to create an exception to a limit for a rate imposed by a city, county, city and county, or special district to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of wastewater treatment facilities and related infrastructure, potable water producing facilities and related infrastructure, nonpotable	06/23/2016 - To ASSEMBLY Committees on LOCAL GOVERNMENT and APPROPRIATIONS.

IRWD 2016 LEGISLATIVE MATRIX
Updated 06/30/2016

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			water producing facilities and related infrastructure, and stormwater treatment facilities and infrastructure.	
SB 7 Wolk (D)	Housing: Water Meters: Multi-unit Structures		Requires a landlord to make submeter disclosures to a tenant prior to executing a rental agreement. Relates to tenant billing procedures and requirements. Authorizes building standards that require the installation of water submeters in multiunit residential buildings. Provides structure exemptions. Relates to landlord requirements. Relates to the use of meters or submeters in new mixed-use residential and commercial structures as a condition for service. Requires licensed contractors do the installation.	09/08/2015 - In ASSEMBLY. Read third time. Failed to pass ASSEMBLY.;09/08/2015 - In ASSEMBLY. Motion to reconsider.
SB 20 Pavley (D)	Low Carbon Fuels Council		Creates the Low Carbon Fuels Council to coordinate State agencies' activities that are related to the acceleration and development of instate production of low carbon fuels.	06/27/2016 - In ASSEMBLY. Joint Rule 62(a) suspended.
SB 32 Pavley (D)	Global Warming Solutions Act of 2006: Emissions Limit		Requires the State Air Resources Board to approve a specified statewide greenhouse gas emissions limits that are the equivalent to a specified percentage below the 1990 level to be achieved by 2030.	06/30/2016 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 122 Jackson (D)	Environmental Quality Act: Record of Proceedings		Amends the Environmental Quality Act. Relates to a database for the collection, storage, retrieval, and dissemination of environmental documents, notices of exemption, notices of preparation, notices of determination, and notices of completion provided to the office that shall be available online to the public through the internet. Provides for the phase-in of electronic documents. Requires the lead agency to submit to the State Clearinghouse a sufficient number of environmental documents for review.	08/27/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Not heard.
SB 163 Hertzberg (D)	Wastewater Treatment: Recycled Water	Oppose	Declares that it is a waste and unreasonable use of water to discharge treated wastewater from an ocean or bay outfall, or for a water supplier or water replenishment district to not take treated wastewater made available for certain purposes. Requires related regulations. Requires permitholders to submit plans to achieve	06/14/2016 - In ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: Heard, remains in Committee.

IRWD 2016 LEGISLATIVE MATRIX
Updated 06/30/2016

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			beneficial reuse of treated wastewater. Requires reuse of a specified percentage of such wastewater. Requires convening an advisory group. Authorizes specified fees.	
SB 223 Galgiani (D)	Division of Boating and Waterways: Oversight Committee		Requires the Division of Boating and Waterways to establish an advisory and oversight committee to evaluate and monitor the activities of the Division relating to the management and control or eradication of invasive aquatic plants. Provides the expertise of members of the committee. Requires the committee to meet a specified amount of times per year and to communicate any findings or recommendations to the Division.	08/27/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
SB 248 Pavley (D)	Oil and Gas		Provides for an inspection program for all activities regulated pursuant to provisions concerning drilling, operation, maintenance, and abandonment of oil and gas wells and certain tanks and facilities. Requires inspections to be reported and posted, and the recording of information in a well history, including fluid injection, chemical composition, and waste disposal injection. Provides for shutdown. Requires updating related regulations. Requires notification and clearance of chemical injection.	08/27/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Not heard.
SB 286 Hertzberg (D)	Electricity: Direct Transactions		Requires the Public Utilities Commission to adopt and implement a schedule that implements a specified phase-in period for expanding direct transactions for individual retail nonresidential end-use customers over a maximum time period, raising the allowable limit of kilowatthours that can be supplied by other electrical corporation's distribution service territory to that corporation's share of the gigawatthours. Requires such customers to be responsible for their share of the costs of specified programs.	03/01/2016 - From ASSEMBLY Committee on APPROPRIATIONS with author's amendments.;03/01/2016 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 471 Pavley (D)	Water, Energy, Reduction of Greenhouse Gas Emissions		Includes reduction of greenhouse emissions associated with water treatment among the investments that are eligible for funding from the Greenhouse Gas Reduction Fund. Requires the State Water Resources Control Board to establish a grant and loan program for	08/27/2015 - In ASSEMBLY. Joint Rule 62(a) suspended.;08/27/2015 - In ASSEMBLY Committee on

IRWD 2016 LEGISLATIVE MATRIX
Updated 06/30/2016

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			water projects that result in the net reduction of water-related greenhouse gas emissions.	APPROPRIATIONS: Held in committee.
<u>SB 551</u> Wolk (D)	State Water Policy: Water and Energy Efficiency	Seek Amendments	Declares the policy of the state that water use and water treatment shall operate in a manner that is as energy efficient as is feasible and energy use and generation shall operate in a manner that is as water efficient as is feasible. Requires all relevant state agencies to consider this state policy when revising, or establishing policies, regulations, and grant criteria when pertinent to these uses of water and energy.	08/27/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>SB 552</u> Wolk (D)	Public Water Systems: Disadvantaged Communities		Requires the State Water Resources Control Board to hold an initial public meeting prior to ordering the consolidation or extension of public water system service and to obtain well owner consent. Provides any affected resident and domestic well owner within the service area who does not consent is ineligible for any future water-related grants. Requires the Board to compensate certain water systems. Prohibits a charge increase for certain customers. Requires contracting for administrative services.	06/28/2016 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS.
<u>SB 554</u> Wolk (D)	Delta Levee Maintenance		Relates to the maintenance or improvement of project or nonproject levees in the Sacramento-San Joaquin Delta. Declares legislative intent to reimburse up to a certain percent of costs incurred in any year for the maintenance or improvement of levees in excess of a specified sum per mile of levee and authorizes a specified board to advance funds in an amount that does not exceed a certain percent of the estimated state share to an eligible local agency.	06/29/2016 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.
<u>SB 814</u> Hill (D)	Drought: Excessive Water Use: Urban Retail Water Supply	Seek Amendments	Prohibits excessive water use during specified time periods. Requires each urban retail water supplier to establish a method to identify and discourage excessive water use. Authorizes the establishment of a rate structure that penalizes such excessive water users. Authorizes an excessive water use ordinance, rule, or tariff condition. Makes a violation thereof an infraction or administrative civil penalty.	06/30/2016 - In ASSEMBLY. Read second time. To third reading.

IRWD 2016 LEGISLATIVE MATRIX
Updated 06/30/2016

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			Authorizes the penalty for a violation to be based on conditions identified by the water supplier.	
SB 885 Wolk (D)	Contracts: Design Professionals: Indemnity	Oppose	Specifies, for contracts, that a design professional only the has the duty to defend claims that arise out of, or pertain or relate to, negligence, recklessness, or willful misconduct of the design professional. Prohibits a waiver of these provisions. Updates claims defense procedures. Provides any clause, covenant, or agreement contained in, collateral to, or affecting a contract that requires a design professional to defend claims or lawsuits against other persons or entities is void and unenforceable.	06/16/2016 - From ASSEMBLY Committee on JUDICIARY with author's amendments.;06/16/2016 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on JUDICIARY.
SB 919 Hertzberg (D)	Water Supply: Creation or Augmentation of Local Water		Requires the Public Utilities Commission to address the oversupply of renewable energy resources through a tariff or other economic incentive for electricity purchased by customers operating facilities that create or augment local water supplies to reduce the cost of electricity to those facilities.	06/28/2016 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS.
SB 970 Leyva (D)	Greenhouse Gas Reduction Fund: Grants: Recyclables	Support in Concept	Requires the Department of Resources Recycling and Recovery, in awarding a grant for organic composting or anaerobic digestion under the grant program under the Greenhouse Gas Reduction Fund for financial assistance to reduce such gas emissions, to consider the amount of greenhouse gas emission reductions that may result from the project and the amount of organic material that may be diverted from landfills as a result of the project. Permits grants for large-scale regional integrated projects.	06/29/2016 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 974 Governance and Finance Cmt	Local Government: Omnibus	Support	Amends existing law regarding local government to include storing survey records, military discharge copy fees, notaries public, city financial condition reports, local sinking fund moneys investment, the Subdivision Map Act, local safety land use elements, Fort Ord reuse and redevelopment, sewage services and facilities fees, use of design-build, vehicle license fees, income tax collection, floating	06/30/2016 - In ASSEMBLY. Read second time. To Consent Calendar.

IRWD 2016 LEGISLATIVE MATRIX
Updated 06/30/2016

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			home taxation, synthetic grass, business assessments, and liquefied petroleum tax revenues.	
SB 995 Pavley (D)	Well Standards		Requires the Department of Water Resources to update well standards for water wells, monitoring wells and cathodic protection wells based on existing knowledge and to submit these standards to the State Water Resources Control Board. Includes abandonment ordinances. Requires the state board to revise the model ordinances upon receipt of the standards.	06/28/2016 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: Do pass to Committee on APPROPRIATIONS.
SB 1026 Nielsen (R)	Lake or Streambed Alteration Agreements		Relates to lake or streambed alteration agreement. Limits the diversions and obstructions governed by alteration agreement requirements to the diversions and obstructions that alter the bed, channel, or bank of a river, stream or lake. Exempts routine maintenance and repair of facilities for instream agricultural diversions.	04/12/2016 - In SENATE Committee on NATURAL RESOURCES AND WATER: Failed passage.
SB 1043 Allen (D)	Biogas and Biomethane		Requires the State Air Resources Board to consider and adopt policies to significantly increase the sustainable production and use of biogas. Requires the Board, to ensure the production and use of renewable gas provides direct environmental benefits and identify barriers to the rapid development and use of biogas and potential sources of funding. Revises the definition of biogas and biomethane for pipeline integrity and safety purposes.	05/27/2016 - In SENATE Committee on APPROPRIATIONS: Held in committee.
SB 1173 Hertzberg (D)	Plumbing Fixtures: CalConserve Water Use Efficiency		Requires for commercial property the replacement of any noncompliant fixture or fitting in specified additions, alterations, and improvements to such property and the replacement of any noncompliant plumbing fixture or fitting in all such property in accordance with a specified schedule based on floor space. Provides related definitions. Authorizes county offices of education and school district boards to receive moneys from the CalConserve Water Use Efficiency Fund for efficiency projects.	03/30/2016 - From SENATE Committee on TRANSPORTATION AND HOUSING with author's amendments.;03/30/2016 - In SENATE. Read second time and amended. Re-referred to Committee on TRANSPORTATION AND HOUSING.

IRWD 2016 LEGISLATIVE MATRIX
Updated 06/30/2016

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>SB 1213</u> Wieckowski (D)	Renewable Energy: Biosolids: Matching Grants		Requires the Energy Resources Conservation Commission to develop and implement the Biosolids to Clean Energy Grant Program to provide matching funds to local wastewater agencies for biosolids to clean energy capital projects. Appropriates a specified amount of funds annually to the Commission for purposes of the program.	05/27/2016 - In SENATE Committee on APPROPRIATIONS: Held in committee.
<u>SB 1233</u> McGuire (D)	Joint Powers Authority: Water Bill Savings Act		Enacts the Water Bill Savings Act. Authorizes a joint powers authority to provide funding for a customer of a local agency or its publicly owned utility to acquire, install, or repair a water efficiency improvement on the customer's property served by the local agency or its publicly owned utility. Requires repayment through an efficiency charge on the customer's water bill. Authorizes the authority to issue bonds to fund the program. Makes technical changes.	06/29/2016 - From ASSEMBLY Committee on LOCAL GOVERNMENT: Do pass as amended.
<u>SB 1260</u> Allen (D)	Stormwater: Municipalities: Online Resource Center		Requires the State Water Resources Control Board to establish an online resource center that addresses measures available for municipalities to comply with municipal stormwater permit requirements. Authorizes the inclusion of certain information.	06/30/2016 - In ASSEMBLY. Read second time. To Consent Calendar.
<u>SB 1262</u> Pavley (D)	Water Supply Planning		Requires a city or county that determines a project is subject to the California Environmental Quality Act to identify any water system whose service area includes the project site and any water system adjacent to the project site. Provides that hauled water is not a source of water for the purposes of an assessment. Revises the definition of sufficient water supply.	06/29/2016 - From ASSEMBLY Committee on LOCAL GOVERNMENT: Do pass to Committee on APPROPRIATIONS.
<u>SB 1263</u> Wieckowski (D)	Public Water System: Permits		Requires an application for a permit for a proposed new public water system to first submit a preliminary technical report to the State Water Resources Control Board before initiating construction of any water-related improvement. Directs specified procedures to be followed by the applicant before submitting the application. Provides the bases for denial of such permit by the Board. Prohibits a local	06/29/2016 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

IRWD 2016 LEGISLATIVE MATRIX
Updated 06/30/2016

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			building permit for new residential development when the water supply is provided using certain methods.	
SB 1298 Hertzberg (D)	Local Government: Fees and Charges	Concerned	Authorizes a local government agency to impose a conservation and efficiency fee or charge for water service, to achieve specified conservation and efficiency purposes. Provides the fee or charge may raise revenue as an incident to its regulatory purposes. Requires the agency to use such revenue to pay the cost of providing service or for lowering the rate or rate structure of any associated property-related fee or charge. Requires the fee or charge to be in relation to benefits.	06/29/2016 - From ASSEMBLY Committee on LOCAL GOVERNMENT: Do pass as amended.
SB 1317 Wolk (D)	Groundwater Extraction Permit	Oppose Unless Amendmend	Requires a city or county overlying a basin designated as a high- or medium- priority basin to establish a process for the issuance of a groundwater extraction permit for the development of a groundwater extraction facility that requires an applicant to demonstrate the extraction from a proposed facility will not contribute to or create an undesirable result. Provides a city or county overlying such basin does not have to have a permit process under specified conditions.	06/28/2016 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Not heard.
SB 1318 Wolk (D)	Local Government: Drinking Water and Wastewater Service		Amends existing law that regulates to formation, consolidate, and merger of new districts to include annexation of a disadvantaged unincorporated community, a special district's sphere of influence, the review of adequacy and need for water and wastewater services in such communities, and a service review of the municipal services of unincorporated island, fringe, or legacy communities.	06/09/2016 - To ASSEMBLY Committees on LOCAL GOVERNMENT and ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
SB 1340 Wolk (D)	Water Conservation in Landscaping Act		Requires a local agency to require a permit for the installation of specified automatic irrigation systems, or the expansion of the same specified automatic irrigation system to increase the irrigated area by a specified percentage or more, for a landscape project. Allows the governing body of a local agency to adopt an ordinance prescribing fees for filing an application for the permit, subject to restrictions. Authorizes specified persons to submit the application for a residential landscape system.	06/28/2016 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on LOCAL GOVERNMENT.

IRWD 2016 LEGISLATIVE MATRIX
Updated 06/30/2016

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>SB 1383</u> Lara (D)	Short-Lived Climate Pollutants		Requires the State Air Resources Board to approve and begin implementing a comprehensive strategy to reduce emissions of short-lived climate pollutants to achieve a specified reduction in methane, hydro-fluorocarbon gases, and anthropogenic black carbon below 2013 levels by 2030.	06/27/2016 - From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on APPROPRIATIONS.
<u>SB 1415</u> Bates (R)	Environmental Quality Act: Local Water Projects		Amends the Environmental Quality Act which requires a lead agency to call a scoping meeting for transportation-related projects and projects of statewide, regional, or areawide significance to require that lead agency to call a scoping meeting to receive public comments for local projects for stormwater or dry weather runoff capture and reuse, water recycling, or wastewater treatment to improve water quality.	04/21/2016 - Re-referred to SENATE Committee on APPROPRIATIONS.
<u>SB 1425</u> Pavley (D)	Water Energy Nexus Registry		Requires the State Air Resources Board to develop a registry of greenhouse gas emission resulting from the water-energy nexus using the best available data including specified actions of a former registry as they relate to the water-energy nexus.	06/27/2016 - From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on APPROPRIATIONS.
<u>SB 1440</u> Cannella (R)	Water Supply and Infrastructure Improvement		Requires a lead agency, in certifying the environmental impact report and in granting approvals for certain water storage projects funded, in whole or in part, by Proposition I, to comply with specified procedures. Authorizes the lead agency to concurrently prepare the record of proceedings for the project. Requires the Judicial Council to adopt a rule of court to establish procedures applicable to actions or proceedings seeking judicial review.	03/10/2016 - To SENATE Committees on ENVIRONMENTAL QUALITY and JUDICIARY.
<u>SB 1456</u> Galgiani (D)	Safe Drinking Water State Revolving Fund Law		Amends an existing law which establishes the Safe Drinking Water State Revolving Fund. Authorizes certain costs to be funded by loans or other repayable financing, grants, principal forgiveness, or a combination of grants and loans or other financial assistance, regardless of whether a public water system is a community public water system or a not-for-profit noncommunity public water system.	06/28/2016 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: Do pass to Committee on APPROPRIATIONS.

IRWD 2016 LEGISLATIVE MATRIX
Updated 06/30/2016

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			Limits the principal forgiveness to capital improvements serving specified severely disadvantaged communities.	
HR 2689 Walters (R)	Eligible Water Resources Projects	Support	Clarifies the scope of eligible water resources projects under the Water Resources Development Act of 1986 and the Water Resources Reform and Development Act of 2014.	06/10/2015 - In HOUSE Committee on TRANSPORTATION & INFRASTRUCTURE: Referred to Subcommittee on WATER RESOURCES AND ENVIRONMENT.
HR 4615 Huffman (D)	Water Department Gross Income Exclusion	Support	Amends the Internal Revenue Code of 1986 to exclude from gross income amounts received from a water department for water conservation efficiency measures and water runoff management improvements.	02/25/2016 - INTRODUCED.;02/25/2016 - To HOUSE Committee on WAYS AND MEANS.
S 2533 Feinstein (D)	Water Supplies for California and Drought Resiliency		Provides short-term water supplies to drought-stricken California, provides for long-term investments in drought resiliency throughout the Western United States.	05/17/2016 - Subcommittee on WATER AND POWER hearings held.
S 2848 Inhofe (R)	Water Conservation and Development		Provides for the conservation and development of water and related resources, authorizes the Secretary of the Army to construct various projects for improvements to rivers and harbors of the United States.	06/20/2016 - From SENATE Committee on ENVIRONMENT AND PUBLIC WORKS: Reported by Senator Inhofe as amended.;06/20/2016 - In SENATE. Placed on SENATE Legislative Calendar under General Orders.

