

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

July 11, 2022

CALL TO ORDER 5:00 p.m.

ROLL CALL Directors Reinhart, Withers, Swan, McLaughlin, and President LaMar

This meeting will be held in-person at the District’s headquarters located at 15600 Sand Canyon Avenue, Irvine, California. The meeting will also be broadcasted via Webex for those wanting to observe the meeting virtually.

To observe this meeting virtually, please join online using the link and information below:

Via Web: <https://irwd.webex.com/irwd/j.php?MTID=m1eb25b1d6bd8ef848ca99e0f48643c08>

Meeting Number (Access Code): 2486 585 8778

Meeting Password: 7M8CeSfyhj8

PLEASE NOTE: Webex observers of the meeting will be placed into the Webex lobby when the Board enters closed session. Participants who remain in the “lobby” will automatically be returned to the open session of the Board once the closed session has concluded. Observers joining the meeting while the Board is in closed session will receive a notice that the meeting has been locked. They will be able to observe the meeting once the closed session has concluded.

PUBLIC COMMENT NOTICE

Public comments are limited to three minutes per speaker on each subject. If you wish to address the Board of Directors on any item, you may attend the meeting in person and submit a “speaker slip” to the Secretary. Forms are provided outside of IRWD’s Board Room. If attending via Webex, please submit your request to speak, or your comment, via the “chat” feature and your remarks will be read into the record at the meeting. You may also submit a public comment in advance of the meeting by emailing comments@irwd.com before 12:00 p.m. on Monday, July 11, 2022.

COMMUNICATIONS TO THE BOARD

1. A. Written:
2. B. Oral:
3. ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

PUBLIC HEARING

4. SEWER CHARGES IN IRWD'S NEWPORT NORTH AREA

Recommendation:

- a. Open the hearing.
- b. Inquire of the Secretary how the hearing was noticed.
- c. Receive and file the Affidavit of Posting and Proof of Publication.
- d. Inquire of the Secretary if there have been any written notifications.
- e. Request legal counsel to describe the nature of the proceedings.
- f. Hear any person who wishes to speak regarding sewer charges in the Newport North service area.
- g. Inquire of the Board if it has any comments or questions.
- h. That the hearing be closed, and the Board adopt a resolution adopting the sewer charge report and authorizing collection of sewer charges on the tax roll for IRWD's Newport North service area.

Reso. No. 2022-10

CONSENT CALENDAR – ITEMS 5-11

5. BOARD MEETING MINUTES

Recommendation: That the minutes of the June 27, 2022, Regular Board meeting be approved as presented.

6. RATIFY/APPROVE BOARD OF DIRECTORS' ATTENDANCE AT MEETINGS AND EVENTS IN 2022

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

7. 2022 LEGISLATIVE AND REGULATORY UPDATE

Recommendation: That the Board adopt an "oppose unless amended" position on SB 222 (Dodd), authorize IRWD to move to an "oppose" position should the bill not be amended to address the District's concerns over the Summer Recess, and adopt a "support" position on H.R. 5689 (DeFazio).

8. WATER SUPPLY ASSESSMENTS FOR THE MARKET PLACE AND LOTS 103 AND 106 PROJECTS

Recommendation: That the Board approve the Water Supply Assessment for the Market Place Project and the Water Supply Assessment for the Lots 103 and 106 Project.

CONSENT CALENDAR – ITEMS 5-11, continued

9. FISCAL YEAR 2022-23 OPERATING BUDGET VENDOR EXPENDITURE COMMITMENTS GREATER THAN \$200,000

Recommendation: That the Board approve the list of vendor commitments greater than \$200,000 based on approved Fiscal Year 2022-23 operating budget expenditures.

10. UTILITY BILL PRINTING, MAILING, AND ELECTRONIC BILL PRESENTMENT SERVICES CONTRACT

Recommendation: That the Board approve a two-year renewal period effective August 16, 2022, through August 15, 2024, with Infosend, Inc. for utility bill printing, mailing, and electronic bill presentment services, totaling approximately \$1,264,000.

11. PROPERTY TAX RESOLUTIONS FOR FISCAL YEAR 2022-23

Recommendation: That the Board: 1) adopt a resolution establishing ad valorem tax revenues for Fiscal Year 2022-23, and 2) adopt a resolution amending allocation of ad valorem property taxes to debt service subject to pledge.

Reso. No. 2022-11

Reso. No. 2022-12

ACTION CALENDAR

12. IRWD BUSINESS EXPENSE AND MEETING COMPENSATION AND REPRESENTATION POLICY REVISIONS

Recommendation: That the Board approve the proposed revisions, subject to non-substantive changes, to the District's Policy Regarding Business Expense Reimbursement, Travel, Meeting Compensation, and Representation.

13. RESUMPTION OF DISCONTINUATION OF IRWD'S SERVICE POLICY

Recommendation: That the Board approve the resumption of IRWD's regular discontinuation of service policy effective September 1, 2022.

ACTION CALENDAR, Continued

14. WATER EFFICIENCY TACTICAL INCENTIVE FUNDING AUTHORIZATION

Recommendation: That the Board authorize the General Manager to allocate \$1,230,000 in funding to the Fiscal Year 2022-23 rebate programs administered through the Water Conservation Participation Agreement Between MWDOC and IRWD, and to execute addenda to the agreement as may be necessary to allocate funds to specific programs and modify device incentive levels based on customer participation rates and regional program funding levels.

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, and 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.

- 15. General Manager's Report
- 16. Receive oral update(s) from District liaison(s) regarding communities within IRWD's service area and provide information on relevant community events.
- 17. Directors' Comments
- 18. CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Government Code Section 54956.9(d)(1): *IRWD v. OCWD, et al.*, Case No. 30-2016-00858584-CU-WM-CJC.
- 19. Open Session
- 20. Adjournment

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 above-named Board in connection with a matter subject to discussion or consideration at an open meeting of the Board 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 electronically via the Webex meeting noted. Upon request, the District will provide for written agenda materials in appropriate alternative formats, and reasonable disability-related modification or accommodation to enable individuals with disabilities to participate in and provide comments at public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, or alternative format requested at least two days before the meeting. Requests should be emailed to comments@irwd.com. Requests made by mail must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

July 11, 2022

Prepared by: D. Pardee / C. Smithson

Submitted by: C. Clary

Approved by: Paul A. Cook *PAC*

PUBLIC HEARING

SEWER CHARGES IN IRWD'S NEWPORT NORTH AREA

SUMMARY:

On January 24, 2022, the Board adopted Rates and Charges effective February 1, 2022, which included monthly sewer charges of \$29.75 for a residential single-family home and \$20.45 per unit for multiple-family dwelling units. IRWD customers in Newport North will be charged the same rate, but the method of collection differs in that they pay their sewer fees on an annual basis by means of the County of Orange tax rolls.

BACKGROUND:

By adoption of Resolution No. 1987-45, the Board of Directors elected to have sewer charges for certain parcels of land located in the Newport North area collected on the tax roll together with IRWD's general taxes. This resolution directs the filing of a report, attached as Exhibit "A", containing a description of such parcels and the corresponding charges for each fiscal year. The resolution adopting the sewer charge report and authorizing the collection of sewer charges on the tax roll for IRWD's Newport North Area is attached as Exhibit "B".

On January 24, 2022, the Board adopted Rates and Charges effective February 1, 2022, which included monthly sewer charges of \$29.75 for a residential single-family home and \$20.45 per unit for multiple-family dwelling units. These charges appear on the bill for IRWD customers beginning in March 2022 to avoid charging customers for a partial month at the new rate.

Sewer Charges for IRWD's Newport North Customers

IRWD's Newport North customers are charged the IRWD Board-adopted sewer rate, but they pay their sewer fees on an annual basis by means of the County of Orange tax rolls. In 2021, the previous monthly sewer charges of \$26.10 for a residential single-family home and \$19.55 per unit for multiple-family dwelling units were included in County tax rolls for IRWD's Newport North customers for the 12-month period of July 2021 to June 2022. The monthly sewer charges increased to \$29.75 for a residential single-family home and to \$20.45 per unit for multiple-family dwelling units for Fiscal Year (FY) 2021-22, but the increased portion (\$3.65 for a single-family home and \$0.90 per unit for multiple-family dwelling units) was not included in tax rolls for FY 2021-22.

To include the rate increase from March 2022 to June 2022, a supplemental assessment for FY 2021-22 is necessary. The differences between the new and previous rates are \$3.65 per month for residential single-family homes and \$0.90 per month for multiple-family dwelling units. This amount shall be included for four months in the 2022-23 County tax rolls along with the sewer charges for the 12-month period of July 2022 to June 2023. The total assessment will be \$371.60 and \$249.00 for single-family home customers and multiple-family dwelling unit customers respectively.

PUBLIC HEARING:

Resolution No. 1987-45 directs the filing of a report containing a description of such parcels and the corresponding charges for each fiscal year. Pursuant to the requirements of the Health and Safety Code of the State of California, a public hearing on the report is required. The District Secretary has noticed a hearing for this meeting for objections or protests to the report, if any.

OUTLINE OF PROCEEDINGS

President: Declare this to be the time and place for a hearing on the sewer charge report for the Newport North area and declare the hearing open. Ask the Secretary how the hearing was noticed.

Secretary: The report was filed with the Secretary on June 20, 2022 and notice of the filing of the report and the time and place of this hearing was published in the Daily Pilot on June 26, 2022 and July 3, 2022. A notice was also posted in the District office on June 23, 2022.

Board: RECOMMENDED MOTION: "RECEIVE AND FILE THE AFFIDAVIT OF POSTING AND THE PROOF OF PUBLICATION PRESENTED BY THE SECRETARY."

President: Request Legal Counsel to describe the nature of the proceedings.

Legal

Counsel: A public hearing on the sewer charge report is an annual requirement of the Health and Safety Code, Section 5473, in order to collect the sewer charges on the tax roll.

President: Inquire of the Secretary whether there have been any written communications.

President: Inquire whether there is anyone present who wishes to address the Board regarding the proposed collection of sewer charges on the tax roll.

President: Inquire whether there are any comments or questions from members of the Board of Directors. State that the hearing will be closed.

Board: RECOMMENDED MOTION: THAT THE HEARING BE CLOSED AND THAT THE FOLLOWING RESOLUTION BE ADOPTED BY TITLE:

RESOLUTION NO. 2022 -

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT ADOPTING THE
SEWER CHARGE REPORT AND AUTHORIZING COLLECTION OF SEWER CHARGES
ON THE TAX ROLL FOR IRWD'S NEWPORT NORTH AREA

FISCAL IMPACTS:

The sewer rates charged in IRWD's Newport North are the same as any other area within the District, and therefore will be set at total assessment of \$371.60 for a residential single-family home, which is the equivalent of four months supplemental assessment of \$3.65 per month for FY 2021-22 and 12 months assessment of \$29.75 per month for FY 2022-23, and \$249.00 for multiple-family dwelling units, which is the equivalent of four months supplemental assessment of \$0.90 per month for FY 2021-22 and 12 months assessment of \$20.45 per month for FY 2022-23, respectively. The total sewer charges are the same rate as other IRWD customers, but the means of collection is different for the customers in Newport North.

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 is a routine annual item for the Board's consideration and was not reviewed by a Committee.

LIST OF EXHIBITS:

Exhibit "A" – Orange County Special Assessment Report

Exhibit "B" – Resolution

Note: This page is intentionally left blank.

**Irvine Ranch Water District
Orange County Special Assessment Report
FY 2022-2023**

EXHIBIT "A"

<u>Parcel #</u>	<u>Amount</u>	<u>Parcel #</u>	<u>Amount</u>	<u>Parcel #</u>	<u>Amount</u>	<u>Parcel #</u>	<u>Amount</u>	<u>Parcel #</u>	<u>Amount</u>	<u>Parcel #</u>	<u>Amount</u>
42734202	371.60	44204208	141,930.00	44204210	371.60	44205210	498.00	44205401	371.60	44205402	371.60
44205403	371.60	44205404	371.60	44205405	371.60	44205406	371.60	44205407	371.60	44205408	371.60
44205409	371.60	44205410	371.60	44205411	371.60	44205412	371.60	44205413	371.60	44205414	371.60
44205415	371.60	44205416	371.60	44205417	371.60	44205418	371.60	44205419	371.60	44205420	371.60
44205421	371.60	44205422	371.60	44205423	371.60	44205424	371.60	44205425	371.60	44205426	371.60
44205427	371.60	44205428	371.60	44205429	371.60	44205430	371.60	44205431	371.60	44205432	371.60
44205433	371.60	44205434	371.60	44205435	371.60	44205436	371.60	44205437	371.60	44205438	371.60
44205439	371.60	44205440	371.60	44205441	371.60	44205442	371.60	44205443	371.60	44205444	371.60
44205445	371.60	44205446	371.60	44205447	371.60	44205448	371.60	44205449	371.60	44205450	371.60
44205451	371.60	44205452	371.60	44205453	371.60	44205454	371.60	44205455	371.60	44205456	371.60
44205457	371.60	44205458	371.60	44205459	371.60	44205460	371.60	44205461	371.60	44205501	371.60
44205502	371.60	44205503	371.60	44205504	371.60	44205505	371.60	44205506	371.60	44205507	371.60
44205508	371.60	44205509	371.60	44205510	371.60	44205511	371.60	44205512	371.60	44205513	371.60
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44205520	371.60	44205521	371.60	44205522	371.60	44205523	371.60	44205524	371.60	44205525	371.60
44205526	371.60	44205527	371.60	44205528	371.60	44205529	371.60	44205530	371.60	44205531	371.60
44205532	371.60	44205533	371.60	44205534	371.60	44205535	371.60	44205536	371.60	44205537	371.60
44205538	371.60	44205539	371.60	44205540	371.60	44205541	371.60	44205542	371.60	44205543	371.60
44205544	371.60	44205545	371.60	44205546	371.60	44205547	371.60	44205548	371.60	44205549	371.60
44205550	371.60	44205551	371.60	44205552	371.60	44205553	371.60	44205554	371.60	44205555	371.60
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44205629	371.60	44205630	371.60	44205631	371.60	44205632	371.60	44205633	371.60	44205634	371.60
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44205641	371.60	44206115	74,700.00	44228201	371.60	44231169	371.60	93180614	371.60	93180615	371.60
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93180622	371.60	93180623	371.60	93180624	371.60	93180625	371.60	93180626	371.60	93180627	371.60
93180628	371.60	93180629	371.60	93180630	371.60	93180631	371.60	93180632	371.60	93180633	371.60

93180634	371.60	93180635	371.60	93180636	371.60	93180637	371.60	93180638	371.60	93180639	371.60
93180640	371.60	93180641	371.60	93180642	371.60	93180643	371.60	93180644	371.60	93180645	371.60
93180646	371.60	93180647	371.60	93180648	371.60	93180649	371.60	93180650	371.60	93180651	371.60
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93180664	371.60	93180665	371.60	93180666	371.60	93180667	371.60	93180668	371.60	93180669	371.60
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93180706	371.60	93180707	371.60	93180708	371.60	93180709	371.60	93180710	371.60	93180711	371.60
93180712	371.60	93180713	371.60	93180714	371.60	93180715	371.60	93180716	371.60	93180717	371.60
93180718	371.60	93180719	371.60	93180720	371.60	93180721	371.60	93180722	371.60	93180723	371.60
93180724	371.60	93180725	371.60	93180726	371.60	93180727	371.60	93180728	371.60	93180729	371.60
93180730	371.60	93180731	371.60	93180732	371.60	93180733	371.60				

Total Parcels: 286
Total Assessment Amount: 322,290.80

EXHIBIT "B"

RESOLUTION NO. 2022-

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT ADOPTING THE
SEWER CHARGE REPORT AND AUTHORIZING COLLECTION
OF SEWER CHARGES ON THE TAX ROLL FOR THE
NEWPORT NORTH SERVICE AREA

Resolution No. 1987-45 was adopted on August 10, 1987. The Board of Directors of Irvine Ranch Water District ("IRWD") elected to have sewer charges for certain parcels collected on the tax roll each year in the same manner, by the same persons, and at the same time as, together with and not separately from, its general taxes, pursuant to Section 5473 et seq. of the California Health and Safety Code.

Pursuant to said Resolution, a report has been filed with the Secretary containing a description of such parcels and the corresponding charges for Fiscal Year 2022-23 and notice was given as required by law of a hearing on the report to be held on Monday, the 11th day of July 2022, at 5:00 p.m. (or as soon thereafter as is reasonably practicable) in the Board of Directors meeting room of IRWD, 15600 Sand Canyon Avenue, Irvine, California.

The duly noticed public hearing was held and all persons interested were given an opportunity to be heard concerning the report and to submit any objections or protests to the report.

The Board of Directors of IRWD does hereby RESOLVE, DETERMINE and ORDER as follows:

Section 1. The Board of Directors hereby determines that protests to the report were not made by the owners of a majority of separate parcels of property described in the report.

Section 2. The Board of Directors hereby adopts the report containing a description of the parcels for which charges for sewer service shall be collected on the tax roll and containing the amount of the charges for each parcel for the Fiscal Year 2022-23, computed in conformity with the schedule of rates and charges adopted by Resolution No. 2022-___. The report is provided as Exhibit "A" and is incorporated herein by this reference. Each charge set forth in Exhibit "A" is hereby determined to be adopted.

Section 3. The Secretary is hereby authorized and directed to endorse on the report a statement that the report was adopted by this Board on July 11, 2022, and to take whatever other action is required by the Auditor of the County of Orange in regard thereto in order to place the charges on the tax roll for the parcels described in the report.

Section 4. The Secretary is hereby authorized and directed to file a copy of such report with the Auditor of the County of Orange.


APPROVED, SIGNED and ADOPTED this 11th day of July, 2022.

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;
Hanson Bridgett LLP

By _____
District Counsel

July 11, 2022
Prepared and
submitted by: L. Bonkowski
Approved by: Paul A. Cook 

CONSENT CALENDAR

BOARD MEETING MINUTES

SUMMARY:

Provided are the minutes of the June 27, 2022 Regular Board meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE JUNE 27, 2022 REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – June 27, 2022 Minutes

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EXHIBIT "A"

MINUTES OF REGULAR MEETING –JUNE 27, 2022

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 5:00 p.m. by President LaMar on June 27, 2022 at the District's offices, 15600 Sand Canyon Avenue, Irvine.

Directors Present: Swan, Reinhart, McLaughlin, and LaMar.

Directors Absent: Withers.

Written and Oral Communications: None.

Also Present: General Manager Cook, Executive Director of Operations Chambers, Director of Treasury and Risk Management Jacobson, Executive Director of Water Policy Weghorst, Director of Recycling Operations Zepeda, Director of Water Resources Sanchez, Director of Human Resources Mitcham, Director of Strategic Communications and Advocacy/Deputy General Counsel Compton, Acting Director of Maintenance Manning, Director of Safety and Security Choi, Director of Information Services Kaneshiro, Risk Manager Aryan, Secretary Bonkowski, General Counsel Collins, Consultant Newell, MWDOC Director Tamaribuchi, and members of the staff and public.

WORKSHOP

MID-CYCLE CAPITAL BUDGET UPDATE FOR FISCAL YEARS 2021-22 AND 2022-23

General Manager Cook reported that a supplemental write-up and exhibits have been placed before each Director, as the budget numbers were slightly modified.

Using a PowerPoint presentation, Engineer Robinson reviewed the original forecast expenditures presented to the Board in April 2021; the actual capital project earned value in 2021-22, and the mid-year Board approved changes since April 2021. He further reviewed the proposed budget increases and project additions, and using a chart, reviewed the proposed increases by funding sources and system, and then provided a summary of the changes to capital projects forecast expenditures in FY 2022-23.

Director Reinhart reported that this item was reviewed by the Engineering and Operations Committee on June 21, 2022, and on MOTION by Reinhart, seconded by McLaughlin, and carried (Reinhart, Swan, McLaughlin and LaMar voting aye, and Withers absent) (4-0), THE BOARD RECEIVED AND FILED THE MID-CYCLE CAPITAL BUDGET UPDATE FOR FISCAL YEARS 2021-22 AND 2022-23 AND APPROVED THE RECOMMENDED CHANGES FOR THE FISCAL YEAR 2022-23 MID-CYCLE CAPITAL BUDGET PROJECT ADDITIONS AS PROPOSED.

CONSENT CALENDAR

On MOTION by Reinhart, seconded by McLaughlin, and carried (Reinhart, Swan, McLaughlin and LaMar voting aye, and Withers absent) (4-0), CONSENT CALENDAR ITEMS 5 THROUGH 8 WERE APPROVED AS FOLLOWS:

CONSENT CALENDAR (Continued)

5. BOARD MEETING MINUTES

Recommendation: That the Minutes of the June 13, 2022 Regular Board Meeting be approved as presented.

6. RATIFY/APPROVE BOARD OF DIRECTORS' ATTENDANCE AT MEETINGS AND EVENTS IN 2022

Recommendation: That the Board ratify/approve the events for Steven LaMar, Douglas Reinhart, and John Withers as described herein.

7. MAY 2022 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the summary of fixed and variable rate debt, and disclosure report of reimbursements to Board members and staff, approve the May 2022 summary of payroll ACH payments in the total amount of \$2,152,952, and approve the May 2022 accounts payable disbursement summary of Warrants 426894 through 427728, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$13,677,593.

8. SEAWATCH RECYCLED WATER PRESSURE REDUCING STATION CONSTRUCTION AWARD

Recommendation: That the Board reject the bid of GCI Construction, Inc. as non-responsive and authorize the General Manager to execute a Construction Contract with T.E. Roberts, Inc. in the amount of \$383,155 for the Seawatch Recycled Water Zone G to G_R Pressure Reducing Station, Project 11597.

ACTION CALENDAR

SEWER SIPHON IMPROVEMENTS PHASE II CONSULTANT SELECTION

Engineering Manager of Operations Support and Pipelines Cortez reported that in 2016, IRWD completed a preliminary assessment of its 19 siphons and assigned a rehabilitation priority considering risk and likelihood of failure. The top four siphons were recently completed as part of Phase I, and Phase II will rehabilitate the next seven siphons: S1, S3, S5, S8, S9, S16, and S18. Siphon S16 is in Newport Beach and the remaining six are in Irvine.

Mr. Cortez said that it was recognized in Phase I that having a well-defined and thorough consultant scope of work that includes sewer cleaning and inspection would have helped better define the contractor scope of work and minimize the amount of change orders. He said that due to "lessons learned" from Phase I, the consultant scope of work for Phase II includes this additional sewer cleaning and inspection work as requested in the request for proposal, which accounts for approximately \$300,000 of the consultant scope of work.

Mr. Cortez said that staff issued a request for proposal for engineering design services for the project to Psomas, Stantec, West Yost, and Woodard & Curran. He said that proposals were received from Woodard & Curran and Stantec, and following a staff evaluation, recommends Woodard & Curran. He further said that Woodard & Curran was the design consultant in Phase I and is thus familiar with the IRWD's expectations on siphon evaluations and design.

Director Reinhart reported that this item was reviewed by the Engineering and Operations Committee on June 21, 2022, and on MOTION by Reinhart, seconded by Swan, and carried (Reinhart, Swan, McLaughlin and LaMar voting aye, and Withers absent) (4-0), THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH WOODARD & CURRAN IN THE AMOUNT OF \$1,285,684 FOR DESIGN ENGINEERING SERVICES FOR THE SEWER SIPHON IMPROVEMENTS PHASE II, PROJECT 11841.

CONDITION ASSESSMENT FOR PUMP STATIONS AND TANKS CONSULTANT SELECTION

Engineering Manager of Planning and GIS Akiyoshi reported Phase 1 of the Capital Improvement Plan (CIP) Asset Management Program was recently completed and identifies capital repair and rehabilitation projects for over 150 pump stations, tanks, lift stations, and well facilities. Mr. Akiyoshi said that because of the CIP Asset Management Program, staff initiated the pump stations and tanks condition assessment project to complete a detailed condition assessment on critical facilities as recommended from the Phase 1 project. He said that the project scope of work includes asset-level condition assessments using Level I (visual, non-invasive condition assessment) and Level II (more involved testing such as pump/motor vibration analysis and electrical insulation testing) evaluations and includes cost estimation and project packaging for design and construction.

Mr. Akiyoshi said that staff invited seven consultants to propose on the project: AECOM, HDR, Hazen & Sawyer, GHD, Stantec, Jacobs, and West Yost. He said that two consultants, AECOM, and GHD, declined to submit proposals early in the proposal process. He said that while all teams were well qualified, HDR presented a well-balanced team, clear project approach, and an excellent project understanding that meets IRWD's goals and objectives for this project.

Director Reinhart reported that this item was reviewed by the Engineering and Operations Committee on June 21, 2022, and on MOTION by Reinhart, seconded by Swan, and carried (Reinhart, Swan, McLaughlin and LaMar voting aye, and Withers absent) (4-0), THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH HDR ENGINEERING, INC. IN THE AMOUNT OF \$367,800 FOR THE CONDITION ASSESSMENT FOR PUMP STATIONS AND TANKS, PROJECTS 12252 AND 12254.

GENERAL MANAGER'S REPORT

General Manager Cook reported that the COVID-19 cases are getting better but are not great.

Director of Treasury and Risk Management Jacobson introduced Mr. Steve Aryan, IRWD's newly-hired Risk Manager, to the Board.

COMMUNITY UPDATES

Consultant Newell updated the Board on activities in the Santiago Canyon area.

DIRECTORS' COMMENTS

Director Swan said that he attended the meetings listed on the handout and highlighted the California-United Water Conference: Caldor Fire Tour in El Dorado Hills.

Director Reinhart reported on his attendance at an OCWD Board meeting and a MWDOC Board meeting.

Director McLaughlin said that she did not have any meetings to report but wanted to compliment staff on the easy process for using the District's Duck Club facility recently.

Director LaMar reported on his attendance at a Natural Communities Coalition Board of Directors meeting.

CLOSED SESSION

General Counsel Collins reported that the following Closed Session would be held this evening:

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION- Pursuant to Government Code Section 54956.9(d)(1): *Graciela Montejano v. IRWD, Paul Cook and Does 1 through 50*, Case No. 30-2022-01251588-CU-OE-NJC

OPEN SESSION

Following the Closed Session, the meeting was reconvened with Directors Swan, McLaughlin, Reinhart and LaMar present. No action was reported.

ADJOURNMENT

There being no further business, President LaMar adjourned the meeting at 6:01 p.m.

APPROVED and SIGNED this 11th day of July 2022.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Claire Hervey Collins, General Counsel
Hanson Bridgett LLP

July 11, 2022
Prepared and
submitted by: K. Swan
Approved by: Paul A. Cook



CONSENT CALENDAR

RATIFY/APPROVE BOARD OF DIRECTORS’
ATTENDANCE AT MEETINGS AND EVENTS IN 2022

SUMMARY:

Pursuant to Resolution 2014-38 adopted on August 25, 2014, the following events and meetings require approval by the Board of Directors:

Steve LaMar

August 2 ACWA Region 10 Event, Encinitas
August 18 51st Annual Irvine Police Department Awards Ceremony, Irvine

Douglas Reinhart

July 7 Meeting with Legal Counsel and District Staff via teleconference

Peer Swan

August 10-12 California Association of Sanitation Annual Summer Conference,
Olympic Valley
August 24-26 Urban Water Institute Annual August Conference, San Diego

John Withers

July 22 Southern California Water Coalition’s Quarterly Meeting & Luncheon,
Long Beach
July 28 Independent Special Districts of Orange County Quarterly Luncheon,
Fountain Valley
August 18 51st Annual Irvine Police Department Awards Ceremony, Irvine
August 24-26 Urban Water Institute Annual August Conference, San Diego

RECOMMENDATION:

THAT THE BOARD RATIFY/APPROVE THE EVENTS FOR STEVEN LAMAR,
DOUGLAS REINHART, PEER SWAN, AND JOHN WITHERS AS DESCRIBED HEREIN.

LIST OF EXHIBITS:

None.

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July 11, 2022
Prepared and
submitted by: C. Compton
Approved by: Paul A. Cook



CONSENT CALENDAR

2022 LEGISLATIVE AND REGULATORY UPDATE

SUMMARY:

This report provides an update on the 2021-2022 legislative session, regulatory issues, and IRWD priorities. As legislation and regulations develop, staff will provide updates and recommendations to the Water Resources Policy and Communications (WRP) Committee and the Board, as appropriate. Staff recommends the Board consider the following actions/positions:

- *SB 222 (Dodd, D-Napa) – Water Rate Assistance Program:* “OPPOSE UNLESS AMENDED” and authorize IRWD to move to an “OPPOSE” should the bill not be amended to address the District’s concerns by the end of the Summer Recess, and
- *H.R. 5689 (DeFazio) – Resilient Assistance for Mitigation for Environmentally Resilient Infrastructure and Construction by Americans Act or the Resilient AMERICA Act:* “SUPPORT.”

BACKGROUND:

June 15, 2022, was the constitutional deadline for passage of the State Budget. July 1 was the last day for policy committees to meet and consider bills, and also the day that the Legislature began its month-long Summer Recess. When the Legislature returns, fiscal committees in both houses will have until August 12 to meet and report bills to the floor. The last day for each house to pass bills is August 31, which is the day the Final Recess begins.

A copy of the 2022 Legislative Matrix is provided as Exhibit “A”. Links to the bills discussed below are included with each discussion unless a separate exhibit is noted.

Fiscal Year (FY) 2022-23 State Budget:

On June 13, 2022, the Legislature passed *SB 154 (Skinner, D-Berkeley)*, the Budget Act of 2022. While the adopted budget did meet the June 15 constitutional deadline for passage of a budget, the adopted budget was a placeholder budget while the Governor, President pro Tempore and Assembly Speaker continued to negotiate the final budget package.

On June 26, 2022, Governor Gavin Newsom, Senate President pro Tempore Toni Atkins (D-San Diego), and Assembly Speaker Anthony Rendon (D-Lakewood) announced that an agreement on the FY 2022-23 State Budget had been reached. The centerpiece of the agreement is an “inflation relief” package. The \$17 billion “inflation relief” package aims to assist Californians through \$2 billion in rental relief, \$9.5 billion in direct refunds, \$1.4 billion for utility assistances for past due electric bills, \$2.3 billion for business and non-profit relief, \$1.3 billion to provide retention stipends for health care workers, and several other assistance programs.

Overall, the FY 2022-23 State Budget provides for over \$300 billion in total spending and a total reserve of \$37.2 billion, including \$3.5 billion within the regular operating reserve. The budget also includes \$47 billion for infrastructure investments and a \$19.3 billion multi-year Climate-Energy Package.

The Climate-Energy Package includes \$4.89 billion in expenditures for FY 2021-22, \$4.83 billion in expenditures for 2022-23, and \$9.59 billion in expenditures for FY 2023-24 through FY 2026-27. Most of the details related to the \$19.3 billion will be determined by future legislation, but the limited details released by the Legislature state that it includes:

- \$8.09 billion for energy;
- \$800 million for wildfire and forest resilience;
- \$2.7 billion for drought response and resilience;
- \$300 million for extreme heat;
- \$773 million for nature-based solutions;
- \$3.53 billion for 2022 zero emission vehicles;
- \$5 million for the Lithium Valley; and
- \$3.11 billion for a flexible climate set-aside.

Most of the funding associated with the final agreement budget was adopted through in two junior budget bills and approximately a dozen budget trailer bills the last week of June. It is expected that additional budget trailer bills associated with the agreement will be acted upon when the Legislature returns in August.

Of interest to IRWD is the human services trailer bill that, among other things, requires the Department of Community Services and Development (CSD) to administer the Low-income Household Water Assistance Program (LIHWAP) until all of the appropriated funds are expended or until June 30, 2026, whichever occurs first. This trailer bill requires CSD to amend the LIHWAP program guidelines.

Also of interest to the District is the energy trailer bill that, among other things, establishes the Strategic Reliability Reserve (SRR) to be administered by the Department of Water Resources (DWR). The SRR is intended to support electrical grid reliability and establishes the Distributed Electricity Backup Assets Program (DEBAP) at the California Energy Commission (CEC). The purpose of the DEBAP is to incentivize cleaner and more efficient distributed energy assets that would serve as on-call emergency supply or load reduction for the state's electrical grid during extreme events. The Budget provides \$2.2 billion for the SRR and \$550 million to support distributed backup electricity backup assets and utility scale assets to support energy reliability.

Thirdly, the budget agreement included an intent to provide \$100 million in funding for dam safety, but that funding is proposed for FY 2023-24 and FY 2024-25 and is simply a promise for funding in future years.

2022 State Legislative Update:

SB 222 (Dodd, D-Napa) – Water Rate Assistance Program:

SB 222 is a bill that would establish a permanent California low-income water and wastewater rate assistance program. As introduced in 2021, the bill would have directed the State Water Resources Control Board to run the Water Affordability Assistance Program (WAAP). In March 2021, IRWD adopted an “oppose unless amended” position on the bill and staff worked with an ACWA-led coalition to seek amendments to SB 222.

As a result of that effort, the bill was amended in the second half of the 2021 legislative year to establish a Water Rate Assistance Program (WRAP) at CSD. As amended at that time, the bill would have limited the WRAP to providing direct water bill assistance, water crisis assistance, and water bill credits to renters, individuals or households that pay other amounts, fees or charges related to residential water or wastewater service, and amendments that limited the implementation of SB 222 to when funds are appropriated by the Legislature. With the amendments taken in 2021, both IRWD and ACWA removed their opposition to the bill because the bill creates a state-run assistance program to provide water rate assistance.

By the end of the 2021 legislative year, SB 222 had passed the Senate and advanced to the Assembly Floor. At the end of the legislative year, the bill was held on the Assembly Floor and moved to the inactive file because the Newsom Administration requested that the author work on further amendments to the bill over the Legislature’s interim recess.

In early June of this year, Senator Dodd’s office circulated a copy of the amendments that had been worked out between Senator Dodd, the bill’s sponsors and the Newsom Administration. The amendments were inserted into the bill on June 23, 2022, after the bill was removed from the Assembly’s inactive file.

As amended, SB 222 now requires the State Board, in consultation with relevant agencies, to establish and administer the WRAP instead of CDS. Additionally, the bill limits the WRAP to providing water affordability assistance to low-income residential ratepayers, instead of low-income ratepayers and ratepayers experiencing economic hardship. More importantly, instead of the WRAP providing water bill credit and water crisis assistance, the bill now requires that each water supplier establish a low-income rate assistance program compliant with the guidelines the State Board is directed to establish for such programs. SB 222 requires that:

- All water suppliers must offer water rate assistance that complies with the minimum requirements established by the State Board within 365 days of any appropriation the fund the WRAP;
- Any water supplier that does not establish and maintain a low-income rate assistance program consistent with the specified requirements shall be deemed an at-risk water system;
- At a minimum, water suppliers are required to automatically enroll households in their low-income rate assistance programs if the utility customer or any member of the customer’s household is eligible for any number of defined assistance programs;

- Water suppliers will be required to confirm eligibility for enrollment of all eligible households through a self-certification program, and must establish a process for expanding the assistance program if funding increases;
- Permits the auditing of any water suppliers receiving WRAP funds; and
- Prevents a disconnection of service, until a customer with an arrearage is sent a notice that they may enter into a payment plan and is given 30 days to enter into that payment plan.

The amendments remove nearly all of the amendments gained by the ACWA-led coalition and largely take the bill backwards to where the bill was before IRWD and others removed their opposition to the bill.

Of particular concern to the District is the requirement for water suppliers to establish a low-income rate assistance program and to offer water rate assistance that complies with specified yet-to-be-defined requirements, which may or may not cause a constitutional law issue for water suppliers. Also of concern are the provisions that label water suppliers “at risk” if they fail to meet any of the requirements related to the WRAP or low-income rate assistance, and the provisions that again modify the disconnection of service required with which water suppliers must comply. For these reasons, staff recommends the Board change IRWD’s position on SB 222 and adopt an “oppose unless amended” position to allow staff time to seek amendments to the bill and authorize the District to move to an “oppose” should the bill not be amended to address the District’s concerns over the Summer Recess.

Legislation Related to the Surplus Land Act:

Staff has been engaging on several bills related to the Surplus Land Act (SLA) in order to protect IRWD’s interests. Two of those bills are:

- [AB 2357 \(Ting, D-San Francisco\) – Surplus land](#): As previously reported, AB 2357 would have revised the definition of “surplus land” in the Surplus Land Act (SLA) and restricted a special district’s ability to dispose of land that is exempt from the SLA. AB 2357 would have removed certain provisions the District negotiated for and obtained in [AB 1486 \(2019, Ting\)](#) related to a special district’s disposal of “exempt surplus land” used for investment purposes or other agency use. The bill would have required a special district to comply with the SLA when it is selling investment properties or property used for generation of revenue to further the special district’s work or operations and would have also required local agencies to notify the Department of Housing and Community Development (HCD) 30 days prior to disposing of exempt surplus land.

Because of the bill’s potential to impact IRWD’s investment and real property transactions, IRWD adopted an “oppose unless amended” position on AB 2357, and staff sought amendments to the bill. This bill had been set to be heard in the Senate Governance & Finance Committee on June 15, 2022, but the bill was pulled from the hearing at the request of the author. It will not move this year.

- [SB 361 \(Umberg, D-Santa Ana\) – Surplus Land: Orange County](#): SB 361 would require, until January 1, 2030, the County of Orange or any city located within Orange County, if

notified by HCD that its planned sale of surplus land is in violation of the SLA, to cure or correct the alleged violation within 60 days. A jurisdiction that has not cured or corrected an alleged violation within 60 days would be prohibited from disposing of the parcel until HCD deems the alleged violation not to be a violation. Staff will update the WRP Committee on the ongoing conversations IRWD has been having with Senator Umberg's office regarding further amendments to the bill. Specifically, staff has requested that any reference to leases in the bill be removed.

Other 2022 State Legislative Updates:

In addition to the bills noted above, staff has been tracking and/or engaging on a number of other pieces of legislation. On July 7, staff discussed the following bills with the WRP Committee:

- *SB 12 (McGuire, D-Sonoma) – Planning and Zoning: Wildfires:* SB 12 would establish fire hazard planning responsibilities for local governments, and among other things, requires, on and after January 1, 2023, a water district, city, county, city and county, or water corporation that provides drinking water, wastewater, or recycled water to use only heat-resilient water conveyance infrastructure components in those areas designated as very high fire hazard severity for a water infrastructure project when state or federal funds pay for capital expenditures on the project. This bill had been set to be heard by the Assembly Housing and Community Development Committee on June 15, but was pulled from the hearing at the request of the author and will not move this year;
- *SB 1157 (Hertzberg, D-Van Nuys) – Indoor Residential Water Use Standard:* As previously reported, SB 1157 would lower the indoor residential water use standard, as recommended to the Legislature jointly by DWR and the State Board. This bill was substantially amended on June 16, 2022. IRWD currently has a “neutral” position on SB 1157, and staff continues to seek further amendments to the bill; and
- Other bills of interest to IRWD.