Exhibit "B"

2016 Legislative Update Report: Links to Bill Texts (as of June 30, 2016)

Bill Number/Version Date	Link to Bill Text
AB 1713 (Eggman), as introduced.	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB1713
AB 1755 (Dodd), as amended June 13, 2016	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB1755
AB 2022 (Gordon), as amended March 31, 2016	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB2022
AB 2488 (Dababneh), as amended June 21, 2016	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB2488
AB 2583 (Frazier), as amended March 17, 2016	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB2583
AB 2909 (Levine), as amended on June 21, 2016	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB2909
ACA 8 (Bloom), as introduced	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160ACA8
SB 20 (Pavley), As amended June 20, 2016	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB20
SB 163 (Hertzberg), as amended June 8, 2016	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB163

SB 814 (Hill), as amended June 21, 2016	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB814
SB 885 (Wolk), as amended June 16, 2016	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB885
SB 970 (Leyva), as amended June 20, 2016	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB970
SB 974 (Senate Governance and Finance Committee), as amended June 2, 2016	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB974
SB 1298 (Hertzberg), as amended June 13, 2016	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB1298
SB 1317 (Wolk), as amended June 20, 2016	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB1317

EXHIBIT "C"

California State Senate

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SENATOR
ROBERT M. HERTZBERG
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REPRESENTING LOS ANGELES COUNTY

COMMITTEES
GOVERNANCE AND FINANCE
CHAIR
ELECTIONS AND
CONSTITUTIONAL AMENDMENTS
ENERGY, UTILITIES
AND COMMUNICATIONS
JUDICIARY
NATURAL RESOURCES
AND WATER



June 24, 2016

To the Supporters of Senate Bill 163:

I am writing to thank you for your support and assistance on Senate Bill 163 this year. I also want to let you know that I will be introducing legislation next year, building on this and requiring coastal wastewater dischargers to eliminate the practice of throwing good water into the ocean.

Senate Bill 163 was an attempt to preserve a precious resource – fresh water – by setting a reasonable goal for treated water reuse while offering relief for those entities that need it. Unfortunately, we were unable to work with the opposition on technical aspects of the bill and they remained opposed to any mandate. This is unacceptable to me, and when faced with weakening the bill for this week's hearing in the Assembly, I chose to shelve it for the year and begin with a fresh bill next year.

As you know, California and the world are rapidly urbanizing. Coastal cities and towns will bear the brunt of this future growth. Coupled with California's cyclical droughts and changing climate, local governments will struggle to keep pace with increased demands to provide sufficient drinking water. Yet one good resource is going to waste every day as California water agencies pour between 1 and 3 billion gallons of treated water into the ocean daily – enough for 3-8 million California households!

We face a real challenge about how to address water reliability and supply issues in the future. Solutions will require us to upset some preconceived notions; starting with the notion that treated water is not a waste product, but a valuable resource to be protected.

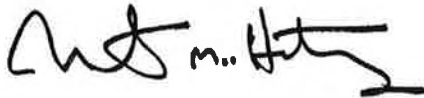
Getting to solutions will require institutional changes at the state and local level, as well as system redesigns to ensure new alternatives for water supply and reliability are available in the next ten to 15 years. Historically – and unfortunately – there is a strong preference in government to focus on immediate spending and benefits, rather than the long-term.

My bill next year will begin to recreate that framework on a few levels. First, we will protect treated water as a valuable resource. Second, we will build up the expectation that local

governments will be held accountable for long-term investments in sustainable water supplies. And third, we will develop a coalition of partners to inform members and the public about the importance and benefits of water reuse. Because the current model of praying for rain and moving water across vast deserts is unsustainable.

I look forward to working with you next year to set California on a path to a more sustainable water future.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert M. Hertzberg". The signature is fluid and cursive, with a long horizontal stroke at the end.

ROBERT M. HERTZBERG
Senator, Eighteenth District

July 11, 2016

Prepared by: B. Beeman

Submitted by: P. Weghorst *PW*

Approved by: Paul Cook *PC*

CONSENT CALENDAR

UPDATED WATER USE EFFICIENCY OUTREACH PROGRAMS

SUMMARY:

In response to statewide drought conditions, IRWD successfully implemented a multi-media outreach campaign designed to encourage customers to take steps to save water. Recent focus group results indicate a high level of drought message fatigue among IRWD customers, most likely the result of drought outreach and ongoing national, statewide and local media coverage of drought conditions in California. This message fatigue suggests that IRWD should develop an updated water use efficiency message program that will be sustainable during both drought and non-drought conditions. To assist in the development and implementation of an updated water use efficiency message program, staff recommends that the Board authorize the General Manager to execute a Professional Services Agreement with Sukle Advertising & Design for \$115,000.

BACKGROUND:

On April 1, 2015, Governor Brown issued a mandate to reduce water use statewide. In response, IRWD implemented an extensive multi-media outreach campaign designed to encourage customers to take immediate steps to save water. Initial outreach efforts focused on programs that would result in immediate water savings. Customers were asked to stop irrigating their lawns during warm summer months. The key outreach message of this phase of the drought outreach campaign was "Brown is the New Green."

As statewide drought conditions continued into 2016, outreach efforts moved from immediate water savings programs to specific actions customers could take to permanently save water. When spring arrived, IRWD's outdoor outreach campaign focused on a program that encouraged customers to replace turf with drought tolerant gardens that were both beautiful and water efficient. Customers were given a multitude of tips, tools and classes to assist in redesigning and replanting their yards. The key outreach message of this phase of the drought outreach campaign was "Color Your World with a Drought Tolerant Garden."

Focus Group Sessions:

In April, IRWD solicited feedback from its customers through focus group sessions. Feedback was requested about the state of the drought, IRWD's drought outreach efforts and its rate structure. The results of the focus group sessions indicate drought message fatigue among customers that is most likely the result of extensive national, statewide and local coverage of drought and water use. Although almost all of the focus group participants understood that there was a serious statewide drought, many believed that local water supply issues were less urgent. Some customers mentioned replanting their yards with drought tolerant landscaping or stopping irrigation altogether while many others had taken no action. Most of the participants could not

recall specific IRWD drought outreach efforts, but they clearly understood that IRWD was asking them to use less water.

Focus group participants did not have a good understanding of IRWD's budget-based rates. They seemed to understand the concept of a water budget, but did not understand the components of the budget, how it was determined and, more importantly, the impact of the budget on their water bills. When asked to explain the rate tiers, they could not.

Complicating Actions:

In May 2016, the State Water Resources Control Board adopted a revised Drought Emergency Regulation that extended the term of the current regulation to January 2017. This action received critical attention both in the local and statewide media outlets. Stories ran that demonstrated the need for additional statewide water savings while at the same time calling into question whether water supply shortages would continue locally. In addition, the Metropolitan Water District of Southern California voted unanimously to rescind water supply allocations, downgrading the region to a Water Supply Alert. Both actions complicate IRWD's outreach efforts to convince customers to save water.

New Water Use Efficiency Outreach Programs:

Based on the current state of the drought in California and the customer focus group findings, staff is recommending two new water efficiency outreach efforts: an updated rate structure outreach effort and the development of a new water use efficiency global message platform.

Rate Structure Outreach:

The first customer outreach effort will focus on IRWD's budget-based rate structure. Within the next month, staff will develop and begin implementing a new outreach program designed to increase awareness and understanding of the District's rate structure, the components of the rate structure, how budgets are determined, the variance process and how use of water can impact monthly bills. The intent is to completely rethink the approach and the explanations included in the District's current rate structure outreach talking points, explanations and graphics. The goal is to find a simpler, easier way of explaining the rate structure. The outreach will not be aimed at changing the rate structure; rather, it will be aimed at changing the way customers understand it.

Water Use Efficiency Global Message Platform:

The second water efficiency outreach effort will be to develop an outreach campaign with a global message platform that will incorporate principles and strategies that will appeal to the public while not being contingent on drought messaging. At IRWD, the goal has always been to educate customers on efficient water use that results in permanent behavior change. While the drought caused an urgent need to experience immediate water savings, it is time to shift water efficiency outreach programs from urgency-based efforts into an outreach program that communicates the value of water and permanently promotes water use efficiency.

To assist with the development and implementation of an updated water use efficiency global message platform, staff recommends that IRWD execute an agreement with Suple Advertising & Design. For the past 20 years, Suple has been responsible for successful and award winning social change campaigns which helped solve some of the most interesting and difficult problems facing communities. Included in these efforts is a 10-year relationship with the Denver Water Department that changed the culture of water conservation in the Denver metropolitan area. The Denver Water campaign was honored for its innovation and creativity at the Venice Festival of Media. Suple will bring a new level of creativity and expertise to IRWD's water use efficiency outreach efforts.

Scope of Work for Suple:

For the first three to four months, Suple will lead the development of the water use efficiency outreach campaign platform as described in the scope of work provided as Exhibit "A". The scope of work includes:

- A Discovery phase that will bring the knowledge and thinking of Suple and IRWD together;
- A Customer Research phase that will coordinate efforts between the District's current opinion, research and strategy firm and Suple;
- A Message Strategy Development phase that will take the information learned from the first two phases and crystallize it into a simple articulate message strategy; and
- A Creative Development phase where Suple will develop a creative brief that presents three distinct creative directions with multiple execution proposals which will culminate in a selected message.

The following table provides the total not-to exceed costs for tasks that will be billed by Suple on a time and material basis.

Task	Cost
Phase 1: Discovery	\$15,000
Phase 2: Customer Research	\$45,000
Phase 3: Message Strategy Development	\$15,000
Phase 4: Creative Development	\$40,000
Total	\$115,000

FISCAL IMPACTS:

The cost of the water use efficiency message and creative development program is \$115,000. Funding for this effort is included in the FY 2016-17 operating budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS :

This item was reviewed at the Water Resources Policy and Communications Committee meeting on July 7, 2016.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICE AGREEMENT WITH SUKLE ADVERTISING & DESIGN IN THE AMOUNT OF \$115,000 FOR A WATER USE EFFICIENCY MESSAGE AND CREATIVE DEVELOPMENT PROGRAM.

LIST OF EXHIBITS:

Exhibit "A" – Sukle Advertising & Design Scope of Work

EXHIBIT "A"



SUKLE
2430 WEST 32ND AVENUE
DENVER, COLORADO 80211

P (303) 964-9100
F (303) 964-9663
SUKLE.COM

IRVINE RANCH WATER DISTRICT

MESSAGING PROPOSAL

MAY 23, 2016

SITUATION

Irvine Ranch Water District has reached out to Sukle for help managing the quickly changing communications landscape in California. IRWD is concerned about message fatigue with their customers. They also would like to explore a global message platform that is not contingent on drought messaging.

This proposal is designed to be executed in phases. Phase 1 Discovery will create the foundation and has a specific cost and timeline attached. Phase 2 Customer Research will be considered once Phase 1 is complete.

Phase 3, Message Strategy Development and Phase 4, is also included in the initial scope of work. Phases 5-7 in this proposal are intended for planning to purposes to help inform what the remainder of the campaign development could look like. Specific budgets, timelines and deliverables will be added once campaign objectives have been agreed upon.

OUR APPROACH

This proposal, Version 2, contains ballpark costs for Customer Research and Creative Development, Campaign Execution and Evaluation. The budgets were developed by considering the marketing spend made for similar initiatives by water departments in California, Texas and Colorado. Specific Irvine media costs and market challenges were also considered when developing the ballpark budgets.

Ballpark media budgets were developed for an integrated campaign.

There are a lot of ways to develop a budget. We work with all of our clients to maximize the impacts of their budgets while creating the most cost effective approach to achieving their goals. The intent of this proposal is to provide you with the information necessary to have an informed discussion about resource allocation for the initiative.

MESSAGE & CREATIVE DEVELOPMENT PROPOSAL

Phase 1: Discovery

Day One Session. The agency will prepare for, organize and lead a 4–6 hour deep dive with stakeholders from IRWD. The purpose of the session will be to bring the knowledge and thinking of our collective organizations together. Goals and objectives for the communications campaign will be established. We will systematically dissect the problem from three unique perspectives: the IRWD brand/organization, the audience(s) and the current/future environment. Once these perspectives are examined, hypotheses will be developed for the solution to the communication challenge. The highly collaborative session will provide foundation for the next phases of the effort. It will also be designed to build consensus and create open dialogue. The session will include:

- Discussion and development of objectives for the campaign
- Audit of existing marketing materials
- Analysis of the IRWD brand and organization
- Discussion of conservation initiatives and goals
- Development of an audience(s) profile
- Discussion of existing research
- Analysis of audience attitudes, behaviors and perceived barriers
- Discussion of the water situation now, 3, 5 and 10 years into the future
- Identification of unanswered questions and additional input necessary to develop a detailed scope of work for customer research if necessary

Deliverables: A discussion document summarizing discussion, hypotheses, next steps and responsibilities. A recommendation on additional learning or research.

Timing: 2 weeks

Cost: \$12,000 plus travel

Phase 2: Customer Research (if it is determined to be needed)

The Discovery Phase will create a solid foundation of knowledge to begin work. If questions remain unanswered, customer research may be required to provide insights that will make the communications more relevant and impactful with the audience(s).

Typically we conduct qualitative studies to understand conservation from your customer's point-of-view and explore messages that are most motivating to them. These studies can take the form of one-on-one interviews, groups, ethnographies and/or online interviews. Our approach aims to find and talk to real people, not those typically recruited by focus group facilities. We also conduct the conversations in natural settings such as homes and restaurants because we have found when people are more relaxed and in settings they are familiar with, they tend to be more honest and provide richer information. The participants would be asked to actively participate in reacting to and shaping the message hypotheses.

The research could also be conducted using online panels to reduce costs. Online panels would allow us to uncover much of the same insights, but in a more cost effective way. The ultimate goal is to identify the strongest strategy to convince people to change their behavior or reinforce current positive behaviors.

This will be a joint task between IRWD's opinion, research and strategy firm and Suple. May be able to utilize results of already completed customer surveys and focus groups.

Possible Deliverables: A discussion guide, stimulus materials, message hypotheses, research report

Timing: 2-6 weeks

Cost: For planning purposes, and may vary after further discussion, \$30,000 - \$45,000

Phase 3: Message Strategy Development

The agency will take the information learned in the Discovery Phase and the insights uncovered from the customer research and crystallize it into a simple and articulate message strategy. The strategy will provide IRWD with the key thought to communicate to customers in order to shape their behaviors now and in the future.

An oral presentation of the strategy will be given. Customer insights and thoughts will be used to build and support the recommended strategy. The presentation will be designed so that other audiences, such as board of directors or citizen groups can give a shortened version of the findings and recommendation. The information will be delivered in an easy to understand manner.

Deliverable: An oral presentation with message strategy recommendation and support
Timing: 2 weeks
Cost: \$15,000

Phase 4: Creative Development

Once the message strategy has been approved, the agency will develop a creative brief that guides and inspires the creative development process. Then, the agency will begin creative development. This is a process of relentless exploration and idea generation. We explore the message from various perspectives and angles. We work fast and rough. The best ideas survive and are refined and expanded. The goal is to create the most powerful idea that will inspire our audience.

The agency will present 3 distinct directions with multiple executions under each. All of the directions will be based on the message strategy. The ideas will be discussed, any refinements made and once approved, the agency will begin to design and execute it at each touch point across a recommended media/contact plan.

Deliverable: A creative idea for the campaign
Timing: 2-3 weeks
Cost: \$30,000-\$40,000

MESSAGE & CREATIVE DEVELOPMENT PROPOSAL BUDGET

Phase 1: Discovery	\$ 15,000
Phase 2: Customer Research (if needed)	\$ 45,000
Phase 3: Message Strategy Development	\$ 15,000
Phase 4: Creative Development	\$ 40,000
TOTAL (not to exceed)	\$115,000

MARKET PLAN AND EXECUTION PROPOSAL OVERVIEW

For planning purposes, we have included our thoughts on market plan development and execution process and potential costs. The following phases will be considered by IRWD after the completion of the Message & Creative Development component. These phases are not part of the current proposed contract.

Phase 5: Market Plan Development

Once the creative idea is approved, the agency will begin to create a media strategy and plan to disseminate the messages to your audience. The media team will analyze the market, media costs and idea to create the greatest impact with the intended audience(s). The outcome will be an integrated plan that outlines strategies, tactics, timing and budget.

Deliverable: An integrated market communications plan

Timing: 2-3 weeks

Cost: \$10,000

Phase 6: Campaign Execution

The agency will take the campaign idea and apply it to each and every tactic identified within the market communications plan. This includes writing, designing and producing advertising and digital content. The tactics could include video/TV, digital, non-traditional, print, OOH and/or digital radio.

Once a media plan is approved, the agency will execute the media buy. Ballpark media budgets have been included. The higher budget allows for an integrated campaign to run roughly from June through September. Possible media choices may include cable television, digital, the Orange County Register, ethnic newspapers, in-theater onscreen ads and mall advertising. The lower budget would focus on digital.

Once the pieces are created and produced, the agency will traffic all elements to the appropriate media outlet. The agency will manage all elements of the campaign while it is in market and track key metrics.

Deliverables: An integrated campaign and media buy

Timing: 12-16 weeks

Cost: \$390,000 - \$600,000

Phase 7: Campaign Evaluation

The agency will track media and engagement metrics. We will work with your organization to track actual changes in behavior of your customer. At the conclusion of the campaign, a report will be created summarizing the campaign, reporting on the key metrics, media analytics and making recommendations for future initiatives.

Deliverable: A campaign report and tracking

Timing: On-going over the course of the campaign

Cost: \$15,000

MARKET PLAN AND EXECUTION BUDGET (not part of current contract proposal)

Phase 5: Market Plan Development	\$10,000
Phase 6: Campaign Execution	\$390,000-\$600,000
Phase 7: Evaluation	\$15,000

MESSAGE & CREATIVE DEVELOPMENT PROPOSAL BUDGET

Phase 1: Discovery	\$ 15,000
Phase 2: Customer Research	\$ 45,000
Phase 3: Message Strategy Development	\$ 15,000
Phase 4: Creative Development	\$ 40,000
TOTAL not to exceed budget:	\$115,000

PAYMENT TERMS: Sukle will submit monthly invoices on a time and materials basis.

Approved By:

Date:



SUKLE
2430 WEST 32ND AVENUE
DENVER, COLORADO 80211

P (303) 964-9100
F (303) 964-9663
SUKLE.COM

IRVINE RANCH WATER DISTRICT

TITLE: Tentative Irvine Ranch Schedule (Phases 1-4)	DATE: 05/26/2016
------------------------------------------------------------------	----------------------------


Client Approval of Proposal	Friday, July 1
Signed Contract	Friday, July 8
Sukle to Review Past Marketing Materials/Relevant Research	Tuesday, July 5 – Friday July 15
Day 1 Session with Client	w/o July 18
Customer Research	Monday, July 25 – Friday, August 12 (2-3 weeks)
<ul style="list-style-type: none">- Decide on the best form of qualitative research (one-on-ones, online panels, etc)- Recruit participants	
Message Strategy Development	Monday, August 15 – August 26 (2 weeks)
Presentation on Recommended Messaging	Monday, August 29
Client Approval on Messaging	Friday, September 2
Campaign Development + Execution Begins	Tuesday, September 6 – Friday, September 23 (2-3 weeks)
Concept Presentation to Client	Monday, September 26
Concept Feedback/Approval	Friday, September 30

(Phases 5-7 TBD based on approved concepts)

July 11, 2016

Prepared and

submitted by: C. Compton

Approved by: Paul Cook 

CONSENT CALENDAR

ELECTION OF THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION SOUTHERN NETWORK SEAT B BOARD MEMBER

SUMMARY:

An election has been called for the Southern Network Seat B representative on the California Special Districts Association (CSDA) Board of Directors. Three candidates have been nominated for the position, and ballots are due to CSDA by 5:00 p.m. on August 5, 2016. Staff recommends that the Board review the candidates for the Southern Network Seat B representative, and authorize IRWD to cast its ballot in favor of Orange County Cemetery District Director Bill Nelson, the only candidate from an Orange County special district, before the August 5 deadline.