2022 State and Regional Regulatory Update:

The following is a list of some of the State regulations and agency reports staff is monitoring, tracking, or planning to engage in over the next three to 12 months. As the next drafts of the regulations or reports are released for public review and comment, staff will engage, as appropriate. The pending regulations, administrative actions and reports actively being tracked include the:

- Executive and regulatory actions on COVID-19;
- Executive and regulatory actions related to the drought;
- California Air Resources Board (CARB) [AB 32 Climate Change Scoping Plan Update](#);
- CARB's [Proposed Advanced Clean Fleets Regulation](#);
- CARB's [Proposed In-use Off-road Diesel-Fueled Fleets Regulation Amendments](#);
- California Endangered Species Act Listing for the Southern California steelhead;
- California Natural Resources Agency (CNRA) [30 x 30 California Implementation](#);

- CNRA’s [Water Resilience Portfolio Implementation](#);
- DWR’s 2023 California Water Plan Update;
- DWR and the State Board’s implementation of the “[Making Water Conservation a California Way of Life](#)” legislation;
 - DWR and the State Board’s Indoor Water Use Study and Indoor Water Use Standard Recommendations;
 - DWR’s Outdoor Standard Recommendations;
 - DWR’s Work Group on CII performance measures; and
 - State Board’s [Water Loss Performance Standards Regulations](#);
- State Board’s development of a “Cross Connection Policy Handbook;”
- State Board’s Direct Potable Reuse regulations;
- State Board’s actions on lead service lines;
- State Board’s [Draft Statewide Sanitary Sewer System General Order](#);
- State Board’s [Safe and Affordable Funding for Equity and Resilience \(SAFER\) Drinking Water Program](#);
- South Coast AQMD’s [Cumulative Impacts from Air Toxics for CEQA Projects](#); and
- Other regulations of interest to IRWD.

2022 Federal Legislative and Regulatory Update:

Kern Fan Groundwater Storage Project:

IRWD’s federal advocacy efforts in 2022 continue to largely focus on seeking federal funding for the Kern Fan Groundwater Storage Project and advocating for an increased funding authorization for the federal Water Storage Program.

H.R. 5689 (DeFazio) – Resilient Assistance for Mitigation for Environmentally Resilient Infrastructure and Construction by Americans Act or the Resilient AMERICA Act:

H.R. 5689, known as the Resilient Assistance for Mitigation for Environmentally Resilient Infrastructure and Construction by Americans Act (“the Resilience AMERICA Act”), proposes to increase from six percent to 15 percent the estimated aggregate amount of grants that may be set aside within the Robert T. Stafford Disaster Relief and Emergency Assistance Act for national public infrastructure pre-disaster hazard mitigation assistance. The bill also extends the eligibility for pre-disaster mitigation funding to include private non-profits and expands the reach of the post-disaster Hazard Mitigation Grant Program (HMGP) to enhance the resilience of utilities in the face of risk posed by extreme wildfire, wind, tsunamis, and ice events. The bill also creates a pilot program to fund residential resilience retrofit projects, so homeowners have the resources needed to proactively take mitigation into their own hands and strengthen homes for maximum protection and safety and includes Buy America requirements that only American steel and iron be used in projects that are funded by the Federal Emergency Management Agency on a nonemergency basis.

Staff recommends the Board adopt a “support” position on H.R. 5689 because the bill would expand the amount of funding available for pre-disaster hazard mitigation assistance and would ensure that the replacement of water systems that have been burned, caused contamination, or are at risk from wildfire impacts are eligible for pre- and post-disaster funding.

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, 2022.

RECOMMENDATION:

THAT THE BOARD ADOPT AN “OPPOSE UNLESS AMENDED” POSITION ON SB 222 (DODD), AUTHORIZE IRWD TO MOVE TO AN “OPPOSE” POSITION SHOULD THE BILL NOT BE AMENDED TO ADDRESS THE DISTRICT’S CONCERNS OVER THE SUMMER RECESS, AND ADOPT A “SUPPORT” POSITION ON H.R. 5689 (DEFAZIO).

LIST OF EXHIBITS:

Exhibit “A” – IRWD Legislative Matrix

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EXHIBIT “A”
IRWD 2022 LEGISLATIVE MATRIX
Updated 06/30/2022

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 84</u> Budget Cmt	COVID 19: Supplemental Paid Sick Leave		Provides for COVID 19 supplemental paid sick leave for covered employees who are unable to work or telework due to certain reasons related to COVID 19, including that the employee is attending a COVID 19 vaccine or vaccine booster appointment for themselves or a family member, or is experiencing symptoms, or caring for a family member experiencing symptoms, related to a COVID 19 vaccine or vaccine booster. Entitles a covered employee to a specified number of hours of COVID 19 supplemental paid sick leave.	02/09/2022 - Re-referred to SENATE Committee on BUDGET AND FISCAL REVIEW.
<u>AB 154</u> Ting (D)	Budget Act		Makes appropriations for the support of state government for specified fiscal year.	06/13/2022 - In SENATE. Read second time. To third reading.
<u>AB 284</u> Rivas R (D)	Global Warming Solutions Act of 2006: Climate Goal		Requires the state board, as part of the next scoping plan update, in collaboration with the Natural Resources Agency and other relevant state agencies and departments and no later than a specified date, to identify a 2045 climate goal, with interim milestones, for the state's natural and working lands, as defined, and to integrate into the scoping plan update recommendations developed by the Natural Resources Agency and the Department of Food and Agriculture.	09/02/2021 - In SENATE. From third reading. To Inactive File.
<u>AB 343</u> Fong (R)	California Public Records Act Ombudsperson		Requires the California Public Records Act Ombudsperson to create a process through which a person whose information is contained in a record being reviewed may intervene to assert their privacy and confidentiality rights, and would otherwise require the ombudsperson to maintain the privacy and confidentiality of records, as provided.	06/21/2022 - From SENATE Committee on JUDICIARY: Do pass to Committee on GOVERNMENTAL ORGANIZATION.
<u>AB 350</u> Villapudua (D)	Cannella Environmental Farming Act of 1995		Requires the Department of Food and Agriculture to establish and administer a 3-year grant program to fund technical assistance to support landowners located in a critically overdrafted basin, as defined, in reaching water use reduction goals established pursuant	09/02/2021 - In SENATE. From third reading. To Inactive File.

IRWD 2022 LEGISLATIVE MATRIX
Updated 06/30/2022

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			to the Sustainable Groundwater Management Act. Authorizes the department to use specified guidelines to administer this program.	
<u>AB 363</u> Medina (D)	Carl Moyer Air Quality Standards Attainment Program		Requires the state board to establish or update grant criteria and guidelines for covered vehicle and infrastructure projects as soon as practicable, but not later than July 1, 2017. The state board's program guidelines describe the minimum criteria and requirements for on-road heavy-duty vehicles and the types of projects that can be incentivized to provide surplus emissions reductions from on-road heavy-duty vehicles through contracts or through the On-Road Heavy-Duty Voucher Incentive Program (VIP).	07/13/2021 - In SENATE Committee on TRANSPORTATION: Not heard.
<u>AB 386</u> Cooper (D)	Public Employees Retirement: Investments: Confidential		Exempts from disclosure under the California Public Records Act specified records regarding an internally managed private loan made directly by the Public Employees' Retirement Fund. Provides that these records would include quarterly and annual financial statements of the borrower or its constituent owners, unless the information has already been publicly released by the keeper of the information. Prescribes specified exceptions to this exemption from disclosure.	07/13/2021 - In SENATE Committee on JUDICIARY: Failed passage.;07/13/2021 - In SENATE Committee on JUDICIARY: Reconsideration granted.
<u>AB 404</u> Salas (D)	Workers' Compensation: Medical-Legal Expenses		Relates to Workers compensation. Requires that the medical-legal fee schedule be reviewed, and updated if necessary, to increase the conversion factor by the percentage increase in the most recent federal Medicare Economic Index.	08/26/2021 - In SENATE Committee on APPROPRIATIONS. Held in committee and made a Two-year bill.
<u>AB 649</u> Bennett (D)	Department of Resources Recycling and Recovery		Establishes the Office of Environmental Justice and Tribal Relations within the department. Prescribes the duties of the office, including, among others, ensuring that the department's programs effectively address the needs of disadvantaged communities, low-income communities, California Native American tribes, and farmworkers.	06/01/2022 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass to Committee on APPROPRIATIONS.

IRWD 2022 LEGISLATIVE MATRIX
Updated 06/30/2022

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 754</u> Mathis (R)	Sustainable Groundwater Management		Authorizes the Department of Water Resources to extend the deadline for a high- or medium-priority basin not subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated plans upon request of a local agency or groundwater sustainability agency in the basin for an extension of a specified period of time.	07/12/2021 - In SENATE Committee on NATURAL RESOURCES AND WATER: Failed passage.;07/12/2021 - In SENATE Committee on NATURAL RESOURCES AND WATER: Reconsideration granted.
<u>AB 975</u> Rivas (D)	Filing Requirements and Gifts		Permits a filing officer to retain a report or statement filed in a paper format as a copy on microfilm or other space-saving materials or as an electronic copy, as specified, without a two-year waiting period. Permits a filing officer to retain a report or statement as an electronic copy before the Secretary of State certifies an online filing and disclosure system.	06/28/2022 - In SENATE. Read second time. To third reading.
<u>AB 1001</u> Garcia (D)	Mitigation Measures for Air and Water Quality Impacts	WATCH	Requires mitigation measures, identified in an environmental impact report or mitigated negative declaration to mitigate the adverse effects of a project on air quality of a disadvantaged community, to include measures for avoiding, minimizing, or otherwise mitigating for the adverse effects on that community. Requires mitigation measures to include measures conducted at the project site that avoid or minimize to less than significant the adverse effects on the air quality of a disadvantaged community.	06/15/2022 - In SENATE Committee on ENVIRONMENTAL QUALITY: Not heard.
<u>AB 1041</u> Wicks (D)	Leave Issues		Expands the population that an employee can take leave to care for to include a designated person. Defines "designated person" to mean a person identified by the employee at the time the employee requests family care and medical leave. Authorizes an employer to limit designation of a person, as prescribed.	09/09/2021 - In SENATE. To Inactive File.
<u>AB 1164</u> Flora (R)	Publicly Owned or Operated Regulating Basins		Excludes from being considered a dam a regulating basin, as defined, owned or operated by a public entity that is not across a stream channel, watercourse, or natural drainage if certain criteria are met. Includes that the owner or operator of the regulating basin, before the construction of the regulating basin, submit to the	06/28/2022 - From SENATE Committee on NATURAL RESOURCES AND WATER: Do pass to Committee on APPROPRIATIONS.

IRWD 2022 LEGISLATIVE MATRIX
Updated 06/30/2022

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			department an inundation map, stamped by a licensed civil engineer, identifying the flow and depth of water from the regulating basin in the event of a failure.	
<u>AB 1384</u> Gabriel (D)	Resiliency Through Adaptation, Economic Vitality		Requires the agency to also coordinate with the Office of Planning and Research and identify, among other things, vulnerabilities to climate change for vulnerable communities, an operational definition of "climate resilience" for each sector and for vulnerable communities, special protections of vulnerable communities and industries that are disproportionately impacted by climate change, opportunities to improve policy and budget coordination across jurisdictions, and timetables and specific metrics.	04/19/2022 - In SENATE. Read second time. To third reading.
<u>AB 1395</u> Muratsuchi (D)	The State Climate Crisis Act		Declares the policy of the state both to achieve net zero greenhouse gas emissions as soon as possible, but no later than a specified year, and achieve and maintain net negative greenhouse gas emissions thereafter, and to ensure that by a specified year, statewide anthropogenic greenhouse gas emissions are reduced to at least 90% below the 1990 levels.	09/10/2021 - In SENATE. Read third time. Failed to pass SENATE.;09/10/2021 - In SENATE. Motion to reconsider.;09/10/2021 - In SENATE. Reconsideration granted.;09/10/2021 - In SENATE. From third reading. To Inactive File.
<u>AB 1604</u> Holden (D)	The Upward Mobility Act of 2022: Boards and Commissions		Requires that, on or after specified date, all state boards and commissions consisting of one or more volunteer members have at least one board member or commissioner from an underrepresented community. Defines the term board member or commissioner from an underrepresented community. Authorizes the Department of Human Resource, at the direction of and in conjunction with the State Personnel Board, to conduct audits and investigations of personnel practices of other departments and appointing authorities.	06/30/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 1640</u> Ward (D)	Regional Climate Adaptation and Resilience Action Plans		Requires the office, through the program, to encourage the inclusion of eligible entities with land use planning and hazard mitigation planning authority into regional climate networks. Authorizes a regional climate network to develop a regional climate adaptation and resilience action plan.	06/28/2022 - From SENATE Committee on NATURAL RESOURCES AND WATER: Do pass to Committee on APPROPRIATIONS.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 1642</u> Salas (D)	California Environmental Quality Act: Water System Well		Requires a lead agency, before determining that a well project is exempt from California Environmental Quality Act pursuant to these provisions, to contact the state board to determine whether claiming the exemption will affect the ability of the well project to receive federal financial assistance or federally capitalized financial assistance.	06/30/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 1687</u> Seyarto (R)	California Emergency Services Act: Governor's Powers		Provides that the Governor may only suspend a statute or regulation during a state of emergency or state of war emergency in connection with the specific conditions of emergency proclaimed by the Governor or state of war emergency, as applicable.	06/30/2022 - In SENATE. Read second time. To third reading.
<u>AB 1711</u> Seyarto (R)	Privacy: Breach		Requires an agency to post a notice on the agency's internet website when a person or business operating a system on behalf of the agency is required to issue a security breach notification for that system.	06/28/2022 - In SENATE. Read second time. To third reading.
<u>AB 1717</u> Aguiar-Curry (D)	Public Works: Definition		Expands the definition of public works to include fuel reduction work done under contract and paid for in whole or in part out of public funds performed as part of a fire mitigation project.	06/27/2022 - In SENATE Committee on APPROPRIATIONS: To Suspense File.
<u>AB 1747</u> Quirk (D)	Contractors: Disciplinary Action		Provides that the list of violations that constitute cause for a disciplinary action by the Contractors State License Board includes a willful or deliberate disregard of any state or local law relating to the issuance of building permits, and would authorize a civil penalty not to exceed \$30,000 for any violation included on that list.	06/28/2022 - In SENATE. Read second time. To third reading.
<u>AB 1749</u> Garcia (D)	Community Emissions Reduction Programs		Requires a district with a population of 1,000,000 persons or more that issues permits to stationary sources of criteria air pollutants or toxic air contaminants to make available in an easily identifiable location on the district's internet website all permits issued by the district for those stationary sources. Increases the duties of, air	06/30/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			districts. Requires the state to reimburse local agencies and school districts for certain costs mandated by the state.	
<u>AB 1751</u> Daly (D)	Workers' Compensation: COVID-19: Critical Workers		Extends specified workers' compensation provisions relating to COVID-19 until January 1, 2025.	06/29/2022 - From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.
<u>AB 1757</u> Haney (D)	Groundwater Sustainability Agency		Authorizes a conservation district overlying a groundwater basin in this state to decide to become a groundwater sustainability agency for that basin and would make the law governing the formation of a groundwater sustainability agency applicable to that district.	06/01/2022 - To SENATE Committee on NATURAL RESOURCES AND WATER.
<u>AB 1780</u> Chen (R)	Electronic Transmissions by Corporations		Relates to law that sets forth requirements for the governance of various business entities, including corporations, partnerships, and limited liability companies. Relates to law that authorizes certain transactions and communications to and from these business entities to be conducted by electronic transmission under certain conditions. Removes requirement that the recipient has provided an unrevoked consent, would revise the definition of electronic transmission by the corporation.	06/30/2022 - In SENATE. Read second time and amended. To third reading.
<u>AB 1783</u> Levine (D)	Lobbying: Administrative Actions		Expands the definition of "administrative action" under the Political Reform Act of 1974 to include any decision or approval by the Insurance Commissioner or the Director of the Department of Managed Health Care under these provisions.	06/27/2022 - In SENATE Committee on APPROPRIATIONS: To Suspense File.
<u>AB 1793</u> Quirk (D)	Hazardous Waste: Acute Aquatic Toxicity Criterion		Requires the Department of Toxic Substances Control, subject to an appropriation by the Legislature in the Budget Act of 2022 that implements a proposal to review the department's hazardous waste criteria, and as part of the department's comprehensive evaluation of its criteria and guidelines for the identification of hazardous wastes and extremely hazardous wastes, to review its acute toxicity criterion, as provided.	06/27/2022 - In SENATE Committee on APPROPRIATIONS: To Suspense File.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 1811</u> Fong M (D)	Local Flood Protection: Planning: Climate Change		Relates to authorization of a local agency to prepare a local plan of flood protection, including a strategy to meet the urban level of flood protection. Requires this strategy, if a plan is prepared by a local agency, to also include planning for climate change and rainwater and stormwater management. Requires the plan to additionally include an update on the status of coordination with water suppliers on how the management of flood waters can bolster local water supplies.	06/29/2022 - In SENATE. Read second time. To Consent Calendar.
<u>AB 1817</u> Ting (D)	Product Safety: Textile Articles: PFAS		Requires a manufacturer of a textile article that contains regulated PFAS to provide persons that offer the product for sale or distribution in the state with a certificate of compliance stating that the textile article is in compliance with these provisions and does not contain any regulated PFAS.	06/30/2022 - In SENATE. Read second time and amended. To third reading.
<u>AB 1824</u> Public Employment and Retirement Cmt	Public Employees' Retirement		Establishes the State Teachers' Retirement System and creates the Defined Benefit Program of the State Teachers' Retirement Plan, which provides a defined benefit to members of the program, based on final compensation, creditable service, and age at retirement, subject to certain variations.	06/30/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 1845</u> Calderon (D)	Metropolitan Water District of Southern California		Authorizes the Metropolitan Water District of Southern California to use the design-build procurement process for certain regional recycled water projects or other water infrastructure projects. Defines "design-build" to mean a project delivery process in which both the design and construction of a project are procured from a single entity. Requires the district to use a specified design-build procedure to assign contracts for the design and construction of a project, as defined.	06/29/2022 - From SENATE Committee on GOVERNANCE AND FINANCE: Do pass to Committee on APPROPRIATIONS.
<u>AB 1851</u> Rivas R (D)	Public Works: Prevailing Wage: Hauling		Expands the definition of public works certain purposes to include the on-hauling of materials used for paving, grading, and fill onto a public works site if the individual driver's work is integrated into	06/15/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			the flow process of construction. States the intent of the Legislature that this change is declaratory of existing law.	
<u>AB 1857</u> Garcia (D)	Solid Waste		Repeals the provision authorizing the inclusion of not more than specified percent of the diversion through transformation. Requires local agencies to revise the source reduction and recycling elements of their integrated waste management plans. Imposes a state-mandated local program. Requires the department, upon appropriation by the Legislature, to administer the Zero-Waste Equity Grant Program as a competitive grant program.	06/23/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 1865</u> Bennett (D)	Court Fee Waiver: Water Rights Cases		Requires a court to initially grant permission to proceed without paying court fees and costs to a person who was joined or countersued in a case involving a water right held by the person.	06/14/2022 - From SENATE Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.
<u>AB 1879</u> Mathis (R)	Water Quality Control Boards Frivolous Complaints		Authorizes a regional board to develop a plan or policy to address unfounded, as defined, or frivolous, as defined, complaints.	06/30/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 1883</u> Quirk-Silva (D)	Public Restrooms		Requires each local government, as defined, to complete an inventory of public restrooms owned and maintained by the local government, either directly or by contract, that are available to the general population in its jurisdiction. Requires local governments to report their findings to the State Department of Public Health, which would be required to compile the information and to make the inventory available in a searchable database on its internet website. Requires the database to be updated quarterly.	06/23/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 1886</u> Cooper (D)	Public Works: Definition		Expands the definition of public works to include street sweeping maintenance performed for the preservation, protection, and keeping of any publicly owned or publicly operated street, road, or highway done under contract and paid for in whole or in part out of public funds.	06/28/2022 - In SENATE. Read second time. To third reading.

IRWD 2022 LEGISLATIVE MATRIX
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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 1906</u> Stone (D)	Voluntary Stream Restoration: Property Owner Liability		Requires costs incurred by a qualifying state agency in settling, in addition to investigating and defending against, a claim by a real property owner to be paid from the General Fund.	06/20/2022 - In SENATE Committee on APPROPRIATIONS: To Suspense File.
<u>AB 1933</u> Friedman (D)	Property Taxation: Welfare Exemption: Nonprofit		Makes a nonprofit corporation liable for property tax for the years for which the property was exempt from taxation pursuant to the bill' s provisions if the property was not developed or rehabilitated, or if the development or rehabilitation is not in the course of construction, by specified dates depending on the date the nonprofit corporation acquired the property.	06/28/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 1944</u> Lee (D)	Local Government: Open and Public Meetings		Requires the agenda to identify any member of the legislative body that will participate in the meeting remotely. Requires an updated agenda reflecting all of the members participating in the meeting remotely to be posted, if a member of the legislative body elects to participate in the meeting remotely after the agenda is posted.	06/22/2022 - In SENATE Committee on GOVERNANCE AND FINANCE: Not heard.
<u>AB 1949</u> Low (D)	Employees: Bereavement Leave		Grants specified permanent employees of the state up to 3 days of bereavement leave, with up to 2 additional days of bereavement leave upon request if the death is out of state. Recast those provisions to specify that the first 3 days of bereavement leave are to be paid leave, and to remove the condition that the death be out of state for the additional 2 days.	06/30/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 1985</u> Rivas R (D)	Organic Waste: Recovered Organic Waste Product		Requires the Department of Resources Recycling and Recovery regulations to allow a local jurisdiction to procure a product made from California, landfill-diverted recovered organic waste, as provided, to comply with recovered organic waste product procurement target requirements. Allows a local jurisdiction, in procuring recovered organic waste products, to utilize California-derived recovered organic waste that is processed outside of the state.	06/30/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

IRWD 2022 LEGISLATIVE MATRIX
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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 2016</u> Bauer-Kahan (D)	State Water Resources Control Board: Desalination Plant		Repeals certain provisions of law that requires the Department of Water Resources to report to the Legislature on potential opportunities and impediments for using seawater and brackish water desalination, and to examine what role, if any, the state should play in furthering the use of desalination technology. Requests the California Council on Science and Technology, in consultation with the department, to undertake and complete a comprehensive feasibility study.	06/23/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 2059</u> Carrillo (D)	Hazardous Materials Business and Area Plans		Requires a supplier, as defined, that sells or provides a certain amount of hazardous materials meeting certain requirements to a business in the state in certain quantities to maintain electronic records containing certain information concerning the sale or provision of the hazardous materials for at least 5 years and would require the suppliers to make those records immediately available to a UPA upon request.	06/22/2022 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass to Committee on APPROPRIATIONS.
<u>AB 2061</u> Ting (D)	Transportation Electrification: Electric Vehicle Charge		Requires an entity that receives an incentive funded by a state agency or through a charge on ratepayers to install, own, or operate a charging station, in whole or in part, to report charging station uptime, as defined, to the Energy Commission. Requires the Energy Commission, as part of the assessment of the investment plan for the Clean Transportation Program, to assess the uptime of public- and ratepayer-funded charging station infrastructure.	06/28/2022 - From SENATE Committee on TRANSPORTATION: Do pass to Committee on APPROPRIATIONS.
<u>AB 2075</u> Ting (D)	Energy: Electric Vehicle Charging Standards		Specifies the State Energy Resources Conservation and Development Commission (Energy Commission) is an interested party that the California Building Standards Commission and the Department of Housing and Community Development are required to consult with in proposing and adopting those standards.	06/27/2022 - From SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS: Do pass to Committee on APPROPRIATIONS.
<u>AB 2076</u> Rivas (D)	Extreme Heat and Community Resilience Program		Requires the office to coordinate with other state agencies to implement the program and update the Extreme Heat Action Plan. Requires the Director of State Planning and Research to appoint a	06/22/2022 - From SENATE Committee on HEALTH: Do pass to Committee on APPROPRIATIONS.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			Chief Heat Officer to coordinate state activities and funding to address heat and oversee the implementation of the program. Require the advisory council to, among other things, advise and provide input to the office on actions to improve the effectiveness of the program.	
<u>AB 2106</u> Rivas R (D)	Water Quality: Permits		Authorizes the State Water Resources Control Board to require a person submitting a report to the state board, a regional board, or a local agency to submit the report in electronic format. Requires the state board to modernize its stormwater data collection systems through specified actions. Requires the state board to establish a statewide commercial, industrial, and institutional NPDES order and to publish a draft order of the statewide order for public comment on or before specified date.	06/30/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 2108</u> Rivas R (D)	Disadvantaged and Tribal Communities		Requires the state board and each regional board, contingent upon an appropriation, to hire environmental justice and tribal community coordinator positions for specified purposes. Requires the state board, contingent upon an appropriation, to establish a community capacity building stipend program to promote meaningful civic engagement by disadvantaged communities and tribal communities in the state board and regional board decision making processes, among other activities.	06/28/2022 - From SENATE Committee on NATURAL RESOURCES AND WATER: Do pass to Committee on APPROPRIATIONS.
<u>AB 2133</u> Medina (D)	Wages: Final Payments		Regulates the terms and conditions of employment, and, specifically, the payment of wages. Reduces the time limit on the payment of wages, as described above, to 48 hours.	06/30/2022 - In SENATE. Read second time. To third reading.
<u>AB 2135</u> Irwin (D)	Information Security		Requires state agencies to adopt and implement information security and privacy policies, standards, and procedures based upon standards issued by the National Institute of Standards and Technology and the Federal Information Processing Standards. Requires to certify, to the President pro Tempore of the Senate and the Speaker of the Assembly that the agency is in compliance with	06/21/2022 - From SENATE Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			all adopted policies, standards, and procedures and to include a plan of action and milestones.	
<u>AB 2141</u> Garcia E (D)	Greenhouse Gas Reduction Fund: Community Projects		Appropriates to the state board, beginning in the 2023-24 fiscal year, 20 percent of the annual proceeds of the Greenhouse Gas Reduction Fund, up to specified amount, for allocation to air pollution control districts and air quality management districts for the purpose of supporting community emissions reduction strategies in, and reimbursement for participation by, communities selected by the state board, as specified.	06/01/2022 - To SENATE Committee on ENVIRONMENTAL QUALITY.
<u>AB 2142</u> Gabriel (D)	Income Taxes: Exclusion: Turf Replacement Program	SUPPORT	Includes additional information required for any bill authorizing a new tax expenditure, and would require the Department of Finance to include an analysis of these expenditures in its annual tax expenditure report provided to the Legislature.	06/27/2022 - In SENATE Committee on APPROPRIATIONS: To Suspense File.
<u>AB 2143</u> Carrillo (D)	Net Energy Metering		Applies those public works project requirements to the construction of any renewable electrical generation facility, and any associated battery storage, after a specified date, that receives service pursuant to the 2nd standard contract or tariff, except a residential facility that will have a maximum generating capacity of specified kilowatts or less of electricity.	06/30/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 2146</u> Bauer-Kahan (D)	Neonicotinoid Pesticides: Prohibited Nonagricultural		Authorizes the Director of Pesticide Regulation, in consultation with the Department of Food and Agriculture, to authorize, by written order, the sale, possession, or use of these prohibited pesticides if the director finds that it would address a valid environmental emergency and there are no other, less harmful alternatives, as specified, and requires the director to make reasonable efforts to inform the public of an environmental emergency finding.	06/20/2022 - In SENATE Committee on APPROPRIATIONS: To Suspense File.
<u>AB 2148</u> Calderon (D)	Workers' Compensation: Disability Payments		Extends the authorization to deposit indemnity payments in a prepaid card account until a specified date.	06/30/2022 - In SENATE. Read third time. Passed SENATE. To enrollment.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 2154</u> Cooley (D)	California Insurance Guarantee Association		Requires the board to report specified information to the Assembly Committee on Insurance and the Senate Committee on Insurance within 60 days of the request if the board of CIGA asks the California Infrastructure and Economic Development Bank to issue bonds, and annually thereafter while the bond remain outstanding. Specifies that obligations under a policy issued to cover cybersecurity are covered claims.	06/22/2022 - From SENATE Committee on INSURANCE: Do pass to Committee on APPROPRIATIONS.
<u>AB 2173</u> Petrie-Norris (D)	Public Contracts: Payment		Extends indefinitely existing law which authorizes the retention proceeds withheld from any payment by an awarding entity from the original contractor, by the original contractor from any subcontractor, and by a subcontractor from any subcontractor, to exceed 5% on specific projects where the director of the applicable department has made, or the governing body of the public entity or designated official of the public entity has approved, a finding prior to the bid that the project is complex.	06/29/2022 - Enrolled.
<u>AB 2186</u> Grayson (D)	Housing Cost Reduction Incentive Program		Establishes the Housing Cost Reduction Incentive Program, to be administered by the department, for the purpose of reimbursing cities, counties, and cities and counties for development impact fee reductions provided to qualified housing developments. Requires a public entity that receives grant funds under the program to use those funds solely for those purposes for which the development impact fee that was reduced or deferred would have been used.	06/29/2022 - From SENATE Committee on GOVERNANCE AND FINANCE: Do pass.
<u>AB 2188</u> Quirk (D)	Discrimination in Employment: Use of Cannabis		Exempts certain applicants and employees from the bill's provisions, including employees performing work associated with construction and applicants and employees in positions requiring a federal background investigation or clearance, as specified. Specifies that the bill does not preempt state or federal laws requiring applicants or employees to be tested for controlled substances as a condition of receiving federal funding or federal licensing-related benefits, or entering into a federal contract.	06/30/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 2201</u> Bennett (D)	Groundwater Sustainability Agency: Extraction Permit		Prohibits a county, city, or any other water well permitting agency from approving a permit for a new groundwater well or for an alteration to an existing well in a basin subject to the act and classified as medium or high priority unless specified conditions are met.	06/22/2022 - From SENATE Committee on GOVERNANCE AND FINANCE with author's amendments.;06/22/2022 - In SENATE. Read second time and amended. Re-referred to Committee on GOVERNANCE AND FINANCE.
<u>AB 2206</u> Lee (D)	Nonattainment Basins: Employee Parking		Revises the definitions of "employer," "parking cash-out program," and "parking subsidy." Requires a lessor that enters into or renews a lease on or after specified date, with a lessee that is an employer and that offers parking to the employer to list the market-rate parking costs as a separate line item in the lease, as provided, or to provide a list of parking costs to the employer within 30 days after the lease is entered into or renewed.	06/30/2022 - In SENATE. Read second time and amended. To third reading.
<u>AB 2208</u> Kalra (D)	Fluorescent Lamps: Sale and Distribution: Prohibition		Prohibits on and after specified date, a compact fluorescent lamp, as defined, and, on and after specified date, a linear fluorescent lamp, as defined, from being offered for final sale, sold at final sale, or distributed in this state as a new manufactured product.	06/09/2022 - In SENATE. Read second time. To third reading.
<u>AB 2221</u> Quirk-Silva (D)	Accessory Dwelling Units		Requires a permitting agency to act on an application to serve an accessory dwelling unit or a junior accessory dwelling unit within the same timeframes. Provides that the requirement for a permitting agency to act on an application means either to return in writing a full set of comments to the applicant with a comprehensive request for revisions or to return the approved permit application.	06/13/2022 - From SENATE Committee on Housing: Do pass to Committee on GOVERNANCE AND FINANCE.
<u>AB 2225</u> Ward (D)	Conservation and Management Of Lands		Requires the Natural Resources Agency no later than January 1, 2024, to conduct regional workshops with Native American tribes across the state to solicit the input, priorities, and concerns of Native American tribes regarding of Native American tribes traditional ecological knowledge, as defined.	06/08/2022 - To SENATE Committee on NATURAL RESOURCES AND WATER.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 2233</u> Quirk-Silva (D)	Excess State Land: Development of Affordable Housing		Requires the Department of General Services to develop, no later than specified date, a set of criteria to consistently evaluate state owned parcels for suitability as affordable housing sites. Requires, on or before specified date, and every certain years thereafter, the Department of General Services to, among other things, conduct a review of all state owned property and identify state owned parcels that are potentially viable for affordable housing based on those criteria.	06/21/2022 - From SENATE Committee on HOUSING: Do pass to Committee on APPROPRIATIONS.
<u>AB 2234</u> Rivas R (D)	Planning and Zoning: Housing: Postentitlement Phase		Requires a local agency to compile a list of information needed to approve or deny a postentitlement phase permit, as defined, to post an example of a complete, approved application and an example of a complete set of postentitlement phase permits for at least 5 types of housing development projects in the jurisdiction, as specified, and to make those items available to all applicants for these permits no later than specified date.	06/23/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 2238</u> Rivas (D)	Extreme Heat: Statewide Extreme Heat Ranking System		Requires the agency, by specified date, to develop a statewide extreme heat ranking system in coordination with the ICARP, the State Department of Public Health, and the Department of Insurance, as provided. Requires the Department of Insurance, by specified date, to transmit a study related to combating the effects of extreme heat, insurance options that will support specified adaptation, preparedness, and resilience measures, and recommendations for overcoming barriers encountered by local governments.	06/22/2022 - From SENATE Committee on INSURANCE: Do pass to Committee on APPROPRIATIONS.
<u>AB 2243</u> Garcia E (D)	Occupational Safety and Health Standards: Heat Illness		Requires the Division of Occupational Safety and Health, before specified date, to submit to the standards board a rulemaking proposal to consider revising the heat illness standard and wildfire smoke standard. Requires the division, in preparing the proposed regulations, to consider revising the heat illness standard to include an ultrahigh heat standard for employees in outdoor places of	06/22/2022 - From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.

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Updated 06/30/2022

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			employment for heat in excess of 105 degrees Fahrenheit, as prescribed.	
<u>AB 2247</u> Bloom (D)	Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)		Requires, as part of the hazardous waste control laws, the Department of Toxic Substances Control to work with the Interstate Chemicals Clearinghouse to establish, on or before specified date, a publicly accessible reporting platform to collect information about perfluoroalkyl and polyfluoroalkyl substances (PFAS) and products or product components containing intentionally added PFAS, as defined, being sold, offered for sale, distributed, or offered for promotional purposes in, or imported into, the state.	06/22/2022 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass to Committee on APPROPRIATIONS.
<u>AB 2248</u> Garcia E (D)	Water Quality: California Mexico Cross Border Rivers		Makes a specified sum available from the General Fund, upon appropriation by the Legislature in the annual Budget Act or another statute, to the Environmental Protection Agency to address water quality problems arising in the rivers that come across the border from Mexico. Makes a specified sum available for purposes consistent with the New River Water Quality, Public Health, and River Parkway Development Program and a sum available for purposes consistent with water quality projects for the Tijuana River.	06/30/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 2260</u> Rodriguez (D)	Emergency Response: Trauma Kits		Defines trauma kit to mean a first aid response kit that contains specified items, including, among other things, a tourniquet. Allows medical materials and equipment and any additional items that are approved by the medical director of the local emergency medical services agency to be included as supplements in addition to the specified items that are required to be included in a trauma kit if they adequately treat a traumatic injury and can be stored in a readily available kit.	06/30/2022 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY for concurrence.
<u>AB 2278</u> Kalra (D)	Natural Resources: Biodiversity and Conservation Report		Requires the Secretary of the Natural Resources Agency to prepare and submit, beginning on or before a specified date, an annual	06/29/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			report to the Legislature on the progress toward achieving the directives of the executive order.	
<u>AB 2313</u> Bloom (D)	Water: Judges and Adjudications		Authorizes, within 30 days after at least one defendant or respondent has been served in an action relating to water, any party to file a noticed motion for that case to be assigned to a judge who has participated in that training program, subject to prescribed procedures.	06/30/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 2316</u> Ward (D)	Public Utilities Commission: Community Renewable Energy		Requires the commission, on or before specified date, to establish a community renewable energy program, and require that the program comply with specified photovoltaic requirements, ensure at least a specific percentage of its subscribers are low-income customers or low-income service organizations, minimize impacts to nonsubscriber ratepayers, and provide bill credits to subscribers, as specified.	06/29/2022 - From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Do pass as amended to Committee on APPROPRIATIONS.
<u>AB 2319</u> Bonta M (D)	Surplus Land: Former Military Base Land		Adds to the definition of exempt surplus land, land that is a former military base conveyed by the federal government to a local agency, is subject to certain provisions governing the Alameda Naval Air Station and the Fleet Industrial Supply Center, and meets other specified conditions.	06/23/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 2334</u> Wicks (D)	Density Bonus Law: Affordability: Incentives		Requires the rent for the remaining units in the development be set at an amount consistent with the maximum rent levels for lower income households, as those rents and incomes are determined by California Tax Credit Allocation Committee. Regards to the enforcement of equity sharing agreements for for sale units, would also permit the local government to defer to the recapture provisions of the public funding source. Makes a technical change to the Density Bonus Law by deleting duplicative provisions.	06/29/2022 - From SENATE Committee on GOVERNANCE AND FINANCE: Do pass as amended to Committee on APPROPRIATIONS.