BACKGROUND:

The CSDA Board of Directors is comprised of representatives from its six networks. Each network has three seats on the CSDA Board of Directors. IRWD is located within the Southern Network. One of the three seats, Seat B, in the Southern Network is up for election, and CSDA has accepted nominations for the seat.

CSDA received three nominations for the Southern Network Seat B representative. The candidates are Orange County Cemetery District Director Bill Nelson, Chino Valley Independent Fire District Director John Demonaco, and East Valley Water District Director Ronald Coats. Director Nelson is currently serving as the Seat B representative and president of CSDA.

An election for the Seat B representative has been called, and ballots have been mailed out. The ballot and candidate information mailed by CSDA is attached as Exhibit "A". Additional correspondences received from the candidates are attached as Exhibit "B".

Ballots for the Southern Network Seat B representative must be received at CSDA's office by 5:00 p.m., August 5, 2016, to be counted. Staff recommends that IRWD proceed with submitting its ballot by the August 5 deadline, and cast its ballot in favor of Orange County Cemetery District Director Bill Nelson, the only candidate on the ballot from an Orange County special district.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on July 7, 2016.

RECOMMENDATION:

THAT THE BOARD REVIEW THE CANDIDATES FOR THE SOUTHERN NETWORK SEAT B REPRESENTATIVE ON THE CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) BOARD OF DIRECTORS, AND AUTHORIZE THE DISTRICT TO CAST ITS BALLOT IN FAVOR OF ORANGE COUNTY CEMETERY DISTRICT DIRECTOR BILL NELSON AND SUBMIT IT TO CSDA NO LATER THAN THE AUGUST 5, 2016, DEADLINE.

LIST OF EXHIBITS:

Exhibit "A" – CSDA Mail Ballot and Candidate Information
Exhibit "B" – Additional Candidate Correspondences

EXHIBIT "A"



**California Special
Districts Association**
Districts Stronger Together

CALIFORNIA SPECIAL DISTRICTS ASSOCIATION

2016 BOARD ELECTIONS

MAIL BALLOT INFORMATION

Dear Member:

A mail ballot has been enclosed for your district's use in voting to elect a representative to the CSDA Board of Directors in your Network for Seat B.

Each of CSDA's six (6) networks has three seats on the Board. Each of the candidates is either a board member or management-level employee of a member district located in your network. Each Regular Member (district) in good standing shall be entitled to vote for one (1) director to represent its network.

We have enclosed the candidate information for each candidate who submitted one. Please vote for **only one** candidate to represent your network in Seat B and be sure to sign, date and fill in your member district information. If any part of the ballot is not complete, the ballot will not be valid and will not be counted.

Please utilize the enclosed return envelope to return the completed ballot. Ballots must be received at the CSDA office at 1112 I Street, Suite 200, Sacramento, CA 95814 by **5:00pm on Friday, August 5, 2016**.

If you do not use the enclosed envelope, please mail in your ballot to:

California Special Districts Association
Attn: 2016 Board Elections
1112 I Street, Suite 200
Sacramento, CA 95814

Please contact Charlotte Lowe toll-free at 877.924.CSDA or charlottel@csgda.net with any questions.



California Special
Districts Association
Districts Stronger Together

2016 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: Bill Nelson

District/Company: Orange County Cemetery District

Title: Trustee & Vice Chair of the Board

Elected/Appointed/Staff: Appointed

Length of Service with District: 13 Years

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

CSDA 2016 President. Chair of Fiscal Committee - 2014, Served on the Board for five years, Served on all of CSDA Committees, attended at least 10 CSDA Legislative Days and Annual Conferences, Received Special District Leadership Foundation Recognition in Special District Governance.

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

Board of Directors - California Association of Public Cemeteries 2008 to 2016

Board of Directors - Institute For Local Government - 2016 to present

Board of Directors - California Association of Realtors - 2004 to 2012

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

City Council Member - City of Villa Park - 2014 to present

Trustee - Orange County Mosquito and Vector Control District - 2016 to present

4. List civic organization involvement:

Orange County Grand Jury 2002-2003

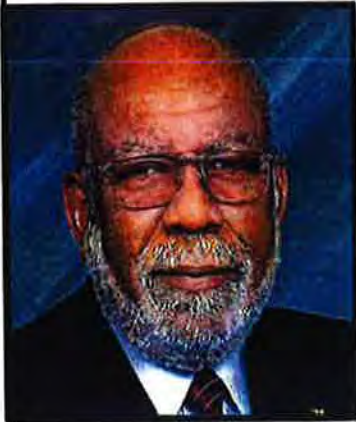
Board of Directors - Orange County Grand Jurors Association 2005-2011

City of Villa Park Investment Advisory Committee - 2008 to 2014 - Chair last two years

Villa Park Community Services Foundation - Treasurer - 2010 to 2014

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after June 2, 2016 will not be included with the ballot.**

Re-Elect CSDA President Bill Nelson To CSDA Board of Directors



PROVEN EXPERIENCE LEADING SPECIAL DISTRICTS

I am committed to building on CSDA's present foundation of educational programs and legislative advocacy. My enthusiasm, commitment and comprehensive knowledge of special districts bring years of experience to the CSDA Board. It would be an honor to continue serving special districts in the Southern Network.

- ✓ EXPERIENCED LEADER
 - ✓ COMMITTED TO SPECIAL DISTRICTS
 - ✓ FISCALLY RESPONSIBLE
 - ✓ DEDICATED

CSDA EXPERIENCE

- ❖ CSDA President 2016
- ❖ Served on the Board for five years
- ❖ Chair of Fiscal Committee 2014
- ❖ Membership Committee 2013-16

DISTRICT EXPERIENCE

- ❖ Appointed to Board of Trustees Orange County Cemetery District in 2003
- ❖ Chair of the Board 2006, 2010 & 2014. Currently Vice Chair
- ❖ Chair of Finance Committee 2004 to present

OTHER LEADERSHIP EXPERIENCE

- ❖ Board of Directors - California Association of Public Cemeteries 2008 to 2016
- ❖ Board of Directors - Institute for Local Government - 2016 to present
- ❖ Board of Directors - California Association of Realtors - 2004-2012
- ❖ Board of Trustees Orange County Mosquito & Vector Control - 2016 to present

COMMUNITY INVOLVEMENT-

- ❖ Orange County Grand Jury 2002-2003
- ❖ Board of Directors - Orange County Grand Jurors Association 2005 to 2011
- ❖ City of Villa Park Investment Advisory Committee- 2008 to 2014 - Chair last two years
- ❖ Villa Park Community Services Foundation - Treasurer - 2010 to 2014
- ❖ Villa Park City Council Member - 2014 to present

BUSINESS EXPERIENCE

- ❖ Financial Executive for 25 years with Atlantic Richfield Company (ARCO) & Southern Calif. Gas Co.

EDUCATION

- ❖ MBA Finance University of Southern California
- ❖ BA Economics California State University Dominguez Hills



**California Special
Districts Association**
Districts Stronger Together

2016 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: John DeMonaco

District/Company: Chino Valley Independent Fire District

Title: Director

Elected/Appointed/Staff: Elected

Length of Service with District: 10 Years

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

I am on the Legislative and Fiscal Committees.

I have also served on the Education and Membership Committees.

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

I am on the Board of Directors for the Fire Districts Association of California.

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

N/A

4. List civic organization involvement:

I am a member and past president of the Rotary Club of Chino.

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after June 2, 2016 will not be included with the ballot.**

I am seeking election to a seat on the Board of Directors of the California Special Districts Association.

I have served on the Board of Directors of the Chino Valley Independent Fire District for ten years, elected in 2006. I am very proud to state that the Fire District is the **first** fire district to receive the District of Distinction Accreditation from the Special Districts Leadership Foundation (SDLF). We have been a District of Distinction since 2008. We also hold a District of Transparency Certificate of Excellence. I have completed the SDLF Recognition of Special District Governance.

I serve on the CSDA Legislative and the Fiscal Committees. I have previously served on the CSDA Education and Membership committees.

I am a retired Fire Chief with 33 years of Fire Service experience. I have been involved in city, county, JPAs and special districts in various capacities. I am currently on the Board of Directors of the Fire Districts Association of California and also serve on the Conference Committee. I am a Past President of the Chino Rotary Club and the current Chairman of the Chino Rotary Foundation.

I understand, and I am committed to legislative advocacy for special districts. Special Districts provide one of the most effective, efficient, and accountable forms of local service. It is vital that we continue to work together to influence and monitor policy decisions affecting California special districts.

My commitment and extensive experience, education in public service and as a special district board member & policy-maker, provides me with the ability to effectively serve as a CSDA Board Member representing all California Special Districts. I look forward to your support!

If you would like to speak with me, I can be reached at (909) 816-8396 or at jdemonaco@chofire.org

John DeMonaco



**California Special
Districts Association**
Districts Stronger Together

2016 CSDA BOARD CANDIDATE INFORMATION SHEET

The following information **MUST** accompany your nomination form and Resolution/minute order:

Name: Ronald L. Coats

District/Company: East Valley Water District

Title: Chairman of the Board

Elected/Appointed/Staff: Elected

Length of Service with District: 2 Years

1. Do you have current involvement with CSDA (such as committees, events, workshops, conferences, Governance Academy, etc.):

I am proud to be a lifetime member of the CSDA Leadership Foundation. Additionally, I have completed numerous CSDA webinars, including the CIDAC series on local agency finances and investments. Additionally, I have attended annual CSDA conferences.

2. Have you ever been associated with any other state-wide associations (CSAC, ACWA, League, etc.):

I am currently affiliated with ACWA, WaterReuse, and AWWA. I have attended every ACWA conference since my election.

3. List local government involvement (such as LAFCo, Association of Governments, etc.):

I am a member of the Association of San Bernardino County Special District's, serve on both the Citizen's Oversight Committee for the San Bernardino Community College District (3 years) and the Citizens Oversight Committee for the San Bernardino Unified School District (7 years).

4. List civic organization involvement:

Arrowhead United Way Planning and Allocations and Community Cabinet (15 years), as a member and ambassador of the San Bernardino Chamber of Commerce (17 years), Toastmasters International (10 years), American Legion (34 years), and California Sheriff's Association (27 years).

****Candidate Statement** – Although it is not required, each candidate is requested to submit a candidate statement of no more than 300 words in length. **Any statements received in the CSDA office after June 2, 2016 will not be included with the ballot.**

MY FELLOW CSDA MEMBER:

As Chairman of East Valley Water District I take great pride in the opportunity to serve my community. Prior to joining the Governing Board, I was an active public participant, and felt honored when elected in 2014. I firmly believe in the importance of transparent government and public service. With these foundational principles, I look forward to representing this region in a professional manner, as the Southern Network, Seat B, Board of Directors representative for CSDA.

I have had the opportunity to work with a number of organizations through CSDA and believe that we all benefit from interacting and sharing experiences. I am a proud lifetime member of the CSDA Leadership Foundation and have participated in a number of trainings opportunities.

At East Valley Water District, we have made a commitment to good governance and accountability. This is clearly demonstrated through the numerous awards we have received from the Government Finance Officers Association, CAPIO, CalPERS, and even CSDA. But I am proud to be a part of EVWD for more than the awards, they are an organization that delivers. As a performance based agency, we continue to achieve the impossible. Whether it is constructing a headquarters facility ahead of an already tight schedule, implementing budget based rates to provide customers with rate stability during the drought emergency, or developing a succession plan to prepare for the change in our workforce; we set our sights high to enhance the quality of life of this community.

As a CSDA Director, I will bring that passion for good governance and public service. Thank you for your consideration and for allowing me the opportunity to share my experience and perspective. I look forward to serving as a representative on the CSDA Board of Directors.

Sincerely,



Ronald Coats
EVWD Chairman

Christine Compton - Vote to Re-Elect President Bill Nelson CSDA Board Southern Network Seat B

From: Christine Compton

Subject: Vote to Re-Elect President Bill Nelson CSDA Board Southern Network Seat B

Click to add a signature

>> "Bill Nelson" <b.nelson@orccd.com> 6/20/2016 8:02 PM >>>

To Irvine Ranch Water District General Manager Paul Cook & Board of Directors,

I am asking for your vote for re-election the CSDA Board of Directors, Southern Network, Seat B. I have attached a bio that lists my experience and qualifications for the position. I have also included an excerpt from an article I published in the PublicCeo, an online California Local Government News organization.

This article tells about my experience with special districts and my goals as President of CSDA. I hope you will review these and that I will get your support for re-election to the CSDA Board.

Please add this to your next agenda.

Bill Nelson

Trustee

Orange County Cemetery District

25751 Trabuco Road

Lake Forest, CA 92630

C: 714-809-4463



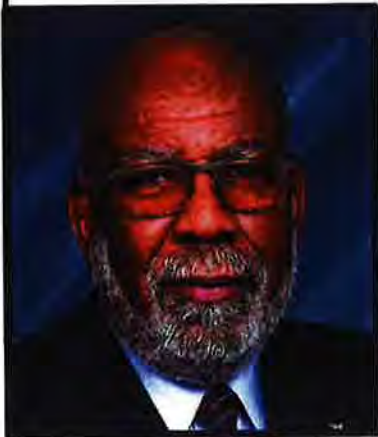
President



**California Special
Districts Association**
Districts Stronger Together

Re-Elect CSDA President Bill Nelson To CSDA Board of Directors

PROVEN EXPERIENCE LEADING SPECIAL DISTRICTS



I am committed to building on CSDA's present foundation of educational programs and legislative advocacy. My enthusiasm, commitment and comprehensive knowledge of special districts bring years of experience to the CSDA Board. It would be an honor to continue serving special districts in the Southern Network.

- ✓ EXPERIENCED LEADER
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OTHER LEADERSHIP EXPERIENCE

- ❖ Board of Directors - California Association of Public Cemeteries 2008 to 2016
- ❖ Board of Directors - Institute for Local Government - 2016 to present
- ❖ Board of Directors - Pacific West Association of Realtors - 2004 to 2012
- ❖ Board of Directors - California Association of Realtors - 2004-2012
- ❖ Board of Trustees Orange County Mosquito & Vector Control - 2016 to present

❖ COMMUNITY INVOLVEMENT-

- ❖ Orange County Grand Jury 2002-2003
- ❖ Board of Directors - Orange County Grand Jurors Association 2005 to 2011
- ❖ City of Villa Park Investment Advisory Committee- 2008 to 2014 - Chair last two years
- ❖ Villa Park Community Services Foundation - Treasurer - 2010 to 2014
- ❖ Villa Park City Council Member - 2014 to present

BUSINESS EXPERIENCE

- ❖ Financial Executive for 25 years with Atlantic Richfield Company (ARCO) & Southern Calif. Gas Co.

EDUCATION

- ❖ MBA Finance University of Southern California
- ❖ BA Economics California State University Dominguez Hills

PublicCeo.com
California Local Government News
March 2, 2016

The Future of Special Districts in 2016

By Bill Nelson, President of the California Special Districts Association.

In 2000, I retired from private industry and became involved in a number of different groups, one of which was the Orange County Grand Jury. This was my first exposure to government agencies, and to be frank, it did not start off as a good one. In investigating some of the agencies, I was appalled at some of the shenanigans that went on in government. When I finished my term, I informed my supervisor about my desire to learn more about these agencies.

What followed was an appointment to my local cemetery district. At that point I did not know there was such a thing as the cemetery district, as most folks do not know. That was the Orange County Cemetery District and I took a lot of grief from my friends and relatives about being part of this obscure government entity.

What I found was that this local agency served a very vital public service, as is the case with all special districts. There was definitely a need in the community and the Orange County Cemetery District served that need. That was how I first got involved with special districts. Coming from the private sector, my first impression of working within a local government was not a favorable one. I became frustrated with a system that seemed very inefficient.

Every decision seemed to take twice as long. There seemed to be endless and unnecessary rules and regulations. One of these regulations was the Brown Act, which prevented a majority of board members from speaking to one another about district business outside of a public meeting. In the private sector there was no such thing. Board members could get together and agree to an outcome before beginning the meeting. There were no rules preventing this common practice which help to speed decisions along.

After learning more about the district and the role as a public fiduciary, I learned the importance of the Brown Act and other regulations governing special districts.

The mechanisms that seemed like a huge waste of time, were the ones that were the most important aspect of managing a public agency. As a public official, I learned that I was no longer acting on behalf of a private industry. In this new role, I was acting for every resident I represented and my commitment was to provide transparency and accountability to the public.


The more time I spent with the Orange County Cemetery District, the greater my appreciation developed for the important role special districts play in their communities.

My personal involvement with the California Special Districts Association (CSDA) developed from a calling to help other special districts become more efficient while navigating through the regulations imposed on them by the state and other governments.

CSDA has become an integral part of ensuring special districts are equipped with the necessary tools to make sure they operate in the most efficient and effective manner. Their commitment to their members is what motivated me to run for president of the CSDA board.

In this role, I am looking forward to continue working with CSDA to ensure California's special districts are provided with every opportunity to enhance their professional development, and to continue our efforts to educate the public about these vital local government agencies.

During my term as president, it is my goal to help CSDA reach out to all 2,109 independent special districts, to give them a voice in the state, and assist in providing them with valuable resources to make them the best form of local government agencies California has ever seen.

July 11, 2016
Prepared and
submitted by: C. Compton
Approved by: Paul Cook 

CONSENT CALENDAR

STAKEHOLDER OUTREACH SERVICES

SUMMARY:

Irvine Ranch Water District's contract with Curt Pringle & Associates for stakeholder outreach services related to the Orange County Sanitation District Service Area 7 annexation and ocean desalination expired on June 30, 2016. Staff recommends that the Board approve a sole-source six-month Professional Services Agreement, from approximately July 15, 2016, to January 14, 2017, with Curt Pringle & Associates for continued stakeholder outreach and augmentation of the District's outreach efforts related to ocean desalination and other matters that are a priority for the District. The proposed new contract would include a \$6,000 monthly retainer for a total contract amount not to exceed \$36,000. The new agreement reflects a decrease in the amount of the monthly retainer.

BACKGROUND:

IRWD interacts with its county, city, and special district local government colleagues in a variety of ways and on an array of topics. As part of its local outreach efforts, the District seeks to coordinate on, and to engage productively in, local and regional water issue and policy discussions. Through these interactions and discussion, the District also seeks to create opportunities for information sharing; provide an avenue for addressing issues before they become problems; identify new opportunities for partnership and collaboration between local governments; and create direct and ongoing lines of communication with local elected officials.