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<u>AB 2357</u> Ting (D)	Surplus Land	OPPOSE UNLESS AMENDED	Relates to exempt surplus land and certain legal restrictions that would make housing prohibited. Requires that those legal restrictions be documented and verified in writing by the relevant agencies that have authority relating to the restrictions.	06/15/2022 - In SENATE Committee on GOVERNANCE AND FINANCE: Not heard.
<u>AB 2362</u> Mullin (D)	Publicly and Environmentally Beneficial Projects		Requires the agency, on or before specified date, in coordination with the California Environmental Protection Agency, to convene the Interagency Working Group comprised of regulatory agencies under the auspices of the agency and the California Environmental Protection Agency that are responsible for permitting environmentally beneficial projects, that include procedures and ongoing management for the protection of the environment.	06/30/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 2370</u> Levine (D)	Public Records: State Agency Retention		Requires by statute or regulation, or established by the Secretary of State pursuant to the State Records Management Act, require a state agency, for purposes of the California Public Records Act, to retain and preserve for at least 2 years every public record, as defined, regardless of physical form or characteristics.	06/27/2022 - In SENATE Committee on APPROPRIATIONS: To Suspense File.
<u>AB 2377</u> Muratsuchi (D)	Secretary of Natural Resources: Permits		Requires the Secretary of Natural Resources, in consultation with the State Water Resources Control Board, to coordinate and synchronize permits for forest management, wildfire prevention, and fuel reduction.	06/29/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 2383</u> Jones-Sawyer (D)	Rental Housing Unlawful Housing Practices: Applications		Makes it an unlawful housing practice for the owner of a rental housing accommodation, or another individual or business establishment, to inquire about, or require an applicant for a rental housing accommodation to disclose, or to otherwise seek, consider, use, or take adverse action on, criminal history information, as defined, during the initial application assessment phase, unless otherwise required by state or federal law.	06/30/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 2419</u> Bryan (D)	Environmental Justice: Federal Infrastructure		Requires a minimum of 40% of funds received by the state under the Infrastructure Investment and Jobs Act (IIJA) and certain other	06/28/2022 - From SENATE Committee on GOVERNMENTAL

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			federal funds to be allocated to projects that provide direct benefits to disadvantaged communities and disadvantaged unincorporated communities and, except as specified, a minimum of an additional 10% be allocated for projects that provide direct benefits to low-income households and low-income communities, as provided.	ORGANIZATION: Do pass to Committee on APPROPRIATIONS.
<u>AB 2449</u> Rubio (D)	Open Meetings: Local Agencies: Teleconferences		Authorizes a member to participate remotely under specified circumstances, including participating remotely for just cause or due to emergency circumstances. Relates to the emergency circumstances basis for remote participation would be contingent on a request to, and action by, the legislative body. Defines terms for purposes of these teleconferencing provisions.	06/30/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 2451</u> Wood (D)	State Water Resources Control Board: Drought Planning		Creates a Drought Section within the state board, as specified. Requires the state board, in consultation with the Department of Fish and Wildlife, to adopt principles and guidelines for diversion and use of water in coastal watersheds, as specified, during times of water shortage for drought preparedness and climate resiliency.	06/23/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 2454</u> Jones-Sawyer (D)	Public Contracts: Protests: Joint Labor-Management		Authorizes a joint labor-management committee, as defined, to submit a written protest to a contract that is not to be awarded to the lowest bidder.	06/08/2022 - To SENATE Committee on GOVERNMENTAL ORGANIZATION.
<u>AB 2463</u> Lee (D)	Public Works: Exemption		Relates to existing law defines "public works," for purposes of regulating public works contracts, as, among other things, construction, alteration, demolition, installation, or repair work that is performed under contract and paid for in whole or in part out of public funds. Relates to pursuant to existing law, all workers employed on public works projects are required to be paid not less than the general prevailing rate of per diem wages for work, except as specified.	06/01/2022 - From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.

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<u>AB 2503</u> Garcia (D)	Landlords and Tenants: California Law Revision		Requires the California Law Revision Commission to, on or before specified date, deliver to the Legislature a study regarding, among other things, the establishment of consistent terminology across the California codes to describe the parties to an agreement, lease, or other contract for the rental of residential real property, including in mobilehome parks, that meets certain criteria, specifically, among other things, that the study addresses whether the continued use of the terms landlord and tenant.	06/21/2022 - From SENATE Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.
<u>AB 2505</u> Gray (D)	Water Theft: Irrigation Districts		Authorizes irrigation districts, as defined, to impose fines or penalties for water theft. Provides that certain provisions do not cap or limit the fines that an irrigation district may impose in accordance with the Irrigation District Law.	06/20/2022 - Signed by GOVERNOR.;06/20/2022 - Chaptered by Secretary of State. Chapter No. 2022-023
<u>AB 2536</u> Grayson (D)	Development Fees: Impact Fee Nexus Studies	WATCH	Requires a local agency, prior to levying a new fee or capacity charge or approving an increase in an existing fee or capacity charge, to evaluate the amount of the fee or capacity charge. Requires the evaluation to include evidence to support that the fee or capacity charge does not exceed the estimated reasonable cost of providing service, as specified. Requires all information constituting the evaluation to be made publicly available at least 14 days prior to a specified meeting.	06/30/2022 - In SENATE. Read third time. Passed SENATE. To enrollment.
<u>AB 2556</u> O'Donnell (D)	Local Public Employee Organizations		Authorizes a recognized employee organization to charge an employee covered by the Firefighters Procedural Bill of Rights Act for the reasonable cost of representation when the employee holds a conscientious objection as specified or declines membership in the organization and requests individual representation in a discipline, grievance, arbitration, or administrative hearing from the organization.	06/29/2022 - From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.
<u>AB 2559</u> Ward (D)	Reusable Tenant Screening Reports		Defines the term reusable tenant screening report to mean a consumer report, as defined, that was prepared within the previous 30 days by a consumer reporting agency at the request and expense	06/23/2022 - In SENATE. Read second time and amended. To third reading.

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			of an applicant, is made directly available to the landlord for use in the rental application process or is provided through a third-party website that regularly engages in the business of providing reusable tenant screening reports that are available to landlords and complies with all state and federal laws.	
<u>AB 2582</u> Bennett (D)	Recall Elections: Local Offices		Requires a recall election for a local officer to include only the question of whether the officer sought to be recalled shall be removed from office. Provides that if a local officer is removed from office in a recall election, the bill would provide that the office is vacant until it is filled according to law.	06/22/2022 - In SENATE. Read second time. To third reading.
<u>AB 2593</u> Boerner Horvath (D)	Coastal Resources: Coastal Development Permits		Authorizes the California Coastal Commission to authorize blue carbon demonstration projects, as defined, in order to demonstrate and quantify the carbon sequestration potential of these projects to help inform the state's natural and working lands and climate resilience strategies. Authorizes the commission to require an applicant with a project that impacts coastal wetland, subtidal, intertidal, or marine habitats or ecosystems to build or contribute to a blue carbon demonstration project.	06/27/2022 - In SENATE Committee on APPROPRIATIONS: To Suspense File.
<u>AB 2638</u> Bloom (D)	School Facilities: Drinking Water: Filling Stations		Requires a new construction or modernization project submitted to the Division of the State Architect by a school district or the governing body of a charter school to include water bottle filling stations, as specified. Requires, for modernization projects, a minimum of one water bottle filling station for each school undergoing modernization, and for new construction projects, a minimum of one water bottle filling station per 350 people at each school being constructed.	06/22/2022 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass to Committee on APPROPRIATIONS.
<u>AB 2647</u> Levine (D)	Local Government: Open Meetings		Requires a local agency to make those writings distributed to the members of the governing board available for public inspection at a public office or location that the agency designates and list the address of the office or location on the agenda for all meetings of	06/29/2022 - From SENATE Committee on GOVERNANCE AND FINANCE: Do pass.

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			the legislative body of the agency unless the local agency meets certain requirements, including the local agency immediately posts the writings on the local agency's internet website in a position and manner that makes it clear.	
<u>AB 2649</u> Garcia (D)	Natural Carbon Sequestration and Resilience Act of 2022		Declares the goal of the state to sequester, through natural carbon sequestration in California, at least 60,000,000 metric tons of carbon dioxide equivalent annually on or before specified date, and 75,000,000 metric tons of carbon dioxide equivalent annually on or before specified date.	06/29/2022 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass to Committee on APPROPRIATIONS.
<u>AB 2667</u> Friedman (D)	Integrated Distributed Energy Resources Fund		Establishes the Integrated Distributed Energy Resources Fund as a special fund in the State Treasury. Requires the commission to establish a process to allow a load-serving entity to apply for incentives on behalf of its generation service customer or a set of its generation service customers as part of that load-serving entity's customer program to meet or reduce its resource adequacy requirement obligations, as specified.	06/27/2022 - From SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS: Do pass as amended to Committee on APPROPRIATIONS.
<u>AB 2677</u> Gabriel (D)	Information Practices Act of 1977		Recasts those provisions to include, among other things, genetic information, IP address, online browsing history, and location information within the definition of " personal information" for the act' s purposes. Makes other technical, nonsubstantive, and conforming changes.	06/30/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 2693</u> Reyes (D)	COVID-19: Exposure		Extends provisions of the Occupational Safety and Health Act concerning exposure to the risk of infection with Coronavirus 2019. Provides that certain workplace industry information received from local public health departments shall be made available on available on a website.	06/28/2022 - In SENATE. Read second time. To third reading.
<u>AB 2780</u> Arambula (D)	Enhanced Infrastructure Financing Districts		Authorizes the City of Selma to initiate, participate in, govern, or finance an enhanced infrastructure financing district if specified events have occurred, except the requirement to have received a	06/23/2022 - In SENATE. Read second time. To third reading.

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			finding of completion, and if the City of Selma, acting as the successor agency or entity to the former Selma Redevelopment Agency, is in compliance with a settlement agreement it has entered into with the state to resolve any redevelopment agency dissolution issues and payments.	
<u>AB 2805</u> Bauer-Kahan (D)	Department of Fish and Wildlife: Advance Mitigation		Authorizes the department to collect fees or other compensation from a federally recognized tribe, in addition to a public agency, that proposes a regional conservation strategy or assessment, as provided, and would direct the department to deposit these and the mitigation credit agreement fees into the fund.	06/29/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 2877</u> Garcia E (D)	Safe and Affordable Drinking Water Fund: Tribes		Specifies that a limited waiver of tribal sovereignty is not required for a tribe that is an eligible recipient to access funding from the fund. Requires the state board to work with tribes that are eligible recipients to remove any barriers for those tribes to access funding, as specified. Requires the state board to ensure an equitable distribution of funds from the fund, including funds to eligible recipients that are federally recognized California Native American tribes.	06/30/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 2878</u> Aguiar-Curry (D)	Forest Biomass Waste Utilization Program		Requires the Natural Resources Agency, in furtherance of the program, to facilitate the inclusion of recommendations for forest biomass waste utilization in relevant, state climate adaptation plans. Requires the Natural Resources Agency, in coordination with the California Environmental Protection Agency and the Wildfire and Forest Resilience Task Force, to prepare and publish, on or before specified date, and at least once every 5 years thereafter, updates to the California Forest Carbon Plan, as provided.	06/27/2022 - From SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS: Do pass as amended to Committee on APPROPRIATIONS.
<u>AB 2893</u> Daly (D)	Administrative Procedure Act		Relates to the Administrative Procedure Act, which prohibits a state agency from issuing, utilizing, enforcing, or attempting to enforce any guideline, standard of general application, or other rule, among other things, that is a regulation, as defined, unless it	06/28/2022 - From SENATE Committee on GOVERNMENTAL ORGANIZATION: Do pass to Committee on APPROPRIATIONS.

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			has been adopted as a regulation and filed with the Secretary of State. Requires the state agency to update its analysis to reflect any comments received from the Department of Finance.	
<u>AB 2895</u> Arambula (D)	Water: Permits and Licenses: Temporary Changes		Establishes a new process for petitions for which notice is submitted to the State Water Resources Control Board no later than January 31 for a temporary change due to a transfer or exchange of water rights initiated in the same year, and imposes on the State Water Resources Control Board related notice, decision, and hearing requirements.	06/23/2022 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>AB 2957</u> Local Government Cmt	Local Government: Reorganization		Defines the term successor agency to mean the local agency a commission designates to wind up the affairs of a dissolved district. Expands the definition of a qualified annexation of unincorporated territory to include an annexation for which an application or resolution was filed on or before January 1, 2028.	06/21/2022 - Chaptered by Secretary of State. Chapter No. 2022-037
<u>AB 2965</u> Natural Resources Cmt	California Environmental Quality Act: Procedures		Repeals certain obsolete and duplicative provisions from the California Environmental Quality Act (CEQA). Repeals provisions relative to judicial review procedures and administrative reviews of specified Environmental Impact Reports.	06/21/2022 - Chaptered by Secretary of State. Chapter No. 2022-038
<u>ACA 1</u> Aguiar-Curry (D)	Local Government Financing: Affordable Housing		Creates an additional exception to the 1% ad valorem tax rate limit on real property that would authorize a city, county, or special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, if the proposition proposing the tax is approved by 55% of the voters of the city or county, and the proposition includes accountability requirements.	04/22/2021 - To ASSEMBLY Committees on LOCAL GOVERNMENT and APPROPRIATIONS.
<u>ACA 13</u> Mathis (R)	Water Infrastructure Projects: Minimum Funding		Requires the Treasurer to annually transfer an amount equal to 2% of all state revenues from the General Fund to the Water Infrastructure Trust Account, which the measure would create.	04/07/2022 - To ASSEMBLY Committees on WATER, PARKS AND

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			Continuously appropriates moneys in the account to the California Water Commission for its actual costs of implementing these provisions and for specified water infrastructure projects. Enacts the Water Infrastructure Bond Act of 2022.	WILDLIFE and NATURAL RESOURCES.
<u>ACR 180</u> Bauer-Kahan (D)	Special Districts Week	SUPPORT	Proclaims the week of May 15, 2022 to May 21, 2022 to be Special Districts Week.	06/10/2022 - Enrolled.
<u>SB 12</u> McGuire (D)	Local Government: Planning and Zoning: Wildfires		Requires the safety element, upon the next revision of the housing element or the hazard mitigation plan, on or after a certain date, whichever occurs first, to be reviewed and updated as necessary to include a comprehensive retrofit strategy to reduce the risk of property loss and damage during wildfires, and would require the planning agency to submit the adopted strategy to the Office of Planning and Research for inclusion into the clearinghouse for climate adaptation.	06/06/2022 - From ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT with author's amendments.;06/06/2022 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on HOUSING AND COMMUNITY DEVELOPMENT.
<u>SB 37</u> Cortese (D)	Contaminated Site Cleanup and Safety Act		Repeals the requirement for the State Department of Health Care Services to compile a list of all public drinking water wells. Provides that a project located on a site that is included on any list compiled by the state agencies specified above and posted on the California Environmental Protection Agency's internet website is exempted from CEQA if the project meets specified conditions.	09/08/2021 - In ASSEMBLY. To Inactive File.
<u>SB 45</u> Portantino (D)	Short-lived Climate Pollutants: Organic Waste Reduction		Requires the State Air Resources Board, no later than January 1, 2018, to approve and begin implementing a short-lived climate pollutant strategy. Requires the department, in consultation with the state board, to provide assistance to local jurisdictions, including, but not limited to, any funding appropriated by the Legislature in the annual Budget Act, for purposes of assisting local agencies to comply with these provisions, including any regulations adopted by the department.	06/29/2022 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspend File.

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<u>SB 222</u> Dodd (D)	Water Rate Assistance Program	WATCH	Establishes the Water Rate Assistance Fund in the State Treasury to help provide water affordability assistance, for both drinking water and wastewater services, to low-income residential ratepayers. Makes money in the fund available upon appropriation by the Legislature to the state board to provide, in consultation with relevant agencies, direct water bill assistance, water bill assistance to residential ratepayers served by eligible systems.	06/23/2022 - In ASSEMBLY. Read third time and amended. To third reading.
<u>SB 230</u> Portantino (D)	State Water Resources Control Board		Requires the state board to build upon its existing work dealing with, and work to improve its knowledge of, constituents of emerging concern (CEC) in water and, as part of this work, to improve its knowledge of CECs in drinking water by assessing the state of information, as specified. authorize the state board to establish, maintain, and direct a dedicated program called the Constituents of Emerging Concern in Drinking Water Program.	06/28/2022 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: Do pass to Committee on APPROPRIATIONS.
<u>SB 335</u> Cortese (D)	Workers' Compensation: Liability		Reduces the time periods after the date the claim form is filed with an employer in which the injury is presumed compensable and the presumption is rebuttable only by evidence discovered subsequent to the time period for certain injuries or illnesses, including hernia, heart trouble, pneumonia, or tuberculosis, among others, sustained in the course of employment of a specified member of law enforcement or a specified first responder.	07/13/2021 - In ASSEMBLY Committee on INSURANCE: Failed passage.
<u>SB 410</u> Leyva (D)	Department of Industrial Relations		Exempts any occupational safety and health standard and order from the standardized regulatory impact analysis requirement. Requires an economic impact assessment to be prepared for the adoption, amendment, or repeal of any occupational safety and health standard and order, including for any such standard and order that is a major regulation proposed after a specified date.	09/08/2021 - In ASSEMBLY. To Inactive File.
<u>SB 459</u> Allen (D)	Political Reform Act of 1974: Lobbying		Requires lobbyists, lobbying firms, and lobbyist employers to include information in the periodic reports that identifies each bill or administrative action subject to lobbying activity, and the	07/06/2021 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

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			respective position advocated for, during that period. Requires additional specified disclosures for lobbying activity during a specified period before the Legislature is scheduled to adjourn in a calendar year.	
<u>SB 463</u> Dahle (R)	Water: Landowner Or Water Right Holder Right		Authorizes a landowner or water right holder to, where a conduit is constructed across or buried beneath the lands of a specified number or more landowners, and the conduit is not under the control or management of any public agency or authority, modify, repair, or replace, as defined, the conduit on or beneath the land of any other landowner that the conduit is constructed across or buried beneath. Requires the landowner or water right holder making the change to receive written permission from a public.	06/28/2022 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Failed passage.
<u>SB 520</u> Wilk (R)	Water Resources: Permit to Appropriate: Applications		Requires the State Water Resources Control Board, if the board has not rendered a final determination on an application for a permit to appropriate water within 30 years from the date the application was filed, to issue a new notice and provide an opportunity for protests before rendering a final determination, with specified exceptions.	06/28/2022 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Failed passage.
<u>SB 559</u> Hurtado (D)	Water Conveyance Restoration Fund		Establishes the Water Conveyance Restoration Fund in the State Treasury to be administered by the Department of Water Resources in consultation with the State Water Resources Control Board and the Department of Fish and Wildlife.	09/08/2021 - In ASSEMBLY. To Inactive File.
<u>SB 649</u> Cortese (D)	Local Governments: Affordable Housing: Local Tenant		Establishes a state policy supporting local tenant preferences for lower income households, as defined, that are subject to displacement risk, and, further, permits local governments and developers in receipt of local or state funds, federal or state tax credits, or an allocation of tax-exempt private activity bonds designated for affordable rental housing to restrict occupancy by creating a local housing preference for lower income households subject to displacement risk.	06/30/2022 - In ASSEMBLY. Read second time and amended. To second reading.

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<u>SB 719</u> Min (D)	Exempt Surplus Land: Eligible Military Base Land		Deems certain land comprising of the Tustin Marine Corps Air Station to be exempt surplus land if specified requirements are met. Requires at least a certain percent of the residential units that are permitted after a certain date to be restricted to persons and families of low or moderate income, and at least a certain percent of those units to be restricted to lower income households. Requires a local agency that disposes of exempt surplus land under these provisions to comply with certain requirements.	06/10/2021 - To ASSEMBLY Committees on LOCAL GOVERNMENT and HOUSING AND COMMUNITY DEVELOPMENT.
<u>SB 733</u> Hueso (D)	Gas Corporations: Renewable Gas Procurement		Requires the commission to open a new proceeding, or a new phase of an existing proceeding, to consider establishing procurement goals for renewable hydrogen, and consider requiring each gas corporation and core transport agent to annually procure a proportionate share of renewable hydrogen to meet those goals.	06/29/2022 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>SB 833</u> Dodd (D)	Community Energy Resilience Act of 2022		Requires a plan to, among other things, identify critical facilities, facilities where the construction of microgrids or other distributed energy sources could meet local resilience needs, and potential funding sources for implementing projects in the plan, include a process for the expedited permit review of distributed energy resources by the local government, and demonstrate consistency with the city, county, or city and county general plan and other local government planning documents, as specified.	06/30/2022 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>SB 844</u> Min (D)	Cybersecurity Improvement: Reports		Establishes a program to award grants to eligible entities to address cybersecurity risks and cybersecurity threats to information systems owned or operated by, or on behalf of, state, local, or tribal governments. Requires the center to create four reports, to be delivered to the Legislature. Relates to federal State and Local Cybersecurity Improvement Act.	06/27/2022 - From ASSEMBLY Committee on EMERGENCY MANAGEMENT: Do pass to Committee on APPROPRIATIONS.
<u>SB 847</u> Hurtado (D)	COVID 19 Relief: Tenancy: Grant Program		Creates a grant program under the administration of the Department of Housing and Community Development and requires the department to award a program grant to a qualified applicant who	06/29/2022 - From ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT: Do

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			submits a complete all tier one applicants, as defined, before processing the applications of other applicants, as specified. Defines "qualified applicant" to mean a landlord who has applied for rental assistance funds pursuant to the State Rental Assistance Program and satisfies certain criteria.	pass to Committee on APPROPRIATIONS.
<u>SB 852</u> Dodd (D)	Climate Resilience Districts: Formation: Funding		Imposes certain requirements on a project undertaken or financed by a district. Requires a district to obtain an enforceable commitment from the developer that contractors and subcontractors performing the work use a skilled and trained workforce, in accordance with specified provisions.	06/27/2022 - From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on APPROPRIATIONS.
<u>SB 867</u> Laird (D)	Sea Level Rise: Planning and Adaptation		Requires a local government, as defined, lying, in whole or in part, within the coastal zone, as defined, or within the jurisdiction of the San Francisco Bay Conservation and Development Commission, as defined, to implement sea level rise planning and adaptation through either submitting a local coastal program, as defined, to the California Coastal Commission or submitting a subregional San Francisco Bay shoreline resiliency plan to the San Francisco Bay Conservation and Development Commission.	06/13/2022 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>SB 880</u> Laird (D)	Water Diversion: Monitoring and Reporting		Extends indefinitely existing law which requires any diverter, who has completed an instructional course regarding the devices or measurement method administered by the University of California Cooperative Extension, including passage of a proficiency test before the completion of the course, to be considered a qualified individual when installing and maintaining devices or implementing methods of measurement that were taught in the course for the diverter's diversion.	06/28/2022 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS.
<u>SB 892</u> Hurtado (D)	Cybersecurity Preparedness: Food and Agriculture Sector		Requires the Office of Emergency Services to develop, propose, and adopt optional reporting guidelines applicable to companies and cooperatives in the food and agriculture industry and entities in the water and wastewater systems industry if they identify a	06/28/2022 - In ASSEMBLY. Coauthors revised.

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			significant and verified cyber threat or active cyberattack. Requires a report of cyberattack or cyber threat submitted pursuant to guidelines developed pursuant to these provisions to be confidential and would prohibit disclosure as a public record.	
SB 896 Dodd (D)	Wildfires: Defensible Space: Grant Programs		Requires any local governmental entity that is qualified to conduct defensible space assessments in very high and high fire hazard severity zones, as specified, and that reports that information to the Department of Forestry and Fire Protection, to report that information using the common reporting platform.	06/13/2022 - From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on APPROPRIATIONS.
SB 897 Wieckowski (D)	Accessory Dwelling Units: Junior Units Dwelling Units		Prohibits a local agency from denying an application for a permit to create an accessory dwelling unit due to the correction of nonconforming zoning conditions or unpermitted structures that are not affected by the construction of the accessory dwelling unit.	06/30/2022 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 931 Leyva (D)	Deterring Union Membership: Violations		Authorizes an employee organization, as described, to bring a claim before the Public Employment Relations Board alleging that a public employer violated the prohibition against deterring or discouraging union membership. Upon a finding by the board that the public employer violated those provisions, the public employer would be subject to a civil penalty of up to \$1,000 for each affected employee, not to exceed \$100,000 in total, and subject to attorneys fees and costs, as described.	06/22/2022 - From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.
SB 938 Hertzberg (D)	The Local Government Reorganization Act of 2000	SUPPORT	Authorizes a commission to initiate a proposal for the dissolution of a district, as described, if the commission approves, adopts, or accepts a specified study that includes a finding, based on a preponderance of the evidence, that, among other things, the district has one or more documented chronic service provision deficiencies, the district spent public funds in an unlawful or reckless manner, or the district has shown willful neglect by failing to consistently adhere to the State Public Records Act.	06/27/2022 - Enrolled.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
SB 954 Archuleta (D)	Public Works: Wages: Electronic Payroll Records		Requires the Department of Industrial Relations to establish an online database of electronic certified payroll records, which the bill would require to be accessible only to certain trust funds established under federal law and certain committees established under federal law, as specified.	06/29/2022 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspend File.
SB 984 Archuleta (D)	Military Service: Leave of Absence: Pay and Benefits		Repeals existing law specifying that employee members of reserve military units and the National Guard required to attend scheduled reserve drill periods or perform other inactive duty reserve obligations shall be granted military leave of absence without pay as provided by federal law, as specified.	06/28/2022 - From ASSEMBLY Committee on MILITARY AND VETERANS AFFAIRS: Do pass to Committee on APPROPRIATIONS.
SB 991 Newman (D)	Public Contracts: Progressive Design-Build		Requires a local agency that uses the progressive design-build process to submit, no later than specified date, to the appropriate policy and fiscal committees of the Legislature a report on the use of the progressive design-build process containing specified information, including a description of the projects awarded using the progressive design-build process. Requires the design-build entity and its general partners or joint venture members to verify specified information under penalty of perjury.	06/20/2022 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 1010 Skinner (D)	State Contracting: Zero Emission Vehicles		Requires the Department of General Services, on and after specified date, when seeking to procure vehicle or transportation services from a third-party vendor, to grant bid preferences to vendors based on the percentage of their vehicle or transportation services that would be provided using zero-emission vehicles.	06/30/2022 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 1017 Eggman (D)	Leases: Termination of Tenancy: Abuse or Violence		Relates to law that authorizes a tenant to provide a landlord with 180-day written notice, as specified, that the tenant, household member, or immediate family member was a victim of an act of domestic violence or other specified crimes, and that the tenant intends to terminate the tenancy. Makes a landlord or agent liable to the tenant for actual damages and, except as specified, statutory	06/23/2022 - In ASSEMBLY. Read second time. To third reading.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			damages of not less than specified amount and more than specified amount in a civil action for violations.	
SB 1020 Laird (D)	Clean Energy, Jobs, and Affordability Act of 2022		Relates to the California Global Warming Solutions Act of 2006. Modifies with respect to the provision that a portion of the workshops be conducted in regions of the state that have the most significant exposure to air pollutants, specified communities as additionally being areas designated as federal extreme nonattainment.	06/27/2022 - From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on APPROPRIATIONS.
SB 1044 Durazo (D)	Employers: State of Emergency or Emergency Condition		Prohibits an employer from preventing any employee, including employees of public entities, as specified, from accessing the employee's mobile device or other communications device for seeking emergency assistance, assessing the safety of the situation, or communicating with a person to confirm their safety.	06/29/2022 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 1058 Durazo (D)	Disability Insurance: Paid Family Leave: Demographic		Requires the Employment Development Department to collect demographic data for individuals who claim disability benefits under those programs, including race and ethnicity data. Requires the department to adopt and update demographic data collection standards, procedures, and processes to implement the bill, as prescribed.	06/22/2022 - From ASSEMBLY Committee on INSURANCE: Do pass to Committee on APPROPRIATIONS.
SB 1063 Skinner (D)	Energy: Appliance Standards and Cost-effective Measures		Authorizes the State Energy Resources Conservation and Development Commission, upon considering specified factors and making a finding of good cause, to make the standards for minimum levels of operating efficiency for certain appliances effective sooner than one year after their date of adoption or revision, as specified. Requires that those other cost-effective measures prescribed by the commission also not result in any added total costs for consumers over the designed life of the impacted appliances.	06/29/2022 - From ASSEMBLY Committee on UTILITIES AND ENERGY: Do pass to Committee on APPROPRIATIONS.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>SB 1066</u> Hurtado (D)	State Farmworkers Drought Resilience Pilot Project		Requires the department, subject to an appropriation by the Legislature, to administer the California Farmworkers Drought Resilience Pilot Project to provide supplemental pay in the form of cash assistance for eligible households to help meet their basic needs. Defines terms. Requires the department to implement the pilot project by awarding grants to eligible entities, as defined.	06/28/2022 - From ASSEMBLY Committee on HUMAN SERVICES: Do pass to Committee on APPROPRIATIONS.
<u>SB 1069</u> Umberg (D)	State Grant Programs: Negotiated Cost Rate Agreements		Establishes the Department of General Services in the Government Operations Agency for purposes of providing centralized services of state government. Establishes various state grant programs.	06/15/2022 - From ASSEMBLY Committee on ACCOUNTABILITY AND ADMINISTRATIVE REVIEW: Do pass to Committee on APPROPRIATIONS.
<u>SB 1075</u> Skinner (D)	Hydrogen: Green Hydrogen: Emissions of Greenhouse Gases		Includes a facility that uses renewable hydrogen, as defined under these recommendations, as a renewable electrical generation facility for purposes of the California Renewables Portfolio Standard Program.	06/29/2022 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>SB 1077</u> Bates (R)	Coastal Resources: Climate Ready Program: Grants		Authorizes the conservancy to award grants to public agencies and nonprofit organizations that increase resilience of habitat and natural lands. Requires the conservancy, in awarding grants, as part of the prioritization of projects described above, to include those projects that accomplish the removal of nonnative and invasive plants from coastal features, habitats, and ecosystems, and their replacement with native plant species, upon appropriation.	06/27/2022 - From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on APPROPRIATIONS.
<u>SB 1078</u> Allen (D)	Sea Level Rise Revolving Loan Pilot Program		Requires the council, in consultation with the conservancy, to develop the Sea Level Rise Revolving Loan Pilot Program for purposes of providing low interest loans to local jurisdictions, as defined, for the purchase of coastal properties in their jurisdictions identified as vulnerable coastal property, as defined, located in specified communities, including low income communities, as provided. Establishes the Sea Level Rise Revolving Loan Fund.	06/20/2022 - From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on APPROPRIATIONS.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
SB 1084 Hurtado (D)	Property Ownership: Foreign Ownership		Prohibits a foreign government from purchasing, acquiring, or holding an interest, as defined, in agricultural land within the State of California. Exempts land held by foreign governments before specified date, from that prohibition, and specifies that it does not apply to federally recognized Indian tribes or their government units and enterprises.	06/30/2022 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 1100 Cortese (D)	Open Meetings: Orderly Conduct		Authorizes the presiding member of the legislative body conducting a meeting to remove an individual for disrupting the meeting. Requires removal to be preceded by a warning to the individual by the presiding member of the legislative body or their designee that the individual's behavior is disrupting the meeting and that the individual's failure to cease their behavior may result in their removal.	06/22/2022 - In ASSEMBLY. Read second time. To third reading.
SB 1101 Caballero (D)	Carbon Sequestration		Establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. Requires the state board to ensure that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030. Requires the state board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions and, as part of its scoping plan.	06/23/2022 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
SB 1109 Caballero (D)	California Renewables Portfolio Standard Program		Extends the electrical corporations obligation to collectively procure their proportionate share of 125 megawatts of cumulative rated generating capacity from bioenergy projects to specified date, through financial commitments of 5 to 15 years, inclusive. Exempts from these requirements a local publicly owned electric utility that previously entered into a 5-year financial commitment under existing law under certain conditions.	06/30/2022 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>SB 1124</u> Archuleta (D)	Public Health Goal: Primary Drinking Water Standard		Requires, on or before specified date, Office of Environmental Health Hazard Assessment to prepare a public health goal for manganese. Authorizes the state board before adopting a primary drinking water standard for manganese, to continue to provide funding for treatment, source protection, and alternative water supplies, as provided, and to require community water systems to monitor manganese in their source water.	06/28/2022 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: Do pass to Committee on APPROPRIATIONS.
<u>SB 1127</u> Atkins (D)	Workers Compensation: Liability Presumptions		Provides that for certain injuries or illnesses, including hernia, heart trouble, pneumonia, or tuberculosis, among others, sustained in the course of employment of a specified member of law enforcement or a specified first responder, this bill would reduce those time periods to 75 days.	06/22/2022 - From ASSEMBLY Committee on INSURANCE: Do pass to Committee on APPROPRIATIONS.
<u>SB 1136</u> Portantino (D)	Expedited Environmental Review: Climate Change		Requires those specified public agencies, at the time of adoption of a rule or regulation requiring the reduction in emissions of greenhouse gases, criteria air pollutants, or toxic air contaminants, to perform an environmental analysis of the reasonably foreseeable methods of compliance. Imposes additional requirements on air districts. Imposes a state mandated local program.	06/27/2022 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>SB 1144</u> Wiener (D)	Water Efficiency and Quality Assessment Reports		Relates to the California Safe Drinking Water Act. Requires an operating agency, as defined, to complete a water efficiency and quality assessment report, as specified, for each covered building. Requires, if the report determines that a building contains lead, the operating agency to replace the lead pipe at the earliest practical time, subject to available funding.	06/29/2022 - From ASSEMBLY Committee on EDUCATION: Do pass as amended to Committee on APPROPRIATIONS.
<u>SB 1157</u> Hertzberg (D)	Urban Water Use Objectives	NEUTRAL	Requires the Department of Water Resources, in coordination with the State Water Resources Control Board to conduct necessary studies and investigations to assess and quantify the economic benefit and impacts of meeting the 2030 indoor residential use standard on water, wastewater, and recycled water systems, as specified.	06/16/2022 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>SB 1162</u> Limon (D)	Employment: Salaries and Wages		Requires a private employer that has 100 or more employees to submit a pay data report to Department of Fair Employment and Housing (DFEH). Requires an employer, upon request, to provide to an employee the pay scale for the position in which the employee is currently employed.	06/22/2022 - From ASSEMBLY Committee on LABOR AND EMPLOYMENT: Do pass to Committee on APPROPRIATIONS.
<u>SB 1168</u> Cortese (D)	Public Employees' Retirement: Beneficiary Payment		Relates to Public Employees' Retirement System (PERS) required payment of \$500 to be made to a beneficiary upon the death of a member after retirement and while receiving a retirement allowance from PERS, unless otherwise provided. Increases this benefit to specified amount.	06/22/2022 - From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.
<u>SB 1173</u> Gonzalez (D)	Public Retirement Systems: Fossil Fuels: Divestment		Prohibits the boards of the Public Employees' Retirement System and the State Teachers' Retirement System from making new investments or renewing existing investments of public employee retirement funds in a fossil fuel company. Suspends the above described liquidation provision upon a good faith determination by the board that certain conditions materially impact normal market mechanisms for pricing assets.	06/02/2022 - To ASSEMBLY Committees on PUBLIC EMPLOYMENT AND RETIREMENT and JUDICIARY.
<u>SB 1188</u> Laird (D)	Safe Drinking Water State Revolving Fund: Assistance		Deletes provisions of the Safe Drinking Water State Revolving Fund relating to 0% financing and interest and would instead generally authorize the board, to the extent authorized by federal law, to provide reduced or 0% financing to further the purposes of the Safe Drinking Water State Revolving Fund Law of 1997. Deletes certain limitations on the financial assistance provided to water corporations regulated by the Public Utilities Commission.	06/28/2022 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: Do pass to Committee on APPROPRIATIONS.
<u>SB 1192</u> Ochoa Bogh (R)	Public Contracts: Withheld Payments		Provides that a contractor includes a contractor performing a public works contract, as defined, and any person or entity who would qualify as a contractor, as specified.	06/27/2022 - Enrolled.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>SB 1194</u> Allen (D)	Public Restrooms: Building Standards		Authorizes a city, county, or city and county to require, by ordinance or resolution, that public restrooms constructed within its jurisdiction comply with specified requirements instead of complying with the plumbing standards set forth in the California Building Standards Code. Authorizes public toilet facilities to be designed to serve all genders, as specified.	06/23/2022 - In ASSEMBLY. Read second time. To third reading.
<u>SB 1205</u> Allen (D)	Water Rights: Appropriation		Requires the board to develop and adopt regulations to provide greater specificity as to the methods and practices for determining water availability in the issuance and administration of water right permits and licenses, including consideration of the effects of climate change, as specified, upon watershed hydrology as part of the preparation of water availability analyses.	06/30/2022 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>SB 1217</u> Allen (D)	State-Regional Collaborative for Climate		Establishes the State-Regional Collaborative for Climate, Equity, and Resilience to provide guidance, on or before January 1, 2024, to the state board for approving new guidelines for sustainable communities strategies.	06/02/2022 - To ASSEMBLY Committees on NATURAL RESOURCES and TRANSPORTATION.
<u>SB 1219</u> Hurtado (D)	21st Century Water Laws and Agencies: Committee		Requires the Secretary of the Natural Resources Agency and the Secretary for Environmental Protection to convene a committee to develop and submit, on or before a specified date, to the Governor and to the Legislature a strategic vision, proposed statutes, and recommendations for a modern 21st century set of water laws and regulations and state and local water agencies for the state.	06/02/2022 - To ASSEMBLY Committees on WATER, PARKS AND WILDLIFE and ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<u>SB 1224</u> Bates (R)	Watersheds: Wildlife Habitat: Orange and San Diego		Authorizes the Wildlife Conservation Board, upon an appropriation by the Legislature, to make grants to acquire fee title or conservation easements or to perform restoration, or a combination thereof, in watersheds with habitats for sensitive wildlife populations in specified regions in the Counties of Orange and San Diego, as provided.	06/28/2022 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>SB 1230</u> Limon (D)	Zero Emission and Near Zero Emission Vehicle Incentive		Requires the state board, with respect to the various zero emission and near zero emission vehicle incentive programs administered or funded by the state board, to adopt certain revisions to those programs if the state board finds those revisions to be feasible.	06/27/2022 - From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on APPROPRIATIONS.
<u>SB 1253</u> Melendez (R)	Infrastructure Plan: Flood Control: Delta Levees		Require the plan to set out infrastructure priorities relating to specified flood prevention and maintenance projects.	06/28/2022 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS.
<u>SB 1254</u> Hertzberg (D)	Drinking Water: Administrator: Managerial Services		Revises the definition of designated water system and limit the liability of an administrator when the State Water Resources Control Board appoints an administrator to a designated water system, as prescribed.	06/21/2022 - From ASSEMBLY Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.
<u>SB 1261</u> Stern (D)	Energy: Low-Emissions Buildings		Requires the Department of Community Services and Development, upon appropriation by the Legislature, to develop and administer the Multifamily Rapid Deployment Building Decarbonization and Extreme Heat Program to identify and deploy replicable, scalable, and affordable upgrades for multifamily building types that reduce emissions of greenhouse gases and improve the health and comfort of residents in multifamily buildings, as provided.	06/27/2022 - In ASSEMBLY. Suspend Assembly Rule 96.;06/27/2022 - Re-referred to ASSEMBLY Committee on RULES.
<u>SB 1346</u> Becker (D)	Surplus Medication Collection and Distribution		Redefines, until specified date, donor organization to refer to a facility licensed by the State Department of Social Services, the State Department of Public Health, the State Department of Health Care Services, the Department of Corrections and Rehabilitation, Division of Juvenile Justice, or the State Department of State Hospitals that legally possesses centrally stored, unused medication. Expands the types of donor organizations.	06/28/2022 - From ASSEMBLY Committee on HEALTH: Do pass as amended to Committee on APPROPRIATIONS.
<u>SB 1372</u> Stern (D)	Sustainable Groundwater Management Act		Provides that the approval of a groundwater sustainability plan by the department shall not be construed to be a determination by or otherwise an opinion of the department that the allocation of	06/15/2022 - In ASSEMBLY. Read second time. To third reading.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			groundwater pumping rights in the plan are consistent with groundwater rights law.	
<u>SB 1373</u> Kamlager (D)	Surplus Land Disposal		Extends the date by which the disposition of property must be completed to specified date, if the property meets specified requirements. Extends that date further if the disposition of property, the local agency's right or ability to dispose of the property, or a development project for which the property is proposed to be transferred, is the subject of judicial challenge. Declares that it is to take effect immediately as an urgency statute.	06/30/2022 - In ASSEMBLY. Read second time. To third reading.
<u>SB 1396</u> Bradford (D)	Tenancy: Credit Reporting: Lower Income Households		Requires an independent evaluator, upon appropriation by the Legislature for this purpose, to be selected by the Department of Financial Protection and Innovation and to be responsible for conducting an evaluation on the impact of rental payment reporting in the State. Requires the evaluator to be chosen through a competitive process after the first year of completion, as specified. Requires the evaluator to create an annual report that contains certain information.	06/21/2022 - From ASSEMBLY Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.
<u>SB 1439</u> Glazer (D)	Campaign Contributions: Agency Officers		Extends the prohibition on contributions to the spouse of a party or of a party's agent, as specified, if the contribution is made from their joint bank account.	06/29/2022 - From ASSEMBLY Committee on ELECTIONS: Do pass to Committee on APPROPRIATIONS.
<u>SB 1490</u> Governance and Finance Cmt	Validations		Enacts the First Validating Act of 2022, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.	06/17/2022 - Enrolled.
<u>SB 1494</u> Governance and Finance Cmt	Property Taxation: Revenue Allocations: Property Sales		Authorizes, under the sealed bid or public auction sale procedures, the tax collector to offer, if the highest bidder does not consummate the sale of nonresidential commercial property within the time period determined by the tax collector, the property to the next highest bidder at their bid price.	06/22/2022 - In ASSEMBLY. Read second time. To third reading.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>SCA 1</u> Hertzberg (D)	Elections: Referenda		Requires that the ballot for a referendum measure provide that a Yes vote is in favor of the referendum and rejects the statute or part of the statute subject to the referendum, and a No vote is against the referendum and approves the statute or part of the statute subject to the referendum, thus requiring a majority vote in favor of the referendum to reject the statute or part of the statute subject to the referendum.	09/01/2021 - In SENATE. From third reading. To Inactive File.
<u>SCA 9</u> Gonzalez (D)	Personal Rights: Right to Housing		Declares that the fundamental human right to housing exists in this state. Specifies that it is the shared obligation of state and local jurisdictions to respect, protect, and fulfill this right through progressively implemented measures, consistent with available resources, within an aggressive but reasonable timeframe.	03/23/2022 - To SENATE Committees on HOUSING and ELECTIONS AND CONSTITUTIONAL AMENDMENTS.
<u>HR 616</u> Tlaib (D)	Water Shutoffs Prohibition		Prohibits water shutoffs during the Coronavirus disease 2019 emergency period, provides drinking and waste water assistance to households.	01/28/2021 - INTRODUCED.;01/28/2021 - To HOUSE Committee on ENERGY AND COMMERCE.;01/28/2021 - To HOUSE Committee on EDUCATION AND LABOR.
<u>HR 737</u> Valadao (R)	California Operational Flexibility and Drought Relief		Extends the authorities under the Water Infrastructure Improvements for the Nation Act of 2016 providing operational flexibility, drought relief, and other benefits to the State of California.	02/02/2021 - INTRODUCED.;02/02/2021 - To HOUSE Committee on NATURAL RESOURCES.
<u>HR 1015</u> Napolitano (D)	Water Recycling and Reuse Project Grants	SUPPORT	Establishes a grant program for the funding of water recycling and reuse projects.	02/11/2021 - INTRODUCED.;02/11/2021 - To HOUSE Committee on NATURAL RESOURCES.
<u>HR 1352</u> Lawrence (D)	Trust Fund for Water and Sewer Infrastructure		Establishes a trust fund to provide for adequate funding for water and sewer infrastructure.	04/05/2021 - In HOUSE Committee on AGRICULTURE: Referred to Subcommittee on CONSERVATION AND FORESTRY.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>HR 1848</u> Pallone (D)	National Infrastructure		Rebuilds and modernizes the Nation's infrastructure to expand access to broadband and Next Generation 9-1-1, rehabilitate drinking water infrastructure, modernize the electric grid and energy supply infrastructure, redevelop brownfields, strengthen health care infrastructure, create jobs, and protect public health and the environment.	01/20/2022 - In HOUSE Committee on NATURAL RESOURCES: Referred to Subcommittee on INDIAN, INSULAR AND ALASKA NATIVE AFFAIRS.;01/20/2022 - In HOUSE Committee on NATURAL RESOURCES: Referred to Subcommittee on ENERGY AND MINERAL RESOURCES.
<u>HR 1915</u> DeFazio (D)	Federal Water Pollution Control Act		Amends the Federal Water Pollution Control Act to reauthorize certain water pollution control programs.	06/22/2021 - From HOUSE Committee on TRANSPORTATION AND INFRASTRUCTURE: Reported as amended.;06/22/2021 - In HOUSE. Placed on HOUSE Union Calendar.
<u>HR 2238</u> Lowenthal A (D)	Single Use Plastic Production Reduction		Amends the Solid Waste Disposal Act to reduce the production and use of certain single-use plastic products and packaging, to improve the responsibility of producers in the design, collection, reuse, recycling, and disposal of their consumer products and packaging, to prevent pollution from consumer products and packaging from entering into animal and human food chains and waterways.	03/29/2021 - In HOUSE Committee on TRANSPORTATION & INFRASTRUCTURE: Referred to Subcommittee on WATER RESOURCES AND ENVIRONMENT.
<u>HR 2467</u> Dingell D (D)	Hazardous Substances		Requires the Administrator of the Environmental Protection Agency to designate per- and polyfluoroalkyl substances as hazardous substances under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980.	07/22/2021 - In SENATE. Read second time.;07/22/2021 - To SENATE Committee on ENVIRONMENT AND PUBLIC WORKS.
<u>HR 2468</u> Garamendi (D)	Federal Infrastructure Aid Program Materials		Ensures that certain materials used in carrying out federal infrastructure aid programs are made in the United States.	06/07/2021 - In HOUSE Committee on AGRICULTURE: Referred to Subcommittee on COMMODITY EXCHANGES, ENERGY, AND CREDIT.
<u>HR 3291</u> Tonko (D)	Water System Assistance		Amends the Safe Drinking Water Act to provide assistance for states, territories, areas affected by natural disasters, and water systems and schools affected by PFAS or lead, and to require the	06/29/2021 - From HOUSE Committee on ENERGY AND COMMERCE: Reported as amended.;06/29/2021 - In