Over the past few years, the number of public policy discussions the District has engaged in has increased due to the wide variety of water policy issues facing Orange County and the state. The District has used consultant services to augment staff resources where appropriate in these discussions to enable better District outreach to stakeholders and decision makers. Specifically, last year under the authority of the General Manager, IRWD contracted with Curt Pringle & Associates to provide for stakeholder outreach and public affairs augmentation services related to the Orange County Sanitation District Service Area 7 annexation and ocean desalination. The contract with Curt Pringle & Associates expired on June 30, 2016.

Curt Pringle & Associates has provided the District with a high level of service and knowledge, and enabled IRWD to optimize staff resources. Additionally, the firm has assisted the District in its ongoing efforts to build and maintain relationships with key local stakeholders and policy makers. To aid IRWD in its local efforts related to ocean desalination and other matters that are a priority for the District, staff recommends that the Board authorize the execution of a new Professional Services Agreement with Curt Pringle & Associates for a six-month period, beginning on approximately July 15, 2016, through January 14, 2017.

FISCAL IMPACTS:

The proposed contract with Curt Pringle & Associates would be in effect for a six-month period following the Board’s approval, and is proposed at \$6,000 per month. If approved by the Board, the new contract will be charged against the FY 2016-17 Operating Budget, under Department 110 expenses. The total requested contract authorization is \$36,000.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on July 7, 2016.

RECOMMENDATION:

THAT THE BOARD APPROVE A SIX-MONTH PROFESSIONAL SERVICES AGREEMENT, FROM APPROXIMATELY JULY 15, 2016, THROUGH JANUARY 14, 2017, WITH CURT PRINGLE & ASSOCIATES FOR \$6,000 PER MONTH FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$36,000.

LIST OF EXHIBITS:

Exhibit “A” – Proposal for Professional Services from Curt Pringle & Associates



June 27, 2016

Mr. Paul Cook, PE
General Manager
Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, CA 92618

Dear Paul,

It has been our pleasure to work with you and your team at the Irvine Ranch Water District (IRWD) over the past year on important public policy issues facing the district. Per your request and on behalf of Curt Pringle & Associates (CP&A), I am pleased to provide the following letter of agreement as it relates to continuing to provide strategic counsel, stakeholder outreach and public affairs augmentation for IRWD on an annual basis.

We at CP&A continue to be impressed by the importance IRWD places on maintaining and strengthening key stakeholder relationships and your commitment to increasing your strategic partnerships. We believe we can continue to bring value to you through our augmentation of your outreach and public affairs efforts with regards to ocean desalination and other matters that are of top priority for the District.

Should you decide to engage CP&A for this scope of work, our efforts will begin immediately and continue for a six month timeframe, with the opportunity to renew at the District's pleasure. We would propose to provide these services to you upon our receipt of a signed copy of this agreement for a monthly fee of \$6,000.

Again, we believe that our experience and strategic relationships, as well as our past effort on behalf of the District itself, will serve IRWD well as we work together on strategic initiatives, stakeholder outreach and public affairs.

If you are in accordance with the terms of this agreement, please sign below and return a copy, along with a check for the engagement fee, to our offices at your earliest convenience. Do not hesitate to call Jennifer Fitzgerald directly if you have any questions or concerns. Thank you again for your consideration of CP&A and best regards.

Sincerely,

Sincerely,

Curt Pringle

I concur with the terms and conditions set forth as part of this letter agreement between Curt Pringle & Associates and the Irvine Ranch Water District and agree to make payment for such services in a timely and expeditious manner.

By: Paul Cook, PE

Paul Cook, P.E.
General Manager

Date

July 11, 2016

Prepared by: F. Sanchez

Submitted by: P. Weghorst *PW*

Approved by: Paul Cook *PC*

ACTION CALENDAR

SPECIALIZED LEGAL COUNSEL SERVICES – ENVIRONMENTAL QUALITY AND COMPLIANCE

SUMMARY:

Environmental regulations and requirements are becoming increasingly more complex and expansive. In order to ensure that IRWD remains in compliance with environmental regulations while at the same time not negatively impacting operations, it is critical that the District be engaged in monitoring regulations and participating in policy discussions. Due to the wide-ranging scope of environmental issues that may affect IRWD, staff is seeking to augment existing resources with specialized legal counsel services. Staff solicited proposals from several firms and determined that Nossaman LLP provides a level and depth of expertise in environmental issues that best meets the needs of the District. Staff recommends that the Board authorize the General Manager to execute a Letter of Engagement with Nossaman to provide specialized legal counsel services for environment issues.

BACKGROUND:

Ensuring IRWD's continued compliance with environmental regulations is becoming increasingly complex as the regulations and permit requirements become more stringent and expansive. It is critical that the District closely monitor proposed regulations and participate in relevant policy discussions to optimize the regulatory-setting and policy making outcomes for the benefit of the District's customers. Due the wide scope of environmental issues and potential impacts faced by the District, staff is recommending that IRWD engage specialized environmental legal counsel with the following expertise to augment existing resources:

- Regulatory tracking, monitoring and interpretation;
- Participation in public policy discussions;
- California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA);
- Clean Water Act and Porter-Cologne Act;
- Environmental permitting;
- Air quality regulations and permitting;
- Renewable energy; and
- Habitat and endangered species.

Areas of particular concern for IRWD which the specialized environmental legal counsel would potentially address on behalf of the District include:

- Infrastructure project permitting;
- Facility and equipment operation and permitting;
- San Joaquin Marsh and the Natural Treatment System;

- Recycled water quality;
- Groundwater quality and supply;
- Surface water quality; and
- Ocean desalination in Orange County.

Staff solicited proposals and interviewed two firms in regard to providing environmental legal services to IRWD. Nossaman offers a uniquely qualified team of experienced professionals who provide an unparalleled depth and breadth of expertise in the area of environmental quality and compliance. The firm has a proven track record of working cooperatively with state and local public agencies to anticipate environmental legal issues, devise strategies to successfully address them, and, when necessary, defend those strategies. Nossaman is well-positioned to assist IRWD not only due to its successful work in similar engagements, but also due to its familiarity with IRWD and the regulatory environment within which the District operates. Nossaman has previously assisted the District in the following areas:

- CEQA analysis and review of the Natural Treatment System Master Plan;
- Stakeholder collaboration as participants in the Nitrogen Selenium Monitoring Program in addressing regulatory concerns and requirements for Total Maximum Daily Load implementation in the Newport Bay Watershed; and
- Development of the Orange County Central Coastal Habitat Conservation Plan/Natural Communities Conservation Plan.

Given the potential impacts to the District's operations from increasingly stringent regulatory requirements, staff recommends that the Board authorize the General Manager to engage Nossaman to provide specialized environmental legal services to augment existing resources. The letter of engagement with Nossaman is provided as Exhibit "A". Nossaman's proposed scope of services and attorney team are provided as Exhibit "B".

FISCAL IMPACTS:

Funding for legal services is included in the FY 2016-17 Operating Budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on July 7, 2016.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE A LETTER OF ENGAGEMENT WITH NOSSAMAN LLP TO PROVIDE SPECIALIZED LEGAL COUNSEL FOR ENVIRONMENTAL ISSUES.

LIST OF EXHIBITS:

Exhibit “A” – Letter of Engagement
Exhibit “B” – Scope of Services

EXHIBIT "A"



ATTORNEYS AT LAW

18101 Von Kaman Avenue
Suite 1800
Irvine, CA 92612
T 949.833.7800
F 949.833.7878

Mary Lynn K. Coffee
D 949.477.7675
mlcoffee@nossaman.com

Refer To File #: 000013-1176

VIA EMAIL AND FIRST CLASS MAIL

July 4, 2016

Ms. Fiona M. Sanchez
Director of Water Resources
Irvine Ranch Water District
NTS Program Manager
P.O. Box 57000
Irvine, CA 92619-7000

Re: Engagement for Legal Services for Irvine Ranch Water District Environmental Quality and Compliance

Dear Ms. Sanchez:

1. We are very pleased to have the opportunity to provide legal services to **Irvine Ranch Water District** ("Client"). (The terms "you" and "yours" as used in this letter shall refer to the Client). We expect that these services will be provided principally by attorneys resident in our Irvine and Los Angeles offices, although we may call upon attorneys in our other offices to provide advice or assistance on your matter if appropriate. Upon your acceptance, this letter will serve to record our agreement of the terms and conditions of our representation because we have completed a review of all conflicts and credit and this engagement has been accepted by Firm Management.

2. Client has asked us and we agree to represent Client as special environmental counsel, providing services encompassing environmental regulatory and public policy tracking, interpretation, advice, counsel and legal representation with respect to:

a) Federal Clean Water Act and Porter-Cologne Water Quality Control Act permitting and compliance, new developments and issues, including Basin Plan Amendments, Section 303(d) listings, TMDLs, NPDES permitting, Section 404 permitting, Section 401 water quality certifications, jurisdictional delineations, and other wetlands protection and surface and groundwater water quality issues;

b) State Streambed Alteration Agreement permitting, mitigation and compliance, new developments and issues;

c) CEQA and NEPA environmental review, documentation, mitigation, and compliance, new developments and issues;

d) Ocean desalination permitting, mitigation and compliance, new developments and issues;

e) Air quality permitting, mitigation, and compliance, new developments and issues;

f) Renewable energy permitting, mitigation, and compliance, new developments and issues; and

g) California and federal Endangered Species Act permitting, mitigation, and compliance, new developments and issues, including Habitat Conservation Planning and Natural Community Conservation Planning issues.

3. The Client has appointed Paul Weghorst and those staff members that he designates from time to time to receive our billings and other information with respect to this agreement and to give us instructions as to how we are to provide service to the Client under this agreement.

4. Client agrees that Irvine Ranch Water District is our Client for the specific matters on which we are engaged, and that we shall not be deemed to represent any of its parents, subsidiaries or other affiliates unless we expressly agree to do so in writing. Further, our representation of a corporation, partnership, joint venture, association, or other entity does not include a representation of the individuals or entities that are shareholders, officers, directors, partners, joint ventures, employees or members of such entities or their interests in such entities. There is no attorney-client relationship between the Firm and any such related person or entity. The attorney-client privilege is solely between the Client and the Firm. Any proposed expansion of the representation to include any such related persons or entities shall be subject to and contingent upon execution of an engagement letter directly with those persons or entities.

5. We understand that we are being retained only by the Irvine Ranch Water District. We have performed our conflict check based upon the information you the Client provided to us. You agree that we are not bound to avoid conflicts with any other entities that you have not identified to us.

6. On matters covered by this agreement, we agree to provide such legal services as we determine are reasonably required to represent Client; to take reasonable steps to keep you informed of facts and developments concerning the subject matter of this engagement as they come to our attention; and to respond to your reasonable inquiries. The Firm's lawyers have no obligation to share information, even information material to the representation, if that information was learned while representing other clients and is confidential to those other clients. You agree to cooperate with us, to keep us informed of developments, to abide by this agreement and to pay our statements for services in accordance with the provisions below.

7. Our fees for services provided to you pursuant to this agreement will be calculated and billed based upon hourly rates established for each attorney, paralegal and clerk rendering services on your matters. Our statements for services will provide you with a description of the services performed, the date they were performed, the time devoted to your matters and the specific hourly rate of the attorney, paralegal or clerk that performed the services on your behalf.

8. The hourly rates of individuals who are currently expected to perform services with respect to your matters are set forth on Attachment A hereto and will generally be recorded and billed in one tenth hour increments. If other personnel are asked to perform services, you will be informed of their billing rates on the first statement following their initial service. We expect that the attorneys listed on Attachment A will render the bulk of the services. From time to time, our rate structure in general, or the rates of particular attorneys, paralegals or clerks, may be increased. If so, you will be advised of the new rates. The new rates shall apply to all work performed after you have been advised of the new rates.

9. Our hourly rates apply to all time spent on your behalf, including but not limited to court and administrative hearing appearances; motion practice; preparing, analyzing, reviewing, and interpreting statutes, regulations, case law; preparation of memoranda, summaries, correspondence and documents; factual and legal research; consultation and advice; meetings to advise client; preparation and submission of regulatory and environmental review comment letters, mark-ups, and related documents; conducting negotiations; engaging in depositions and other discovery; conferences; preparing for and conducting petitions, trials and appeals; travel time; conferring with other attorneys in our Firm, or with witnesses or attorneys also involved in the matter; and such other services of a professional nature as this engagement may require.

10. We will ordinarily incur various costs and expenses or will provide certain in-house services while performing legal services. You agree to pay for these items in addition to our fees for legal services. The costs and expenses and in-house services may include, but will not necessarily be limited to, filing fees fixed by law or assessed by courts or other agencies; court reporters' fees; witness fees; experts' fees; consultants' fees; process server fees; investigation expenses; out of town travel expenses; electronic discovery data hosting charges, long distance telephone charges; messenger and private courier delivery charges; photocopying and other reproduction services; computerized research charges; and similar items.

In accordance with our Firm policies we currently charge \$1 per page for outgoing faxes and 20 cents per page for reprographic and printing services. External costs and expenses are charged at our cost, including computerized research and electronic evidence data processing. Where the Firm maintains a fixed subscription contract with a vendor for computerized research, you will be charged for the actual cost incurred by the Firm during the given month which often results in substantial discounts of the vendor's regular rates. We will not charge you for word processing, overtime expenses associated with administrative or secretarial personnel, telephone calls within the United States and similar items unless these items are unusually large in amount and we obtain your agreement in advance. We will not add a "handling" charge for costs and expenses incurred on your behalf.

10. We are not required to advance payment for any external expenses. If for any reason we advance a payment for external expenses, you agree to promptly pay our invoices with those charges. In addition, we may submit those charges directly to you and ask that you pay such charges directly to the vendors, in a timely manner. If you do not make timely payments to vendors, we reserve the right to pay those vendors on your behalf and include such charges in our statements and require reimbursement from you. It is important that vendors be promptly reimbursed so that we can retain good professional relationships with those vendors.

11. Our files for work prepared pursuant to this agreement are your property. We will release our files for work performed pursuant to this agreement to you or to anyone else you designate upon your written request delivered to the attorney in charge of this matter. However, you agree that we may, in our sole discretion, copy all or any portion of the file and charge the copying costs to you, and that we may have a reasonable period of time before releasing the documents to you or anyone else you designate in order to copy all or any portion of the files you have directed us to surrender. We will, from time to time, send portions of your files that are not currently needed to an off-site storage facility. The cost of this facility will be our sole expense. However, we are not the guarantor of the security of any off-site storage facility. Accordingly, you agree that the Firm will not be responsible for any damages which may occur as a result of the loss of any of your files which we store at an off-site storage facility. You also agree that we may, after the passage of two years without our having performed any work for you pursuant to this engagement for services, destroy your files unless you provide us with written instruction to forward the files to you or to another person you designate.

12. You agree to keep us informed of any change in your address, telephone numbers, or electronic mail address so that we may effectively communicate with you. We will also advise you promptly of any change in the Firm's business address, electronic mail address or telephone or facsimile numbers. You agree that we may communicate with you via electronic mail or wireless telephone even though these media may be less secure than alternative means of communication.

13. To aid in your matters, it may become necessary to hire experts, consultants or investigators. Such persons will be employed by us on your behalf, not by you, so as to protect any privileged work; but we will not hire such persons unless you approve and also agree to pay their fees and charges. The responsibility to pay for their services is solely yours.

14. We will send you monthly statements for fees and costs incurred. Payment is due within 30 days of the date of invoice. If not paid within the 30 days, interest shall accrue at the rate of 12% per annum from said due date. **You agree to read your statements carefully and promptly notify the Firm of any error.**

15. As a courtesy, we accommodate credit card payment for retainers and billing. You may authorize to pay your retainer via credit card by completing and signing the authorization below (See Attachment B, "Client Information"). As a courtesy you may also pay outstanding balances of fees and disbursements and/or additional retainers via credit card. For your convenience a credit card authorization form will be included in each invoice mailing or e-billing and should be filled out, signed and returned with the invoice if you wish to pay via credit card. Credit cards will not be billed without prior notification to you.

16. You may discharge us as your attorneys at any time. We may withdraw as your attorneys with or without your consent, as long as permitted by law. Some of the reasons that may cause us to withdraw include but are not limited to the following: your breach of this agreement; your failure to pay our bills on time; your refusal to cooperate with us; your refusal to follow our advice on a material matter; the development of irreconcilable disagreement between you and us as to the conduct of the engagement; or any other fact or circumstance that would render our continuing representation contrary to your interests, or to law, or to the rules of

professional conduct. Failure to withdraw as your attorneys on any one occasion shall not be a waiver of our right to do so if such other occasions arise.

If you discharge us, or if we elect to withdraw, you agree to secure forthwith other counsel of your own selection to represent you and, if we are your attorneys of record in any litigation, to cooperate fully in substituting such new counsel as your attorneys of record in the litigation.

17. Nothing in this agreement and nothing in our statements to you should be construed as a guarantee or promise about the outcome of your matter or any phase thereof. Comments about the course or outcome of your matter or any phase thereof which we may make from time to time are expressions of opinion only. You acknowledge that the amount of legal fees and costs which may be incurred on your behalf pursuant to this agreement is not capable of precise prediction; and you acknowledge that we have made no guarantees or promises and that you have set no limits with regard to the cost of services we provide you.

18. Except for a claim for Client's failure to pay fees for professional services and/or expenses, if any dispute arises out of, or relates to, a claimed breach of this agreement, the professional services rendered by attorneys, or any other disagreement of any nature, type or description regardless of the facts or legal theories which may be involved, such dispute shall be resolved by judicial reference pursuant to Code of Civil Procedure Section 638. The judicial referee's decision shall be binding upon both Client and the Firm. Each side shall bear their own costs and attorneys' fees.

19. Any dispute as to the Client's failure to pay fees for professional services and/or expenses shall, subject to the provisions of Business and Professions Code sections 6200 et seq., be resolved in the appropriate Superior Court of the State of California. The party prevailing in an action regarding a dispute as to the client's failure to pay fees for professional services and/or expenses shall be entitled to recover from the other party the prevailing party's actual attorneys' fees and costs incurred, including expert witness fees, witness fees, and associated expenses, whether or not the action proceeds to judgment. For the purposes of enforcing this agreement, and as otherwise required by law, you agree that this agreement may be disclosed to a court or arbitrator.

20. This agreement is made under and shall be construed in accordance with the substantive laws of the State of California without reference to its choice of law rules.

21. We carry professional liability insurance which would cover the services we will be providing to you under the terms of this agreement. That insurance is subject to a significant self-insured retention.

22. This agreement will take effect when you sign this agreement and return it to us; but its effect will be retroactive to the date we first performed services on your behalf. Client agrees that its performance under this agreement and its payment of the fees and costs required hereunder shall be in Los Angeles, California.

23. This agreement constitutes a single, integrated written contract expressing the entire agreement of the Client and our Firm. There is no other agreement, written or oral,

express or implied, between the parties with respect to the subject matter of this agreement. This agreement may be modified only in a writing signed by all the parties. This agreement shall be construed by giving effect to the plain meaning of its terms.

We are very proud of our client relationships, and occasionally identify clients to others who ask about our client base, or in institutional materials. Unless you object in writing, we assume that you agree that we may state that we represent you in such matters as we deem appropriate, although of course we would not publish or disseminate any confidential information.

If these terms are acceptable to you, please sign in the space provided below and return one full executed copy of this agreement to us, and retain the other fully executed copy for your files.

We appreciate your confidence in our Firm and look forward to working with you.

Sincerely,



Mary Lynn Coffee
of Nossaman LLP

MLC:lmh

ACCEPTANCE

I have read and understand the foregoing terms and agree to them as of the date that Nossaman LLP first provided services to **Irvine Ranch Water District**.

Dated: _____

IRVINE RANCH WATER DISTRICT

By: _____

Printed Name: _____

Title: _____

FOR ACCOUNTING USE ONLY

Client Name: _____

Matter Name: _____

Client Number: _____

ATTACHMENT A

SCHEDULE/EXPLANATION OF FEES

Billing Rates charged in one-tenth hour increments:

<u>TIMEKEEPER</u>	<u>HOURLY RATE¹</u>
<u>Attorneys</u>	
<u>Senior Partners and Supervising Attorneys:</u>	\$490.00
Mary Lynn K. Coffee	
Paul S. Weiland	
Alfred E. Smith	
Robert D. Thornton	
Byron Gee	
<u>Partners:</u>	\$445.00
Benjamin Z. Rubin	
<u>Senior Associates</u>	\$400.00
Liz Klebaner	
Ashley J. Remillard	
<u>Associates</u>	\$300.00
Gina Nicholls	

Paralegals/Clerks

If needed, hourly rates will be billed between \$175 and \$225 per hour.

DISBURSEMENTS

Fax per page \$ 1.00
Copy per page \$ 0.20

Interest charged on payment past due12%

mlbc

**Nossaman Partner
Initials**

Client's Initials

¹Rates are discounted 9.5% to 35%.

FOR ACCOUNTING USE ONLY

Client Name: _____
Matter Name: _____
Client Number: _____

ATTACHMENT B
CLIENT INFORMATION

[PLEASE COMPLETE]

Mailing Address: _____

Daytime Telephone: _____

Daytime Facsimile: _____

Cellular Phone: _____

Home Address: _____

Home Telephone: _____

Home Facsimile: _____

- Please DO NOT contact me at mailing address or phone.
- You may also contact me by e-mail at: _____

CREDIT CARD INFORMATION
(FOR RETAINER PAYMENTS ONLY)

Credit Card Information: Visa MasterCard Amex

Name on Card: _____

Card No: _____ **Expiration Date:** _____

Your Billing Address for Card: _____

Amount Authorized: _____

Authorization Signature: _____

Date Authorized: _____

(NOTE: PLEASE SUBMIT THIS COMPLETED CREDIT CARD INFORMATION TO THE FINANCE DEPARTMENT FOR PROCESSING IMMEDIATELY UPON RECEIPT FROM THE CLIENT)

A. SUMMARY OF SERVICES

Nossaman's land use and environment team is uniquely suited to serve the needs of Irvine Ranch Water District due to its depth and combination of counseling, permitting, regulatory affairs and compliance, and litigation skills; as well as its substantial experience working with public agencies. Nossaman has a well-established history of helping clients navigate the complex maze of state and federal environmental regulations applicable to agency activities by working closely with clients and outside consultants to devise strategies that not only result in legally defensible environmental documents, but also help to avoid litigation altogether. However, should the need arise, Nossaman has a long track record of representing clients in administrative and judicial proceedings, including proceedings under the California Environmental Quality Act (CEQA), the National Environmental Policy Act (NEPA), the Clean Water Act (CWA), the Porter-Cologne Water Quality Control Act (Porter-Cologne), the federal and California Endangered Species Acts (ESAs), and other state and federal environmental and natural resource protection laws. In that role, Nossaman has successfully defended over \$10 billion in public infrastructure projects in state and federal court.

Clean Water Act and Porter-Cologne Water Quality Act

Nossaman assists clients with all environmental issues associated with wastewater treatment, discharge permitting, and surface, ground water and storm water quality legal, policy, permitting and legislative matters. Our team's experience includes advising clients on all aspects of water quality regulation. These include providing comprehensive strategies for obtaining, administratively challenging, and navigating the requirements of general and individual CWA section 402 National Pollutant Discharge Elimination System (NPDES) permits, general Phase I and Phase II MS4 storm water NPDES permits (including storm water capture requirements), general construction and industrial storm water NPDES permits; Porter-Cologne Waste Discharge Requirements (WDRs), WDR conditional waivers for agriculture and other dischargers. In addition, we have extensive experience addressing section 303(d) water quality impairment listings, including representation of clients in both stakeholder driven and regulatory agency driven and total maximum daily load (TMDL) implementation plan development processes. The specialized experience and expertise of Nossaman attorneys in the preparation and implementation of multi-agency, and/or multiple stakeholder regional or watershed based TMDL, permitting and compliance plans is unparalleled.

Environmental Permitting

Streambed Alteration Agreements and 404 Permits, 401 Certifications, Jurisdictional Delineations

Our attorneys have extensive experience securing CWA section 404 permits, section 401 Water Quality Certifications, State Streambed Alteration Agreements, and WDRs for fill. By understanding the interplay between water quality regulation issues and compliance with other state and federal environmental laws—including the California Coastal Act, the California State Lands statutes, the California and federal ESAs, and CEQA and NEPA—the Nossaman team provides strategies for permitting and full regulatory compliance efficiently and on schedule. Nossaman also has substantial experience preparing both construction and post-construction water quality management and compliance programs, and regional water quality management and improvement plans in cooperation with the U.S. Environmental Protection Agency (EPA), the State Water Resources Control Board (SWRCB), and the Santa Ana Regional Water Quality Control Board. We have extensive experience in preventing, addressing, and defending alleged NPDES discharge permit and statewide general storm water permit violations before the Water Boards and EPA.

Nossaman's resources also include an active legislative and administrative advocacy practice in Sacramento and Washington D.C. to help our clients achieve policy, legislative and administrative solutions to the legal, environmental, and political barriers to permitting, construction, development, and project approval.

CEQA/NEPA

Nossaman specializes in representing public agencies and private developers as CEQA and NEPA counsel. Our services range from advising clients on CEQA and NEPA requirements on an as-needed basis to "soup to nuts" project management, including:

- developing strategies for the sequencing of environmental review for phased projects and projects requiring multiple state and federal approvals

- facilitating consensus among local, state, and federal resource agencies in connection with project environmental review
- devising and implementing defensive strategies in collaboration with technical consultants to minimize legal risk and ensure timely project implementation
- defending project approvals in state and federal court

Nossaman team members are recognized for their expertise in CEQA and NEPA in California and nationwide, as reflected by our team members' frequent speaking and writing engagements (for example, in *The Natural Lawyer*) as well as our firm's online coverage of developments in CEQA, NEPA and other state and federal environmental laws. Our attorneys have drafted key text to moderate environmental legislation, including the California Global Warming Solutions Act of 2006 (AB 32) and the Sustainable Communities and Climate Protection Act of 2008 (SB 375). We are frequently consulted by the California Resources Agency, the Department of Transportation, and the Federal Highway Administration (FHWA) regarding CEQA and NEPA regulations and reform; and we also provide commentary on proposed regulatory amendments to all key state and federal resource agencies. Our team's experience solving the practical challenges of CEQA and NEPA permitting, and our participation in the evolution of CEQA's and NEPA's requirements in light of changing state and federal policies have yielded highly successful results. Our litigation expertise is reflected by the sampling in Section C below.

Groundwater and Water Supply

Nossaman has been a leader in California's water industry for over 70 years. We recognize that the long-term supply of surface water, groundwater, reclaimed water, and desalinated water is critical as resources become scarce throughout the state. Our Water Group represents watermasters, water districts, cities, utilities, developers, agricultural growers and processors, design-builders, operators, and local, regional, and state agencies on a wide range of environmental, financing, water rights and water quality law, and water utility issues, including related litigation. We understand California and federal law and regulations that impact water from every possible perspective, which enables us to serve our clients' diverse needs effectively.

Nossaman attorneys and our Sacramento and D.C. policy specialists work daily with engineers, hydrologists, geologists, water quality specialists, and other professionals whose assistance is often crucial to the successful resolution of legal and political issues affecting water supply and quality, water rights, and other natural resource legal matters. Additionally, members of our Water Group are actively involved in and frequently serve on expert panels for industry and professional organizations such as the Association of California Water Agencies, the California Water Association, the American Water Works Association, the American Groundwater Trust, the Water Education Foundation, the Groundwater Resources Association, and the Association of Ground Water Agencies.

Water Rights - Nossaman has long-standing expertise in the area of water rights. We represent clients in major groundwater adjudications and have handled numerous proceedings before the SWRCB. Our water attorneys have dealt with issues involving every conceivable water right, including appropriative rights, riparian rights, overlying rights, prescriptive rights, and pueblo water rights. We negotiate and/or obtain judicial declarations of water rights, participate in extensive multi-party negotiations concerning physical solutions relating to the allocation of water and water rights, and litigate the matters that cannot be solved through negotiations. We also negotiate the sale, lease, or transfer of water rights and provide legal opinions to help document water right positions.

Groundwater Clean-Up - Nossaman has an excellent track record in assisting both public and private sector clients in dealing with groundwater contamination, underground storage tanks, and well field contamination. We help our clients avoid legal, financial, and operational problems resulting from groundwater contamination. In California, Nossaman is one of the few law firms skilled in handling major perchlorate remediation cases. We have had a great deal of experience in handling or taking the lead on, amongst others, the two largest perchlorate cases in southern California. We have secured more than \$500 million worth of contamination settlements in favor of our clients. We also have a strong track record in helping public entities resolve environmental disputes and related insurance coverage issues. To date, we have recovered well into the hundreds of millions of dollars in insurance coverage for our clients. Our experience with contamination matters is extremely valuable in dealing with potentially responsible parties, seeking third party insurance coverage, and tapping clients' own insurance to defray all or a portion of the costs of litigation efforts. Our attorneys also routinely assist clients with the acquisition, sale, and remediation of contaminated property.

In addition to handling perchlorate matters, Nossaman has negotiated, prosecuted, and defended numerous other claims under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) and related environmental laws. Our attorneys have assisted clients with the acquisition, sale, and remediation of contaminated

property, involving groundwater contamination, the Resource Conservation and Recovery Act (RCRA), the Hazardous Substance Account Act (HSAA), Porter-Cologne, the CWA, the California Hazardous Waste Control Law, and other federal, state, and local environmental statutes. We also have a strong track record in helping public and private entities resolve environmental disputes and related insurance coverage issues.

Groundwater Management - We assist water agencies in forming joint powers authorities and Groundwater Sustainability Agencies (GSAs). We have been involved in the formation of AB 3030 plans, basin boundary issues, groundwater adjudications, integrated regional water planning, and other groundwater management programs for numerous clients. We strategize and help to develop conjunctive use programs and work to get the necessary environmental and regulatory approvals for these programs. Additionally, our water lawyers counsel clients on controlling the impact of water quality on water rights, management of safe yield, implementation of judgments, and on the formation of water banks.

In cooperation with other specialists within our firm, we recently developed a template joint powers agreement ("JPA") for GSA formation to be tailored to the needs of parties in basins where multiple entities wish to participate in a GSA, including, if desired, participation by private entities. We also have experience monitoring and participating in the basin boundary modification process under the Sustainable Groundwater Management Act (SGMA), and we are prepared to engage in that process when necessary.

Air Quality

Nossaman advises public entity and business clients on a broad spectrum of air quality issues. Our administrative and litigation experience has helped our clients resolve disputes with federal, state, and local regulatory agencies, while continuing to operate their facilities in compliance with air quality laws and regulations. When possible, we seek to counsel and negotiate environmental matters to avoid costly administrative proceedings and litigation. When disputes cannot be resolved informally, our attorneys have a proven track record of representing clients before mediators, administrative hearing boards and federal and state courts.

Nossaman has advised clients and defended actions under the Clean Air Act (CAA), California Health and Safety Code, Public Utilities Code, and various local air quality management district regulations. We have successfully implemented settlements and compliance strategies that have satisfied the needs of the regulators at a cost that is acceptable to our clients. We routinely assist clients in obtaining air quality permits and provide counsel on compliance with laws and regulations specific to California.

We work closely with the EPA, the California Air Resources Board (CARB) and the California Public Utilities Commission (CPUC), and have advised and represented clients at local air pollution control districts throughout California including, the South Coast Air Quality Management District (SCAQMD), the Bay Area Air Quality Management District, the San Joaquin Valley Air Pollution Control District, the Monterey Bay Unified Air Pollution Control District, and the San Luis Obispo Air Pollution Control District. Our clients benefit from our experience in working with these agencies and the long-term relationships we have fostered.

Renewable Energy

Nossaman provides legal and policy representation to clients at all stages of alternative energy project development, including technology development, commercialization, project planning, facility siting and development, and regulatory compliance. Our multi-disciplinary team offers strong legal expertise to address compliance with, and permitting under, state and federal environmental regulations, and to pursue legislative changes when necessary. Nossaman offers representation to improve legal defensibility of alternative energy projects and facilities in the face of potential litigation associated with their development, complemented by public policy advocacy in both Sacramento and Washington D.C., and litigation representation in the case of administrative or legal challenges.

We have the knowledge and expertise to:

- Negotiate and document transactions including project financing, equipment purchases, installation and operating agreements, site and system leases, power purchase agreements, power sales to utilities, and sales/purchases of existing alternative energy projects.
- Advise on renewable energy credits, electric and gas utility service and rate options, and the role of alternative energy projects in carbon emission cap and trade systems.
- Represent and advocate for renewable energy project developers and other interested parties before regulatory agencies such as the CPUC, the California Energy Commission, CARB, and the Federal Energy Regulatory

Commission, as well as before Congress and the California Legislature on issues related to energy project development, renewable energy technologies, and utility rates and rate structure for electric and natural gas services.

- Advise and assist alternative energy project developers with obtaining financing from grants, tax credits, and other incentives relating to renewable energy and energy efficiency programs authorized by the American Recovery and Reinvestment Act of 2009 and the Energy Improvement and Extension Act of 2008.

Nossaman is one of the nation's leaders on financing for all types of water and energy infrastructure projects. In that context, we have extensive experience with innovative financing programs such as private activity bonds and Build America Bonds. Legislation has expanded the scope of these programs, offering a federal subsidy for approximately 70 percent of the interest rate payable on certain qualifying energy bonds (including those issued to finance private sector energy conservation projects).

Nossaman's work in the alternative energy industry is also informed by our experience and expertise in public utilities regulation and contracting. We have advised clients on a broad range of subjects and proceedings, including transactional matters, utility rate cases, market entry authorizations, enforcement and compliance actions, policy proceedings, rulemaking proceedings, mergers and acquisitions, customer complaints, and utility relocations. Our role also includes drafting and negotiating long-term power purchase agreements, fuel supply agreements, facilities leases, business transactions (including the procurement of electric supplies and services), regulatory matters, litigation, and bankruptcy proceedings.

Habitat & Endangered Species

Nossaman is nationally recognized for its endangered species and natural resources practice, representing public and private entities engaged in a wide range of resource use and conservation activities throughout the United States. The proposed team specializes in resolving endangered species issues through careful negotiations with federal and state agencies, and with the environmental community. When negotiations are not feasible, we have proven our ability to successfully advance our client's interest in court, whether it is under the state or federal ESAs or other federal laws respecting resource and wildlife management, including CEQA and NEPA.

We have a proven track record of working cooperatively with federal, state, and local agencies and tribal governments in anticipating endangered species and related environmental legal issues and challenges, and crafting measures and recommendations to maximize the defensibility of final environmental documentation and mitigation decisions. In doing so, our clients have created important, helpful precedent both in their approach to environmental issues and in court decisions under the state and federal ESAs and related state and federal laws, such as the state Fully Protected Species laws, and the federal Migratory Bird Treaty Act. We have worked on some of the most difficult resource conservation issues in the nation, including the conservation of old growth redwood forests in northern California, the conflict between urban development and endangered species conservation in southern California, the largest agriculture to urban water transfer in the nation (Imperial Irrigation District transfer), the largest groundwater storage project in the nation (Kern Water Bank), and disputes over endangered species protection and the state water project supply for 25 million Californians.

The Nossaman Environment and Land Use team and our Sacramento and D.C. policy specialists continue to shape the law through frequent speaking engagements, published articles, and our blog dedicated to endangered species issues (the *Endangered Species Law & Policy blog*).

As counsel to Congressional committees on state and federal ESA and Natural Communities Conservation Plan (NCCP) amendments, we frequently comment on both general regulatory proposals – such as the proposal to amend existing regulations with respect to incidental take statements and critical habitat – and specific regulatory proposals (including listing, delisting and critical habitat designation) for individual species. Frequently, we collaborate closely with clients to develop a multi-prong approach to legislative or regulatory advocacy that extends beyond submission of written comments to direct communications with legislative or executive branch staff, participation in relevant conferences or workshops, and publication of articles in appropriate outlets.

Nossaman pioneered the Habitat Conservation Plan (HCP) concept and has more experience with HCPs/NCCPs than any law firm in the nation. We contributed as authors, and advocated the HCP and NCCP provisions of the federal and state ESAs respectively, and have played a leading role in developing more than a dozen habitat conservation plans, including the Orange County Central Coastal HCP/NCCP.

B. ATTORNEY TEAM

Please refer to **Attachment A** for full biographies of each proposed team member. In summary, the following Nossaman attorneys are proposed as the team for IRWD's consideration in response to the RFP.

Mary Lynn Coffee is a senior Nossaman environmental partner who has practiced environmental law from her home base in Orange County for more than 25 years. Ms. Coffee would serve as the Firm's legal services lead and supervising partner for IRWD matters, and would be the primary contact person for IRWD. She would supervise project staffing and assignments, consistent with Nossaman's philosophy of providing staffing arrangements that ensure responsiveness, cost efficiency, and timeliness. Ms. Coffee would be assisted in this role by Paul Weiland, an environmental partner who is also the Chair of Nossaman's Environmental and Land Use Practice Group. Mr. Weiland would be available to assist Ms. Coffee in the development of strategies and approaches to complex environmental legal and policy issues, and would assure that IRWD has continuous and uninterrupted access to a single contact person familiar with the agency's issues and matters.