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			Environmental Protection Agency to promulgate national primary drinking water regulations for PFAS, microcystin toxin, and 1,4-dioxane.	HOUSE. Placed on HOUSE Union Calendar.
<u>HR 3292</u> Dingell D (D)	Residential Emergency Relief Program		Requires the Administrator of the Environmental Protection Agency to carry out a residential emergency relief program to provide payment assistance for households to retain water service.	05/18/2021 - INTRODUCED.;05/18/2021 - To HOUSE Committee on ENERGY AND COMMERCE.;05/19/2021 - In HOUSE Committee on ENERGY AND COMMERCE: Referred to Subcommittee on ENVIRONMENT.
<u>HR 3293</u> Blunt Rochester (D)	Drinking Water and Wastewater Service Assistance		Amends the Safe Drinking Water Act and the Federal Water Pollution Control Act to establish programs to assist low-income households in maintaining access to drinking water and wastewater services.	06/29/2021 - From HOUSE Committee on ENERGY AND COMMERCE: Reported as amended.
<u>HR 3404</u> Huffman (D)	Drought Preparedness	SUPPORT IF AMENDED	Provides drought preparedness and improved water supply reliability to the nation.	05/20/2021 - INTRODUCED.;05/21/2021 - In HOUSE Committee on ENERGY AND COMMERCE: Referred to Subcommittee on ENVIRONMENT.;05/21/2021 - In HOUSE Committee on TRANSPORTATION & INFRASTRUCTURE: Referred to Subcommittee on WATER RESOURCES AND ENVIRONMENT.
<u>HR 3622</u> Pappas (D)	Water Quality Criteria		Requires the Administrator of the Environmental Protection Agency to develop effluent limitations guidelines and standards and water quality criteria for PFAS under the Federal Water Pollution Control Act, provides Federal grants to publicly owned treatment works to implement such guidelines and standards.	06/01/2021 - In HOUSE Committee on TRANSPORTATION & INFRASTRUCTURE: Referred to Subcommittee on WATER RESOURCES AND ENVIRONMENT.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>HR 4099</u> Napolitano (D)	Water Recycling and Reuse Projects		Directs the Secretary of the Interior to establish a grant program to provide grants on a competitive basis to eligible entities for large-scale water recycling and reuse projects.	06/29/2021 - Subcommittee on WATER, POWER AND OCEANS hearings held.
<u>HR 4602</u> Lowenthal A (D)	Do Not Flush Labeling	SUPPORT	Directs the Federal Trade Commission to issue regulations requiring certain products to have "Do Not Flush" labeling.	07/21/2021 - INTRODUCED.;07/21/2021 - To HOUSE Committee on ENERGY AND COMMERCE.;07/22/2021 - In HOUSE Committee on ENERGY AND COMMERCE: Referred to Subcommittee on DIGITAL COMMERCE AND CONSUMER PROTECTION.
<u>HR 5689</u> DeFazio (D)	Private Nonprofit Organizations		Improves the provision of Federal resources to help build capacity and fund risk-reducing, cost-effective mitigation projects for eligible state, local, tribal, and territorial governments and certain private nonprofit organizations.	04/06/2022 - In SENATE. Read second time.;04/06/2022 - To SENATE Committee on HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS.
<u>HR 6591</u> McClain (R)	Disposable Nonwoven Wipes Flushability	SUPPORT	Requires the Administrator of the Environmental Protection Agency to publish a rule that establishes standards for the flushability of disposable nonwoven wipes.	02/03/2022 - INTRODUCED.;02/03/2022 - To HOUSE Committee on ENERGY AND COMMERCE.
<u>HR 6705</u> Blunt Rochester (D)	Improvements to Rivers and Harbors		Provides for improvements to the Rivers and harbors of the United States, to provide for the conservation and development of water and related resources.	02/14/2022 - In HOUSE Committee on TRANSPORTATION & INFRASTRUCTURE: Referred to Subcommittee on WATER RESOURCES AND ENVIRONMENT.
<u>S 914</u> Duckworth (D)	Safe Drinking Water Act		Amends the Safe Drinking Water Act and the Federal Water Pollution Control Act to reauthorize programs under those Acts.	04/29/2021 - In SENATE. Amendment SA 1471 proposed by Senator Rubio to Amendment SA 1460.;04/29/2021 - In SENATE. Amendment SA 1461 proposed by Senator Shaheen to Amendment SA 1460.;04/29/2021 - In

IRWD 2022 LEGISLATIVE MATRIX
Updated 06/30/2022

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
				SENATE. Amendment SA 1469 proposed by Senator Kennedy
<u>S 1907</u> Gillibrand (D)	Water Quality Criteria		Requires the Administrator of the Environmental Protection Agency to develop effluent limitations guidelines and standards and water quality criteria for PFAS under the Federal Water Pollution Control Act, to provide Federal grants to publicly owned treatment works to implement such guidelines and standards.	05/27/2021 - INTRODUCED.;05/27/2021 - In SENATE. Read second time.;05/27/2021 - To SENATE Committee on ENVIRONMENT AND PUBLIC WORKS.
<u>S 2334</u> Cortez-Masto (D)	Water Recycling and Reuse Project Grants		Directs the Secretary of the Interior to establish a grant program to provide grants on a competitive basis to eligible entities for large-scale water recycling and reuse projects, amends the Omnibus Public Land Management Act of 2009 to make certain modifications to the Cooperative Watershed Management Program, provides emergency drought funding.	05/25/2022 - Subcommittee on WATER AND POWER hearings held.
<u>S 2454</u> Padilla (D)	Alternative Water Source Projects		Amends the Federal Water Pollution Control Act to reauthorize the pilot program for alternative water source projects.	07/22/2021 - In SENATE. Read second time.;07/22/2021 - To SENATE Committee on ENVIRONMENT AND PUBLIC WORKS.
<u>S 3600</u> Peters G (D)	Cybersecurity Improvement		Improves the cybersecurity of the Federal Government.	03/01/2022 - In SENATE. Amendment SA 4953 proposed by Senator Peters.;03/01/2022 - In SENATE. SA 4953 agreed to on SENATE floor by unanimous consent.;03/01/2022 - In SENATE. Amendment SA 4954 proposed by Senator Peters for Senator Wicker.;03/01/2022 -
<u>S 3624</u> Carper (D)	Improvements to Rivers and Harbors		Provides for improvements to the rivers and harbors of the United States, to provide for the conservation and development of water and related resources.	02/10/2022 - INTRODUCED.;02/10/2022 - In SENATE. Read second time.;02/10/2022 - To SENATE Committee on ENVIRONMENT AND PUBLIC WORKS.

IRWD 2022 LEGISLATIVE MATRIX
Updated 06/30/2022

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
S 3956 Merkley (D)	Do Not Flush Labeling Requirements	SUPPORT	Directs the Administrator of the Environmental Protection Agency to establish a grant program to improve the effectiveness of education and outreach on Do Not Flush labeling, and to require the Federal Trade Commission, in consultation with the Administrator, to issue regulations requiring certain products to have Do Not Flush labeling.	03/30/2022 - INTRODUCED.;03/30/2022 - In SENATE. Read second time.;03/30/2022 - To SENATE Committee on COMMERCE, SCIENCE, AND TRANSPORTATION.
S 4231 Feinstein (D)	Water Infrastructure	SUPPORT	Supports water infrastructure in reclamation States.	05/25/2022 - Subcommittee on WATER AND POWER hearings held.

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July 11, 2022

Prepared by: K. Welch / E. Akiyoshi

Submitted by: F. Sanchez / P. Weghorst

Approved by: Paul A. Cook



CONSENT CALENDAR

WATER SUPPLY ASSESSMENTS FOR THE MARKET PLACE AND LOTS 103 AND 106 PROJECTS

SUMMARY:

In April 2022, IRWD received two requests from the City of Irvine to complete Water Supply Assessments (WSAs) as required under SB 610 for The Market Place and Lots 103 and 106 Projects. Staff has completed the WSAs for each of the proposed projects and recommends Board approval of the documents.

BACKGROUND:

The City's proposed Market Place Project will replace approximately 205,000 square feet of existing commercial use with up to 1,400 residential units. The Market Place Project is located between Jamboree Road, the 261 Eastern Transportation Corridor and Bryan Avenue in Planning Area 4. The proposed Lots 103 and 106 Project includes the addition of up to 1,100 dwelling units on vacant land located off Gateway Parkway near the Irvine Spectrum in Planning Area 33. A location map of the Market Place Project is provided as Exhibit "A", and a map of the Lots 103 and 106 Project is provided as Exhibit "B".

Separate WSAs have been completed for the proposed Market Place and Lots 103 and 106 Projects, which are provided as Exhibit "C" and Exhibit "D", respectively. The WSAs for the proposed projects are based on information from IRWD's most recent Water Resources Master Plan. Estimates show an increase in IRWD potable water demands for the Market Place Project of 170 acre-feet per year (AFY) and a decrease of 2 AFY of non-potable demands. The Lots 103 and 106 Project includes an estimated increase of 125 AFY of potable demand and 2 AFY of non-potable demand. Each WSA concludes that the total water supplies available to IRWD during normal, single-dry and multiple-dry years within a 20-year projection will meet the projected water demand of the project. This demand is in addition to the existing and other planned future uses including, but not limited to, agricultural and manufacturing uses.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

The development of WSAs is exempt from the California Environmental Quality Act as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15262 which provides exemption for planning studies.

Consent Calendar: Water Supply Assessments for the Market Place and Lots 103 and 106
Projects
July 11, 2022
Page 2

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on July 7, 2022.

RECOMMENDATION:

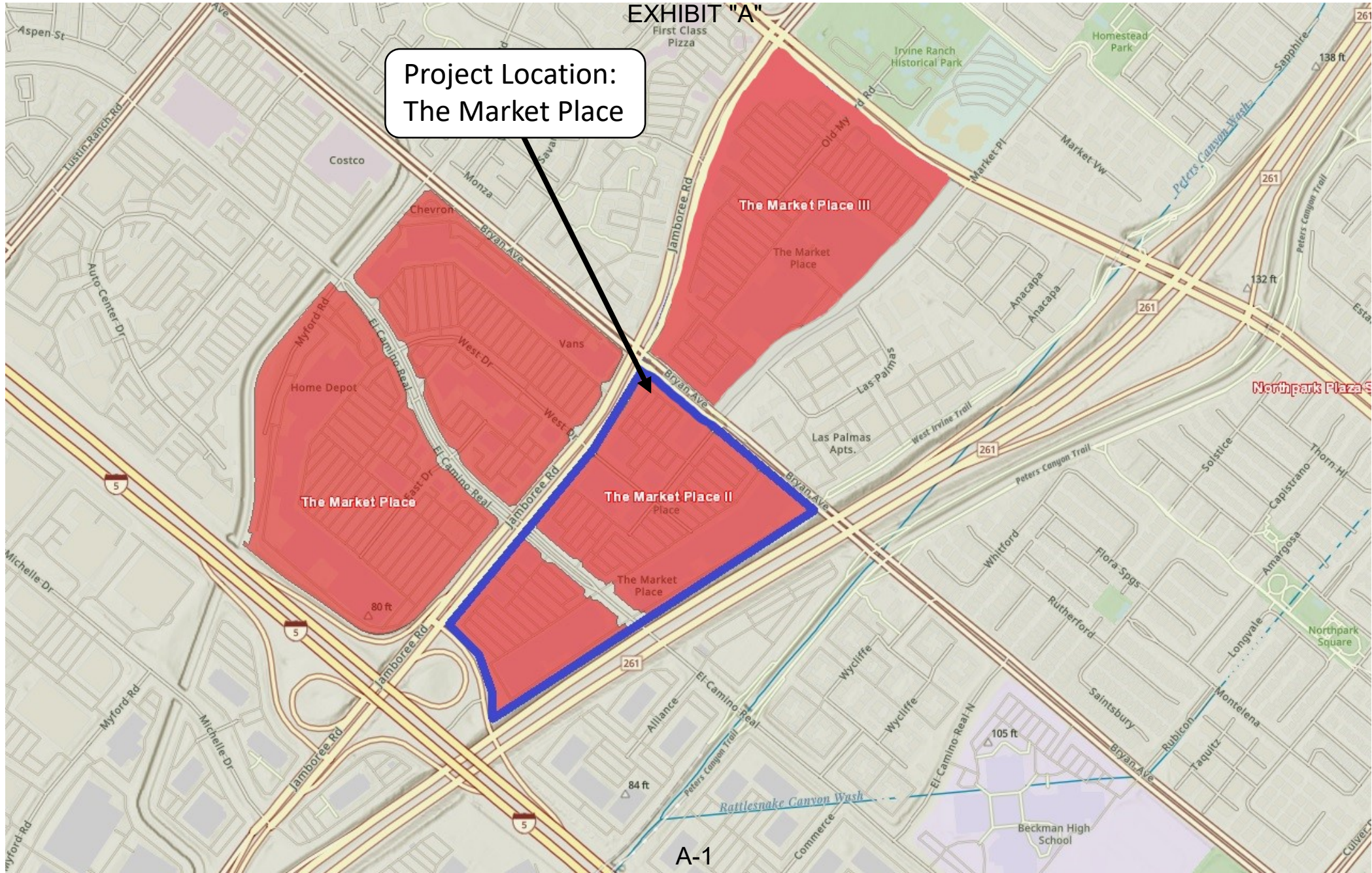
THAT THE BOARD APPROVE THE WATER SUPPLY ASSESSMENT FOR THE MARKET PLACE PROJECT AND THE WATER SUPPLY ASSESSMENT FOR THE LOTS 103 AND 106 PROJECT.

LIST OF EXHIBITS:

Exhibit "A" – The Market Place Project Location Map
Exhibit "B" – Lots 103 and 106 Location Map
Exhibit "C" – Water Supply Assessment for The Market Place Project
Exhibit "D" – Water Supply Assessment for Lots 103 and 106 Project

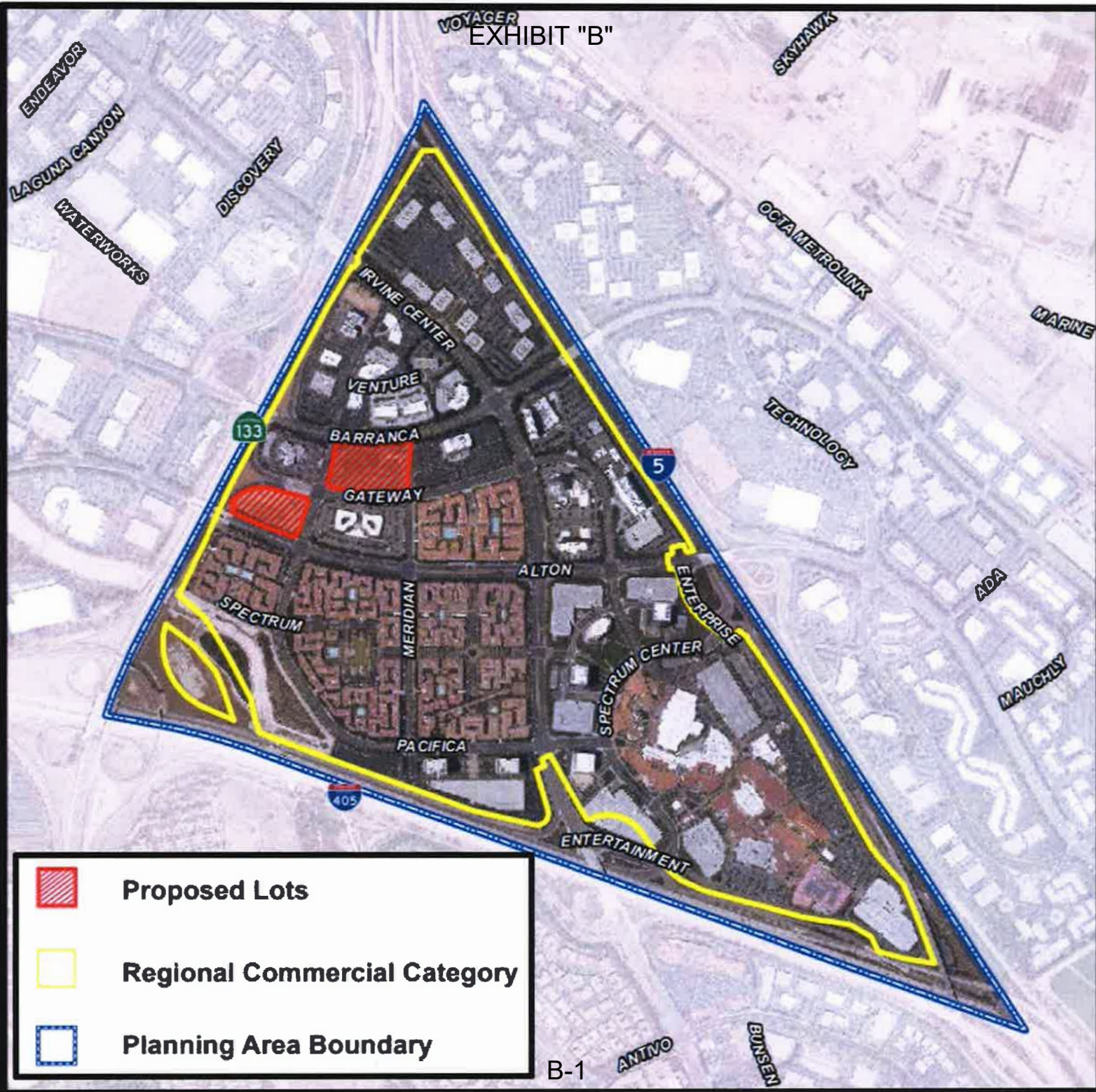
EXHIBIT "A"

Project Location:
The Market Place



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EXHIBIT "B"



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EXHIBIT "C"

IRVINE RANCH WATER DISTRICT
ASSESSMENT OF WATER SUPPLY
Water Code §10910 et seq.

To: (Lead Agency)

City of Irvine
One Civic Center Plaza
Irvine, CA 92606

(Applicant)
The Irvine Company
550 Newport Center Drive
Newport Beach, CA 92658-6370

Project Information

Project Title: The Market Place (Exhibit A)

- Residential: No. of dwelling units: 1,400 dwelling units (See Exhibit B)
Shopping center or business: No. of employees Sq. ft. of floor space
Commercial office: No. of employees Sq. ft. of floor space
Hotel or motel: No. of rooms
Industrial, manufacturing or processing: No. of employees No. of acres Sq. ft. of floor space
Mixed use (check and complete all above that apply)
Other: Greenbelt and parks (see Exhibit B)

Assessment of Availability of Water Supply

On the Board of Directors of the Irvine Ranch Water District (IRWD) approved the within assessment and made the following determination regarding the above-described Project:

- The projected water demand for the Project was/was not included in IRWD's most recently adopted urban water management plan.
A sufficient water supply is available for the Project. The total water supplies available to IRWD during normal, single-dry and multiple-dry years within a 20-year projection will meet the projected water demand of the Project in addition to the demand of existing and other planned future uses, including, but not limited to, agricultural and manufacturing uses.
A sufficient water supply is not available for the Project. [Plan for acquiring and developing sufficient supply attached. Water Code § 10911(a)]

The foregoing determination is based on the following Water Supply Assessment Information and supporting information in the records of IRWD.

Signature Date Title

Water Supply Assessment Information

Purpose of Assessment

Irvine Ranch Water District (“IRWD”) has been identified by the City as a public water system that will supply water service (both potable and nonpotable) to the project identified on the cover page of this assessment (the “Project”). As the public water system, IRWD is required by Section 10910 *et seq.* of the Water Code to provide the City with an assessment of water supply availability (“assessment”) for defined types of projects. The Project has been found by the City to be a project requiring an assessment. The City is required to include this assessment in the environmental document for the Project, and based on the record, make a determination whether projected water supplies are sufficient for the Project and existing and planned uses.

Water Code Section 10910 *et seq.* (the “Assessment Law”) contains the requirements for the information to be set forth in the assessment.

Prior Water Supply Assessments

IRWD does not allocate particular supplies to any project but identifies total supplies for its service area. Because of IRWD’s aggregation of demands and supplies, each assessment completed by IRWD is expected to be generally similar to the most recent assessment, with changes as needed to take into account changes, if any, in demands and supplies, and any updated and corrected information obtained by IRWD. Previously assessed projects’ water demands will be included in the baseline. A newly assessed project’s water demand will have been included in previous water supply assessments for other projects (as part of IRWD’s “full build-out” demand) to the extent of any land use planning or other water demand information for the project that was available to IRWD.

The Project’s water demand was included (as part of IRWD’s “full build-out” demand) in previous water supply assessments performed by IRWD, based on land use planning information available to IRWD. In this water supply assessment, the Project demand will be revised in accordance with updated information provided by the applicant and included in the “with project” demand.

Supporting Documentation

IRWD prepares two planning documents to guide water supply decision-making. IRWD’s principal planning document is IRWD’s “Water Resources Master Plan” (“WRMP”). The WRMP is a comprehensive document compiling data and analyses that IRWD considers necessary for its planning needs. IRWD also prepares an Urban Water Management Plan (“UWMP”), a document required by statute. The UWMP is based on the WRMP, but contains defined elements as listed in the statute (Water Code Section 10631 *et seq.*), and, as a result, is more limited than the WRMP in the treatment of supply and demand issues. Therefore, IRWD primarily relies on its most recent WRMP. The UWMP is required to be updated in years ending with “five” and “zero,” and IRWD’s most recent update of that document (2020 UWMP) was adopted in June 2021.

In addition to the WRMP and the 2020 UWMP mentioned above, other supporting documentation referenced herein is found in Section 6 of this assessment.

Due to the number of contracts, statutes and other documents comprising IRWD's written proof of entitlement to its water supplies, in lieu of attachment of such items, they are identified by title and summarized in Section 2(b) of this assessment (written contracts/proof of entitlement). Copies of the summarized items can be obtained from IRWD.

Assessment Methodology

Water use factors; dry-year increases. IRWD employs water use factors to enable it to assign water demands to the various land use types and aggregate the demands. The water use factors are based on average water use and incorporate the effect of IRWD's tiered-rate conservation pricing and its other water use efficiency programs. The factors are derived from historical usage (billing data) and a detailed review of water use factors within the IRWD service areas conducted as a part of the WRMP. System losses at a rate of approximately 5% are built into the water use factors. Water demands also reflect normal hydrologic conditions (precipitation). Lower levels of precipitation and higher temperatures will temporarily result in higher water demands, due primarily to the need for additional water for irrigation. To reflect this, base (normal) WRMP water demands have been increased by 7% in the assessment during both "single-dry" and "multiple-dry" years. This is consistent with historical regional demand variation as documented in the Metropolitan Water District of Southern California's ("MWD's") Integrated Resources Plan (1996) (Volume 1). This increase in estimated demands is considered conservative and is also consistent with the Municipal Water District of Orange County's ("MWDOC") 2020 UWMP which assumes increased demands in single-dry and multiple dry years of 6% based on MWDOC's Orange County Reliability Study (MWDOC 2020 UWMP, pg. 7-2).

Planning horizon. In accordance with Water Code Section 10910, this assessment reviews demands and supplies covering a 20-year planning horizon. For consistency with IRWD's WRMP, the assessment reviews demands and supplies through the year 2042, which is considered to include build-out or "ultimate development".

Assessment of demands. Water demands are reviewed in this assessment for three development projections (to 2042):

- Existing and committed demand (without the Project) ("baseline"). This provides a baseline condition as of the date of this assessment, consisting of demand from existing development, plus demand from development that has both approved zoning and (if required by the Assessment Law) an adopted water supply assessment.
- Existing and committed demand, plus the Project ("with-project"). This projection adds the Project water demands to the baseline demands.
- Full WRMP build-out ("full build-out"). In addition to the Project, this projection adds potential demands for all presently undeveloped areas of IRWD based on current general plan information, modified by more specific information available to IRWD, as more fully described in Chapter 2 of the WRMP.

Assessment of supplies. For comparison with demands, water supplies are classified as *currently available* or *under development*.

- *Currently available* supplies include those that are presently operational, and those that

will be operational within the next several years. Supplies expected to be operational in the next several years are those having completed or substantially completed the environmental and regulatory review process, as well as having necessary contracts (if any) in place to move forward. These supplies are in various stages of planning, design, or construction.

- In general, supplies *under development* may necessitate the preparation and completion of environmental documents, regulatory approvals, and/or contracts prior to full construction and implementation.

IRWD is also evaluating the development of additional supplies that are not included in either *currently available* or *under-development* supplies for purposes of this assessment. As outlined in the WRMP, prudent water supply and financial planning dictates that development of supplies be phased in over time consistent with the growth in demand.

Water supplies available to IRWD include several sources: groundwater pumped from the Orange County groundwater basin (including the Irvine Subbasin); captured local (native) surface water; recycled sewage; and supplemental imported water supplied by MWD through the MWDOC. The supply-demand comparisons in this assessment are broken down among the various sources and are further separated into potable and nonpotable water sources.

Comparison of demand and supply. The three demand projections noted above (baseline, with-project and full build-out) are compared with supplies in the following ways:

- On a total *annual* quantity basis (stated in acre-feet per year (“AFY”)).
- On a *peak-flow* (maximum day) basis (stated in cubic feet per second (“cfs”)).
- Under three climate conditions: base (normal) conditions and single-dry and multiple-dry year conditions. (Note: These conditions are compared for *annual* demands and not for *peak-flow* demands. *Peak-flow* is a measure of a water delivery system’s ability to meet the highest day’s demand of the fluctuating demands that will be experienced in a year’s time. Peak demands occur during the hot, dry season and as a result are not appreciably changed by dry-year conditions; dry-year conditions do affect *annual* demand by increasing the quantity of water needed to supplement normal wet-season precipitation.)

Summary of Results of Demand-Supply Comparisons

Listed below are Figures provided in this assessment, comparing projected potable and nonpotable water supplies and demands under the three development projections:

- Figure 1: Normal Year Supply and Demand – Potable Water
- Figure 2: Single Dry-Year Supply and Demand – Potable Water
- Figure 3: Multiple Dry-Year Supply and Demand – Potable Water
- Figure 4: Maximum-Day Supply and Demand – Potable Water
- Figure 5: Normal Year Supply and Demand – Nonpotable Water
- Figure 6: Single Dry-Year Supply and Demand – Nonpotable Water
- Figure 7: Multiple Dry-Year Supply and Demand – Nonpotable Water
- Figure 8: Maximum-Day Supply and Demand – Nonpotable Water

It can be observed in the Figures that IRWD's *supplies* remain essentially constant between normal, single-dry, and multiple-dry years. This result is due to the fact that groundwater and MWD imported water account for the majority of all of IRWD's potable supply, and recycled water, groundwater and imported water comprise all of IRWD's nonpotable supply. Groundwater production typically remains constant or may increase in cycles of dry years, even if overdraft of the basin temporarily increases, as groundwater producers reduce their demand on imported supplies to secure reliability. (See Section 4 herein.) As to imported water, MWD's 2020 Urban Water Management Plan (MWD 2020 UWMP) concludes that MWD has supply capabilities sufficient to meet expected demands from 2025 through 2045 under a single dry year condition and a period of drought lasting five consecutive water years, as well as in a normal water year hydrologic condition. (See also Section 2(b) (1) "IMPORTED SUPPLY - ADDITIONAL INFORMATION," below.) Recycled water production also remains constant and is considered "drought-proof" as a result of the fact that sewage flows remain virtually unaffected by dry years. Only a small portion of IRWD's supply, native water captured in Irvine Lake, is reduced in single-dry and multiple-dry years. The foregoing factors also serve to explain why there is no difference in IRWD's supplies between single-dry and multiple-dry years.

A review of the Figures indicates the following:

- *Currently available* supplies of potable water are adequate to meet annual demands for the *baseline*, *with-project* and *full build-out* scenarios projected under the normal year, and the single- and multiple-dry year conditions through the year 2042. (Figures 1, 2 and 3.) IRWD plans to proceed with the implementation of future potable supplies (*under development*), as shown in the Figures, to improve local reliability during dry-year conditions.
- Adequate *currently available* potable water supply capacity is available to meet *peak-flow* (maximum day) demands for all demand projections through the year 2042. (Figure 4.)
- With respect to nonpotable water, *currently available* supplies are adequate to meet projected annual demands for both the *baseline* and *with-project* demand projections under both dry-year conditions through the year 2042. (Figures 5, 6, 7 and 8.) IRWD has implemented all planned nonpotable supplies, as shown in the Figures, to improve local reliability during dry-year conditions.

The foregoing Figures provide an overview of IRWD potable and nonpotable water supply capabilities. More detailed information on the anticipated development and use of supplies, which incorporates source costs and reliability issues, is provided in the WRMP.

Margins of safety. The Figures and other information described in this assessment show that IRWD's assessment of supply availability contains several margins of safety or buffers:

- "Reserve" water supplies (excess of supplies over demands) will be available to serve as a buffer against inaccuracies in demand projections, future changes in land use, or alterations in supply availability.
- Conservative estimates of annual potable and nonpotable *imported* supplies have been made based on connected delivery capacity (by application of peaking factors as described below in Section 2, footnote 1); additional supplies are expected to be

available from these sources, based on legal entitlements, historical uses and information provided by MWD. In addition to MWD's existing regional supply assessments, this assessment has considered MWD information concerning operational limits on Delta pumping. See "**Actions on Delta Pumping**," below.

- Information provided by MWD, as the imported water supplier, concerning the adequacy of its regional supplies, summarized herein, demonstrates MWD's inclusion of reserves in its regional supply assessments. In addition to MWD's existing regional supply assessments, this assessment has considered MWD's information concerning operational limits on Delta pumping. See "**Actions on Delta Pumping**," below.
- Although groundwater supply amounts shown in this assessment assume production levels within applicable basin production percentages described herein, production of groundwater can exceed applicable basin production percentages on a short-term basis, which can provide additional reliability during dry years or emergencies.

Actions on Delta Pumping. The Sacramento/San Joaquin Delta ("Delta") is a vulnerable component in both the State and Federal systems to convey water from northern portions of California to areas south of the Delta. Issues associated with the Delta have generally been known for years; however, the continuing decline in the number of endangered Delta smelt resulted in the filing of litigation challenging permits for the operation of the Delta pumping facilities. On August 31, 2007, a Federal court ordered interim protective measures for the endangered Delta smelt, including operational limits on Delta pumping, which have an effect on State Water Project ("SWP") operations and supplies. On June 4, 2009, a federal biological opinion imposed rules that further restrict water diversions from the Delta to protect endangered salmon and other endangered fish species. At present, several proceedings concerning Delta operations are ongoing to evaluate options to address Delta smelt impacts and other environmental concerns. In addition to the regulatory and judicial proceedings to address immediate environmental concerns, the Delta Vision process and Bay-Delta Conservation Plan ("BDCP") process are defining long-term solutions for the Delta. In addition, State and federal agencies and water user entities are currently engaged in the development of the Delta Conveyance Project (previously California WaterFix), which is aimed at making physical and operational improvements in the Delta necessary to improve south of the Delta SWP water supplies and water quality and protect ecosystem health in the Delta (MWD 2020 UWMP). Prior to the 2007 court decision, MWD's Board approved a Delta Action Plan in May 2007, that described short, mid and long-term conditions and the actions to mitigate potential supply shortages and to develop and implement long-term solutions. To address uncertainties in expected SWP supplies, in October 2007, MWD prepared its 2007 Integrated Resources Plan ("IRP") Implementation Report, in which MWD estimated that it could see as much as up to a 22% reduction on average of its SWP supplies based on the court order. As part of its ongoing long term planning, in its 2010 IRP Update, MWD identified changes to the long-term plan and established direction to address the range of potential changes in water supply planning. The 2010 IRP also discusses dealing with uncertainties related to impacts of climate change (see additional discussion of this below), as well as actions to protect endangered fisheries. The 2010 IRP Update emphasizes an evolving approach and suite of actions to address the water supply challenges that are posed by uncertain weather patterns, regulatory and environmental restrictions, water quality impacts and changes in the state and the region. The 2010 IRP Update includes MWD's Adaptive Resource Management Strategy three components: Core Resources Strategy, Supply Buffer Implementation and Foundational Actions, which together provides the basis for the 2010 IRP Update. The 2010 IRP Update expands the concept of developing a planning buffer from the 2004 IRP Update by implementing a supply buffer equal

to 10 percent of the total retail demand.