Nossaman would also have the ability to draw on a multi-disciplinary team of lawyers with expertise in environmental advisory, administrative and litigation services. This will assure consistent and continuous availability of highly qualified professional staff to meet the specialized environmental law needs of IRWD efficiently and cost effectively. The composition and qualifications of the proposed team and resource attorneys that we can commit to making available to IRWD would ensure that IRWD has access to both the breadth of Nossaman's attorney resources, and the depth of Nossaman's unique expertise in complex environmental laws. The breadth and depth of Nossaman's bench allows the firm to quickly respond to client needs in a manner that would provide consistent and continuous legal staffing for each new IRWD environmental matter.

We typically staff assignments with a single attorney from the outset, to prevent duplicative efforts and minimize ramp-up costs associated with familiarizing attorneys with relevant facts, and the often complex technical information that accompanies environmental law issues. To that end, in consultation with our clients, Nossaman would allocate, and (if necessary) reallocate workloads among the attorney team in order to promptly provide professional services in highly complex environmental subspecialties when needed by IRWD.

Below we highlight the expertise of each member of our proposed team for this engagement.

IRWD Attorney Team

Mary Lynn Coffee, Partner (Lead Attorney/CWA and Porter-Cologne, Streambed Alteration Agreements, Habitat and Endangered Species, Environmental Permitting, CEQA/NEPA). Ms. Coffee has extensive experience providing legal and regulatory advice and counsel with respect to permitting and compliance under state and federal environmental review, water quality, wetlands, endangered species, and other natural resource protection laws. Her experience includes successfully obtaining, and administratively challenging, defending and moderating the requirements of NEPA/ CEQA clearances; CWA section 404 permits (including preliminary and adjudicated jurisdictional delineations); CWA section 401 water quality certifications; general and individual CWA section 402 NPDES discharge permits; WDRs, California Fish and Game Code Streambed Alteration Agreements; and state and federal ESA permits (including section 7 and section 10(a) permits). Her work specifically includes ESA section 10(a) and California ESA permitting related to the Central Coastal Natural Communities Conservation Program (NCCP). She has also advised clients regarding soils and groundwater remediation matters.

Ms. Coffee has provided advice and counsel to public works agencies, sanitation agencies, transportation agencies, water agencies, and private development clients, and has defended and settled ESA and CWA citizen suits. She also has unique and deep experience in representing client interests in development and implementation of stakeholder intensive regional regulatory compliance plans, including NCCPs and Special Area Management Plans (SAMPs) developed to address state and federal ESA, CWA, and Porter-Cologne requirements, and regional water quality programs to address section 303(d) impaired water bodies, total maximum daily loads (TMDLs), as well as general NPDES Phase I and Phase II MS4 permits, and other surface and ground water quality regulatory requirements. In addition, Ms. Coffee has developed, implemented and managed endangered species, wetlands, water quality and hazardous materials environmental compliance programs for public agency and private clients, including a Central Coastal NCCP compliance program, multiple general construction NPDES permit compliance programs, and multiple County of Orange Phase I MS4 permit compliance programs.

Paul Weiland, Partner (Team Member – Habitat and Endangered Species, Environmental Permitting, Renewable Energy). Mr. Weiland, Chair of Nossaman's Environment and Land Use Practice Group, focuses on environmental litigation, permitting, and compliance counseling. Mr. Weiland's clients include public agencies, private developers, large landowners, and trade associations. He counsels clients regarding land use, endangered species, wetlands, water quality, air quality, climate change, green building, transportation, and hazardous substances issues.

In addition, Mr. Weiland litigates environmental and natural resources matters both at the trial court and appellate court level. His experience includes litigation involving the Administrative Procedure Act (APA), CAA, CWA, CERCLA, ESA, Federal Land Policy and Management Act, NEPA, National Forest Management Act, RCRA, and Wilderness Act.

Ashley Remillard, Associate (Team Member). Ms. Remillard, a senior environmental associate in our Orange County office, advises clients on issues regarding environmental permitting and compliance, including with the state and federal ESAs, NEPA, CEQA, the National Historic Preservation Act (NHPA), the CWA, and Porter-Cologne. Ms. Remillard also has experience with both administrative and court litigation, and in counseling clients in areas of environmental permitting, land use, endangered species, wildlife, wetlands, water quality, wastewater, and transportation.

Liz Klebaner, Associate (Team Member). Ms. Klebaner, a senior associate in the Orange County Office, advises clients on environmental compliance and natural resources, administrative law, energy and public utilities matters, including compliance with CEQA, NEPA, the CAA, state and federal ESAs, the Indian Gaming Regulatory Act, the Federal Land Policy Management Act, NHPA, the APA, and the Warren-Alquist State Energy Resources Conservation and Development Act.

IRWD Resource Attorneys

Rob Thornton, Partner (Environmental Permitting, CEQA/NEPA, Habitat & Endangered Species). Mr. Thornton is one of the foremost natural resources, CEQA/NEPA, and state and federal ESA lawyers in the country. Over his more than 40-year career, Rob has successfully defended more than \$10 billion in regional infrastructure improvements against federal and state environmental challenges. Mr. Thornton is nationally recognized as an expert on preparation and implementation of HCPs and NCCPs. He assisted clients in obtaining approval of precedent-setting habitat conservation plans and natural community conservation plans, including the Orange County Central/Coastal NCCP.

Mr. Thornton's clients include public agencies and private individuals and businesses with environmental matters related to infrastructure and land development. As General Counsel to the Orange County Transportation Corridor Agencies, he played a lead role in developing the legal strategy to plan, finance and build \$3 billion in new regional transportation facilities in the County, including successful defense of CEQA and NEPA approvals for the San Joaquin Hills and Eastern Transportation Corridor projects. He successfully obtained the endangered species approvals for the first new landfill permitted in the San Francisco Bay Areas in recent decades.

Alfred Smith, Partner (Groundwater Quality and Water Rights). Mr. Smith is the Chair of Nossaman's Water Practice Group. He has extensive experience regarding water quality issues, including regulations adopted by the EPA, SWRCB, and the San Diego and Santa Ana Regional Water Quality Control Boards. Mr. Smith serves as Special Counsel on water quality and water rights issues for multiple water districts, including the associated administrative, adjudication and court litigation proceedings, and related state and federal litigation. Mr. Smith is a trusted advisor on matters involving water quality issues, regional water quality regulation, legislation, and all aspects of federal, state, and local laws, regulations, and enforcement applicable to NPDES regulations; CWA; and Porter-Cologne. To date, Mr. Smith has successfully secured more than \$500 million in contamination settlements in favor of public agency clients; and he has also successfully litigated water rights and contamination claims at all levels, including helping negotiate one of California's largest water contamination remediation settlements. As a result of Mr. Smith's expertise in the area of groundwater management, he was featured on the cover of February's issue of *Los Angeles Lawyer* for his article "Water Rules" on California's Sustainable Groundwater Management Act. He acts as General and Special Counsel to multiple public agencies, including Olivenhain Municipal Water District, Main San Gabriel Basin Watermaster, Central Basin Municipal Water District, Newhall County Water District, and the Cities of Ontario and Santa Monica. Mr. Smith is also the General Counsel for the Metro Gold Line Foothill Extension Construction Authority, where he assists with CEQA, emissions, and related environmental issues.

Byron Gee, Partner (Groundwater Quality and Air Quality). Mr. Gee has practiced environmental law and litigation for the past 18 years, and represents clients in court litigation and administrative hearings regarding water rights and hazardous materials. He specializes in air, water and soils contamination liability and remediation requirements imposed pursuant to the CAA, CERCLA, HSAA, RCRA, CWA and Porter-Cologne. Mr. Gee also provides strategic and advisory counsel regarding multi-party groundwater and soils contamination clean up and liability cases, and has both filed

challenges for, and defended clients in administrative proceedings based on federal, state, and local air quality, surface and groundwater quality, and soils protection, and water rights regulations. Prior to joining Nossaman, Mr. Gee was a vice president and general manager at various oil companies.

Ben Rubin, Partner (CEQA/NEPA and Environmental Litigation). Mr. Rubin assists developers, public agencies, landowners, and corporate clients on a variety of complex land use matters, including matters dealing with the ESAs, NEPA, the National Historic Preservation Act (NHPA), the Federal Toxic Substances Control Act (TSCA), the California Hazardous Waste Control Act, CEQA, the California Coastal Act, the California Permit Streamlining Act, and the federal and state Constitutions. These matters generally involve federal and state permitting issues, local zoning issues and variances, and environmental planning and compliance.

Gina Nicholls, Associate (Groundwater and Water Rights). Ms. Nicholls, a member of Nossaman's Water Practice Group, represents public agency clients and investor-owned utilities. Ms. Nicholls has litigation, regulatory, and transactional experience. Her practice focusses on water rights, California public agencies, and limitations imposed by the state constitution on water-related rates, fees, and charges. She was named a Super Lawyers "Southern California Rising Star" in 2016 by *Los Angeles* magazine.

Carolyn Lobell, Partner. Ms. Lobell has three decades of experience shepherding public works and private development projects through the environmental compliance process to completion. She has comprehensive experience with the practical applications of all state and federal environmental laws – from CEQA and NEPA, to air quality and wetlands regulations. Ms. Lobell has developed successful overarching environmental strategies and practical solutions for defensible environmental impact reports (EIRs), permitting, legislation and litigation support.

July 11, 2016

Prepared by: A. McNulty

Submitted by: F. Sanchez/P. Weghorst

Approved by: Paul Cook



ACTION CALENDAR

WATERSMART SOFTWARE VARIANCE NO. 3

SUMMARY:

The District's Water Smart Program, developed and administered by WaterSmart Software Inc., provides enhanced water use information to IRWD's customers separate from monthly water bills. Staff has requested proposals from multiple consultants to continue this customer engagement and analytics program over the next two years. To maintain program continuity, a variance is required with WaterSmart Software for up to six months until the consultant selection process is complete. Staff recommends the Board authorize the General Manager to execute Variance No. 3 with WaterSmart Software Inc. in the amount of \$107,850 to continue administering the Water Smart Program for up to six additional months.

BACKGROUND:

IRWD's Water Smart Program is a customer engagement and analytics program that provides customers with monthly reports that compare their water use with their water budgets. The reports also provide comparisons with water usage of similar customers. These reports help increase customer awareness of water use and provide customized recommendations based on each customer's profile. The reports also provide a means to effectively promote water efficiency programs and incentives.

The District entered into a Professional Services Agreement with WaterSmart Software in 2012 to implement a pilot program with 1,000 customers. Customers responded enthusiastically to the pilot program which demonstrated participant water savings of two percent to three percent. A full-scale program was implemented based on positive customer responses and water savings resulting from this pilot program. Two variances have been executed with WaterSmart Software to facilitate the program as described below:

Variance Nos. 1 and 2:

Variance No. 1 was executed with WaterSmart Software in FY 2013-14 to expand the pilot into a full-scale two-year program that targeted over-allocation, single-family customers. The variance also facilitated adding a postcard mailer inviting additional targeted customers to sign up for the program. Variance No. 2 extended the program for FY 2015-16 and expanded the number of printed customer reports, included business customers and offered an open enrollment feature. The open enrollment feature allowed IRWD customers to sign up for email reports, view their online usage dashboards and update their user profiles.

Variance No. 3:

As WaterSmart Software's agreement expires on June 30, 2016, Variance No. 3 is needed to extend the District's current agreement with WaterSmart Software for up to six months while a competitive

Request for Proposal process is completed to select a consultant who will continue the program. The additional six months will allow staff time to select a consultant, negotiate a final scope of work and conduct program transitional activities. Variance No. 3, provided as Exhibit "A", will provide up to 22,000 over-allocation customers with program reports, maintain the business customer dashboards and continue the open enrollment feature at the existing cost of \$17,975 per month for up to six months. Staff recommends the Board authorize the General Manager to execute Variance No. 3 in the total amount of \$107,850.

FISCAL IMPACTS:

Funding for the WaterSmart Program is included in the FY 2016-17 Operating Budget.

ENVIRONMENTAL COMPLIANCE:

This program is exempt from CEQA.

COMMITTEE STATUS:

This item was not reviewed by Committee.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 3 TO THE PROFESSIONAL SERVICES AGREEMENT BETWEEN IRWD AND WATERSMART SOFTWARE INC. IN THE AMOUNT OF \$107,850 TO CONTINUE ADMINISTERING IRWD'S WATER SMART PROGRAM FOR UP TO SIX ADDITIONAL MONTHS.

LIST OF EXHIBITS:

Exhibit "A" – Variance No. 3 to IRWD's Professional Services Agreement with WaterSmart Software Inc.

EXHIBIT "A"
IRVINE RANCH WATER DISTRICT
PROFESSIONAL SERVICES VARIANCE

Project Title: WaterSmart Home Water Use Report FY 16/17
 Project No.: _____ Date: _____
 Purchase Order No.: 516098 Variance No.: 3

Originator: IRWD ENGINEER/CONSULTANT Other (Explain) _____

Description of Variance (*attach any back-up material*):
Extension of monthly services for up to 6 months at the same monthly rate of \$17,975. The contract amount will increase by \$107,850 for continued administration of the program through December 2016 or until the program consultant is selected. See the attached summary of tasks for the services to be provided.

Engineering & Management Cost Impact:

Classification	Manhours	Billing Rate	Labor \$	Direct Costs	Subcon. \$	Total \$
As per the above Scope of Work				\$107,850		\$107,850
Total \$ =						\$107,850

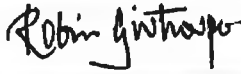
Schedule Impact:

Task No.	Task Description	Original Schedule	Schedule Variance	New Schedule
1	Program Administration	July 2012 - June 2016	6 month extension	July 2016-Dec.2016

Required Approval Determination:

Total Original Contract	<u>\$90,000</u>	<input type="checkbox"/> Director: Cumulative total of Variances less than or equal to \$50,000.
Previous Variances \$	<u>314,243</u>	<input type="checkbox"/> Executive Director: Cumulative total of Variances less than or equal to \$75,000.
This Variance	<u>\$107,850</u>	<input type="checkbox"/> General Manager: Cumulative total of Variances less than or equal to \$100,000.
Total Sum of Variances	<u>\$422,093</u>	<input checked="" type="checkbox"/> Board: Cumulative total of Variances greater than \$100,000.
New Contract Amount	<u>\$512,093</u>	
Percentage of Total Variances to Original Contract	<u>569</u> %	

ENGINEER/CONSULTANT: WaterSmart Software Inc. IRVINE RANCH WATER DISTRICT
 Company Name

Project Engineer/Manager _____ Date _____ Department Director _____ Date _____
 _____
 5/24/16
 Engineer's/Consultant's Management _____ Date _____ General Manager/Board _____ Date _____

IRVINE RANCH WATER DISTRICT

PROFESSIONAL SERVICES VARIANCE REGISTER

Project Title: Water Smart Home Water Use Reports

Project No.: _____ Project Manager: Amy McNulty

Variance No.	Description	Dates		Variance Amount
		Initiated	Approved	
1	Contract extension and addition of postcard mailing	5/29/14		\$98,550
2	Contract extension, expansion of print reports and inclusion of CII customers.	5/28/15		\$215,693
3	Contract Extension for 6 months. See attached Scope of Work.	5/23/16		\$107,850

Scope of Work – *Summary of Tasks*

Water Smart Software, Inc. will continue to implement IRWD's WaterSmart Program on a monthly basis for up to six months, with no modification to the tasks until a new consultant is selected and the program transition complete. The current tasks are provided below. Monthly fees of \$17,975 remain unchanged.

Task 1: Coordinate Program Design with IRWD

WaterSmart, in coordination with IRWD, will develop a program focused on IRWD single-family residential and business customers. Targeted single-family customers will receive either direct mail or electronic water use reports and messaging. Eligible participants will be selected each billing period based on water use characteristics and on-site survey sign-ups. WaterSmart will send direct mail and electronic water reports on a monthly basis. Business customers will be sent an introductory letter and invited to login to their customized dashboards. The customer portal will provide information on water use history and IRWD program information.

Task 2: Design and Develop Water Use Reports & Web-Based Applications

WaterSmart will:

- Provide two separate Web applications, one for customers and one for IRWD staff.
- Divide homes into distinct electronic and direct mail participation groups.
- Provide email reports to a subgroup based on water use characteristics. Priority will be to enroll those customers whose water use frequently exceeds allocation.
- Generate customized reports featuring content for each household that is most pertinent based on consumption levels, seasonal water use patterns, occupancy rates, the age of the residence, survey responses, program participation data and/or other factors.

Task 3: Data Specifications, Security and Transfer Protocols

IRWD will routinely provide a single flat data file containing all required data.

Task 4: Program Implementation

WaterSmart will, for each of IRWD's twelve monthly billing cycles, produce and print customized water use reports to transmit to each Customer. WaterSmart will send up to 11,000 direct mail and 11,000 electronic reports each month. IRWD shall have the primary responsibility for providing customer service to Customers. WaterSmart will provide a list of Frequently Asked Questions to both enrolled Customers and IRWD staff to facilitate this process.

Task 5: Customer Activity, Savings Tracking and Reporting

The Customer Portal will provide information on water consumption, comparisons among cohort groups, water score, allocations as defined by IRWD, information on IRWD programs, historical water use comparisons, Indoor/outdoor water use estimates, and personalized ways to save. The Conservation Manager Dashboard will provide program information to IRWD.

Task 6: Project Management


In order to ensure adherence to the agreed-upon schedule and budget WaterSmart will:

- Provide monthly project status report updates
- Organize meetings and workshops as required (in person, or by phone or web)
- Prepare meeting agendas (subject to prior IRWD review)
- Conduct and/or assist IRWD in conducting meetings and workshops
- Designate an individual to serve as a Project Manager

July 11, 2016

Prepared by: F. Sanchez

Submitted by: P. Weghorst

Approved by: Paul Cook 

ACTION CALENDAR

DECLARATION OF WATER SHORTAGE LEVEL ONE

SUMMARY:

In response to drought conditions, the Governor issued Executive Order B-2-15 on April 1, 2015. This order mandated a 25 percent statewide reduction in urban potable water use from 2013 levels. Subsequent regulatory action by the State Water Resources Control Board established IRWD's specific potable water use conservation target at 16 percent. This target equated to the need to save approximately 8,000 acre-feet (AF) of potable water. In July 2016, the IRWD Board of Directors declared a Level Two Shortage, which represents a significant shortage between 10 percent and 25 percent. Effective June 1, 2016, IRWD's conservation target was reduced to zero percent by the State Board based on an evaluation of IRWD's available supplies. Although IRWD's target has been reduced to zero, the state is still in a declared drought emergency. As a result, the State Board is calling for continued voluntary conservation. Voluntary conservation actions in IRWD's Water Shortage Contingency Plan (WSCP) correspond to a low level shortage condition. Based on this change from a significant shortage, staff recommends that the Board adopt a resolution rescinding Resolution No. 2015-18 and declaring a Water Shortage Level One which represents a low level shortage condition.