In January 2016, MWD adopted its 2015 IRP Update. In the 2015 IRP Update, MWD continued its Adaptive Resource Management Strategy and integrated future supply actions to improve the viability of potential contingency resources as needed, and to position the region to effectively implement these resources in a timely manner. The 2015 IRP finds that additional actions are needed in investments in conservation, local supplies, the California WaterFix, and stabilizing Colorado River supplies. Among the supply actions, MWD will continue to work collaboratively with state and federal agencies on the California WaterFix, maximize its storage and transfer approach, and continue to develop and protect local supplies and conservation. MWD is currently developing its 2020 IRP Update which proposes to strengthen the Adaptive Management Approach and scenario planning to allow for the evaluation of investments and actions needed to achieve desired reliability under a diverse range of future conditions.

IRWD's Evaluation of Effect of Reduced MWD Supplies to IRWD: In the MWD 2020 UWMP, MWD states it has supply capability that would be sufficient to meet expected demands from 2025 to 2045 under single dry year and multiple dry year conditions.¹

Based on the prior MWD 2007 IRP Implementation Report, MWD estimated that it could receive reduction of SWP supplies of up to 22% on average until a long term solution was implemented. For purposes of ensuring a conservative analysis, IRWD made an evaluation of the effect of the 22% estimated reduction of MWD's SWP supplies on its overall imported supplies. IRWD estimates that 22% reduction of SWP supplies conservatively translates to approximately 16% reduction in all of MWD's imported supplies over the years 2025 through 2045. For this purpose, it is assumed that MWD's total supplies consist only of imported SWP and Colorado deliveries. Based on this estimate, this assessment uses a 16% reduction in MWD supplies available to IRWD for the years 2025 through 2045, using IRWD's connected capacity without any water supply allocation imposed by MWD. This reduction in MWD supplies is reflected in Figures 1, 2, 3, 5, 6, and 7.

Per the MWD 2020 UWMP, MWD performs water shortage planning in its Water Surplus and Drought Management ("WSDM") Plan (1988) which guides MWD's planning and operations during both shortage and surplus conditions. Furthermore, MWD developed the Water Supply Allocation Plan ("WSAP") (dated February 2009, updated December 2014) which provides standardized methodology for allocation of MWD's supplies during times of shortage. The WSDM Plan distinguishes between shortages, severe shortages, and extreme shortages. These terms have specific meanings relating to MWD's ability to deliver water and the actions it takes. In June 2008, MWD's Board adopted a Water Supply Condition Framework to communicate the urgency of the region's water supply situation and the need for further water conservation to reduce regional demands, MWD uses the WSDM Plan and Framework to determine if a WSAP is recommended.

¹ The MWD 2020 UWMP utilized DWR's 2019 SWP Delivery Capability Report to estimate future SWP supplies for 2025 through 2045. These estimates incorporate the effect of regulatory requirements in accordance with biological opinions and also reflect potential impacts of climate change on SWP operations. Tables A.3-7 of the MWD 2020 UWMP reflect a reduction of approximately 7% in MWD's expected average year SWP entitlement supplies. This amount is a smaller percentage reduction than MWD's 2007 estimate of 22% that was used by IRWD for purposes of this analysis. For purposes of a conservative analysis, IRWD has used the 22% reduction cited by MWD in its October 2007 IRP Implementation Report as the basis of IRWD's analysis.

As an alternative means of analyzing the effect of reduced MWD supplies on IRWD, listed below are Figures provided comparing projected potable water supplies and demands in all of the five year increments, under a temporary MWD allocation scenario:

Figure 1a: Normal Year Supply and Demand (MWD Allocated) – Potable Water

Figure 2a: Single Dry-Year Supply and Demand (MWD Allocated) – Potable Water

Figure 3a: Multiple Dry-Year Supply and Demand (MWD Allocated) – Potable Water

Figures 1a, 2a, and 3a show IRWD’s estimated supplies (average and single and multiple dry years) under a short-term MWD water supply allocation scenario whereby MWD declares a shortage stage under its WSAP, and a cutback is applied to IRWD’s actual usage rather than its connected capacity. IRWD’s evaluation of reduced MWD supplies to IRWD as shown in Figures 1a, 2a and 3a conservatively analyzes the effect of up to a MWD level 5 Regional Shortage Level. In addition, these Figures do not reflect a reduction in demands, thus representing a more conservative view of IRWD’s supply capability. (see “**Recent Actions Related to Drought Conditions**” below)

On April 14, 2015, MWD approved the implementation of its WSAP at a level 3 Regional Shortage Level and an effective 15% reduction in regional deliveries effective July 1, 2015, through June 30, 2016. As a result of IRWD’s diversified water supplies, IRWD is reliant on MWD for only 20% of its total supplies. IRWD’s evaluation of reduced MWD supplies to IRWD as shown in Figures 1a, 2a and 3a includes MWD’s 2015 actions to implement a level 3 Regional Shortage Level and 15% reduction.

Under shortage scenarios, IRWD may need to supplement supplies with production of groundwater, which can exceed the applicable basin production percentage on a short-term basis, providing additional reliability during dry years or emergencies.²

In addition, IRWD has developed water banking projects in Kern County, California which may be called upon for delivery of supplemental banked water to IRWD under a MWD WSAP.³ IRWD may also convert non-potable water uses to recycled water as a way to conserve potable water. In addition, if needed, resultant net shortage levels can be addressed by demand reduction programs as described in IRWD’s updated Water Shortage Contingency Plan adopted in 2021. IRWD’s Water Shortage Contingency Plan provides procedures for responding to various levels of supply shortages through a combination of supply augmentation

² In these scenarios, it is anticipated that other water suppliers who produce water from the Orange County Basin will also experience cutbacks of imported supplies and will increase groundwater production and that Orange County Water District (“OCWD”) imported replenishment water may also be cutback. The OCWD’s “2020-2021 Engineer’s Report on the Groundwater Conditions, Water Supply and Basin Utilization” references a report (OCWD Report on Evaluation of Orange County Groundwater Basin Storage and Operational Strategy, 2007) which recommends a basin management strategy that provides general guidelines for annual basin refill or storage decrease based on the level of accumulated overdraft. It states: “Although it is considered to be generally acceptable to allow the basin to decline to 500,000 AF overdraft for brief periods due to severe drought conditions and lack of supplemental water...an accumulated overdraft of 100,000 AF best represents an optimal basin management target. This optimal target level provides sufficient storage space to accommodate anticipated recharge from a single wet year while also providing water in storage for at least 2 or 3 consecutive years of drought.” MWD replenishment water is a supplemental source of recharge water and OCWD estimates other main supply sources for recharge are available.

³ IRWD has developed water banking projects (“Water Bank”) in Kern County, California and has entered into a 30-year water banking partnership with Rosedale-Rio Bravo Water Storage District to operate IRWD’s Strand Ranch and Stockdale West portions of the Water Bank. The Water Bank can improve IRWD’s water supply reliability by capturing lower cost water available during wet hydrologic periods for use during dry periods. The Water Bank can enhance IRWD’s ability to respond to drought conditions and potential water supply interruptions.

and demand management measures. As stated in IRWD's Water Shortage Contingency Plan, use of local supplies, storage and other supply augmentation measures can mitigate shortages, and are used as necessary and appropriate during declared shortage levels.

It can be noted that IRWD's above approach is conservative, in that IRWD evaluates the effect of the 16% reduction through 2042 and shows the effect of current allocation scenarios in all of the five-year increments. However, MWD reports that it has made significant progress in other water resource categories such as transfers, groundwater storage and developing other local resources, and supplies will be available from these resources over the long-term.

Climate Change. The California Department of Water Resources ("DWR") released a report "Progress on Incorporating Climate Change into Management of California's Water Resources" (July 2006), considering the impacts of climate change on the State's water supply. In 2012, DWR adopted phase 1 of its Climate Action Plan, its department-wide plan for reducing greenhouse gas emissions (GHG). In September 2018, the DWR released phase 2 of its Climate Action Plan, which is DWR's guide to addressing climate change in the programs, projects, and activities over which it has authority. Per this guidance, California's climate policy focuses on reducing GHG emissions, preparing for climate change impacts, and supporting climate-related research to inform policy responses and decision-making processes.

In MWD's 2015 IRP Update, MWD recognizes there is additional risk and uncertainty associated with climate change that may affect future supply and demands. MWD plans to hedge against supply and demand uncertainties by implementing a long-term plan that recognizes the risk and provides resource development to offset the risk. Per the MWD 2020 UWMP, for longer term risks, like climate change, MWD established a Robust Decision Making ("RDM") approach that can show how vulnerable the region's reliability is to the longer-term risks and can also establish "signposts" that can be monitored to see when crucial changes may be happening. MWD has stated in its 2020 UWMP that the RDM analysis was valuable in identifying vulnerabilities to its 2015 IRP approach to long-term reliability and in understanding how climate change would best be incorporated into the 2020 IRP.

Per the MWD 2020 UWMP, MWD continues to incorporate current climate change science into its planning efforts. Per the MWD 2020 UWMP, MWD has made great efforts to implement greenhouse gas mitigation programs and policies for its facilities and operations. MWD is developing a Climate Action Plan which sets the target and guides future actions to reduce emission levels and complements MWD's IRP. Potential climate change impacts on state, regional and local water supplies and relevant information for the Orange County hydrologic basin and Santa Ana Watershed have not been sufficiently developed at this time to permit IRWD to assess and quantify the effect of any such impact on its conclusions in the Assessment.

Catastrophic Supply Interruption Planning. MWD has developed Emergency Storage Requirements (MWD 2020 UWMP) to safeguard the region from catastrophic loss of water supply. MWD has made substantial investments in emergency storage and has based its planning on a 100% reduction in its supplies for a period of six months. The emergency plan outlines that under such a catastrophe, non-firm service deliveries would be suspended, and firm supplies would be restricted by a mandatory cutback of 25 percent from normal year demand deliveries. In addition, MWD discusses DWR's investments in improvements on the SWP and the long term Delta plan in the MWD 2020 UWMP (pages 3-19 to 3-23). IRWD has also addressed supply interruption planning in its WRMP and 2020 UWMP.

Recent Actions Related to Drought Conditions. In response to historically dry conditions throughout the state of California, on April 1, 2015, Governor Brown issued an Executive Order directing the State Water Resources Control Board (SWRCB) to impose restrictions to achieve an aggregate statewide 25 percent reduction in potable water use through February 2016. The Governor's Order also included mandatory actions aimed at reducing water demands, with a particular focus on outdoor water use. On May 5, 2015, the SWRCB adopted regulations which required that IRWD achieve a 16% reduction in potable water use from its 2013 potable water use levels. On November 13, 2015, Governor Brown issued an Executive Order directing the SWRCB to extend the 2015 Emergency Regulation through October 31, 2016, if drought conditions continued. On February 2, 2016, the SWRCB adopted an extended and modified Emergency Regulation. As a result of the modification, IRWD's mandated reduction was changed from 16% to 9% effective March 1, 2016. On April 14, 2015, MWD approved actions to implement its WSAP at a level 3 Regional Shortage Level and a 15% reduction in regional deliveries effective July 1, 2015, through June 30, 2016. During this period, IRWD continued to implement actions to reduce potable water demands during the drought; however, this did not affect IRWD's long-term supply capability to meet the demands.

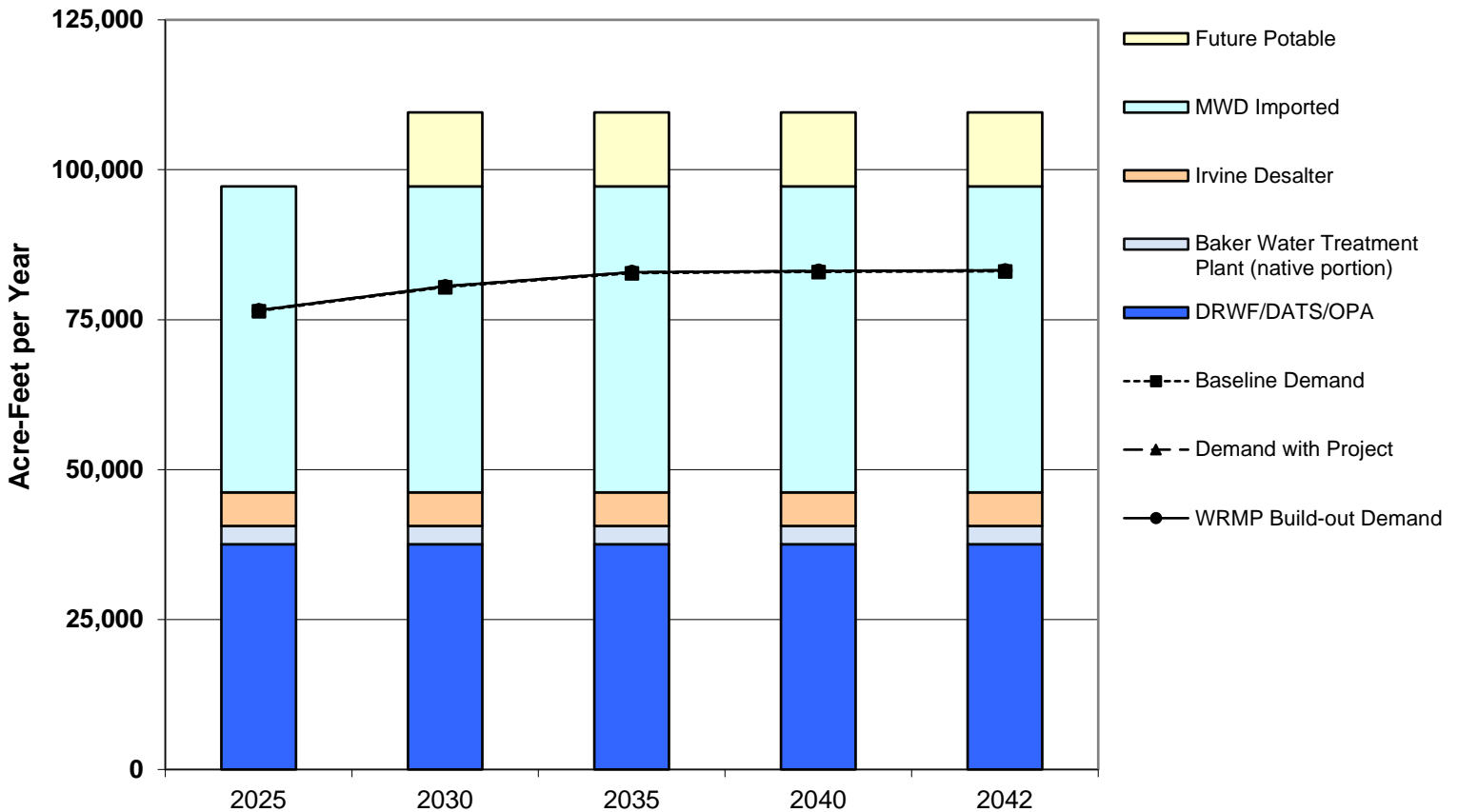
As discussed under "*IRWD's Evaluation of Effect of Reduced MWD Supplies to IRWD*" (see above), IRWD has effectively analyzed an imported water supply reduction up to a level 5 Regional Shortage Stage in Figures 1a, 2a, 3a. These Figures, however, do not reflect a reduction in demands, thus representing a more conservative view of IRWD's supply capability. In particular, the reduction in demand mandated by Senate Bill 7 in 2010, requiring urban retail water suppliers to establish water use targets to achieve a 20% reduction in daily per capita water use by 2020, has not been factored into the demands in this analysis. Similarly, notwithstanding the Governor's 2015 order, IRWD's conservative supply-sufficiency analysis in Figures 1a, 2a and 3a does not include the ordered reduction in potable demands. On April 7, 2017, Governor Brown rescinded the Executive Order in all but four counties in California.

Detailed Assessment

1. **Supply and demand comparison**

Comparisons of IRWD's average annual and peak (maximum day) demands and supplies, under *baseline* (existing and committed demand, without the Project), *with-project* (baseline plus Project), and *full build-out* development projections, are shown in the following Figures 1-4 (potable water), Figures 5-8 (nonpotable water) and Figures 1a, 2a, and 3a (short term MWD allocation potable water). See also the "Actions on Delta Pumping" above.

**Figure 1
IRWD Normal-Year Supply & Demand - Potable Water**



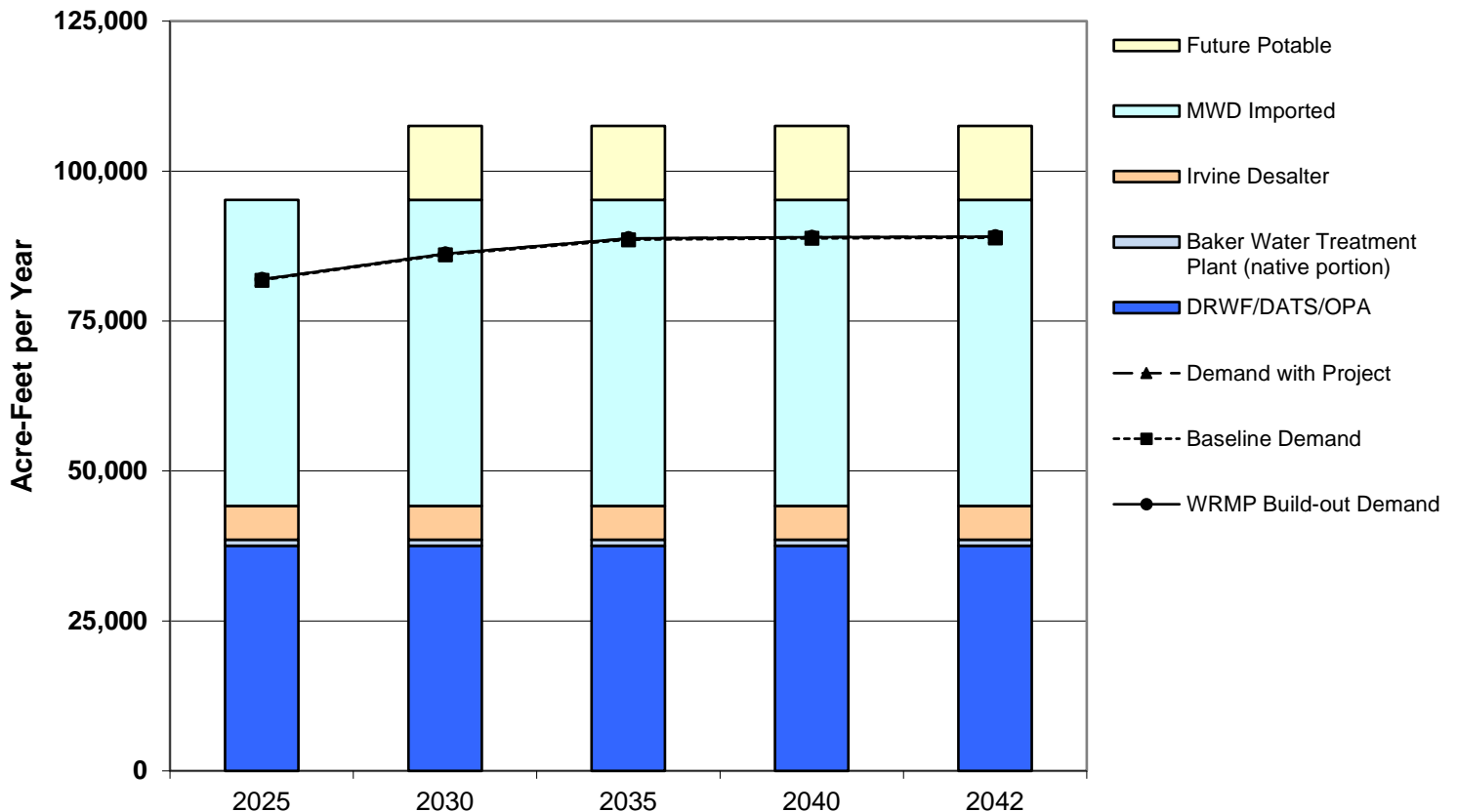
(in acre-feet per year)	2025	2030	2035	2040	2042
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF, Baker)	51,027	51,027	51,027	51,027	51,027
DRWF/DATS/OPA	37,532	37,532	37,532	37,532	37,532
Irvine Desalter	5,618	5,618	5,618	5,618	5,618
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Baker Water Treatment Plant (native portion)	3,048	3,048	3,048	3,048	3,048
Supplies Under Development					
Future Potable	-	12,352	12,352	12,352	12,352
Maximum Supply Capability	103,554	115,907	115,907	115,907	115,907
Baseline Demand	76,450	80,421	82,770	82,977	83,060
Demand with Project	76,577	80,591	82,939	83,147	83,230
WRMP Build-out Demand	76,577	80,591	82,939	83,147	83,230
Reserve Supply with Project	26,977	35,316	32,968	32,760	32,677

Notes: By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

Baker Water Treatment Plant is supplied untreated imported water and native water from Irvine Lake.

**Figure 2
IRWD Single Dry-Year Supply & Demand - Potable Water**



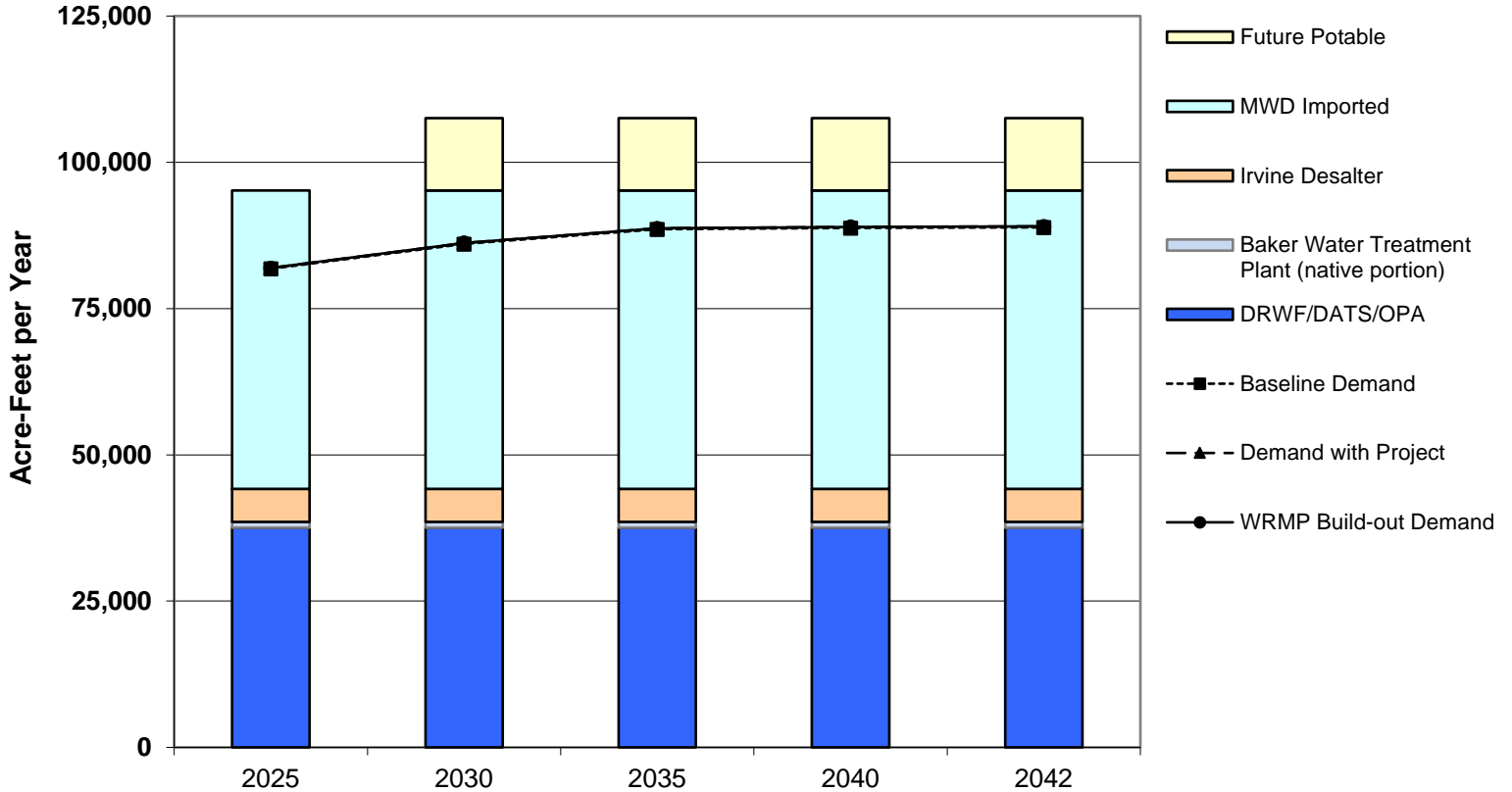
(in acre-feet per year)	2025	2030	2035	2040	2042
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF, Baker)	51,027	51,027	51,027	51,027	51,027
DRWF/DATS/OPA	37,532	37,532	37,532	37,532	37,532
Irvine Desalter	5,618	5,618	5,618	5,618	5,618
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Baker Water Treatment Plant (native portion)	1,000	1,000	1,000	1,000	1,000
Supplies Under Development					
Future Potable	-	12,352	12,352	12,352	12,352
Maximum Supply Capability	101,506	113,859	113,859	113,859	113,859
Baseline Demand	81,801	86,051	88,563	88,785	88,874
Demand with Project	81,937	86,232	88,745	88,967	89,056
WRMP Build-out Demand	81,937	86,232	88,745	88,967	89,056
Reserve Supply with Project	19,569	27,626	25,114	24,892	24,803

Notes: Supplies identical to Normal-Year based on Metropolitan's Urban Water Management Plan and usage of groundwater under drought conditions (OCWD Master Plan). Demands increased 7% from Normal-Year. By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

Baker Water Treatment Plant is supplied untreated imported water and native water from Irvine Lake.

**Figure 3
IRWD Multiple Dry-Year Supply & Demand - Potable Water**



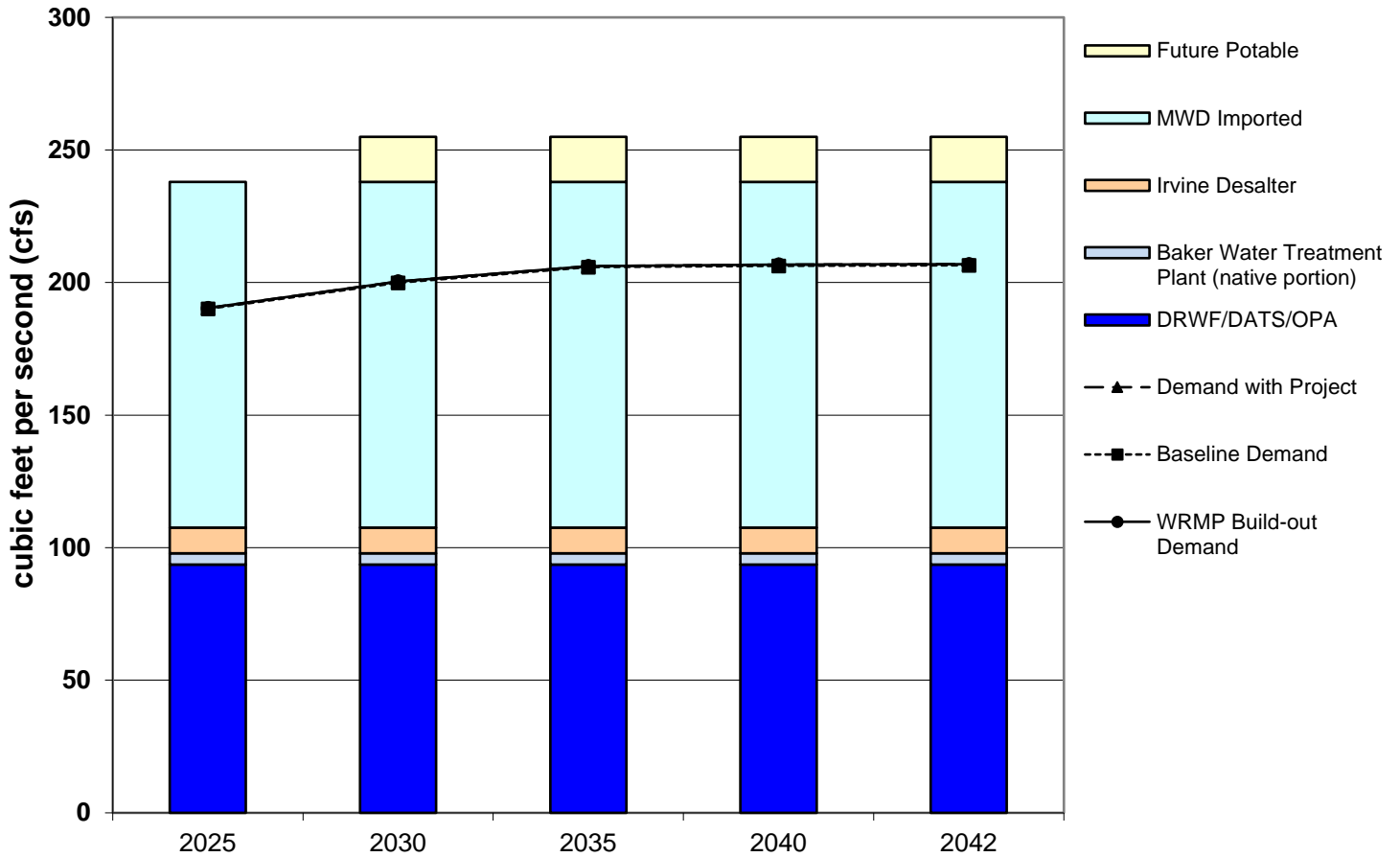
(in acre-feet per year)	2025	2030	2035	2040	2042
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF, Bake	51,027	51,027	51,027	51,027	51,027
DRWF/DATS/OPA	37,532	37,532	37,532	37,532	37,532
Irvine Desalter	5,618	5,618	5,618	5,618	5,618
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Baker Water Treatment Plant (native portion)	1,000	1,000	1,000	1,000	1,000
Supplies Under Development					
Future Potable	-	12,352	12,352	12,352	12,352
Maximum Supply Capability	101,506	113,859	113,859	113,859	113,859
Baseline Demand	81,801	86,051	88,563	88,785	88,874
Demand with Project	81,937	86,232	88,745	88,967	89,056
WRMP Build-out Demand	81,937	86,232	88,745	88,967	89,056
Reserve Supply with Project	19,569	27,626	25,114	24,892	24,803

Notes: Supplies identical to Normal-Year based on Metropolitan's Urban Water Management Plan and usage of groundwater under drought conditions (OCWD Master Plan). Demands increased 7% from Normal-Year. By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

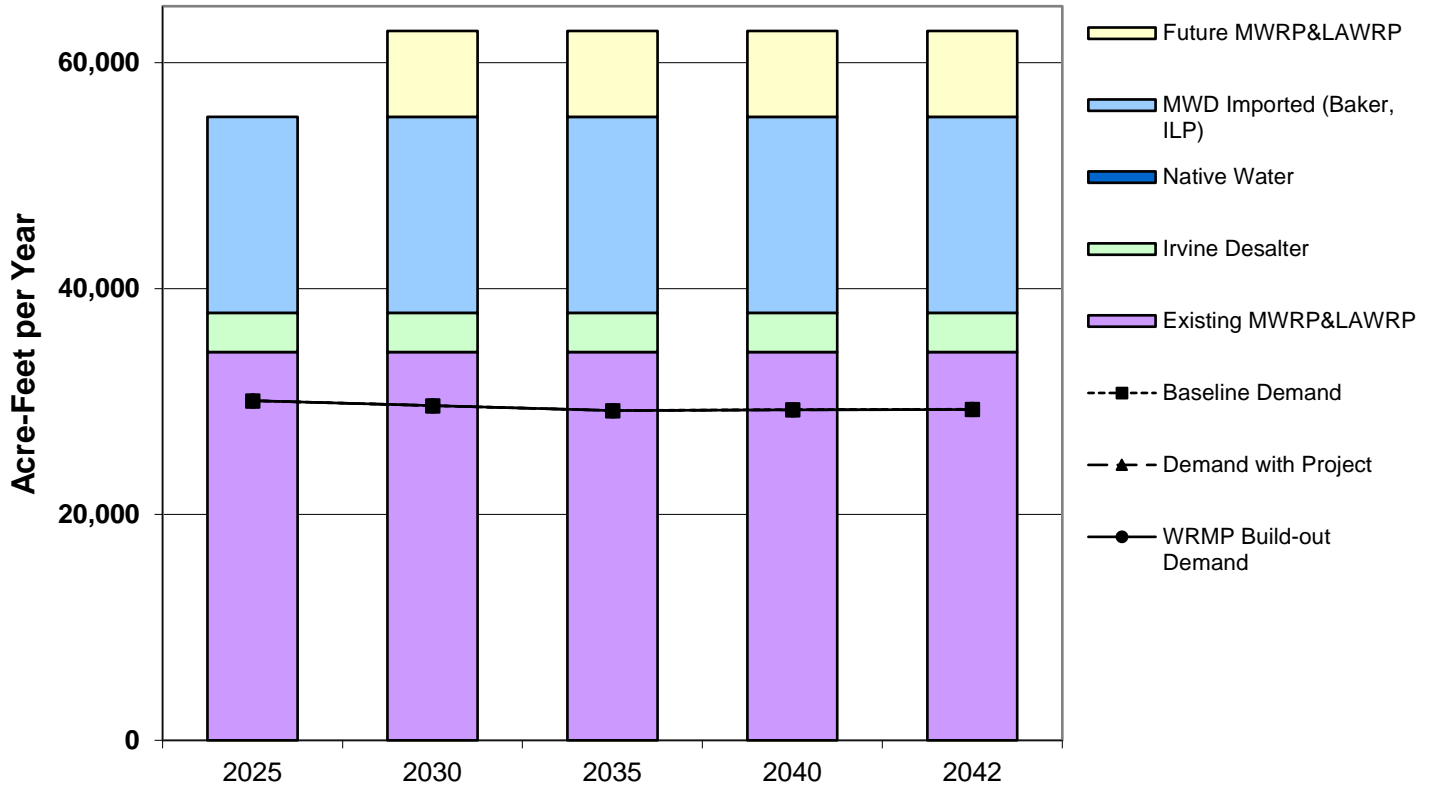
Baker Water Treatment Plant is supplied untreated imported water and native water from Irvine Lake.