BACKGROUND:

The State of California has experienced several years of a severe statewide drought. In response to this multi-year drought, the Governor issued a series of executive orders. In April 2015, the Governor issued Executive Order B-2-15 that mandated a 25 percent statewide reduction in urban potable water use from 2013 levels. In May 2015, the State Board adopted a Drought Emergency Regulation that allocated potable water use reductions to urban water suppliers to achieve the statewide mandate. The District's mandated conservation target for the period June 2015 to February 2016 was 16 percent. This mandated reduction in potable water use fell within the 10 percent to 25 percent Level Two Shortage defined in the District's WSCP which is attached as Exhibit "A". In response to this mandate, in July 2015 the IRWD Board of Directors declared a Water Shortage Level Two which represents a significant shortage of between 10 percent and 25 percent.

Reduced Conservation Target:

In November 2015, the Governor issued an Executive Order directing the State Board to extend the Emergency Regulation until October 2016 based on continued statewide drought conditions. In February 2016, the State Board modified the regulation, incorporating credits and adjustments for sustainable supplies, growth and climate. As a result of the adjustments, IRWD's conservation target was reduced to 8 percent effective March 1, 2016.

Further Reduction Through Self -Certification:

On May 18, 2016, the State Board adopted a further revised regulation extending the term of the regulation until January 2017. This extension was adopted based on continued uncertainty over long-term water supplies in California. The revised regulation incorporates a new methodology for calculating water reduction targets. Under the new methodology, agencies can self-certify the availability of supplies to meet projected demands, assuming another three dry years. The percentage gap between an agency's supplies and demands in the third year becomes the water agency's revised conservation target. Agencies were required to submit their respective self-certifications, with documentation, by June 22, 2016. Staff submitted IRWD's self-certification which demonstrated the sufficiency of available supplies to meet projected demands. Therefore, IRWD's mandatory conservation target was reduced to zero percent, retroactive to June 1, 2016.

Declaring a Water Shortage Level One:

In accordance with the District's WSCP, the response to water supply shortages varies depending on the magnitude and nature of the shortfall. Although IRWD's mandatory target has been reduced to zero percent, the state is still in a declared drought emergency and is calling for additional voluntary conservation. The appropriate level of shortage that reflects local conditions, IRWD's reduced conservation target and the continued state drought emergency are a Water Shortage Level One. IRWD's legal counsel has prepared a resolution, which is attached as Exhibit "B", to formally rescind the declaration of Water Shortage Level Two and to declare a Water Shortage Level One which represents a low level shortage condition.

Level One Response Measures in Effect:

Water Shortage Level One response measures are incorporated into the Level Two response measures. As a result of the July 2015 Water Shortage Level Two declaration, the Level One measures are already in effect. The following Level One measures are either permanently in effect in years without shortages or have been already implemented as part of the Level One responses. The included prohibitions comply with the requirements of the State Board's Emergency Drought Regulations.

Prohibitions on water waste:

- Prevention of irrigation run-off and water waste;
- Leak prevention;
- Ban on washing down hard or paved surfaces, except when necessary to alleviate safety or sanitary hazards;
- Ban on the use of non-recirculating decorative fountains or water features;
- Ban on single-pass cooling; and
- Ban on the use of a hose for vehicle washing unless the hose has a positive, automatic shut-off device.

Commercial Car Washes:

Commercial conveyor and in-bay car wash systems must reuse water if equipped to do so.

Targeting Conservation Efforts:

The District will continue to offer on-site assistance to customers to help identify the source of inefficient and wasteful tier use and to provide recommendations for reducing water use.

Drought Messaging:

IRWD will continue its conservation outreach efforts including dedicated pages on the District's website, information in the *Pipelines* customer newsletter, and presentations to community groups including city councils, community associations, chambers of commerce, business groups and schools.

Rescission of Level Two Response Measures:

Level Two response measures that will be rescinded based on improved local and statewide conditions are as follows:

- Customers shall reduce potable landscape watering by up to 50 percent;
- Swimming pools shall be filled to a lower level to minimize water loss due to splashing. Discretionary maintenance requiring refilling of swimming pools shall be prohibited. Filling newly-constructed swimming pools and refilling pools for required, non-discretionary maintenance are not subject to the ban;
- Recycled water shall be required for construction activities, including earthwork, dust control and clean-up. IRWD may, at its discretion, waive this requirement if it can be demonstrated to the District's satisfaction that compliance with the requirement imposes undue hardship; and
- The use of recycled water is required for street sweeping activities. IRWD may, at its discretion, waive this requirement if it can be demonstrated to the District's satisfaction that compliance with the requirement imposes undue hardship.

Level Two Measure Remaining in Effect:

The following Level Two Measure will remain in effect for the remainder of the term of the state Drought Emergency Regulation due to state action (Section 4735 California Civil Code), regardless of any declared water shortage stage by IRWD:

- Common interest associations shall not fine or assess owners of separate interests for reducing or eliminating the watering of vegetation or lawns, except as permitted by California Civil Code Section 4735.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on June 6, 2016.

RECOMMENDATION:

THAT THE BOARD ADOPT A RESOLUTION RESCINDING RESOLUTION NO. 2015-18 AND DECLARING WATER SHORTAGE LEVEL ONE WHICH REPRESENTS A LOW LEVEL SHORTAGE CONDITION.

LIST OF EXHIBITS:

Exhibit "A" – Water Shortage Contingency Plan
Exhibit "B" – Resolution Declaring Water Shortage Level One

EXHIBIT "A"

WATER SHORTAGE CONTINGENCY PLAN October 2014

PART I: EXECUTIVE SUMMARY

Background

IRWD's response to a water supply shortage varies depending on the magnitude and nature of the shortfall. A supply shortage is defined as a reduction in total supplies, typically resulting from one of two conditions:

- Drought conditions that limit availability of imported water or local supplies.
- System interruptions that result from emergency outage conditions.

IRWD's response to any water supply shortage depends on the cause, severity and anticipated duration of the shortage. Use of local supplies, storage and other supply augmentation measures can mitigate shortages, and are assumed to be in use to the maximum extent possible during declared shortage levels. The resultant net shortage levels can be addressed by demand reduction programs, as described in this Plan. This document is intended primarily to address drought supply shortages, however at the discretion of the Board, this Plan may also be used to address system outages, although these are more explicitly addressed in IRWD's Water Supply Reliability Study (June 2008).

Supply Shortage Conditions

Given the assumption that the level of water supply shortage experienced at any point in time is net of mitigating supply factors, two basic considerations emerge in formulating a water shortage plan: (1) the shortage must be offset by demand reduction, and (2) the demand reduction program must be incremental in nature since shortage conditions are normally progressive. This means that a shortage contingency plan should be designed to address varying levels of supply deficits with recommended actions predicated upon the actual deficit level. Therefore this plan develops a shortage response based upon four levels of supply cutbacks:

- *Level One* is a shortage warning and low level shortage condition with supply reductions of up to 10%.
- *Level Two* is a significant shortage condition indicated by shortages between 10 to 25%.
- *Level Three* is a severe shortage condition indicated by shortages ranging from 25 to 40%.
- *Level Four* is a crisis shortage condition resulting when shortages exceed 40%.

Each shortage level will trigger a set of response measures aimed at reducing demand to the level of supply. Steps taken within each level should be considered cumulative; that is, Level Two responses will include most if not all the responses in Level One plus the additional actions necessary to meet the Level Two condition. Level Three will include most if not all the responses in Level Two plus the additional measures necessary to meet a Level Three condition, and so on.

However, if a shortage condition persisted over an extended period of time, it may be necessary to implement a higher level response to sustain required reductions. Thus both the severity of supply reductions and the duration over which the reductions are experienced will determine the appropriate response.

Supply Shortage Response Measures

In addition to basic measures which are always in effect, there are three types of response measures that can be implemented by the District in the event of a supply shortage.

- Voluntary measures through increased public outreach, education and awareness (V)
- Demand management through the use of the District's allocation-based rate structure (D).
- Mandatory measures through restrictions on use and enforcement (M).

In general terms, voluntary customer responses and demand management through the use of the allocation-based rate structure will be used in all four shortage levels identified in this plan. A combination of voluntary and demand management strategies are likely to be sufficient to address virtually all shortage levels. Responses to shortages in Levels Three and Four may also include restrictions on use and enforcement. Below is a summary of anticipated supply shortage response measures.

Supply Shortage Response Measure	IRWD Supply Shortage Level	Voluntary (V), Demand Management (D) or Mandatory (M)
Public Education	Always In Effect	
Prohibition of Gutter Flooding	Always In Effect	
Prohibition of Leaks	Always In Effect	
Prohibition of Water Waste	Always In Effect	
Enhanced Public Awareness Campaign	Level One	V
Target Over-Allocation Customers for Surveys/Assistance	Level One	V
Review and Adjust Customer Allocations and/or Tiers as necessary	Level One/Two	D
Reduce Potable and Untreated Irrigation and Agricultural Allocations by 30% or other percentage specified in the shortage level declaration	Level Two	D
Reduce Potable and Untreated Irrigation Allocations by 60% or other percentage specified in the shortage level declaration	Level Three	D
Reduce Commercial, Industrial and Institutional Potable Allocations by 10% or other percentage specified in the shortage level declaration	Level Three	D
Increase Rates for Over-Allocation Use Tiers	Level Three/Four	D
Further reduction of allocations, tightening of tiers and rate increases to achieve necessary demand reductions	Level Four	D/M
Eliminate Outdoor Use (100% reduction)	Level Four	D/M
Mandatory restrictions and enforcement	Level Four	M

These response measures may be applied singly or in combination and may vary according to the severity and duration of the shortage. Other measures may be applied in lieu of or in addition to those described in this plan. The application of shortage level response measures or restrictions may vary as to type of water service. In the implementation of measures or restrictions on potable water service through the declaration of a shortage level, the District will determine and set forth how and to what extent, if any, such measures or restrictions, or different measures or restrictions, will be applied to non-potable water services furnished by the District. IRWD's Board of Directors will declare the level of shortage based on water supply conditions.

Imported Water Supply Shortage

An imported water supply shortage represents one of the main causes of a supply shortage for the District. In 2008 approximately one-third of IRWD’s water supply was imported through Metropolitan Water District of Southern California (MWD). While potential reductions in imported water deliveries from MWD can be mitigated to some extent by the addition of other local supplies, such as increased pumping from groundwater facilities, or the conversion of certain potable water uses to recycled water (see IRWD’s Water Resources Master Plan (WRPM) and Urban Water Management Plan (UWMP)), the range of shortages projected herein is assumed to be net of those supply augmentation measures. That is, supply shortages identified as, say 20%, is the actual shortage confronted by the District’s customers after supply augmentation factors have been implemented. This plan is intended to develop a set of options to reduce demand; the development of supply augmentation options is outside the scope of this analysis and is addressed in the WRMP and UWMP.

In February 2008 the MWD adopted a Water Supply Allocation Plan based on its declared level of shortage. IRWD has performed analysis relating to varying hydrologic conditions, availability of supply augmentation measures and additional conservation. Based on the results of the modeling, Table 1 illustrates IRWD water shortage levels correlated with MWD’s allocation shortage plan.

Table 1: IRWD Water Shortage Levels Correlated with MWD Allocation Stages:

MWD Stage	MWD Supply Shortage	IRWD Reliability Range	IRWD Shortage Level
1	5%	97-100%	1
2	10%	95-100%	1
3	15%	93-100%	1
4	20%	91-100%	1
5	25%	88-99%	1 or 2
6	30%	86-97%	2
7	35%	84-95%	2
8	40%	82-92%	2
9	45%	79-89%	2
10	50%	77-88%	2 or 3

The above table assumes a dry local hydrology for multiple years and limited access to groundwater. Actual correlations may differ depending on local hydrology at the time of the shortage.

PART II: SHORTAGE RESPONSE STRATEGIES

Basic Measures Always In Effect

The following basic measures are considered good water management practices, and are always in effect regardless of whether a shortage level is declared. These measures are contained in IRWD's Rules and Regulations (Section 15):

- (a) *Gutter Flooding* - No person shall cause or permit any water furnished to any property within the District to run or to escape from any hose, pipe, valve, faucet, sprinkler, or irrigation device into any gutter or otherwise to escape from the property if such running or escaping can reasonably be prevented.
- (b) *Leaks* - No person shall permit leaks of water that he has the authority to eliminate.
- (c) *Washing Hard Surface Areas* - Washing down hard or paved surfaces, including, but not limited to sidewalks, walkways, driveways, parking areas, tennis courts, patios or alleys, is prohibited except when necessary to alleviate safety or sanitary hazards.
- (d) *Waste* - No person shall cause or permit water under his control to be wasted. Wasteful usage includes, but is not limited to, the uses listed in Section 13(a) of Exhibit 1 to the Memorandum of Understanding Regarding Urban Water Conservation in California, dated December 11, 2002, as amended from time to time, or the counterpart of said list contained in any successor document.

Under the District's allocation-based conservation rate structure that is in effect during non-shortage conditions, customer allocations are limited to the amount that is reasonable for the customer's needs and property characteristics, and reflect the exclusion of these types of wasteful water uses.

Water Supply Shortage Response Measures

IRWD would employ a range of measures in response to potential shortages depending on the level and duration. While the measures will be applied incrementally, this Plan builds in a level of flexibility to adopt additional measures to ensure the appropriate level of demand reduction. The use of IRWD's allocation-based rates and the assessment of higher rates for over-allocation or wasteful use provides IRWD with an additional strategy to help achieve demand reductions.

For illustration purposes, Table 2 shows water reductions requirements that would be required during three shortage conditions, using water demand data from 2007 (See Appendix A for total treated and untreated water demands).

Table 2: Water Conservation Requirements – Acre-Feet:

Shortage Percentage	10%	25%	40%
Treated and Untreated Water	6,673	16,683	26,693
Treated Water Only	5,874	14,686	23,497

In order to achieve the necessary demand reductions, IRWD’s measures will progress from voluntary reductions to reduction of discretionary uses through financial incentives or restrictions to reduction of non-discretionary uses through financial incentives or restrictions based on the level of the shortage. Most shortages, unless extreme (Level Four or system outage), can be addressed with a combination of voluntary measures and a reduction of discretionary uses through financial incentives.

Response Measures: Voluntary

The single most important step the District can take in implementing voluntary measures is to inform the public consciousness in order to help reduce water demand. It should be noted that the District has implemented on-going water use efficiency and outreach programs since the early 1990’s, and those efforts combined with the allocation-based tiered rates, have resulted in somewhat hardened levels of demand. The District will employ additional strategies to achieve the necessary demand reductions in a shortage situation. Most of the effort will be focused on providing additional outreach to high usage tier customers.

1. *Public Outreach:* An outreach program will educate the public and local leaders on the water supply situation; what actions are proposed; what the intended achievements are; and how these actions are to be implemented. This will be accomplished by having key District personnel present to groups such as the city council, community associations, chambers of commerce, business groups, etc. An endorsement of proposed District plans by these groups will assist in obtaining the public support essential in confronting water shortages.

The public at large will be informed through press releases, billing inserts, water conservation booths, community association meetings, newsletters, church groups, etc. Literature will be provided on the shortage condition, conservation methods, and water-saving devices and be distributed through the fire and police stations, libraries, city hall, schools, shopping center,

recreation facilities, etc. Certain behavior modifications, such as those listed below, can help address the need for immediate conservation.

- Survey plumbing every two months and eliminate water loss resulting from leaky plumbing fixtures.
- Restrict showers to five minutes or less; fill the bath tub no more than one-quarter full.
- Do not run water unnecessarily while shaving, brushing teeth, bathing, preparing food, etc.
- Run only full loads of laundry and dishes.
- Reduce landscape watering.
- Fill swimming pools to a lower level to minimize water loss due to splashing.

2. *Education Programs:* School programs will focus on the water shortage situation. In addition to the usual District background information, the supply situation and conservation methods will be highlighted. Demonstrations using sample water-saving devices can be given; literature will be distributed.
3. *Logo:* A water conservation or shortage response logo will be adopted and vigorously promoted as a symbol to influence public attitudes toward water use.
4. *Media:* Extensive use of all available forms of media will be employed and coordinated with other agencies. This includes public service messages on radio and television and press releases in local newspapers. The messaging and level of response will be correlated with the need for demand reductions.
5. *Target Over-Allocation Customers:* District staff will ramp up its ongoing outreach efforts to more aggressively target over-allocation customers. Over-allocation use is considered wasteful use; customers in these tiers will be contacted via letter, telephone, e-mail and other means. On-site assistance/audits will help identify the source of the over-allocation use and provide recommendations to address the problem.
6. *Customer Service:* Customers will be encouraged to work together to save water and to call IRWD's water use efficiency experts if assistance is needed to help find water leaks or to use water more water efficiently. If someone observing water waste within IRWD's service area is

unsure who the property owner is they can call in to IRWD's Customer Service Department for assistance. IRWD staff will contact the customer associated with the property and offer on-site assistance and recommendations to address the problem.

Response Measures: Demand Management and Use of Allocation-Based Rates

The allocation-based tiered rate structure adopted by IRWD in 1991 is intended to function as a tool to promote ongoing water use efficiency. Water is allocated on an individual customer basis established upon specific indoor uses and outdoor irrigation needs. The structure includes a five-tiered system for residential customers and a four-tiered system for non-residential customers, and charges progressively higher rates for progressively higher amounts of water used. Use within a customer's allocation is encouraged through a significantly tiered commodity pricing system which discourages wasteful use. The allocation-based tiered rates provide IRWD with an effective mechanism to alter demand through pricing.

Analysis of Usage and Tiers

A detailed analysis of the usage and tiers, with the most recently available data, is one of the first steps that should be undertaken in developing demand management strategies, including potential adjustments to the tiers and allocations. Appendix A: 2007 Annual Usage and Tier Break-Down shows the annual usage and tier break-down information for treated and untreated water sources, based on data from calendar year 2007. The first two tiers shown (1 and 2) indicate usage within allocation. Tiers 3 to 5 indicate over-allocation use.

Basic water allocations should be reviewed on a periodic basis taking into consideration changes since the most recent review of these allocations, including changes to the plumbing code that improve water use efficiency, water conservation devices and more efficient irrigation systems available to the average customer. Beyond this, there are several mechanisms that can be employed either separately or in combination to achieve the necessary level of demand reductions.

Allocation Adjustment Strategies for Demand Management

1. Adjusting the Tier Thresholds: This strategy does not adjust the actual allocation formula itself, but rather adjusts the percentage thresholds for the over-allocation tiers. The current tiers and thresholds for the various account types are shown in Table 3. Adjusting the tier thresholds downward would have the effect of shifting more use into the higher over-allocation tiers. Customers in these tiers would be subjected to increased rates depending on the extent of their use (percentage of use above allocation). Reducing the tier thresholds would send stronger price signals by moving over-using customers into the higher tiers.

Table 3: Allocation-Based Rates Tier Thresholds

Tier	Percentage of Allocation		
	Residential	Irrigation	Non-Residential
Low Volume	0-40%	0-40 %	N/A
Base	41-100%	41 – 100%	0-100%
Inefficient	101 – 150%	101 – 110%	101 – 110%
Excessive	151 -200%	111 -120%	111 -120%
Wasteful	201% +	121% +	121% +

2. Allocation Adjustments: An adjustment to the allocation entails refining the allocation formula. This can be done either as a simple percentage adjustment or by adjusting a specific portion of the formula. For example, residential allocations are made up of an indoor plus an outdoor allocation component. It is possible to adjust the outdoor component downward to allow for less outdoor irrigation or eliminate it altogether depending on the need for demand reductions. Water allocations could also be set to levels that would eliminate all outdoor water use including irrigation, car washing, pool filing, agricultural use of non-recycled water etc. Under this scenario the indoor component could be left the same or could be altered as necessary.
3. Rate Increases for Over-Allocation Use: This approach entails adopting higher rates for over-allocation use, and would be linked to purchases of imported water at Metropolitan’s penalty rates, among other things.

These three types of allocation adjustments can be established and refined based on customer response in such a way that specified uses are discouraged. The allocations can be established in such a way that

certain uses are not included in the allocation. Customers engaging in these uses would receive over-allocation tier charges on their water bill.

In Levels One and Two, a combination of adjusting the tier thresholds and/or the allocations, as necessary, is likely to be sufficient to achieve the required demand reductions. In Levels Three and Four, those strategies, plus the use of rate increases with stronger price signals for over-allocation use, could be used to achieve further demand reductions. In all cases, adjustments to the allocations, tiers and rates will be at the discretion of the Board, and will be based on an assessment of the supply shortage, customer response and need for demand reductions.

Enforcement Mechanism:

Application of any or a combination of the allocation adjustment strategies will place customers into the higher usage tiers, which acts as a reporting and enforcement mechanism by creating a strong financial incentive for customers to reduce demands. The higher rates for above allocation use reflect and incorporate the cost of additional demand management measures, as well as the additional cost to IRWD of acquiring water supplies in a shortage.

Response Measures: Mandatory

Extreme shortage conditions (severe Level Three and Level Four) may require that the District adopt restrictions and/or ration water for health and safety purposes only. A system outage requires a rapid response based on the fact that there is typically a need for more immediate action to deal with an emergency situation. In a system outage emergency, the IRWD Board of Directors will declare a shortage based upon the projected impact of the system outage. Since adjustments to tiers and allocations typically have a time lag in implementation and effect, those measures will be of limited usefulness in a system outage. Therefore, in addition to the measures always in effect, the Board may impose any combination of the following mandatory measures and rationing to alleviate demands.

1. *Potable Irrigation Ban:* Outdoor irrigation would be the initial target for any demand reductions. Demand reductions or eliminations that cannot be met through voluntary measures and financial incentives related to adjustments in the allocation based rate structure, would be attained through a ban on potable irrigation. Table 4 indicates the potential demand reductions that could be

attained from 30%, 60% and complete elimination of outdoor irrigation. This includes dedicated landscapes, mixed use commercial accounts and residential outdoor irrigation.

Table 4: Potential Water Savings (AF) Based on Irrigation Cutbacks:

% Irrigation Cutback	30%	60%	100%
Potable Irrigation	8,980	17,959	29,932
Untreated Irrigation	351	701	1,169
Total	9,330	18,660	31,101

2. *Ban on car-washing and pool-filling:* Demand reductions on car-washing and pool filling that cannot be achieved through voluntary measures and financial incentives related to adjustments in the allocation-based rate structure would be attained through a ban on these actions.

Enforcement Measures

1. *Flow restrictors:* Under extreme conditions of noncompliance, the District could install flow restrictors in individual service lines. Thus, water would be available for drinking, cooking, sponge baths, and slow fill of toilet tanks, but showers and other high volume type uses would not be possible. Under these conditions individual customer reaction would be severe. It would probably be necessary to augment the customer service field service staff to maintain surveillance of these services to assure that unauthorized changes are not made by the customer.
2. *Mandatory Restrictions and Fines:* The District's ability to establish restrictions on water use and to possibly discontinue non-health and safety related service in the case of repeat violators is provided for under the Water Code of the State of California Chapters 3 and 3.5).

PART III: SHORTAGE RESPONSE PLAN

IRWD Water Supply Shortage Levels

In the event of a shortage, IRWD's Board of Directors, in accordance with the provisions of the California Water Code, will determine and declare the shortage level based on an assessment of the available supplies and demands, and may adjust the measures applied based on response in order to achieve the appropriate level of reduction. The following are the levels of shortage which may be declared; the approximate ranges of conditions the levels represent; and the reductions to be achieved:

Level One (Shortage Warning - up to 10% shortage):

Measures selected would be designed to achieve the following objectives:

Objectives:

- Public awareness of water supply situation and conservation opportunities
- Encourage diligent repair of water leaks
- Reduce over-allocation use
- Reduce outdoor over-irrigation

Measures: The measures used in Level One are primarily voluntary actions that modify customer behavior resulting from an enhanced public awareness campaign. In addition, increased outreach targeted toward over-allocation customers to help them identify the source of their overuse, and correct the problem should be sufficient to meet the objectives in Level One.

Costs and Outcomes: Based on 2007 data, a supply shortage of 10% represents approximately 6,600 AF. Information from the 2007 Annual Usage and Tier Break-Down presented in Appendix A indicates that over allocation use (sum of usage in tiers 3-5) accounts for approximately 4,200 AF of non-recycled water usage. Therefore, reducing the over-allocation use, combined with a strong public awareness campaign is expected to be sufficient to achieve the necessary reductions in Level One. The cost to implement voluntary responses is minimal, especially considering the return in reduced demand on the investment. None of the recommended steps would be difficult to implement or administer. The District has the basic infrastructure to pursue most voluntary measures through the Public Affairs and Conservation Departments. However, the District may need to conduct training and adjust its staff resources to effectively provide additional outreach to high usage tier customers.

Level Two (Significant Shortage Condition - 10-25% shortage): Measures selected would be designed to incorporate the objectives listed under Level One, and achieve the following further reduction in use:

Objectives:

- Review of allocations and potential adjustments to reduce outdoor irrigation and agricultural uses by 30%, or a percentage to be specified in the shortage declaration, based on a supply and demand analysis.
- Discourage filling of fountains, pools and water features and other discretionary uses.

Measures: Use of allocation and tier threshold adjustments is expected to be sufficient to achieve the necessary demand reduction objectives in a Level Two shortage. Adjustments to the allocations would employ the demand management/allocation adjustment strategies described in Part II of the document (pages 8-9).

Costs and Outcomes: A Level Two shortage can be offset by voluntary public response and perhaps minimal additional measures, such as reducing water allocations for non-crucial water uses including irrigation demands. Again using the 2007 Annual Usage and Tier Break-Down in Appendix A, a 30% reduction in potable irrigation and agricultural use (potable and untreated) would reduce the demands by an additional 9,300 AF , which combined with the Level One measures would result in a reduction in total demand of approximately 25%. Currently, there are some agricultural users using treated water within IRWD's service area. However, in the future, this demand is anticipated to decline to zero, in which case additional measures and adjustments to the allocations may be necessary to achieve the necessary Level 2 reductions. Depending on the duration and severity of the Level Two shortage, additional temporary staff in water conservation may be required to increase water awareness campaigns and assist customers with reduced irrigation allocations.

Level Three (Severe Shortage Condition - 25-40% shortage): Measures selected would be designed to incorporate the objectives listed under Level Two, and achieve the following further reduction in use.

Objectives:

- Further reductions in and/or eliminations of non-essential uses.
- Further reduce outdoor irrigation and agricultural uses by 60%, or a percentage to be specified in the shortage declaration, based on an analysis of supply and demand.
- Reduction in commercial, industrial and institutional use by 10%, or a percentage to be specified in the shortage declaration, based on an analysis of supply and demand.

- Elimination of specific municipal uses such as street cleaning, hydrant flushing, water-based recreation, etc.
- Activation of a District Task Force to investigate and consult with high-volume users (i.e. public authorities, universities, community associations, etc.) to assist in reducing the water demands of their properties.

Measures: Again, use of the demand management/allocation-based rate adjustment strategies described in Part II of this document (pages 8-9) will be used as a key tool to achieve these objectives. For example, allocations can be reduced to minimize outdoor use and other discretionary uses by excluding those types of uses from the allocation. If necessary, higher rates for over-allocation use could also be adopted, at the discretion of the Board.

Costs and Outcomes: While it is difficult to precisely estimate the total reduction in demand that would be realized from the cumulative measures taken in Levels One, Two and Three, a Level Three shortage condition could entail significant adjustments to allocations and the implementation of mandatory measures to meet the District's reduction needs. In addition to increasing over-allocation tier charges, all common area landscape irrigation and agricultural irrigation should be reduced drastically, or eliminated completely if necessary by adjusting the water use allocations. Reduction of allocations of treated and untreated water serving irrigation (including residential landscapes) by 60% would reduce total demand by approximately 27% (see Appendix A: 2007 Annual Usage and Tier Break-Down). When one meter serves both internal use and landscaping, monitoring and public support would be needed to ensure that no irrigation takes place. An expanded irrigation group would be effective in these efforts. Untreated or recycled water use would only be reduced as needed based on the impact of reduced wastewater flows to recycled water production. Commercial, industrial and institutional customer allocations would be reduced by up to 10%.

Level Four (Crisis Shortage Condition - more than 40% shortage): Measures selected would be designed to incorporate the objectives listed under Level Three, and achieve the following further reductions in use:

Objectives:

- Cease all outdoor water uses for landscape and agriculture, subject to reserved rights relating to local wells.

Measures: A Level Four shortage would likely require further adjustments to allocations and the use of all the Demand Management/Allocation-Based Rates strategies described in Part II (pages 8-9) at the discretion of the Board. In addition, the Board may determine that it is necessary to use mandatory restrictions and possible discontinuation of non-health and safety related service in order to achieve the necessary demand reductions in a Level Four shortage.

Costs and Outcomes: If over-allocation charges had been previously avoided, this tool would almost certainly be needed at this level of supply deficiencies. Increasing the over-allocation tier charge, formulated upon projected penalty charges imposed by outside supply agencies, could be added to the allocation-based tiered rate structure, sufficient to encourage demand reduction to required levels, pay for an equivalent water conservation project designed to meet the required reduction in demands and provide a source of revenue to purchase additional supplies at penalty rates. Over-allocation usage tier charges would also offset the additional administrative and implementation costs to the district including increased staffing to address shortages and enhancement and expansion of the District's water conservation programs and projects.

Appendix A

2007 Annual Treated and Untreated Water Usage
and Tier Break-Down

USER DESCRIPTION	TOTAL (AFY)	Allocation Tier (AFY)				
		1	2	3	4	5
AG-TREATED	975	975	0	0	0	0
AG-UNTREATED	6,669	6,669	0	0	0	0
COMM-TREATED	8,431	8,153	163	114		0
COMM-UNTREATED	9	9	0	0	0	0
CONSTRUCTION	882	882	0	0	0	0
INDUST-TREATED	5,273	5,034	50	32	156	0
LAKE	141	141	0	0	0	0
IRRIG-TREATED	6,313	4,442	1,450	81	60	280
IRRIG-UNTREATED	1,164	647	396	22	16	83
MULTI-RESIDENTIAL	10,681	6,608	3,473	425	93	82
PUBLIC AUTHORITY-TREATED	2,652	2,463	26	21	142	0
SINGLE-RESIDENTIAL	23,537	13,138	7,784	1,878	450	287
TOTAL Acre-Feet	66,731	49,166	13,341	2,575	917	733
Percentage	100%	75%	20%	4%	2%	1%

EXHIBIT "B"

RESOLUTION NO. 2016- ____

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT DECLARING
WATER SHORTAGE LEVEL ONE
(SHORTAGE WARNING)

WHEREAS, Irvine Ranch Water District ("IRWD") has adopted its Rules and Regulations For Water, Sewer, Recycled Water, and Natural Treatment System Service (the "Rules and Regulations"); and

WHEREAS, Section 15 of the Rules and Regulations, entitled "Water Conservation and Water Supply Shortage Program and Regulations" was adopted by this Board of Directors on February 9, 2009, following a public hearing held upon notice duly given and based on findings of necessity for the adoption of the water conservation program contained in said Section 15 of the Rules and Regulations, set forth as Section 15.1.2 thereof, and Section 15 was duly published following adoption, in accordance with California Water Code Sections 375 and 376; and

WHEREAS, the Board of Directors has adopted an amended Water Shortage Contingency Plan, which serves as the resource and supporting document for the implementation of Section 15 of the Rules and Regulations; and

WHEREAS, Section 15.5 of the Rules and Regulations provides that the Board of Directors may declare levels of shortage and describes four levels of shortage with approximate ranges of conditions and the corresponding water use reductions to be achieved; and

WHEREAS, the Water Shortage Contingency Plan describes an illustrative list of measures that may be implemented in each level, and Section 15 further provides that at the time of declaring a level of shortage conditions, the Board in its discretion will determine the particular response measures that will be implemented, which may include measures in a different level from the level(s) shown or other measures in lieu of or in addition to those measures; and

WHEREAS, the State of California has experienced several years of a severe statewide drought. In April 2015, the Governor issued an Executive Order mandating a 25 percent statewide reduction in urban potable water use from 2013 levels, and in May 2015, the State Water Resources Control Board (SWRCB) adopted a regulatory framework that allocated to the District a mandated reduction amount of 16 percent over the period of June 2015 to February 2016; and

WHEREAS, in response to these actions, the Board declared a Level Two water shortage condition on July 13, 2015. Level Two is a significant water shortage condition, involving a 10 – 25% shortage; and

WHEREAS, in February 2016, the SWRCB modified its regulatory framework, incorporating credits and adjustments for sustainable supplies, growth and climate, and extended it to October 2016. As a result of the adjustments, IRWD's conservation target was modified to

8 percent effective March 1, 2016; and

WHEREAS, on May 18, 2016, the SWRCB extended the term of the regulation to January 2017, based on continued uncertainty over long-term water supplies in California, and incorporated a new methodology for calculating water reduction targets, under which each agency will self-certify the availability of supplies to meet projected demands, assuming another three dry years, and the percentage gap between supplies and demands in the third year will become the water agency's revised conservation target; and

WHEREAS, under the revised methodology, it is anticipated that IRWD's current target of 8 percent will further lowered; and

WHEREAS, Section 15 of the Rules and Regulations provides that the application of shortage level response measures or restrictions may vary as to type of water service, and that through the declaration of a shortage level, the Board will determine and set forth how and to what extent, if any, the implementation of measures or restrictions on potable water service will be applied to non-potable water services furnished by IRWD; and

WHEREAS, because the water reduction mandate only applies to potable water, IRWD's response measures in this declaration address potable water; and

WHEREAS, Section 15 of the Rules and Regulations is intended to complement and be used in tandem with the allocation-based tiered pricing structure implemented as a demand management measure on an ongoing basis as part of the District's rates and charges; and

WHEREAS, as contemplated in Section 15 of the Rules and Regulations and the Water Shortage Contingency Plan, the Board has, by separate action through the adoption of Resolution No. 2015-17, implemented demand management measures through adjustments in the allocation-based pricing structure, and has proposed to modify these measures for 2016-17 in recognition of the above-recited changes.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. The Board of Directors hereby finds that a shortage warning and low level shortage condition, involving a shortage up to 10%, exists and declares that as of the adoption hereof, a Level One condition shall be in effect.

Section 2. The following measures shall be in effect during the Level One shortage condition, including measures that are always in effect:

Measures Always In Effect

- (a) *Gutter Flooding* - No person shall cause or permit any water furnished to any property within the District to run or to escape from any hose, pipe, valve, faucet, sprinkler, or irrigation device into any gutter or otherwise to escape from the property if such running or escaping can reasonably be prevented.

EXHIBIT "B"

- (b) *Leaks* - No person shall permit leaks of water that he has the authority to eliminate.
- (c) *Washing Hard Surface Areas* - Washing down hard or paved surfaces, including, but not limited to sidewalks, walkways, driveways, parking areas, tennis courts, patios or alleys, is prohibited except when necessary to alleviate safety or sanitary hazards.
- (d) *Waste* - No person shall cause or permit water under his control to be wasted. Wasteful usage includes, but is not limited to, the uses listed in Section 13(a) of Exhibit 1 to the Memorandum of Understanding Regarding Urban Water Conservation in California, dated December 11, 2002, as amended from time to time, or the counterpart of said list contained in any successor document.
- (e) *Single-pass cooling* - Potable water shall not be used for single-pass cooling.
- (f) *Non-recirculating water features* - Non-recirculating fountains and water features using potable water shall not be used.
- (g) *Ban on car washing* - No person shall use a hose to wash a motor vehicle, except when the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use.

Additional Measures To Be In Effect

- (h) *Drought messaging* - General conservation efforts including dedicated pages on IRWD's website, information provided in the *Pipelines* customer newsletter, and drought-related presentations to groups such as city councils, community associations, chambers of commerce, business groups, and schools.
- (i) *Common interest developments* - No owner of a separate interest within a common interest development shall be fined or assessed by the association for reducing or eliminating the watering of vegetation or lawns, except as permitted by California Civil Code Section 4735.
- (j) *Targeted conservation efforts* - Customers in the inefficient and wasteful tiers will be contacted via letter, telephone, e-mail and other means. On-site assistance/audits will be offered to help identify the source of the over-allocation use and provide recommendations to address the problem.
- (k) *Commercial car washes* - Commercial conveyor and in-bay car wash systems must reuse water if equipped to do so, and shall repair and maintain the equipment in a manner that allows for the operation of the reuse system.

Level Two Measures Rescinded:

- (a) *Ban on discretionary pool-filling* - No person shall drain and re-fill a pool for discretionary maintenance that can be deferred. Filling newly constructed pools and re-filling pools for required, non-discretionary maintenance are not subject to the ban.
- (b) *Survey for leaks* - Each customer shall survey plumbing every two months and eliminate water loss resulting from leaky plumbing fixtures.
- (c) *Showering* - Each person shall restrict showers to five minutes or less; fill the bath tub no more than one-quarter full.

- (d) *Running water* - No person shall run water unnecessarily while shaving, brushing teeth, bathing, preparing food, etc.
- (e) *Washing machines and dishwashers* - Customers shall run only full loads of laundry and dishes.
- (f) *Landscape watering* - Customers shall reduce potable landscape watering by up to 50%.
- (g) *Swimming pools* - Customers shall fill swimming pools to a lower level to minimize water loss due to splashing.
- (h) *Construction activities* - The use of recycled water shall be required for construction activities, including earthwork, dust control and clean-up. IRWD may, at its discretion, waive this requirement if it can be demonstrated to IRWD's satisfaction that compliance with the requirement imposes undue hardship.
- (i) *Street sweeping* - The use of recycled water is required for street sweeping activities. IRWD may, at its discretion, waive this requirement if it can be demonstrated to IRWD's satisfaction that compliance with the requirement imposes undue hardship.

Section 3. The declaration of water shortage condition Level Two, made by this Board of Directors on July 13, 2015, is hereby rescinded and superseded by this declaration.

ADOPTED, SIGNED and APPROVED this ____ day of _____, 2016.

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
IRWD Legal Counsel