**Figure 4
IRWD Maximum-Day Supply & Demand - Potable Water**



(in cfs)	2025	2030	2035	2040	2042
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF, Baker)	130.4	130.4	130.4	130.4	130.4
DRWF/DATS/OPA	93.7	93.7	93.7	93.7	93.7
Irvine Desalter	9.7	9.7	9.7	9.7	9.7
Wells 21 & 22	8.6	8.6	8.6	8.6	8.6
Baker Water Treatment Plant (native portion)	4.2	4.2	4.2	4.2	4.2
Supplies Under Development					
Future Potable	-	17.0	17.0	17.0	17.0
Maximum Supply Capability	246.6	263.6	263.6	263.6	263.6
Baseline Demand	190.1	199.9	205.8	206.3	206.5
Demand with Project	190.4	200.4	206.2	206.7	206.9
WRMP Build-out Demand	190.4	200.4	206.2	206.7	206.9
Reserve Supply with Project	56.2	63.2	57.3	56.8	56.6

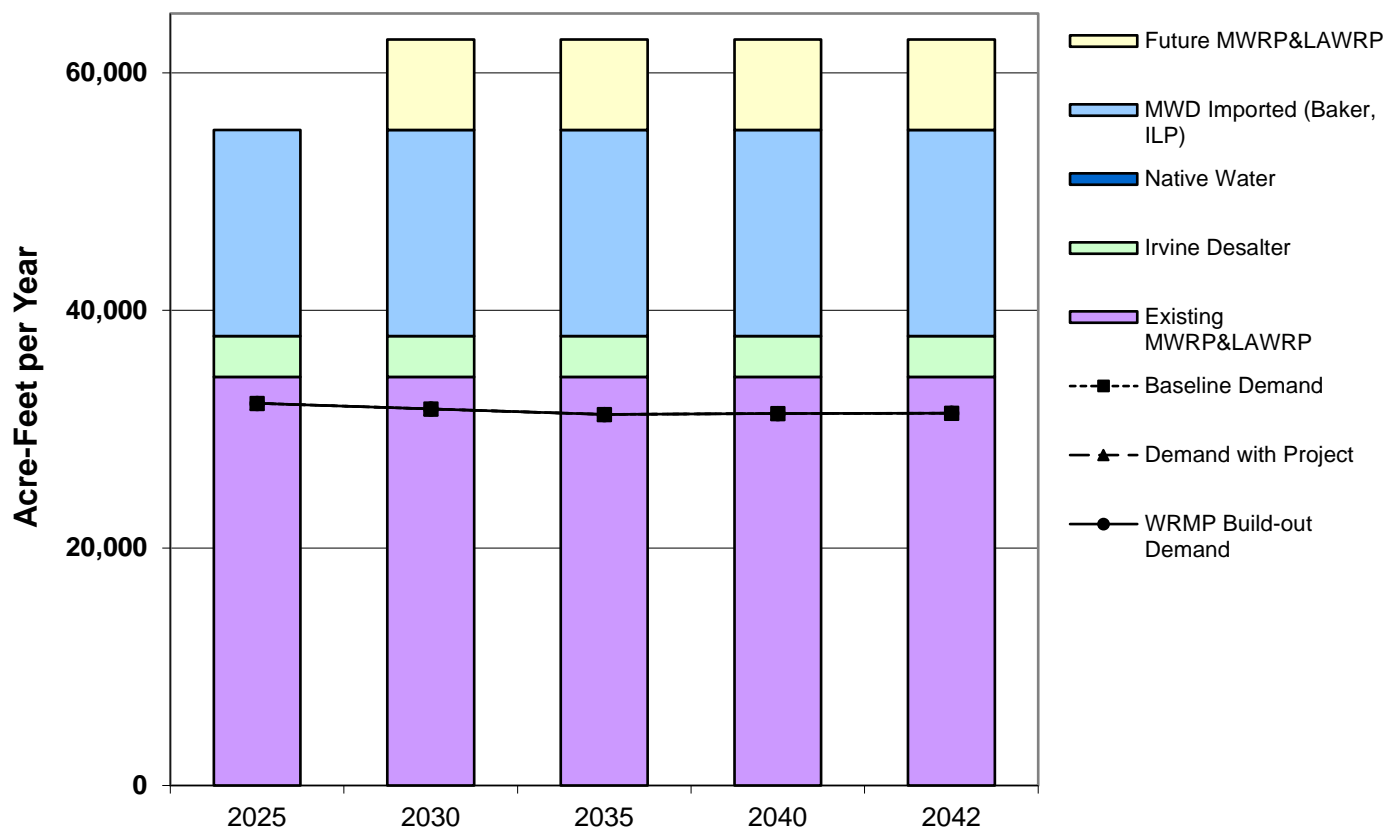
**Figure 5
IRWD Normal-Year Supply & Demand - Nonpotable Water**



(in acre-feet per year)	2025	2030	2035	2040	2042
Current Nonpotable Supplies					
Existing MWRP&LAWRP	34,389	34,389	34,389	34,389	34,389
Future MWRP&LAWRP	-	7,623	7,623	7,623	7,623
MWD Imported (Baker, ILP)	17,347	17,347	17,347	17,347	17,347
Irvine Desalter	3,461	3,461	3,461	3,461	3,461
Native Water	-	-	-	-	-
Maximum Supply Capability	55,197	62,820	62,820	62,820	62,820
Baseline Demand	30,076	29,639	29,201	29,275	29,304
Demand with Project	30,074	29,636	29,199	29,272	29,301
WRMP Build-out Demand	30,074	29,636	29,199	29,272	29,301
Reserve Supply with Project	25,123	33,184	33,621	33,548	33,519

Note: Downward trend reflects reduction in agricultural use over time.
 After 2016, native water is treated to potable through the Baker Water Treatment Plant.
 MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

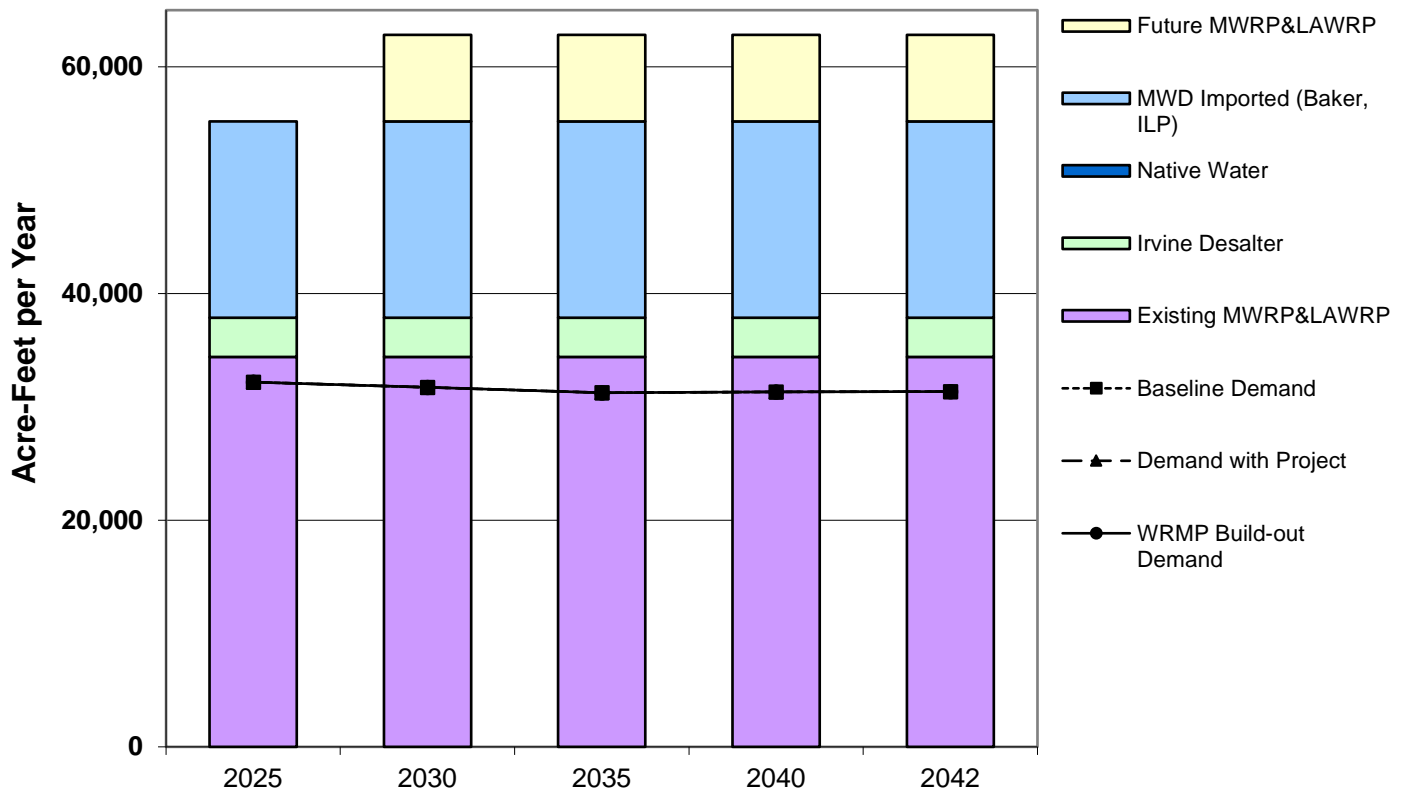
**Figure 6
IRWD Single Dry-Year Supply & Demand - Nonpotable Water**



(in acre-feet per year)	2025	2030	2035	2040	2042
Current Nonpotable Supplies					
Existing MWRP&LAWRP	34,389	34,389	34,389	34,389	34,389
Future MWRP&LAWRP	-	7,623	7,623	7,623	7,623
MWD Imported (Baker, ILP)	17,347	17,347	17,347	17,347	17,347
Irvine Desalter	3,461	3,461	3,461	3,461	3,461
Native Water	-	-	-	-	-
Maximum Supply Capability	55,197	62,820	62,820	62,820	62,820
Baseline Demand	32,181	31,713	31,246	31,324	31,355
Demand with Project	32,179	31,711	31,243	31,321	31,352
WRMP Build-out Demand	32,179	31,711	31,243	31,321	31,352
Reserve Supply with Project	23,018	31,109	31,577	31,499	31,468

Note: Downward trend reflects reduction in agricultural use over time.
 After 2016, native water is treated to potable through the Baker Water Treatment Plant.
 MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

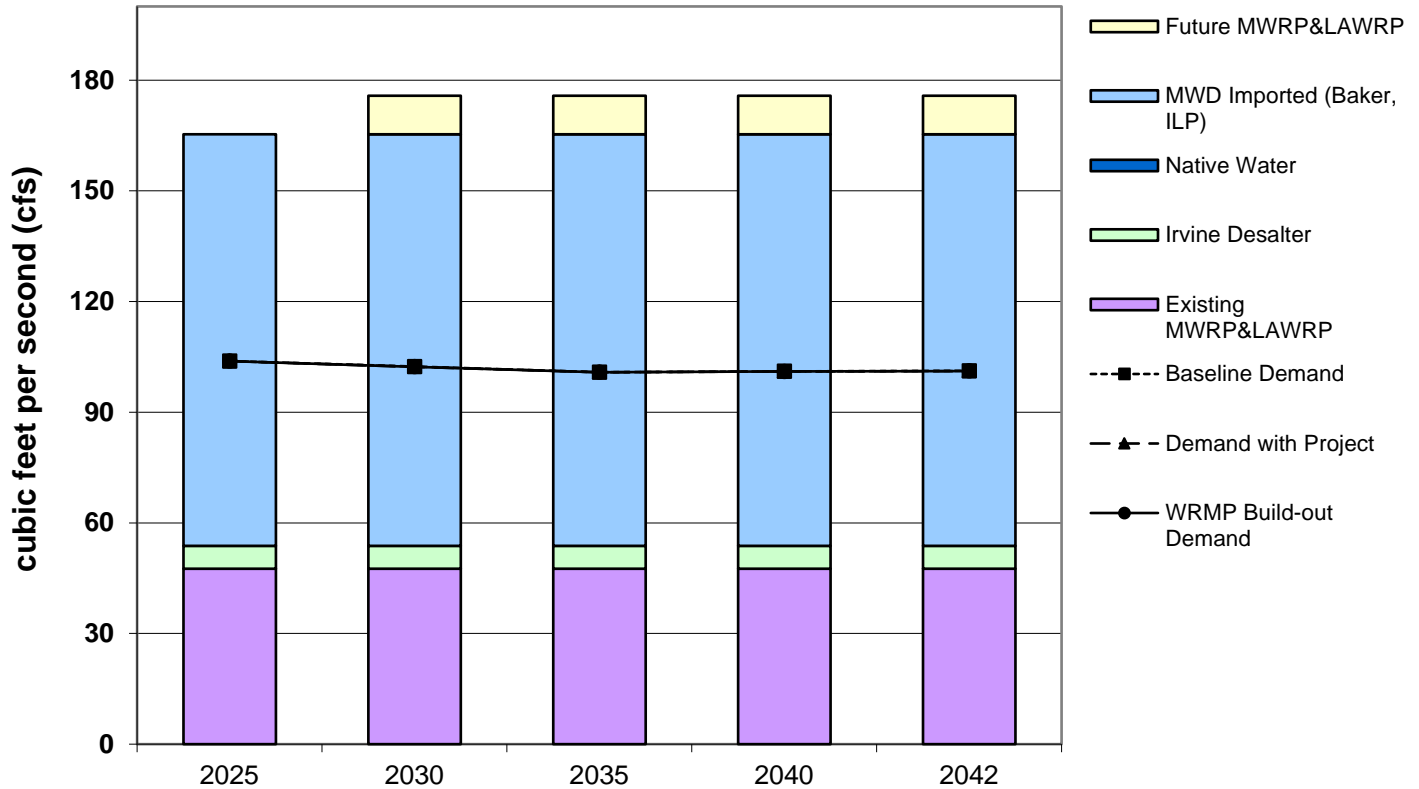
**Figure 7
IRWD Multiple Dry-Year Supply & Demand - Nonpotable Water**



(in acre-feet per year)	2025	2030	2035	2040	2042
Current Nonpotable Supplies					
Existing MWRP&LAWRP	34,389	34,389	34,389	34,389	34,389
Future MWRP&LAWRP	-	7,623	7,623	7,623	7,623
MWD Imported (Baker, ILP)	17,347	17,347	17,347	17,347	17,347
Irvine Desalter	3,461	3,461	3,461	3,461	3,461
Native Water	-	-	-	-	-
Maximum Supply Capability	55,197	62,820	62,820	62,820	62,820
Baseline Demand	32,181	31,713	31,246	31,324	31,355
Demand with Project	32,179	31,711	31,243	31,321	31,352
WRMP Build-out Demand	32,179	31,711	31,243	31,321	31,352
Reserve Supply with Project	23,018	31,109	31,577	31,499	31,468

Note: Downward trend reflects reduction in agricultural use over time.
 After 2016, native water is treated to potable through the Baker Water Treatment Plant.
 MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

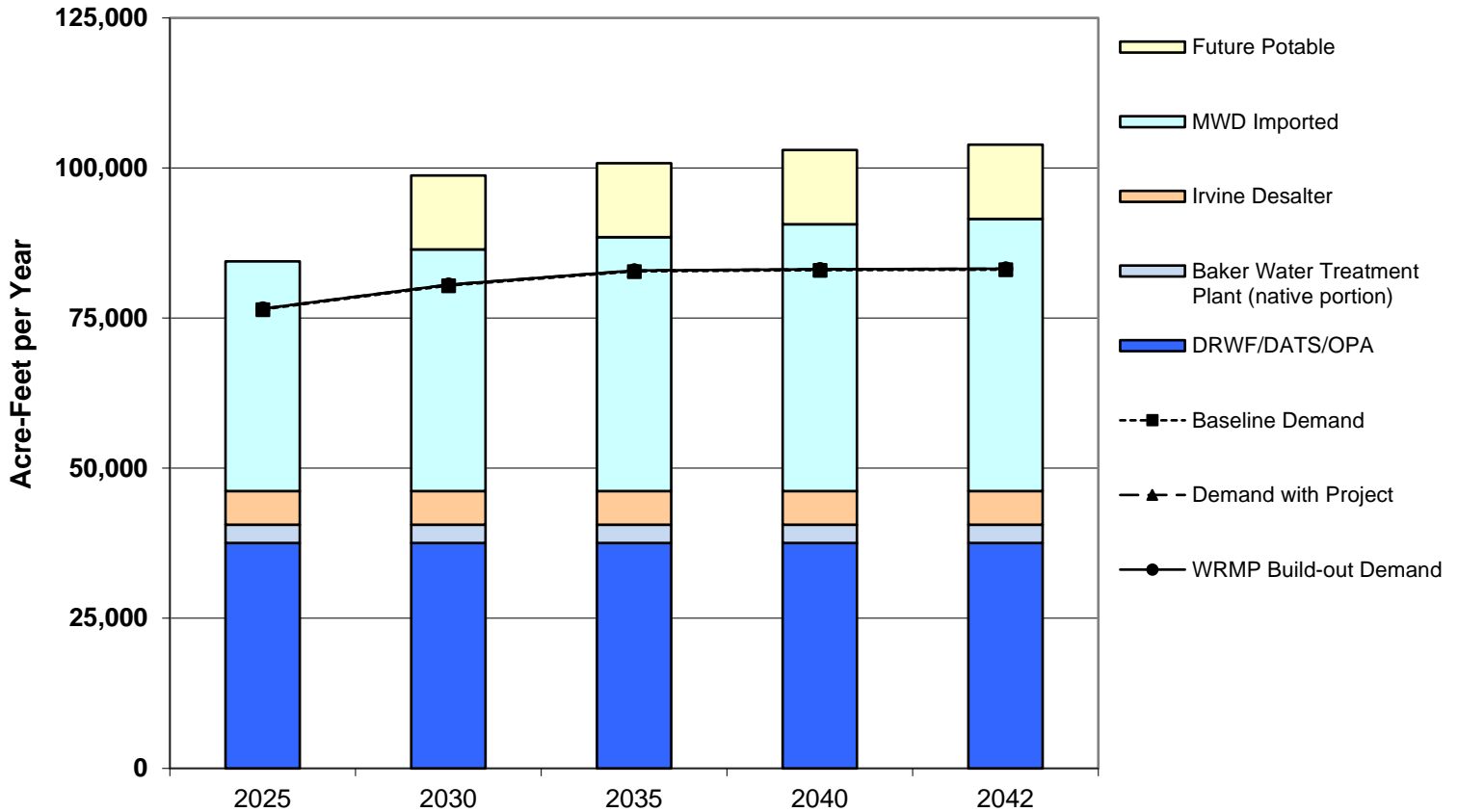
Figure 8
IRWD Maximum-Dry Supply & Demand - Nonpotable Water



(in cfs)	2025	2030	2035	2040	2042
Current Nonpotable Supplies					
Existing MWRP&LAWRP	47.6	47.6	47.6	47.6	47.6
Future MWRP&LAWRP	-	10.5	10.5	10.5	10.5
MWD Imported (Baker, ILP)	111.5	111.5	111.5	111.5	111.5
Irvine Desalter	6.2	6.2	6.2	6.2	6.2
Native Water	-	-	-	-	-
Maximum Supply Capability	165.3	175.8	175.8	175.8	175.8
Baseline Demand	103.9	102.3	100.8	101.1	101.2
Demand with Project	103.8	102.3	100.8	101.1	101.2
WRMP Build-out Demand	103.8	102.3	100.8	101.1	101.2
Reserve Supply with Project	61.5	73.5	75.0	74.8	74.7

Note: Downward trend reflects reduction in agricultural use over time.
 After 2016, native water is treated to potable through the Baker Water Treatment Plant.

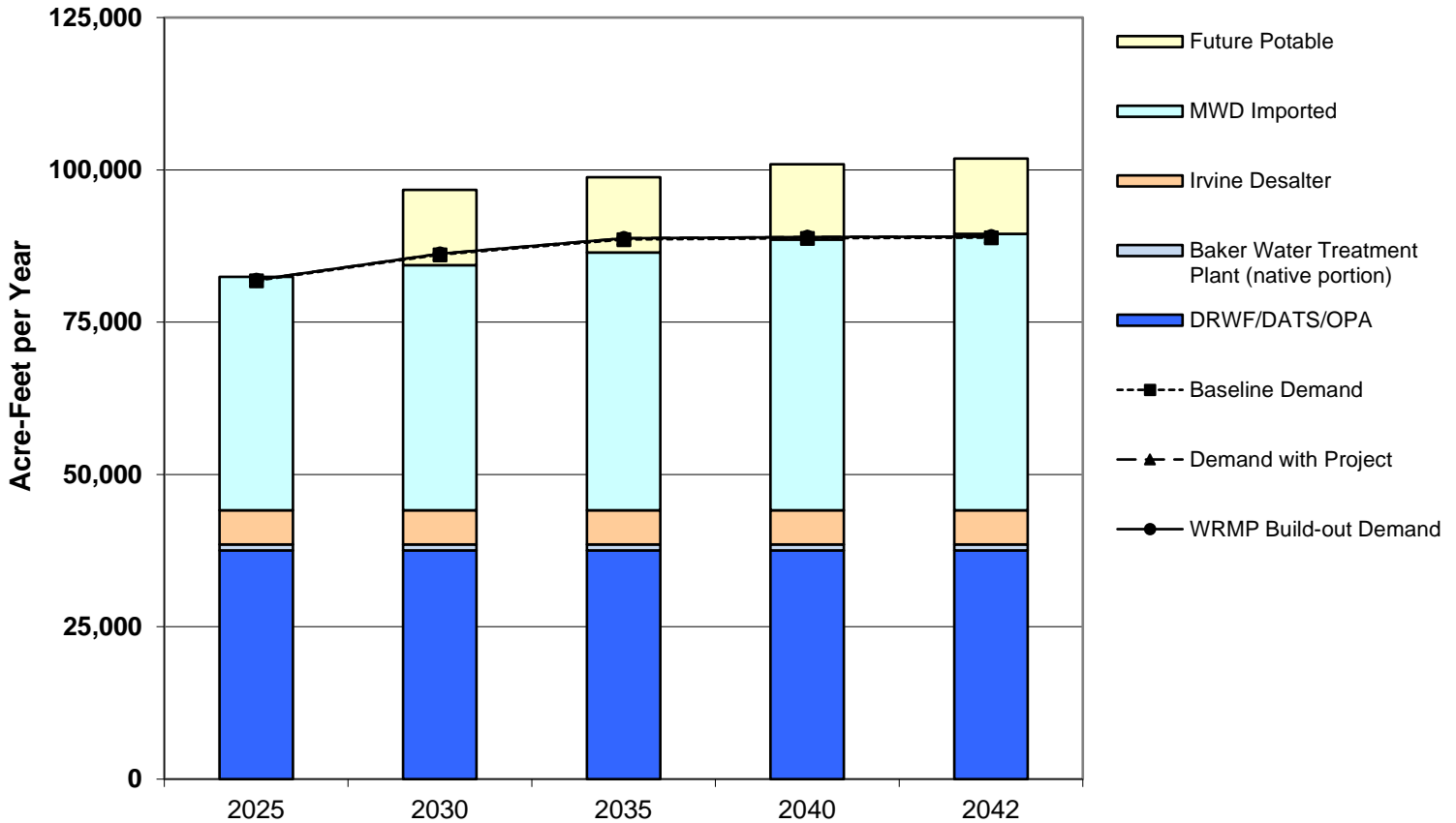
**Figure 1a
IRWD Normal-Year Supply & Demand - Potable Water
Under Temporary MWD Allocation***



(in acre-feet per year)	2025	2030	2035	2040	2042
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF, Baker)	38,270	40,222	42,274	44,430	45,323
DRWF/DATS/OPA	37,532	37,532	37,532	37,532	37,532
Irvine Desalter	5,618	5,618	5,618	5,618	5,618
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Baker Water Treatment Plant (native portion)	3,048	3,048	3,048	3,048	3,048
Supplies Under Development					
Future Potable	-	12,352	12,352	12,352	12,352
Maximum Supply Capability	90,798	105,102	107,154	109,310	110,203
Baseline Demand	76,450	80,421	82,770	82,977	83,060
Demand with Project	76,577	80,591	82,939	83,147	83,230
WRMP Build-out Demand	76,577	80,591	82,939	83,147	83,230
Reserve Supply with Project	14,221	24,511	24,215	26,164	26,974

*For illustration purposes, IRWD has shown MWD Imported Supplies as estimated under a MWD short-term allocation up to a level 5 in all of the 5-year increments. This does not reflect a reduction in demands, thus representing a conservative view of supply capability. Under a MWD Allocation, IRWD could supplement supplies with groundwater production which can exceed applicable basin percentages on a short-term basis or transfer water from IRWD's water bank. IRWD may also reduce demands by implementing shortage contingency measures as described in the 2020 UWMP. Under a MWD Allocation, the Baker WTP would be limited to available MWD and native water.

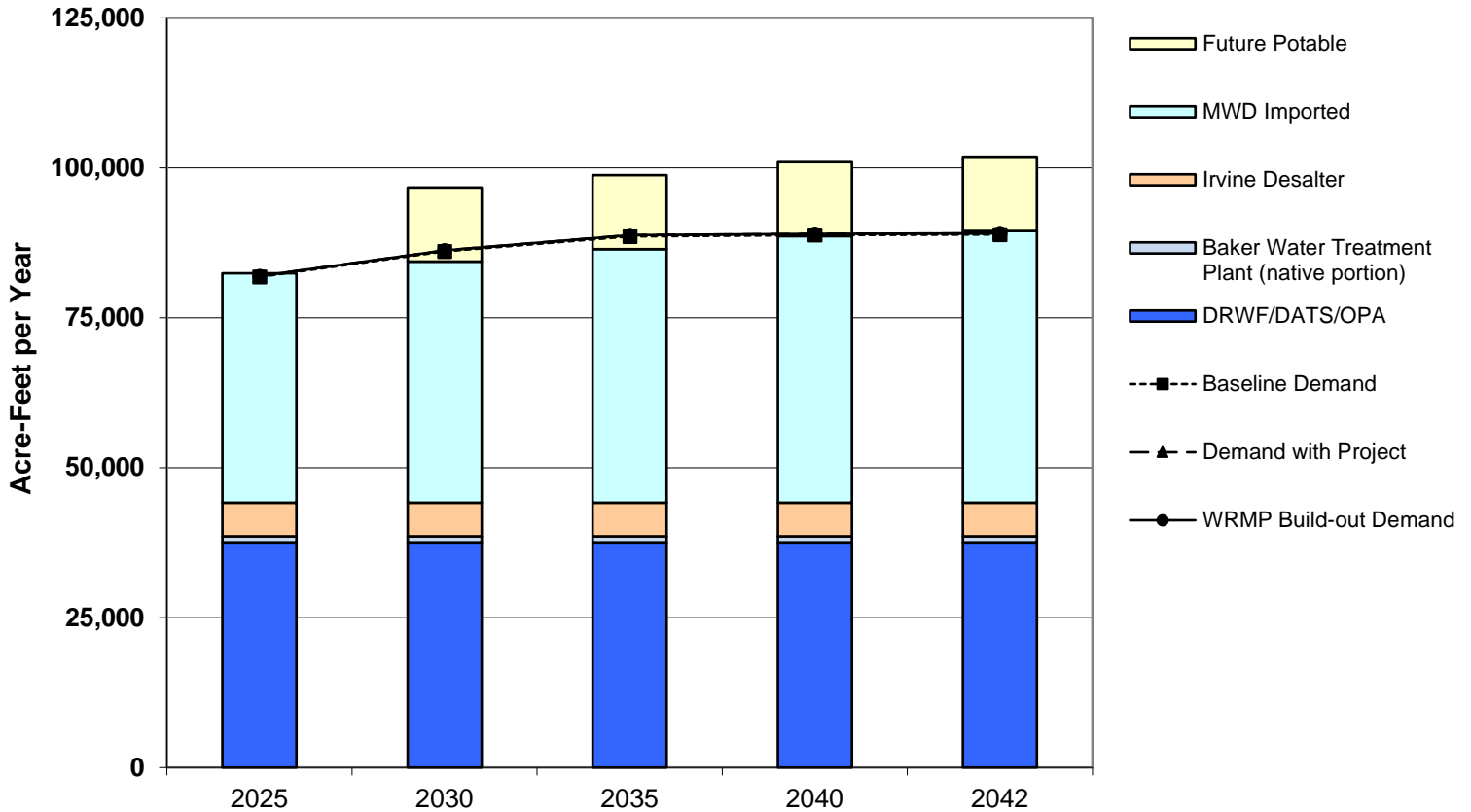
Figure 2a
IRWD Single Dry-Year Supply & Demand - Potable Water
Under Temporary MWD Allocation*



(in acre-feet per year)	2025	2030	2035	2040	2042
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF, Baker)	38,270	40,222	42,274	44,430	45,323
DRWF/DATS/OPA	37,532	37,532	37,532	37,532	37,532
Irvine Desalter	5,618	5,618	5,618	5,618	5,618
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Baker Water Treatment Plant (native portion)	1,000	1,000	1,000	1,000	1,000
Supplies Under Development					
Future Potable	-	12,352	12,352	12,352	12,352
Maximum Supply Capability	88,749	103,054	105,106	107,262	108,155
Baseline Demand	81,801	86,051	88,563	88,785	88,874
Demand with Project	81,937	86,232	88,745	88,967	89,056
WRMP Build-out Demand	81,937	86,232	88,745	88,967	89,057
Reserve Supply with Project	6,812	16,822	16,361	18,295	19,099

*For illustration purposes, IRWD has shown MWD Imported Supplies as estimated under a MWD short-term allocation up to a level 5 in all of the 5-year increments. This does not reflect a reduction in demands, thus representing a conservative view of supply capability. Under a MWD Allocation, IRWD could supplement supplies with groundwater production which can exceed applicable basin percentages on a short-term basis or transfer water from IRWD's water bank. IRWD may also reduce demands by implementing shortage contingency measures as described in the 2020 UWMP. Under a MWD Allocation, the Baker WTP would be limited to available MWD and native water.

**Figure 3a
IRWD Single Dry-Year Supply & Demand - Potable Water
Under Temporary MWD Allocation***



(in acre-feet per year)	2025	2030	2035	2040	2042
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF, Baker)	38,270	40,222	42,274	44,430	45,323
DRWF/DATS/OPA	37,532	37,532	37,532	37,532	37,532
Irvine Desalter	5,618	5,618	5,618	5,618	5,618
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Baker Water Treatment Plant (native portion)	1,000	1,000	1,000	1,000	1,000
Supplies Under Development					
Future Potable	-	12,352	12,352	12,352	12,352
Maximum Supply Capability	88,749	103,054	105,106	107,262	108,155
Baseline Demand	81,801	86,051	88,563	88,785	88,874
Demand with Project	81,937	86,232	88,745	88,967	89,056
WRMP Build-out Demand	81,937	86,232	88,745	88,967	89,056
Reserve Supply with Project	6,812	16,822	16,361	18,295	19,099

*For illustration purposes, IRWD has shown MWD Imported Supplies as estimated under a MWD short-term allocation up to a level 5 in all of the 5-year increments. This does not reflect a reduction in demands, thus representing a conservative view of supply capability. Under a MWD Allocation, IRWD could supplement supplies with groundwater production which can exceed applicable basin percentages on a short-term basis or transfer water from IRWD's water bank. IRWD may also reduce demands by implementing shortage contingency measures as described in the 2020 UWMP. Under a MWD Allocation, the Baker WTP would be limited to available MWD and native water.

Existing sources of identified water supply for the proposed project: IRWD does not allocate particular supplies to any project, but identifies total supplies for its service area, as updated in the following table:

	Max Day (cfs)	Avg. Annual (AFY)	Annual by Category (AFY)
Current Supplies			
Potable - Imported ¹⁰			
East Orange County Feeder No. 2	41.4	18,746	1
Allen-McColloch Pipeline*	64.7	29,296	1
Orange County Feeder	18.0	8,150	1
	<u>124.1</u>	<u>56,192</u>	
			56,192
Potable - Treated Surface			
Baker Treatment Plant (Imported) ¹⁰	6.3	4,554	6
Baker Treatment Plant (Native)	4.2	3,048	6
Potable - Groundwater			
Dyer Road Wellfield	80.0	28,000	2
OPA Well	1.4	914	
Deep Aquifer Treatment System-DATS	12.3	8,618	2
Wells 21 & 22	8.6	6,329	2
Irvine Desalter	9.7	5,618	3
	<u>9.7</u>	<u>5,618</u>	
Total Potable Current Supplies	246.6		113,273
Nonpotable - Recycled Water			
MWRP (25.2 mgd)	39.1	28,228	4
LAWRP (5.5 mgd)	8.5	6,161	4
Future MWRP & LAWRP	10.6	7,623	5
			42,012
Nonpotable - Imported ¹⁰			
Baker Aqueduct	40.2	11,651	6
Irvine Lake Pipeline	65.0	9,000	7
	<u>105.2</u>	<u>20,651</u>	
			20,651
Nonpotable - Groundwater			
Irvine Desalter-Nonpotable	6.2	3,461	8
Nonpotable Native			
Irvine Lake (see Baker Treatment Plant above)	4.2	3,048	6,9
Total Nonpotable Current Supplies (Excludes Native)	169.6		66,124
Total Combined Current Supplies	416.2		179,397
Supplies Under Development			
Potable Supplies			
Future Groundwater Production Facilities	17.0	12,352	12,352
Total Under Development	17.0	12,352	12,352
Total Supplies			
Potable Supplies	263.6		125,626
Nonpotable Supplies	169.6		66,124
Total Supplies (Current and Under Development)	433.2		191,750

1 Based on converting maximum day capacity to average by dividing the capacity by a peaking factor of 1.6. Max Day is equivalent to Treatment Plant Production

2 Contract amount - See Assessment Potable Supply-Groundwater(iii).

3 Contract amount - See Assessment Potable Supply-Groundwater (iv) and (v). Maximum day well capacity is compatible with contract amount.

4 MWRP 28.0 mgd treatment capacity (28,228 AFY RW production) with 90% plant efficiency (25.2 mgd) and LAWRP permitted 5.5 mgd tertiary treatment capacity (6,161 AFY)

5 Future estimated MWRP & LAWRP recycled water production. Includes biosolids and expansion to 33 mgd

6 Since 2017, Baker Water Treatment Plant (WTP) treats imported and native water. Baker Aqueduct capacity has been allocated to Baker WTP participants and IRWD owns 46.50 cfs in Baker Aqueduct, of which, 10.5 cfs is for for potable treatment. IRWD has 36 cfs remaining capacity for non-potable uses. The nonpotable average use is based on converting maximum day capacity to average by dividing the capacity by a peaking factor of 2.5 (see Assessment Footnote 8, page 27).

7 Based on IRWD's proportion of Irvine Lake imported water storage; Actual ILP capacity would allow the use of additional imported water from MWD through the Santiago Lateral.

8 Contract amount - See Assessment Nonpotable Supply-Groundwater (i) and (ii). Maximum day well capacity (cfs) is compatible with contract amount.

9 Based on 70+ years historical average of Santiago Creek Inflow into Irvine Lake. Since 2020, native water is treated through Baker WTP.

10 Supplies in this table are total and are not adjusted to account for any reductions in imported water.

*64.7 cfs is current assigned capacity; based on increased peak flow, IRWD can purchase 10 cfs more (see page 25 (b)(1)(iii))

(b) Required information concerning currently available and under-development water supply entitlements, water rights and water service contracts:

(1) Written contracts or other proof of entitlement.^{4 5}

• POTABLE SUPPLY - IMPORTED⁶

Potable imported water service connections (currently available).

(i) Potable imported water is delivered to IRWD at various service connections to the imported water delivery system of The Metropolitan Water District of Southern California (“MWD”): service connections CM-01A and OC-7 (Orange County Feeder); CM-10, CM-12, OC-38, OC-39, OC-57, OC-58, OC-63 (East Orange County Feeder No. 2); and OC-68, OC-71, OC-72, OC-73/73A, OC-74, OC-75, OC-83, OC-84, OC-87 (Allen-McColloch Pipeline). IRWD’s entitlements regarding service from the MWD delivery system facilities are described in the following paragraphs and summarized in the above Table ((2)(a)(1)). IRWD receives imported water service through Municipal Water District of Orange County (“MWDOC”), a member agency of MWD.

Allen-McColloch Pipeline (“AMP”) (currently available).

(ii) Agreement For Sale and Purchase of Allen-McColloch Pipeline, dated as of July 1, 1994 (Metropolitan Water District Agreement No. 4623) (“AMP Sale Agreement”). Under the AMP Sale Agreement, MWD purchased the Allen-McColloch Pipeline (formerly known as the “Diemer Intertie”) from MWDOC, the MWDOC Water Facilities Corporation and certain agencies, including IRWD and Los Alisos Water District (“LAWD”),⁷ identified as “Participants” therein. Section 5.02 of the AMP Sale Agreement obligates MWD to meet IRWD’s and the other Participants’ requests for deliveries and specified minimum hydraulic grade lines at each connection serving a Participant, subject to availability of water. MWD agrees to operate the AMP as any other MWD pipeline. MWD has the right to operate the AMP on a “utility basis,” meaning that MWD need not observe

⁴ In some instances, the contractual and other legal entitlements referred to in the following descriptions are stated in terms of flow capacities, in cubic feet per second (cfs). In such instances, the cfs flows are converted to volumes of AFY for purposes of analyzing supply sufficiency in this assessment, by dividing the capacity by a peaking factor of 1.8 (potable) or 2.5 (nonpotable), consistent with maximum day peaking factors used in the WRMP. The resulting reduction in assumed available annual AFY volumes through the application of these factors recognizes that connected capacity is provided to meet peak demands and that seasonal variation in demand and limitations in local storage prevent these capacities from being utilized at peak capacity on a year-round basis. However, the application of these factors produces a conservatively low estimate of annual AFY volumes from these connections; additional volumes of water are expected to be available from these sources.

⁵ In the following discussion, contractual and other legal entitlements are characterized as either potable or nonpotable, according to the characterization of the source of supply. Some of the nonpotable supplies surplus to nonpotable demand could potentially be rendered potable by the addition of treatment facilities; however, except where otherwise noted, IRWD has no current plans to do so.

⁶ See Imported Supply - Additional Information, below, for information concerning the availability of the MWD supply.

⁷ IRWD has succeeded to LAWD’s interests in the AMP and other LAWD water supply facilities and rights mentioned in this assessment, by virtue of the consolidation of IRWD and LAWD on December 31, 2000.

capacity allocations of the Participants but may use available capacity to meet demand at any service connection.

The AMP Sale Agreement obligates MWD to monitor and project AMP demands and to construct specified pump facilities or make other provision for augmenting MWD's capacity along the AMP, at MWD's expense, should that be necessary to meet demands of all of the Participants (Section 5.08).

(iii) Agreement For Allocation of Proceeds of Sale of Allen-McColloch Pipeline, dated as of July 1, 1994 ("AMP Allocation Agreement"). This agreement, entered into concurrently with the AMP Sale Agreement, provided each Participant, including IRWD, with a capacity allocation in the AMP, for the purpose of allocating the sale proceeds among the Participants in accordance with their prior contractual capacities adjusted to conform to their respective future demands. IRWD's capacity under the AMP Allocation Agreement (including its capacity as legal successor agency to LAWD) is 64.69 cfs at IRWD's first four AMP connections, 49.69 cfs at IRWD's next five downstream AMP connections and 35.01 and 10.00 cfs, respectively at IRWD's remaining two downstream connections. The AMP Allocation Agreement further provides that if a Participant's peak flow exceeds its capacity, the Participant shall "purchase" additional capacity from the other Participants who are using less than their capacity, until such time as MWD augments the capacity of the AMP. The foregoing notwithstanding, as mentioned in the preceding paragraph, the allocated capacities do not alter MWD's obligation under the AMP Sale Agreement to meet all Participants' demands along the AMP, and to augment the capacity of the AMP if necessary. Accordingly, under these agreements, IRWD can legally increase its use of the AMP beyond the above-stated capacities but would be required to reimburse other Participants from a portion of the proceeds IRWD received from the sale of the AMP.

(iv) Improvement Subleases (or "FAP" Subleases) [MWDOC and LAWD; MWDOC and IRWD], dated August 1, 1989; 1996 Amended and Restated Allen-McColloch Pipeline Subleases [MWDOC and LAWD; MWDOC and IRWD], dated March 1, 1996. IRWD subleases its AMP capacity, including the capacity it acquired as successor to LAWD. To facilitate bond financing for the construction of the AMP, it was provided that the MWDOC Water Facilities Corporation, and subsequently MWDOC, would have ownership of the pipeline, and the Participants would be sublessees. As is the case with the AMP Sale Agreement, the subleases similarly provide that water is subject to availability.

East Orange County Feeder No. 2 ("EOCF#2") (currently available).

(v) Agreement For Joint Exercise of Powers For Construction, Operation and Maintenance of East Orange County Feeder No. 2, dated July 11, 1961, as amended on July 25, 1962, and April 26, 1965; Agreement Re Capacity Rights In Proposed Water Line, dated September 11, 1961 ("IRWD MWDOC Assignment Agreement"); Agreement Regarding Capacity Rights In the East Orange County Feeder No. 2, dated August 28, 2000 ("IRWD Coastal Assignment Agreement"). East Orange County Feeder No. 2 ("EOCF#2"), a feeder linking Orange County with MWD's feeder system, was constructed pursuant to a joint powers agreement among MWDOC (then called Orange County Municipal Water District), MWD, Coastal Municipal Water District ("Coastal"), Anaheim and Santa

Ana. A portion of IRWD's territory is within MWDOC and the remainder is within the former Coastal (which was consolidated with MWDOC in 2001). Under the IRWD MWDOC Assignment Agreement, MWDOC assigned 41 cfs of capacity to IRWD in the reaches of EOCF#2 upstream of the point known as Coastal Junction (reaches 1 through 3), and 27 cfs in reach 4, downstream of Coastal Junction. Similarly, under the IRWD Coastal Assignment Agreement, prior to Coastal's consolidation with MWDOC, Coastal assigned to IRWD 0.4 cfs of capacity in reaches 1 through 3 and 0.6 cfs in reach 4 of EOCF#2. Delivery of water through EOCF#2 is subject to the rules and regulations of MWD and MWDOC and is further subject to application and agreement of IRWD respecting turnouts.

Orange County Feeder (currently available)

(vi) Agreement, dated March 13, 1956. This 1956 Agreement between MWDOC's predecessor district and the Santa Ana Heights Water Company ("SAHWC") provides for delivery of MWD imported supply to the former SAHWC service area. SAHWC's interests were acquired on behalf of IRWD through a stock purchase and IRWD annexation of the SAHWC service area in 1997. The supply is delivered through a connection to MWD's Orange County Feeder designated as OC-7.

(vii) Agreement For Transfer of Interest In Pacific Coast Highway Water Transmission and Storage Facilities From The Irvine Company To the Irvine Ranch Water District, dated April 23, 1984; Joint Powers Agreement For the Construction, Operation and Maintenance of Sections 1a, 1b and 2 of the Coast Supply Line, dated June 9, 1989; Agreement, dated January 13, 1955 ("1955 Agreement"). The jointly constructed facility known as the Coast Supply Line ("CSL"), extending southward from a connection with MWD's Orange County Feeder at Fernleaf Street in Newport Beach, was originally constructed pursuant to a 1952 agreement among Laguna Beach County Water District ("LBCWD"), The Irvine Company (TIC) and South Coast County Water District. Portions were later reconstructed. Under the above-referenced transfer agreement in 1984, IRWD succeeded to TIC's interests in the CSL. The CSL is presently operated under the above-referenced 1989 joint powers agreement, which reflects IRWD's ownership of 10 cfs of capacity. The 1989 agreement obligates LBCWD, as the managing agent and trustee for the CSL, to purchase water and deliver it into the CSL for IRWD. LBCWD purchases such supply, delivered by MWD to the Fernleaf connection, pursuant to the 1955 Agreement with Coastal (now MWDOC).

Baker Water Treatment Plant (currently available)

IRWD recently constructed the Baker Water Treatment Plant (Baker WTP) in partnership with El Toro Water District, Moulton-Niguel Water District, Santa Margarita Water District and Trabuco Canyon Water District. The Baker WTP is supplied with untreated imported water from MWD and native Irvine Lake water supply. IRWD owns 10.5 cfs of treatment capacity rights in the Baker WTP.⁸

•POTABLE SUPPLY - GROUNDWATER

(i) Orange County Water District Act (“OCWD”), Water Code App., Ch. 40 (“Act”). IRWD is an operator of groundwater-producing facilities in the Orange County Groundwater Basin (the “Basin”). Although the rights of the producers within the Basin vis a vis one another have not been adjudicated, they nevertheless exist and have not been abrogated by the Act (§40-77). The rights consist of municipal appropriators’ rights and may include overlying and riparian rights. The Basin is managed by OCWD under the Act, which functions as a statutorily-imposed physical solution. The Act empowers OCWD to impose replenishment assessments and basin equity assessments on production and to require registration of water-producing facilities and the filing of certain reports; however, OCWD is expressly prohibited from limiting extraction unless a producer agrees to such limitation (§ 40-2(6) (c)) and from impairing vested rights to the use of water (§ 40-77). Thus, producers may install and operate production facilities under the Act; OCWD approval is not required. OCWD is required to annually investigate the condition of the Basin, assess overdraft and accumulated overdraft, and determine the amount of water necessary for replenishment (§40-26). OCWD has studied the Basin replenishment needs and potential projects to address growth in demand through 2035 in its Final Draft Long-Term Facilities Plan (January 2006), last updated November 19, 2014. The Long-Term Facilities Plan is updated approximately every five years.

(ii) *Irvine Ranch Water District v. Orange County Water District*, Orange County Superior Court Case No. 795827. A portion of IRWD is outside the jurisdictional boundary of OCWD. IRWD is eligible to annex the Santa Ana River Watershed portion of this territory to OCWD, under OCWD’s current annexation policy (OCWD Resolution No. 86-2-15, adopted on February 19, 1986, and reaffirmed on June 2, 1999). This September 29, 1998, Superior Court ruling indicates that IRWD is entitled to deliver groundwater from the Basin to the IRWD service area irrespective of whether such area is also within OCWD.

Dyer Road Wellfield (“DWRF”) / Deep Aquifer Treatment System (“DATS”) (currently available)

(iii) Agreement For Water Production and Transmission Facilities, dated March 18, 1981, as amended May 2, 1984, September 19, 1990, and November 3, 1999 (the “DRWF Agreement”). The DRWF Agreement, among IRWD, OCWD and Santa Ana, concerns the development of IRWD’s Dyer Road Wellfield

⁸ The Baker WTP is supplied nonpotable imported water through the existing Baker Pipeline. IRWD’s existing Baker Pipeline capacity (see Section 2(b)(1) NONPOTABLE SUPPLY – IMPORTED) has been apportioned to the Baker WTP participants based on Baker WTP capacity ownership, and IRWD retains 10.5 cfs of pipeline capacity through the Baker WTP for potable supply and retains 36 cfs in Reach 1U of the Baker Pipeline capacity for nonpotable supply.

(DRWF), within the Basin. The DRWF consists of 16 wells pumping from the non-colored water zone of the Basin and 2 wells (with colored-water treatment facilities) pumping from the deep, colored-water zone of the Basin (the colored-water portion of the DRWF is sometimes referred to as the Deep Aquifer Treatment System or DATS.) Under the DRWF Agreement, an “equivalent” basin production percentage (“BPP”) has been established for the DRWF, currently 28,000 AFY of non-colored water and 8,000 AFY of colored water, provided any amount of the latter 8,000 AFY not produced results in a matching reduction of the 28,000 AFY BPP. Although typically IRWD production from the DRWF does not materially exceed the equivalent BPP, the equivalent BPP is not an extraction limitation; it results in imposition of monetary assessments on the excess production. The DRWF Agreement also establishes monthly pumping amounts for the DRWF. With the addition of the Concentrated Treatment System (“CATS”), IRWD has increased the yield of DATS.

Irvine Subbasin / Irvine Desalter (currently available)

(iv) First Amended and Restated Agreement, dated March 11, 2002, as amended June 15, 2006, restating May 5, 1988 agreement (“Irvine Subbasin Agreement”). TIC has historically pumped agricultural water from the Irvine Subbasin. (As in the rest of the Basin of which this subbasin is a part, the groundwater rights have not been adjudicated and OCWD provides governance and management under the Act.) The 1988 agreement between IRWD and TIC provided for the joint use and management of the Irvine Subbasin. The 1988 agreement further provided that the 13,000 AFY annual yield of the Irvine Subbasin (“Subbasin”) would be allocated 1,000 AFY to IRWD and 12,000 AFY to TIC. Under the restated Irvine Subbasin Agreement, the foregoing allocations were superseded as a result of TIC’s commencement of the building its Northern Sphere Area project, with the effect that the Subbasin production capability, wells and other facilities, and associated rights have been transferred from TIC to IRWD, and IRWD has assumed the production from the Subbasin. In consideration of the transfer, IRWD is required to count the supplies attributable to the transferred Subbasin production in calculating available supplies for the Northern Sphere Area project and other TIC development and has agreed that they will not be counted toward non-TIC development.

A portion of the existing Subbasin water production facilities produce water which is of potable quality. IRWD could treat some of the water produced from the Subbasin for potable use, by means of the Desalter and other projects. Although, as noted above, the Subbasin has not been adjudicated and is managed by OCWD, TIC reserved water rights from conveyances of its lands as development over the Subbasin has occurred, and under the Irvine Subbasin Agreement TIC has transferred its rights to IRWD.

(v) Second Amended and Restated Agreement Between Orange County Water District and Irvine Ranch Water District Regarding the Irvine Desalter Project, dated June 11, 2001, and other agreements referenced therein. This agreement provides for the extraction and treatment of subpotable groundwater from the Irvine Subbasin, a portion of the Basin. As is the case with the remainder of the Basin, IRWD’s entitlement to extract this water is not adjudicated, but the use of the entitlement is governed by the OCWD Act. (See also, discussion of Irvine Subbasin in the preceding paragraph.) A portion of the product water has been

delivered into the IRWD potable system, and the remainder has been delivered into the IRWD nonpotable system.

Orange Park Acres (currently available)

On June 1, 2008, through annexation and merger, IRWD acquired the water system of the former Orange Park Acres Mutual Water company, including its well (“OPA Well”). The well is operated within the Basin.

Wells 21 and 22 (currently available)

In early 2013, IRWD completed construction of treatment facilities, pipelines, and wellhead facilities for Wells 21 and 22. Water supplied through this project became available in 2013. The wells are operated within the Basin.

Irvine Wells (under development)

(vi) IRWD is pursuing the installation of production facilities in the west Irvine, Tustin Legacy and Tustin Ranch portions of the Basin. These groundwater supplies are considered to be under development; however, four wells have been drilled and have previously produced groundwater, three wells have been drilled but have not been used as production wells to date, and a site for an additional well and treatment facility has been acquired by IRWD. These production facilities can be constructed and operated under the Act; no statutory or contractual approval is required to do so. Appropriate environmental review has or will be conducted for each facility. See discussion of the Act under Potable Supply - Groundwater, paragraph (i), above.

• **NONPOTABLE SUPPLY - RECYCLED**

Water Recycling Plants (currently available)

Water Code Section 1210. IRWD supplies its own recycled water from sewage collected by IRWD and delivered to IRWD’s Michelson Water Recycling Plant (“MWRP”) and Los Alisos Water Recycling Plant (“LAWRP”). Under the recently completed MWRP Phase II Capacity Expansion Project, IRWD increased its tertiary treatment capacity on the existing MWRP site to produce sufficient recycled water to meet the projected demand through the year 2042. MWRP currently has a permitted tertiary capacity of 28 million gallons per day (“MGD”) and LAWRP currently has a permitted tertiary capacity of 5.5 MGD. Water Code Section 1210 provides that the owner of a sewage treatment plant operated for the purposes of treating wastes from a sanitary sewer system holds the exclusive right to the treated effluent as against anyone who has supplied the water discharged into the sewer system. IRWD’s permits for the operation of MWRP and LAWRP allow only irrigation and other customer uses of recycled water, and do not permit stream discharge of recycled water under normal conditions; thus, no issue of downstream appropriation arises, and IRWD is entitled to deliver all of the effluent to meet contractual and customer demands. Additional reclamation capacity will augment local nonpotable supplies and improve reliability.

•NONPOTABLE SUPPLY - IMPORTED⁹

Baker Pipeline (currently available)

Santiago Aqueduct Commission (“SAC”) Joint Powers Agreement, dated September 11, 1961, as amended December 20, 1974, January 13, 1978, November 1, 1978, September 1, 1981, October 22, 1986, and July 8, 1999 (the “SAC Agreement”); Agreement Between Irvine Ranch Water District and Carma-Whiting Joint Venture Relative to Proposed Annexation of Certain Property to Irvine Ranch Water District, dated May 26, 1981 (the “Whiting Annexation Agreement”); service connections OC-13/13A, OC-33/33A. The imported untreated water pipeline initially known as the Santiago Aqueduct and now known as the Baker Pipeline was constructed under the SAC Agreement, a joint powers agreement. The Baker Pipeline is connected to MWD’s Santiago Lateral. IRWD’s capacity in the Baker Pipeline includes the capacity it subleases as successor to LAWD, as well as capacity rights IRWD acquired through the Whiting Annexation Agreement. (To finance the construction of AMP parallel untreated reaches which were incorporated into the Baker Pipeline, replacing original SAC untreated reaches that were made a part of the AMP potable system, it was provided that the MWDOC Water Facilities Corporation, and subsequently MWDOC, would have ownership, and the participants would be sublessees.) IRWD’s original capacities in the Baker Pipeline include 52.70 cfs in the first reach, 12.50 cfs in each of the second, third and fourth reaches and 7.51 cfs in the fifth reach of the Baker Pipeline. These existing Baker Pipeline capacities have been apportioned to the Baker WTP participants based on Baker WTP capacity ownership. IRWD retains 10.5 cfs of the pipeline capacity for potable supply through the Baker WTP and retains 36 cfs in Reach 1U of the Baker Pipeline capacity for nonpotable supply (See also footnote 8, page 27). Water is subject to availability from MWD.

•NONPOTABLE SUPPLY - NATIVE

Irvine Lake (currently available)

(i) Permit For Diversion and Use of Water (“Permit No. 19306”) issued pursuant to Application No. 27503; License For Diversion and Use of Water (“License 2347”) resulting from Application No. 4302 and Permit No. 3238; License For Diversion and Use of Water (“License 2348”) resulting from Application No. 9005 and Permit No. 5202. The foregoing permit and licenses, jointly held by IRWD (as successor to The Irvine Company (“TIC”) and Carpenter Irrigation District (“CID”)) and Serrano Water District (“SWD”), secure appropriative rights to the flows of Santiago Creek. Under Licenses 2347 and 2348, IRWD and SWD have the right to diversion by storage at Santiago Dam (Irvine Lake) and a submerged dam, of a total of 25,000 AFY. Under Permit No. 19306, IRWD and SWD have the right to diversion by storage of an additional 3,000 AFY by flashboards at Santiago Dam (Irvine Lake). (Rights under Permit No. 19306 may be junior to an OCWD permit to divert up to 35,000 AFY of Santiago Creek flows to spreading

⁹ See Imported Supply - Additional Information, below, for information concerning the availability of the MWD supply.

pits downstream of Santiago Dam.) The combined total of native water that may be diverted to storage under these licenses and permit is 28,000 AFY. A 1996 amendment to License Nos. 2347, 2348 and 2349 [replaced by Permit No. 19306 in 1984] limits the withdrawal of water from the Lake to 15,483 AFY under the licenses. This limitation specifically references the licenses and doesn't reference water stored pursuant to other legal entitlements. The use and allocation of the native water is governed by the agreements described in the next paragraph.

(ii) Agreement, dated February 6, 1928 ("1928 Agreement"); Agreement, dated May 15, 1956, as amended November 12, 1973 ("1956 Agreement"); Agreement, dated as of December 21, 1970 ("1970 Agreement"); Agreement Between Irvine Ranch Water District and The Irvine Company Relative to Irvine Lake and the Acquisition of Water Rights In and To Santiago Creek, As Well As Additional Storage Capacity in Irvine Lake, dated as of May 31, 1974 ("1974 Agreement"). The 1928 Agreement was entered into among SWD, CID and TIC, providing for the use and allocation of native water in Irvine Lake. Through the 1970 Agreement and the 1974 Agreement, IRWD acquired the interests of CID and TIC, leaving IRWD and SWD as the two co-owners. TIC retains certain reserved rights. The 1928 Agreement divides the stored native water by a formula which allocates to IRWD one-half of the first 1,000 AF, plus increments that generally yield three-fourths of the amount over 1,000 AF.¹⁰ The agreements also provide for evaporation and spill losses and carryover water remaining in the Lake at the annual allocation dates. Given the dependence of native water on rainfall, for purposes of this assessment only a small portion of IRWD's share of the 28,000 AFY of native water rights (3,048 AFY in normal years and 1,000 AFY in single and multiple-dry years) is shown in currently available supplies, based on averaging of historical data. However, IRWD's ability to supplement Irvine Lake storage with its imported untreated water supplies, described herein, offsets the uncertainty associated with the native water supply.

•NONPOTABLE SUPPLY - GROUNDWATER

Irvine Subbasin / Irvine Desalter (currently available)

(i) IRWD's entitlement to produce nonpotable water from the Irvine Subbasin is included within the Irvine Subbasin Agreement. See discussion of the Irvine Subbasin Agreement under Potable Supply - Groundwater; paragraph (iv), above.

(ii) See discussion of the Irvine Desalter project under Potable Supply - Groundwater, paragraph (v), above. The Irvine Desalter project will produce nonpotable as well as potable water.

¹⁰ The 1956 Agreement provides for facilities to deliver MWD imported water into Irvine Lake, and grants storage capacity for the imported water. By succession, IRWD owns 9,000 AFY of this 12,000 AFY imported water storage capacity. This storage capacity does not affect availability of the imported supply, which can be either stored or delivered for direct use by customers.

•IMPORTED SUPPLY - ADDITIONAL INFORMATION

As described above, the imported supply from MWD is contractually subject to availability. To assist local water providers in assessing the adequacy of local water supplies that are reliant in whole or in part on MWD's imported supply, MWD has provided information concerning the availability of the supplies to its entire service area. In the MWD 2020 UWMP, MWD has extended its planning timeframe out through 2045 to ensure that the MWD 2020 UWMP may be used as a source document for meeting requirements for sufficient supplies. In addition, the MWD 2020 UWMP includes "Justifications for Supply Projections" (Appendix A-3) that details the planning, legal, financial, and regulatory basis for including each source of supply in the plan. The MWD 2020 UWMP summarizes MWD's planning initiatives over the past 15 years, which includes the Integrated Resources Plan (IRP), the IRP 2015 Update, the WSDM Plan, Strategic Plan and Rate Structure. The reliability analysis in MWD's 2015 IRP Update shows that MWD can maintain reliable supplies under the conditions that have existed in past dry periods throughout the period through 2040. The MWD 2020 UWMP includes tables that show the region can provide reliable supplies under both the single driest year (1977) and multiple dry years (1990-92) through 2045. MWD has also identified buffer supplies, including additional State Water Project groundwater storage and transfers that could serve to supply the additional water needed.

It is anticipated that MWD will revise its regional supply availability analysis periodically, if needed, to supplement the MWD 2020 UWMP in years when the MWD UWMP is not being updated.

IRWD is permitted by the statute (Wat. Code, § 10610 *et seq.*) to rely upon the water supply information provided by the wholesaler concerning a wholesale water supply source, for use in preparing its UWMPs. In turn, the statute provides for the use of UWMP information to support water supply assessments and verifications. In accordance with these provisions, IRWD is entitled to rely upon the conclusions of the MWD UWMP. As referenced above under Summary of Results of Demand-Supply Comparisons - **Actions on Delta Pumping**, MWD has provided additional information on its imported water supply.

MWD's reserve supplies, together with the fact that IRWD relies on MWD supplies as supplemental supplies that need not be used to the extent IRWD operates currently available and under-development local supplies, build a margin of safety into IRWD's supply availability.

- (2) Adopted capital outlay program to finance delivery of the water supplies.

All necessary delivery facilities currently exist for the use of the *currently available* and *under-development* supplies assessed herein, with the exception of future groundwater wells, and IRWD sub-regional and developer-dedicated conveyance facilities necessary to complete the local distribution systems for the Project. IRWD's turnout at each MWD connection and IRWD's regional delivery facilities are sufficiently sized to deliver all of the supply to the sub-regional and local distribution systems.

With respect to future groundwater well projects (PR Nos. 11828 and 11829), IRWD adopted its fiscal year 2022-23 capital budget on April 26, 2021 (Resolution No. 2021-5), budgeting portions of the funds for such projects. (A copy is available from IRWD on request.) For these facilities, as well as unbuilt IRWD sub-regional conveyance facilities, the sources of funding are previously authorized general obligation bonds, revenue-supported certificates of participation and/or capital funds held by IRWD Improvement Districts. IRWD has maintained a successful program for the issuance of general obligation bonds and certificates of participation on favorable borrowing terms, and IRWD has received AAA public bond ratings. IRWD has approximately \$585.5 million (water) and \$711.1 million (recycled water) of unissued, voter-approved general obligation bond authorization. Certificates of participation do not require voter approval. Proceeds of bonds and available capital funds are expected to be sufficient to fund all IRWD facilities for delivery of the supplies under development. Tract-level conveyance facilities are required to be donated to IRWD by the Applicant or its successor(s) at time of development.

See also the MWD 2020 UWMP, Appendix A.3 Justifications for Supply Projections with respect to capital outlay programs related to MWD's supplies.

(3) Federal, state and local permits for construction of delivery infrastructure.

Most IRWD delivery facilities are constructed in public right-of-way or future right-of-way. State statute confers on IRWD the right to construct works along, under or across any stream of water, watercourse, street, avenue, highway, railway, canal, ditch, or flume (Water Code Section 35603). Although this right cannot be denied, local agencies may require encroachment permits when work is to be performed within a street. If easements are necessary for delivery infrastructure, IRWD requires the developer to provide them. The crossing of watercourses or areas with protected species requires federal and/or state permits as applicable.

See also the MWD 2020 UWMP, Appendix A.3 Justifications for Supply Projections with respect to permits related to MWD's supplies.

(4) Regulatory approvals for conveyance or delivery of the supplies.

See response to preceding item (3). Additionally, in general, supplies under development may necessitate the preparation and completion of environmental documents and/or regulatory approvals prior to full construction and implementation. IRWD obtains such approvals when required, and copies of documents pertaining to approvals can be obtained from IRWD.

See also the MWD 2020 UWMP, Appendix A.3 Justifications for Supply Projections with respect to regulatory approvals related to MWD's supplies.

3. Other users and contractholders (identified supply not previously used).

For each of the water supply sources identified by IRWD, if no water has been received from that source(s), IRWD is required to identify other public water systems or water service contractholders that receive a water supply from, or have existing water supply entitlements, water rights and water service contracts to, that source(s):

Water has been received from all listed sources. A small quantity of Subbasin water is used by Woodbridge Village Association for the purpose of supplying its North and South Lakes. There are no other public water systems or water service contractholders that receive a water supply from, or have existing water supply entitlements, water rights and water service contracts to, the Irvine Subbasin.

4. Information concerning groundwater included in the supply identified for the Project:

(a) Relevant information in the Urban Water Management Plan (UWMP):

See Irvine Ranch Water District 2020 UWMP, section 6.2.

(b) Description of the groundwater basin(s) from which the Project will be supplied:

The Orange County Groundwater Basin (“Basin”) is described in the Orange County Water District Groundwater Management Plan (“GMP”) 2015 Update, dated June 17, 2015¹¹. The rights of the producers within the Basin vis a vis one another have not been adjudicated. The Basin is managed by the Orange County Water District (“OCWD”) for the benefit of municipal, agricultural, and private groundwater producers. OCWD is responsible for the protection of water rights to the Santa Ana River in Orange County as well as the management and replenishment of the Basin. Current production from the Basin is approximately 282,000 AFY.

The DWR has not identified the Basin as “critically overdrafted,” and has not identified the Basin as overdrafted in its most current bulletin that characterizes the condition of the Basin, Bulletin 118 (2003) and 2016 Bulletin 118 Interim Update. The efforts being undertaken by OCWD to eliminate long-term overdraft in the Basin are described in the OCWD GMP 2015 Update and OCWD Master Plan Report (“MPR”), including in particular, Chapters 4, 5, 6, 14 and 15 of the MPR. OCWD has also prepared a Long Term Facilities Plan (“LTFP”) which was received by the OCWD Board in July 2009 and was last updated in November 2014. The LTFP Chapter 3 describes the efforts being undertaken by OCWD to eliminate long-term overdraft in the Basin. See also following section on **“Sustainable Groundwater Management Act”**.

Although the water supply assessment statute (Water Code Section 10910(f)) refers to elimination of “long-term overdraft,” overdraft includes conditions which may be managed for optimum basin storage, rather than eliminated. OCWD’s Act defines annual groundwater overdraft to be the quantity by which production exceeds the natural replenishment of the Basin. Accumulated overdraft is defined in the OCWD Act to be the quantity of water needed in the groundwater basin forebay to prevent landward movement of seawater into the fresh groundwater body. However, seawater intrusion control facilities have been constructed by OCWD since the Act was written and have been effective in preventing landward movement of seawater. These facilities allow greater

¹¹ OCWD has also prepared a Long-Term Facilities Plan which was received and filed by its Board in July 2009, and last updated in November 2014.

utilization of the storage capacity of the Basin.

OCWD has invested over \$250 million in seawater intrusion control (injection barriers), recharge facilities, laboratories, and Basin monitoring to effectively manage the Basin. Consequently, although the Basin is defined to be in an “overdraft” condition, it is actually managed to allow utilization of up to 500,000 acre-feet of storage capacity of the basin during dry periods, acting as an underground reservoir and buffer against drought. OCWD has an optimal basin management target of 100,000 acre-feet of accumulated overdraft provides sufficient storage space to accommodate increased supplies from one wet year while also provide enough water in storage to offset decreased supplies during a two- to three year drought. If the Basin is too full, artesian conditions can occur along the coastal area, causing rising water and water logging, an adverse condition. Since the formation of OCWD in 1933, OCWD has made substantial investment in facilities, Basin management and water rights protection, resulting in the elimination and prevention of adverse long-term “mining” overdraft conditions. OCWD continues to develop new replenishment supplies, recharge capacity and basin protection measures to meet projected production from the basin during normal rainfall and drought periods. (OCWD GMP, OCWD MPR and LTFP)

OCWD’s efforts include ongoing replenishment programs and planned capital improvements. It should be noted under OCWD’s management of overdraft to maximize the Basin’s use for annual production and recharge operations, overdraft varies over time as the Basin is managed to keep it in balance over the long term. The Basin is not operated on an annual safe-yield basis. (OCWD GMP, OCWD MPR, section 3.2 and LTFP, section 6). See also the following section on “**Sustainable Groundwater Management Act**”.

(c) Description and analysis of the amount and location of groundwater pumped by IRWD from the Basin for the past five years:

The following table shows the amounts pumped, by groundwater source since the year 2002:

(In AFY)

Year (ending 6/30)	DRWF/DATS/ OPA/21-22	Irvine Subbasin (IRWD)	Irvine Subbasin (TIC)	LAWD ¹²
2021	38,722	3,644	0	0
2020	33,975	4,005	0	0
2019	38,603	3,961	0	0
2018	38,196	4,619	0	0
2017	39,787	4,077	0	169

¹² The water produced from IRWD’s Los Alisos wells is not included in this assessment. IRWD is presently evaluating the future use of these wells.

2016	37,216	4,672	0	307
2015	40,656	9,840	0	336
2014	42,424	10,995	0	376
2013	38,617	8,629	0	282
2012	37,059	7,059	0	0
2011	34,275	7,055	0	0
2010	37,151	8,695	0	3
2009	38,140	7,614	0	0
2008	36,741	4,539	0	16
2007	37,864	5,407	0	6
2006	37,046	2,825	0	268
2005	36,316	2,285	628	357
2004	30,265	1,938	3,079	101
2003	24,040	2,132	4,234	598
2002	25,855	2,533	5,075	744

(d) Description and analysis of the amount and location of groundwater projected to be pumped by IRWD from the Basin:

IRWD has a developed groundwater supply of 35,200 AFY from its Dyer Road Wellfield (including the Deep Aquifer Treatment System), in the main portion of the Basin.

Although TIC's historical production from the Subbasin declined as its use of the Subbasin for agricultural water diminished, OCWD's and other historical production records for the Subbasin show that production has been as high as 13,000 AFY. Plans are also underway to expand IRWD's main Orange County Groundwater Basin supply (characterized as *under-development* supplies herein). (See Section 2 (a) (1) herein). IRWD anticipates the development of potential additional production facilities within both the main Basin and the Irvine Subbasin. However, such additional facilities have not been included or relied upon in this assessment. Additional groundwater development will provide an additional margin of safety as well as reduce future water supply costs to IRWD.

The following table summarizes future IRWD groundwater production from currently available and under-development supplies.

(In AFY)

Year (ending 6/30)	DRWF ¹³	Future GW ¹⁴	IDP (Potable)	IDP (Nonpotable)
2025	43,861	12,352	5,618	3,461
2030	43,861	12,352	5,618	3,461
2035	43,861	12,352	5,618	3,461
2040	43,861	12,352	5,618	3,461

(e) If not included in the 2020 UWMP, analysis of the sufficiency of groundwater projected to be pumped by IRWD from the Basin to meet the projected water demand of the Project:

See responses to 4(b) and 4(d).

The OCWD MPR and LTFP examined future Basin conditions and capabilities, water supply and demand, and identified projects to meet increased replenishment needs of the basin. With the implementation of OCWD’s preferred projects, the Basin yield in the year 2025 would be up to 500,000 AF. The amount that can be produced will be a function of which projects will be implemented by OCWD and how much increased recharge capacity is created by those projects, total demands by all producers, and the resulting Basin Production Percentage (“BPP”) that OCWD sets based on these factors.¹⁵ Sufficient replenishment supplies are projected by the OCWD MPR to be available to OCWD to meet the increasing demand on the Basin. These supplies include capture of increasing Santa Ana River flows, purchases of replenishment water from MWD, and development of new local supplies. In 2008, OCWD began operating its replenishment supply project, the Groundwater Replenishment System project (“GWRS”). The GWRS currently produces approximately 100,000 AFY of new replenishment supply from recycled water (OCWD GMP).

Production of groundwater can exceed applicable basin production percentages on a short-term basis, providing additional reliability during dry years or

¹³ See Potable Supply - Groundwater, paragraph (iii), above. DRWF non-colored production above 28,000 AFY and colored water production above 8,000 AFY are subject to contractually-imposed assessments. In addition, seasonal production amounts apply. This also includes 914 AFY for the OPA well and 6,329 AFY for Wells 21 & 22.

¹⁴ Under-development.

¹⁵ OCWD has adopted a basin production percentage of 77% for 2022-23. In prior years OCWD has maintained a basin production percentage that is lower than the current percentage, and IRWD anticipates that such reductions may occur from time to time as a temporary measure employed by OCWD to encourage lower pumping levels as OCWD implements other measures to reduce the current accumulated overdraft in the Basin. Any such reductions are not expected to affect any of IRWD’s currently available groundwater supplies listed in this assessment, which are subject to a contractually-set equivalent basin production percentage as described or are exempt from the basin production percentage.

emergencies. Additional groundwater production is anticipated by OCWD in the Basin in dry years, as producers reduce their use of imported supplies, and the Basin is “mined” in anticipation of the eventual availability of replenishment water. (OCWD MPR, section 14.6.)

See also, Figures 1-8 hereto. IRWD assesses sufficiency of supplies on an aggregated basis, as neither groundwater nor other supply sources are allocated to particular projects or customers. Under the Irvine Subbasin Agreement, IRWD is contractually obligated to attribute the Subbasin supply only to TIC development projects for assessment purposes; however, the agreement does not allocate or assign rights in the Subbasin supply to any project.

Sustainable Groundwater Management Act. Pursuant to the Sustainable Groundwater Management Act (“SGMA”), the DWR has designated the Orange County groundwater basin, Basin 8-1, as a medium priority basin for purposes of groundwater management. The SGMA specifically calls for OCWD, which regulates the Orange County groundwater basin, to serve as the groundwater sustainability agency or “GSA”. The SGMA allows Special Act Districts created by statute, such as OCWD, to prepare and submit an alternative to a Groundwater Sustainability Plan (“GSP”) that is “functionally equivalent” to a GSP. Basin 8-1 includes the OCWD service area and several fringe areas outside of OCWD that are within the Basin 8-1 boundary. Per the requirements of SGMA, an Alternative Plan must encompass the entire groundwater basin as defined by DWR. On January 1, 2017, OCWD and the overlying agencies within Basin 8-1, including IRWD, jointly prepared and submitted an alternative plan in compliance with SGMA (Basin 8-1 Alternative). The Basin 8-1 Alternative was updated in January 2022.

5. This Water Supply Assessment is being completed for a project included in a prior water supply assessment. Check all of the following that apply:

- Changes in the Project have substantially increased water demand.
- Changes in circumstances or conditions have substantially affected IRWD’s ability to provide a sufficient water supply for the Project.
- Significant new information has become available which was not known and could not have been known at the date of the prior Water Supply Assessment.

6. References

Water Resources Master Plan, Irvine Ranch Water District, Updated 2017

Water Shortage Contingency Plan, Irvine Ranch Water District, June 2021

2020 Urban Water Management Plan, Irvine Ranch Water District, June 2021

Southern California’s Integrated Water Resources Plan, Metropolitan Water District of Southern California, March 1996

Proposed Framework for Metropolitan Water District's Delta Action Plan, Metropolitan Water District of Southern California, May 8, 2007

2007 IRP Implementation Report, Metropolitan Water District of Southern California, October 7, 2007

Board Letter, Action plan for updating the Integrated Resources Plan, Metropolitan Water District of Southern California, December 11, 2007

2010 Integrated Resources Plan Update, Metropolitan Water District of Southern California, October 2010

2015 Integrated Resources Plan Update, Metropolitan Water District of Southern California, January 2016

2020 Urban Water Management Plan, Metropolitan Water District of Southern California, June 2021

2020 Urban Water Management Plan, Municipal Water District of Orange County, May 2021

Climate Action Plan Phase 2: Climate Change Analysis Guidance, California Department of Water Resources, September 2018

Master Plan Report, Orange County Water District, April 1999

Groundwater Management Plan 2015 Update, Orange County Water District, June 2015

Final Draft Long-Term Facilities Plan, Orange County Water District, January 2006

Long-Term Facilities Plan 2014 Update, Orange County Water District, November 2014

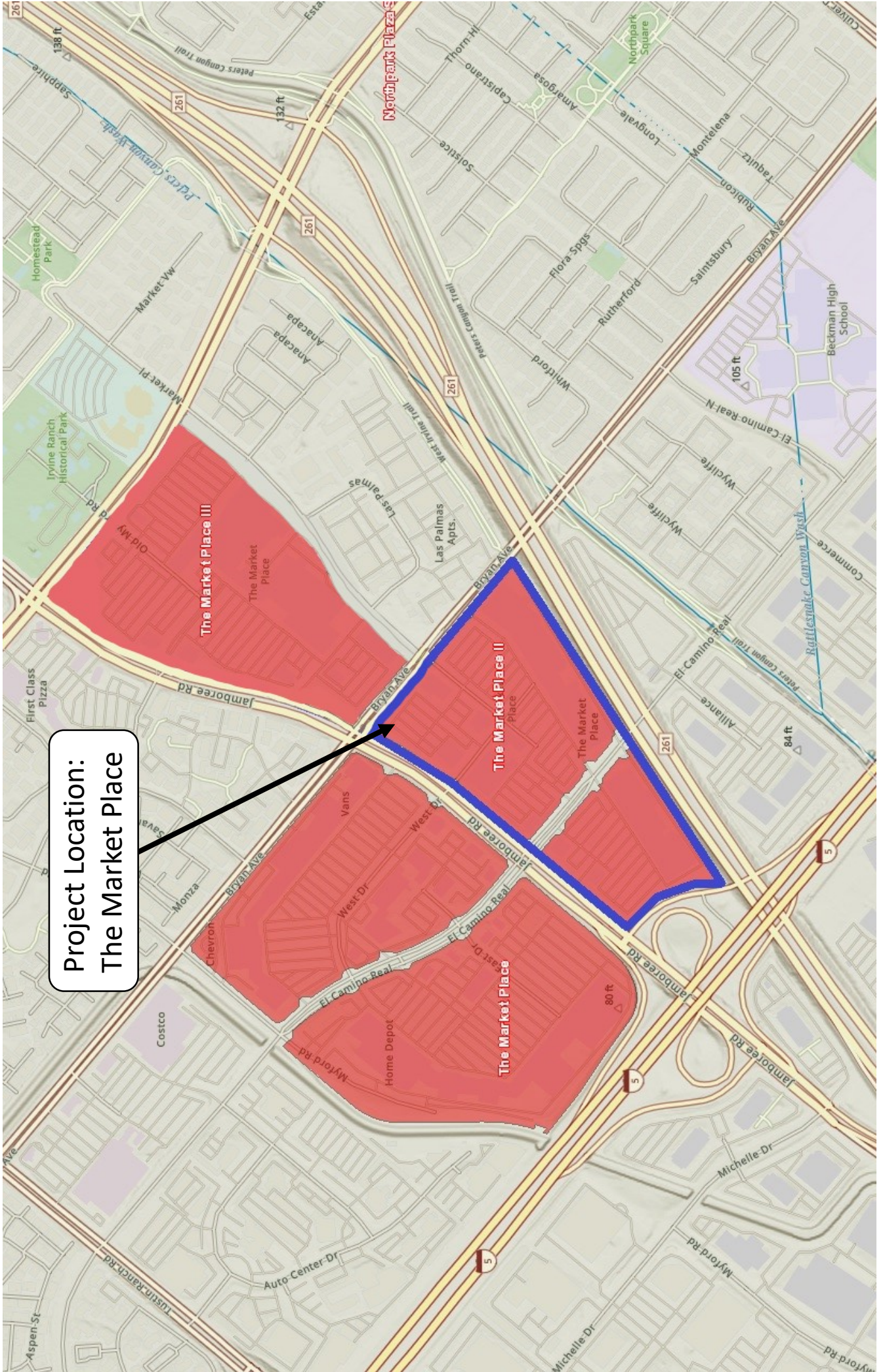
2020-2021 Engineer's Report on Groundwater Conditions, Water Supply and Basin Utilization in the Orange County Water District, Orange County Water District, February 2022

Basin 8-1 Alternative, Orange County Water District, January 2017

Basin 8-1 Alternative 2022 Update, Orange County Water District, January 2022

Exhibit A

Depiction of Project Area



Project Location:
The Market Place

Exhibit B

Uses Included in Project



April 14, 2022

Irvine Ranch Water District
15600 Sand Canyon Avenue
PO Box 57000
Irvine, CA 92619-7000

Re: **Request for Water Supply Availability Assessment (Water Code §10910 et seq.)**

The City of Irvine hereby requests an assessment of water supply availability for the below-described project. The City has determined that the project is a “project” as defined in Water Code §10912, and has determined that an environmental impact report is required for the project.

Proposed Project Information

Project Title: **The Market Place (104-351-32)**

Location of project: **13732 Jamboree Road, Planning Area 4 (Lower Peters Canyon)**

- (For projects requiring a new assessment under Water Code §10910 (h).) Previous Water Supply Assessment including this project was prepared on:_____. This application requests a new Water Supply Assessment, due to the following (check all that apply):
- Changes in the project have substantially increased water demand
- Changes in circumstances or conditions have substantially affected IRWD’s ability to provide a sufficient water supply for the project
- Significant new information has become available which was not known and could not have been known at the date of the prior Water Supply Assessment

(Enclose maps and exhibits of the project)

Type of Development:

- Residential: No. of dwelling units: **1,400 dwelling units**
- Shopping center or business: No. of employees____ Sq. ft. of floor space _____
- Commercial office: No. of employees_____ Sq. ft. of floor space _____
- Hotel or motel: No. of rooms _____
- Industrial, manufacturing, processing or industrial park: No. of employees_____ No. of acres _____Sq. ft. of floor space _____
- Mixed use (check and complete all above that apply)
- Other: _____

Total acreage of project: **16**

Acreage devoted to landscape:

Greenbelt **Approximately 2 acres** Golf Course _____

Parks **Approximately 1.0 acre**

Agriculture _____ Other landscaped areas _____

Number of schools _____ Number of public facilities _____



Other factors or uses that would affect the quantity of water needed, such as peak flow requirements or potential uses to be added to the project to reduce or mitigate environmental impacts:

What is the current land use of the area subject to a land use change under the project?
Current land use is Regional Commercial. Proposed units will replace approximately 205,000 sf of existing commercial structures (to be removed) in Planning Area 4.

Is the project included in the existing General Plan? No. If no, describe the existing General Plan Designation **Land is designated Regional Commercial which currently permits residential uses. Application submitted for General Plan Amendment to add 1,400 residential units to the current allocation otherwise allowed in Planning Area 4.**

The City acknowledges that IRWD's assessment will be based on the information hereby provided to IRWD concerning the project. If it is necessary for corrected or additional information to be submitted to enable IRWD to complete the assessment, the request will be considered incomplete until IRWD's receipt of the corrected or additional information. If the project, circumstances or conditions change or new information becomes available after the issuance of a Water Supply Assessment, the Water Supply Assessment may no longer be valid. The City will request a new Water Supply Assessment if it determines that one is required.

The City acknowledges that the Water Supply Assessment shall not constitute a "will-serve" or in any way entitle the project applicant to service or to any right, priority, or allocation in any supply, capacity or facility, and that the issuance of the Water Supply Assessment shall not affect IRWD's obligation to provide service to its existing customers or any potential future customers including the project applicant. In order to receive service, the applicant shall be required to file a completed Application(s) for Service and Agreement with the Irvine Ranch Water District on IRWD's forms, together with all fees, charges, plans and specifications, bonds and conveyance of necessary easements, and meet all other requirement as specified therein.

CITY OF IRVINE

By: *Stephanie Frady*

Stephanie Frady, AICP, Principal Planner

REQUEST RECEIVED:

Date: April 17, 2022

By: Kelli Wilson
Irvine Ranch Water District

REQUEST COMPLETE:

Date: May 2, 2022

By: Kelli Wilson
Irvine Ranch Water District

EXHIBIT "D"

IRVINE RANCH WATER DISTRICT
ASSESSMENT OF WATER SUPPLY
Water Code §10910 et seq.

To: (Lead Agency)

City of Irvine
One Civic Center Plaza
Irvine, CA 92606

(Applicant)
The Irvine Company
550 Newport Center Drive
Newport Beach, CA 92658-6370

Project Information

Project Title: Lot 103 and Lot 106 (Exhibit A)

- Residential: No. of dwelling units: 1,100 dwelling units (See Exhibit B)
Shopping center or business: No. of employees Sq. ft. of floor space
Commercial office: No. of employees Sq. ft. of floor space
Hotel or motel: No. of rooms
Industrial, manufacturing or processing: No. of employees No. of acres Sq. ft. of floor space
Mixed use (check and complete all above that apply)
Other: Greenbelt and parks (see Exhibit B)

Assessment of Availability of Water Supply

On the Board of Directors of the Irvine Ranch Water District (IRWD) approved the within assessment and made the following determination regarding the above-described Project:

- The projected water demand for the Project was/was not included in IRWD's most recently adopted urban water management plan.
A sufficient water supply is available for the Project. The total water supplies available to IRWD during normal, single-dry and multiple-dry years within a 20-year projection will meet the projected water demand of the Project in addition to the demand of existing and other planned future uses, including, but not limited to, agricultural and manufacturing uses.
A sufficient water supply is not available for the Project. [Plan for acquiring and developing sufficient supply attached. Water Code § 10911(a)]

The foregoing determination is based on the following Water Supply Assessment Information and supporting information in the records of IRWD.

Signature Date Title

Water Supply Assessment Information

Purpose of Assessment

Irvine Ranch Water District (“IRWD”) has been identified by the City as a public water system that will supply water service (both potable and nonpotable) to the project identified on the cover page of this assessment (the “Project”). As the public water system, IRWD is required by Section 10910 *et seq.* of the Water Code to provide the City with an assessment of water supply availability (“assessment”) for defined types of projects. The Project has been found by the City to be a project requiring an assessment. The City is required to include this assessment in the environmental document for the Project, and based on the record, make a determination whether projected water supplies are sufficient for the Project and existing and planned uses.

Water Code Section 10910 *et seq.* (the “Assessment Law”) contains the requirements for the information to be set forth in the assessment.

Prior Water Supply Assessments

IRWD does not allocate particular supplies to any project but identifies total supplies for its service area. Because of IRWD’s aggregation of demands and supplies, each assessment completed by IRWD is expected to be generally similar to the most recent assessment, with changes as needed to take into account changes, if any, in demands and supplies, and any updated and corrected information obtained by IRWD. Previously assessed projects’ water demands will be included in the baseline. A newly assessed project’s water demand will have been included in previous water supply assessments for other projects (as part of IRWD’s “full build-out” demand) to the extent of any land use planning or other water demand information for the project that was available to IRWD.

The Project’s water demand was included (as part of IRWD’s “full build-out” demand) in previous water supply assessments performed by IRWD, based on land use planning information available to IRWD. In this water supply assessment, the Project demand will be revised in accordance with updated information provided by the applicant and included in the “with project” demand.

Supporting Documentation

IRWD prepares two planning documents to guide water supply decision-making. IRWD’s principal planning document is IRWD’s “Water Resources Master Plan” (“WRMP”). The WRMP is a comprehensive document compiling data and analyses that IRWD considers necessary for its planning needs. IRWD also prepares an Urban Water Management Plan (“UWMP”), a document required by statute. The UWMP is based on the WRMP, but contains defined elements as listed in the statute (Water Code Section 10631 *et seq.*), and, as a result, is more limited than the WRMP in the treatment of supply and demand issues. Therefore, IRWD primarily relies on its most recent WRMP. The UWMP is required to be updated in years ending with “five” and “zero,” and IRWD’s most recent update of that document (2020 UWMP) was adopted in June 2021.

In addition to the WRMP and the 2020 UWMP mentioned above, other supporting documentation referenced herein is found in Section 6 of this assessment.

Due to the number of contracts, statutes and other documents comprising IRWD's written proof of entitlement to its water supplies, in lieu of attachment of such items, they are identified by title and summarized in Section 2(b) of this assessment (written contracts/proof of entitlement). Copies of the summarized items can be obtained from IRWD.

Assessment Methodology

Water use factors; dry-year increases. IRWD employs water use factors to enable it to assign water demands to the various land use types and aggregate the demands. The water use factors are based on average water use and incorporate the effect of IRWD's tiered-rate conservation pricing and its other water use efficiency programs. The factors are derived from historical usage (billing data) and a detailed review of water use factors within the IRWD service areas conducted as a part of the WRMP. System losses at a rate of approximately 5% are built into the water use factors. Water demands also reflect normal hydrologic conditions (precipitation). Lower levels of precipitation and higher temperatures will temporarily result in higher water demands, due primarily to the need for additional water for irrigation. To reflect this, base (normal) WRMP water demands have been increased by 7% in the assessment during both "single-dry" and "multiple-dry" years. This is consistent with historical regional demand variation as documented in the Metropolitan Water District of Southern California's ("MWD's") Integrated Resources Plan (1996) (Volume 1). This increase in estimated demands is considered conservative and is also consistent with the Municipal Water District of Orange County's ("MWDOC") 2020 UWMP which assumes increased demands in single-dry and multiple dry years of 6% based on MWDOC's Orange County Reliability Study (MWDOC 2020 UWMP, pg. 7-2).

Planning horizon. In accordance with Water Code Section 10910, this assessment reviews demands and supplies covering a 20-year planning horizon. For consistency with IRWD's WRMP, the assessment reviews demands and supplies through the year 2042, which is considered to include build-out or "ultimate development".

Assessment of demands. Water demands are reviewed in this assessment for three development projections (to 2042):

- Existing and committed demand (without the Project) ("baseline"). This provides a baseline condition as of the date of this assessment, consisting of demand from existing development, plus demand from development that has both approved zoning and (if required by the Assessment Law) an adopted water supply assessment.
- Existing and committed demand, plus the Project ("with-project"). This projection adds the Project water demands to the baseline demands.
- Full WRMP build-out ("full build-out"). In addition to the Project, this projection adds potential demands for all presently undeveloped areas of IRWD based on current general plan information, modified by more specific information available to IRWD, as more fully described in Chapter 2 of the WRMP.

Assessment of supplies. For comparison with demands, water supplies are classified as *currently available* or *under development*.

- *Currently available* supplies include those that are presently operational, and those that

will be operational within the next several years. Supplies expected to be operational in the next several years are those having completed or substantially completed the environmental and regulatory review process, as well as having necessary contracts (if any) in place to move forward. These supplies are in various stages of planning, design, or construction.

- In general, supplies *under development* may necessitate the preparation and completion of environmental documents, regulatory approvals, and/or contracts prior to full construction and implementation.

IRWD is also evaluating the development of additional supplies that are not included in either *currently available* or *under-development* supplies for purposes of this assessment. As outlined in the WRMP, prudent water supply and financial planning dictates that development of supplies be phased in over time consistent with the growth in demand.

Water supplies available to IRWD include several sources: groundwater pumped from the Orange County groundwater basin (including the Irvine Subbasin); captured local (native) surface water; recycled sewage; and supplemental imported water supplied by MWD through the MWDOC. The supply-demand comparisons in this assessment are broken down among the various sources and are further separated into potable and nonpotable water sources.

Comparison of demand and supply. The three demand projections noted above (baseline, with-project and full build-out) are compared with supplies in the following ways:

- On a total *annual* quantity basis (stated in acre-feet per year (“AFY”)).
- On a *peak-flow* (maximum day) basis (stated in cubic feet per second (“cfs”)).
- Under three climate conditions: base (normal) conditions and single-dry and multiple-dry year conditions. (Note: These conditions are compared for *annual* demands and not for *peak-flow* demands. *Peak-flow* is a measure of a water delivery system’s ability to meet the highest day’s demand of the fluctuating demands that will be experienced in a year’s time. Peak demands occur during the hot, dry season and as a result are not appreciably changed by dry-year conditions; dry-year conditions do affect *annual* demand by increasing the quantity of water needed to supplement normal wet-season precipitation.)

Summary of Results of Demand-Supply Comparisons

Listed below are Figures provided in this assessment, comparing projected potable and nonpotable water supplies and demands under the three development projections:

- Figure 1: Normal Year Supply and Demand – Potable Water
- Figure 2: Single Dry-Year Supply and Demand – Potable Water
- Figure 3: Multiple Dry-Year Supply and Demand – Potable Water
- Figure 4: Maximum-Day Supply and Demand – Potable Water
- Figure 5: Normal Year Supply and Demand – Nonpotable Water
- Figure 6: Single Dry-Year Supply and Demand – Nonpotable Water
- Figure 7: Multiple Dry-Year Supply and Demand – Nonpotable Water
- Figure 8: Maximum-Day Supply and Demand – Nonpotable Water

It can be observed in the Figures that IRWD's *supplies* remain essentially constant between normal, single-dry, and multiple-dry years. This result is due to the fact that groundwater and MWD imported water account for the majority of all of IRWD's potable supply, and recycled water, groundwater and imported water comprise all of IRWD's nonpotable supply. Groundwater production typically remains constant or may increase in cycles of dry years, even if overdraft of the basin temporarily increases, as groundwater producers reduce their demand on imported supplies to secure reliability. (See Section 4 herein.) As to imported water, MWD's 2020 Urban Water Management Plan (MWD 2020 UWMP) concludes that MWD has supply capabilities sufficient to meet expected demands from 2025 through 2045 under a single dry year condition and a period of drought lasting five consecutive water years, as well as in a normal water year hydrologic condition. (See also Section 2(b) (1) "IMPORTED SUPPLY - ADDITIONAL INFORMATION," below.) Recycled water production also remains constant and is considered "drought-proof" as a result of the fact that sewage flows remain virtually unaffected by dry years. Only a small portion of IRWD's supply, native water captured in Irvine Lake, is reduced in single-dry and multiple-dry years. The foregoing factors also serve to explain why there is no difference in IRWD's supplies between single-dry and multiple-dry years.

A review of the Figures indicates the following:

- *Currently available* supplies of potable water are adequate to meet annual demands for the *baseline*, *with-project* and *full build-out* scenarios projected under the normal year, and the single- and multiple-dry year conditions through the year 2042. (Figures 1, 2 and 3.) IRWD plans to proceed with the implementation of future potable supplies (*under development*), as shown in the Figures, to improve local reliability during dry-year conditions.
- Adequate *currently available* potable water supply capacity is available to meet *peak-flow* (maximum day) demands for all demand projections through the year 2042. (Figure 4.)
- With respect to nonpotable water, *currently available* supplies are adequate to meet projected annual demands for both the *baseline* and *with-project* demand projections under both dry-year conditions through the year 2042. (Figures 5, 6, 7 and 8.) IRWD has implemented all planned nonpotable supplies, as shown in the Figures, to improve local reliability during dry-year conditions.

The foregoing Figures provide an overview of IRWD potable and nonpotable water supply capabilities. More detailed information on the anticipated development and use of supplies, which incorporates source costs and reliability issues, is provided in the WRMP.

Margins of safety. The Figures and other information described in this assessment show that IRWD's assessment of supply availability contains several margins of safety or buffers:

- "Reserve" water supplies (excess of supplies over demands) will be available to serve as a buffer against inaccuracies in demand projections, future changes in land use, or alterations in supply availability.
- Conservative estimates of annual potable and nonpotable *imported* supplies have been made based on connected delivery capacity (by application of peaking factors as described below in Section 2, footnote 1); additional supplies are expected to be

available from these sources, based on legal entitlements, historical uses and information provided by MWD. In addition to MWD's existing regional supply assessments, this assessment has considered MWD information concerning operational limits on Delta pumping. See "**Actions on Delta Pumping**," below.

- Information provided by MWD, as the imported water supplier, concerning the adequacy of its regional supplies, summarized herein, demonstrates MWD's inclusion of reserves in its regional supply assessments. In addition to MWD's existing regional supply assessments, this assessment has considered MWD's information concerning operational limits on Delta pumping. See "**Actions on Delta Pumping**," below.
- Although groundwater supply amounts shown in this assessment assume production levels within applicable basin production percentages described herein, production of groundwater can exceed applicable basin production percentages on a short-term basis, which can provide additional reliability during dry years or emergencies.

Actions on Delta Pumping. The Sacramento/San Joaquin Delta ("Delta") is a vulnerable component in both the State and Federal systems to convey water from northern portions of California to areas south of the Delta. Issues associated with the Delta have generally been known for years; however, the continuing decline in the number of endangered Delta smelt resulted in the filing of litigation challenging permits for the operation of the Delta pumping facilities. On August 31, 2007, a Federal court ordered interim protective measures for the endangered Delta smelt, including operational limits on Delta pumping, which have an effect on State Water Project ("SWP") operations and supplies. On June 4, 2009, a federal biological opinion imposed rules that further restrict water diversions from the Delta to protect endangered salmon and other endangered fish species. At present, several proceedings concerning Delta operations are ongoing to evaluate options to address Delta smelt impacts and other environmental concerns. In addition to the regulatory and judicial proceedings to address immediate environmental concerns, the Delta Vision process and Bay-Delta Conservation Plan ("BDCP") process are defining long-term solutions for the Delta. In addition, State and federal agencies and water user entities are currently engaged in the development of the Delta Conveyance Project (previously California WaterFix), which is aimed at making physical and operational improvements in the Delta necessary to improve south of the Delta SWP water supplies and water quality and protect ecosystem health in the Delta (MWD 2020 UWMP). Prior to the 2007 court decision, MWD's Board approved a Delta Action Plan in May 2007, that described short, mid and long-term conditions and the actions to mitigate potential supply shortages and to develop and implement long-term solutions. To address uncertainties in expected SWP supplies, in October 2007, MWD prepared its 2007 Integrated Resources Plan ("IRP") Implementation Report, in which MWD estimated that it could see as much as up to a 22% reduction on average of its SWP supplies based on the court order. As part of its ongoing long term planning, in its 2010 IRP Update, MWD identified changes to the long-term plan and established direction to address the range of potential changes in water supply planning. The 2010 IRP also discusses dealing with uncertainties related to impacts of climate change (see additional discussion of this below), as well as actions to protect endangered fisheries. The 2010 IRP Update emphasizes an evolving approach and suite of actions to address the water supply challenges that are posed by uncertain weather patterns, regulatory and environmental restrictions, water quality impacts and changes in the state and the region. The 2010 IRP Update includes MWD's Adaptive Resource Management Strategy three components: Core Resources Strategy, Supply Buffer Implementation and Foundational Actions, which together provides the basis for the 2010 IRP Update. The 2010 IRP Update expands the concept of developing a planning buffer from the 2004 IRP Update by implementing a supply buffer equal

to 10 percent of the total retail demand.

In January 2016, MWD adopted its 2015 IRP Update. In the 2015 IRP Update, MWD continued its Adaptive Resource Management Strategy and integrated future supply actions to improve the viability of potential contingency resources as needed, and to position the region to effectively implement these resources in a timely manner. The 2015 IRP finds that additional actions are needed in investments in conservation, local supplies, the California WaterFix, and stabilizing Colorado River supplies. Among the supply actions, MWD will continue to work collaboratively with state and federal agencies on the California WaterFix, maximize its storage and transfer approach, and continue to develop and protect local supplies and conservation. MWD is currently developing its 2020 IRP Update which proposes to strengthen the Adaptive Management Approach and scenario planning to allow for the evaluation of investments and actions needed to achieve desired reliability under a diverse range of future conditions.

IRWD's Evaluation of Effect of Reduced MWD Supplies to IRWD: In the MWD 2020 UWMP, MWD states it has supply capability that would be sufficient to meet expected demands from 2025 to 2045 under single dry year and multiple dry year conditions. ¹

Based on the prior MWD 2007 IRP Implementation Report, MWD estimated that it could receive reduction of SWP supplies of up to 22% on average until a long term solution was implemented. For purposes of ensuring a conservative analysis, IRWD made an evaluation of the effect of the 22% estimated reduction of MWD's SWP supplies on its overall imported supplies. IRWD estimates that 22% reduction of SWP supplies conservatively translates to approximately 16% reduction in all of MWD's imported supplies over the years 2025 through 2045. For this purpose, it is assumed that MWD's total supplies consist only of imported SWP and Colorado deliveries. Based on this estimate, this assessment uses a 16% reduction in MWD supplies available to IRWD for the years 2025 through 2045, using IRWD's connected capacity without any water supply allocation imposed by MWD. This reduction in MWD supplies is reflected in Figures 1, 2, 3, 5, 6, and 7.

Per the MWD 2020 UWMP, MWD performs water shortage planning in its Water Surplus and Drought Management ("WSDM") Plan (1988) which guides MWD's planning and operations during both shortage and surplus conditions. Furthermore, MWD developed the Water Supply Allocation Plan ("WSAP") (dated February 2009, updated December 2014) which provides standardized methodology for allocation of MWD's supplies during times of shortage. The WSDM Plan distinguishes between shortages, severe shortages, and extreme shortages. These terms have specific meanings relating to MWD's ability to deliver water and the actions it takes. In June 2008, MWD's Board adopted a Water Supply Condition Framework to communicate the urgency of the region's water supply situation and the need for further water conservation to reduce regional demands, MWD uses the WSDM Plan and Framework to determine if a WSAP is recommended.

¹ The MWD 2020 UWMP utilized DWR's 2019 SWP Delivery Capability Report to estimate future SWP supplies for 2025 through 2045. These estimates incorporate the effect of regulatory requirements in accordance with biological opinions and also reflect potential impacts of climate change on SWP operations. Tables A.3-7 of the MWD 2020 UWMP reflect a reduction of approximately 7% in MWD's expected average year SWP entitlement supplies. This amount is a smaller percentage reduction than MWD's 2007 estimate of 22% that was used by IRWD for purposes of this analysis. For purposes of a conservative analysis, IRWD has used the 22% reduction cited by MWD in its October 2007 IRP Implementation Report as the basis of IRWD's analysis.

As an alternative means of analyzing the effect of reduced MWD supplies on IRWD, listed below are Figures provided comparing projected potable water supplies and demands in all of the five year increments, under a temporary MWD allocation scenario:

Figure 1a: Normal Year Supply and Demand (MWD Allocated) – Potable Water

Figure 2a: Single Dry-Year Supply and Demand (MWD Allocated) – Potable Water

Figure 3a: Multiple Dry-Year Supply and Demand (MWD Allocated) – Potable Water

Figures 1a, 2a, and 3a show IRWD’s estimated supplies (average and single and multiple dry years) under a short-term MWD water supply allocation scenario whereby MWD declares a shortage stage under its WSAP, and a cutback is applied to IRWD’s actual usage rather than its connected capacity. IRWD’s evaluation of reduced MWD supplies to IRWD as shown in Figures 1a, 2a and 3a conservatively analyzes the effect of up to a MWD level 5 Regional Shortage Level. In addition, these Figures do not reflect a reduction in demands, thus representing a more conservative view of IRWD’s supply capability. (see “**Recent Actions Related to Drought Conditions**” below)

On April 14, 2015, MWD approved the implementation of its WSAP at a level 3 Regional Shortage Level and an effective 15% reduction in regional deliveries effective July 1, 2015, through June 30, 2016. As a result of IRWD’s diversified water supplies, IRWD is reliant on MWD for only 20% of its total supplies. IRWD’s evaluation of reduced MWD supplies to IRWD as shown in Figures 1a, 2a and 3a includes MWD’s 2015 actions to implement a level 3 Regional Shortage Level and 15% reduction.

Under shortage scenarios, IRWD may need to supplement supplies with production of groundwater, which can exceed the applicable basin production percentage on a short-term basis, providing additional reliability during dry years or emergencies.²

In addition, IRWD has developed water banking projects in Kern County, California which may be called upon for delivery of supplemental banked water to IRWD under a MWD WSAP.³ IRWD may also convert non-potable water uses to recycled water as a way to conserve potable water. In addition, if needed, resultant net shortage levels can be addressed by demand reduction programs as described in IRWD’s updated Water Shortage Contingency Plan adopted in 2021. IRWD’s Water Shortage Contingency Plan provides procedures for responding to various levels of supply shortages through a combination of supply augmentation

² In these scenarios, it is anticipated that other water suppliers who produce water from the Orange County Basin will also experience cutbacks of imported supplies and will increase groundwater production and that Orange County Water District (“OCWD”) imported replenishment water may also be cutback. The OCWD’s “2020-2021 Engineer’s Report on the Groundwater Conditions, Water Supply and Basin Utilization” references a report (OCWD Report on Evaluation of Orange County Groundwater Basin Storage and Operational Strategy, 2007) which recommends a basin management strategy that provides general guidelines for annual basin refill or storage decrease based on the level of accumulated overdraft. It states: “Although it is considered to be generally acceptable to allow the basin to decline to 500,000 AF overdraft for brief periods due to severe drought conditions and lack of supplemental water...an accumulated overdraft of 100,000 AF best represents an optimal basin management target. This optimal target level provides sufficient storage space to accommodate anticipated recharge from a single wet year while also providing water in storage for at least 2 or 3 consecutive years of drought.” MWD replenishment water is a supplemental source of recharge water and OCWD estimates other main supply sources for recharge are available.

³ IRWD has developed water banking projects (“Water Bank”) in Kern County, California and has entered into a 30-year water banking partnership with Rosedale-Rio Bravo Water Storage District to operate IRWD’s Strand Ranch and Stockdale West portions of the Water Bank. The Water Bank can improve IRWD’s water supply reliability by capturing lower cost water available during wet hydrologic periods for use during dry periods. The Water Bank can enhance IRWD’s ability to respond to drought conditions and potential water supply interruptions.

and demand management measures. As stated in IRWD's Water Shortage Contingency Plan, use of local supplies, storage and other supply augmentation measures can mitigate shortages, and are used as necessary and appropriate during declared shortage levels.

It can be noted that IRWD's above approach is conservative, in that IRWD evaluates the effect of the 16% reduction through 2042 and shows the effect of current allocation scenarios in all of the five-year increments. However, MWD reports that it has made significant progress in other water resource categories such as transfers, groundwater storage and developing other local resources, and supplies will be available from these resources over the long-term.

Climate Change. The California Department of Water Resources ("DWR") released a report "Progress on Incorporating Climate Change into Management of California's Water Resources" (July 2006), considering the impacts of climate change on the State's water supply. In 2012, DWR adopted phase 1 of its Climate Action Plan, its department-wide plan for reducing greenhouse gas emissions (GHG). In September 2018, the DWR released phase 2 of its Climate Action Plan, which is DWR's guide to addressing climate change in the programs, projects, and activities over which it has authority. Per this guidance, California's climate policy focuses on reducing GHG emissions, preparing for climate change impacts, and supporting climate-related research to inform policy responses and decision-making processes.

In MWD's 2015 IRP Update, MWD recognizes there is additional risk and uncertainty associated with climate change that may affect future supply and demands. MWD plans to hedge against supply and demand uncertainties by implementing a long-term plan that recognizes the risk and provides resource development to offset the risk. Per the MWD 2020 UWMP, for longer term risks, like climate change, MWD established a Robust Decision Making ("RDM") approach that can show how vulnerable the region's reliability is to the longer-term risks and can also establish "signposts" that can be monitored to see when crucial changes may be happening. MWD has stated in its 2020 UWMP that the RDM analysis was valuable in identifying vulnerabilities to its 2015 IRP approach to long-term reliability and in understanding how climate change would best be incorporated into the 2020 IRP.

Per the MWD 2020 UWMP, MWD continues to incorporate current climate change science into its planning efforts. Per the MWD 2020 UWMP, MWD has made great efforts to implement greenhouse gas mitigation programs and policies for its facilities and operations. MWD is developing a Climate Action Plan which sets the target and guides future actions to reduce emission levels and complements MWD's IRP. Potential climate change impacts on state, regional and local water supplies and relevant information for the Orange County hydrologic basin and Santa Ana Watershed have not been sufficiently developed at this time to permit IRWD to assess and quantify the effect of any such impact on its conclusions in the Assessment.

Catastrophic Supply Interruption Planning. MWD has developed Emergency Storage Requirements (MWD 2020 UWMP) to safeguard the region from catastrophic loss of water supply. MWD has made substantial investments in emergency storage and has based its planning on a 100% reduction in its supplies for a period of six months. The emergency plan outlines that under such a catastrophe, non-firm service deliveries would be suspended, and firm supplies would be restricted by a mandatory cutback of 25 percent from normal year demand deliveries. In addition, MWD discusses DWR's investments in improvements on the SWP and the long term Delta plan in the MWD 2020 UWMP (pages 3-19 to 3-23). IRWD has also addressed supply interruption planning in its WRMP and 2020 UWMP.

Recent Actions Related to Drought Conditions. In response to historically dry conditions throughout the state of California, on April 1, 2015, Governor Brown issued an Executive Order directing the State Water Resources Control Board (SWRCB) to impose restrictions to achieve an aggregate statewide 25 percent reduction in potable water use through February 2016. The Governor's Order also included mandatory actions aimed at reducing water demands, with a particular focus on outdoor water use. On May 5, 2015, the SWRCB adopted regulations which required that IRWD achieve a 16% reduction in potable water use from its 2013 potable water use levels. On November 13, 2015, Governor Brown issued an Executive Order directing the SWRCB to extend the 2015 Emergency Regulation through October 31, 2016, if drought conditions continued. On February 2, 2016, the SWRCB adopted an extended and modified Emergency Regulation. As a result of the modification, IRWD's mandated reduction was changed from 16% to 9% effective March 1, 2016. On April 14, 2015, MWD approved actions to implement its WSAP at a level 3 Regional Shortage Level and a 15% reduction in regional deliveries effective July 1, 2015, through June 30, 2016. During this period, IRWD continued to implement actions to reduce potable water demands during the drought; however, this did not affect IRWD's long-term supply capability to meet the demands.

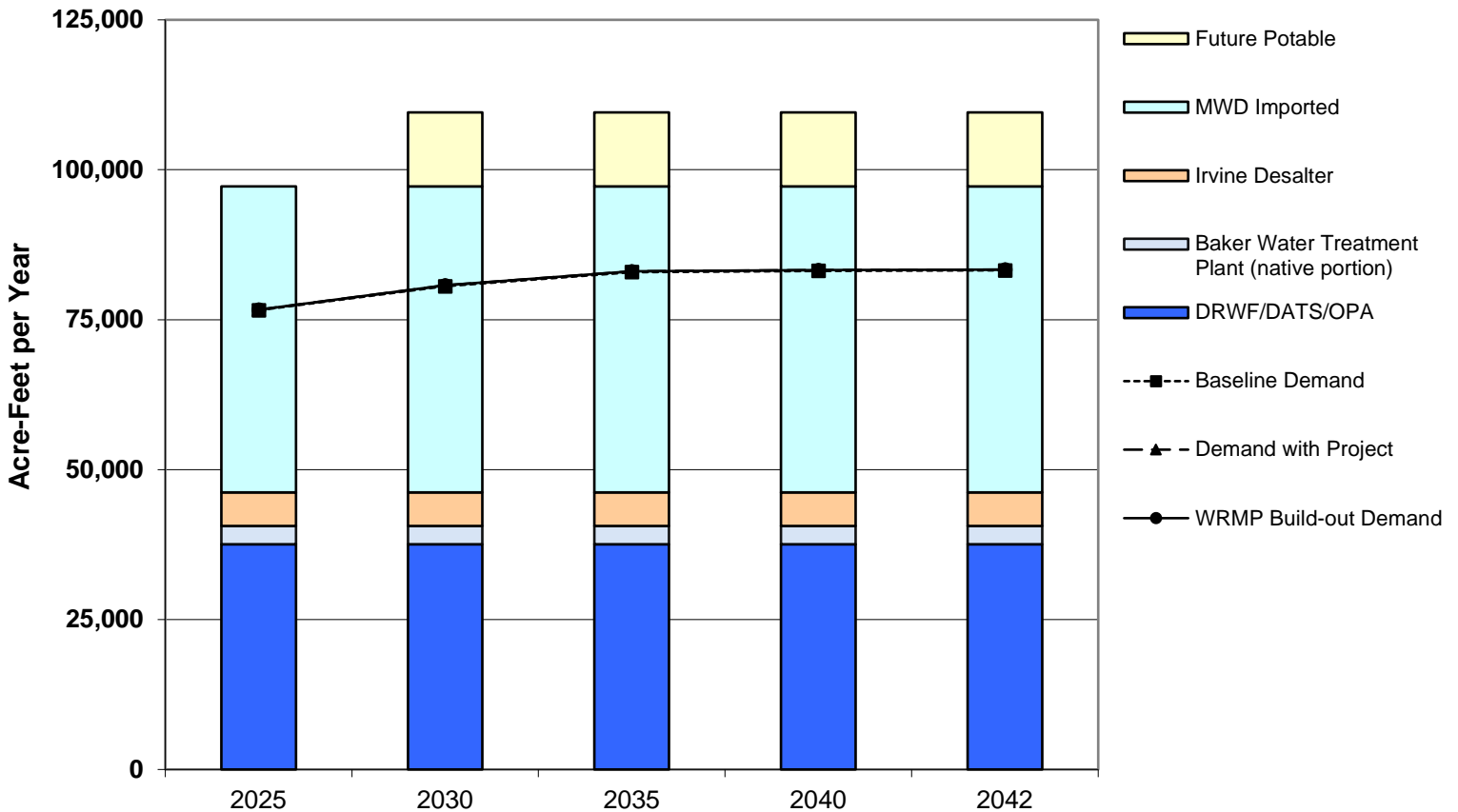
As discussed under "*IRWD's Evaluation of Effect of Reduced MWD Supplies to IRWD*" (see above), IRWD has effectively analyzed an imported water supply reduction up to a level 5 Regional Shortage Stage in Figures 1a, 2a, 3a. These Figures, however, do not reflect a reduction in demands, thus representing a more conservative view of IRWD's supply capability. In particular, the reduction in demand mandated by Senate Bill 7 in 2010, requiring urban retail water suppliers to establish water use targets to achieve a 20% reduction in daily per capita water use by 2020, has not been factored into the demands in this analysis. Similarly, notwithstanding the Governor's 2015 order, IRWD's conservative supply-sufficiency analysis in Figures 1a, 2a and 3a does not include the ordered reduction in potable demands. On April 7, 2017, Governor Brown rescinded the Executive Order in all but four counties in California.

Detailed Assessment

1. **Supply and demand comparison**

Comparisons of IRWD's average annual and peak (maximum day) demands and supplies, under *baseline* (existing and committed demand, without the Project), *with-project* (baseline plus Project), and *full build-out* development projections, are shown in the following Figures 1-4 (potable water), Figures 5-8 (nonpotable water) and Figures 1a, 2a, and 3a (short term MWD allocation potable water). See also the "Actions on Delta Pumping" above.

**Figure 1
IRWD Normal-Year Supply & Demand - Potable Water**



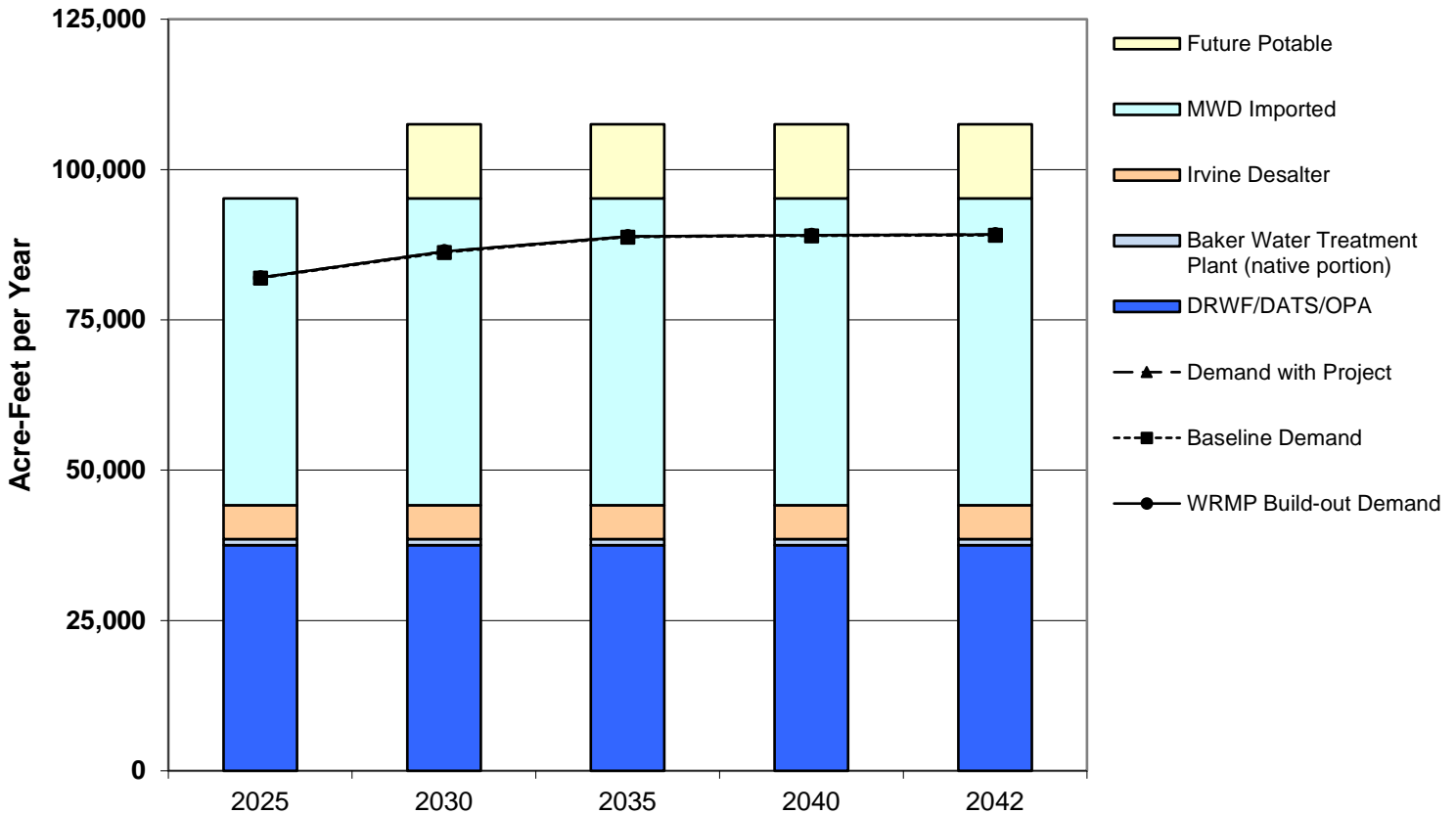
(in acre-feet per year)	2025	2030	2035	2040	2042
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF, Baker)	51,027	51,027	51,027	51,027	51,027
DRWF/DATS/OPA	37,532	37,532	37,532	37,532	37,532
Irvine Desalter	5,618	5,618	5,618	5,618	5,618
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Baker Water Treatment Plant (native portion)	3,048	3,048	3,048	3,048	3,048
Supplies Under Development					
Future Potable	-	12,352	12,352	12,352	12,352
Maximum Supply Capability	103,554	115,907	115,907	115,907	115,907
Baseline Demand	76,577	80,591	82,939	83,147	83,230
Demand with Project	76,667	80,716	83,064	83,272	83,355
WRMP Build-out Demand	76,667	80,716	83,064	83,272	83,355
Reserve Supply with Project	26,888	35,191	32,843	32,635	32,552

Notes: By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

Baker Water Treatment Plant is supplied untreated imported water and native water from Irvine Lake.

**Figure 2
IRWD Single Dry-Year Supply & Demand - Potable Water**



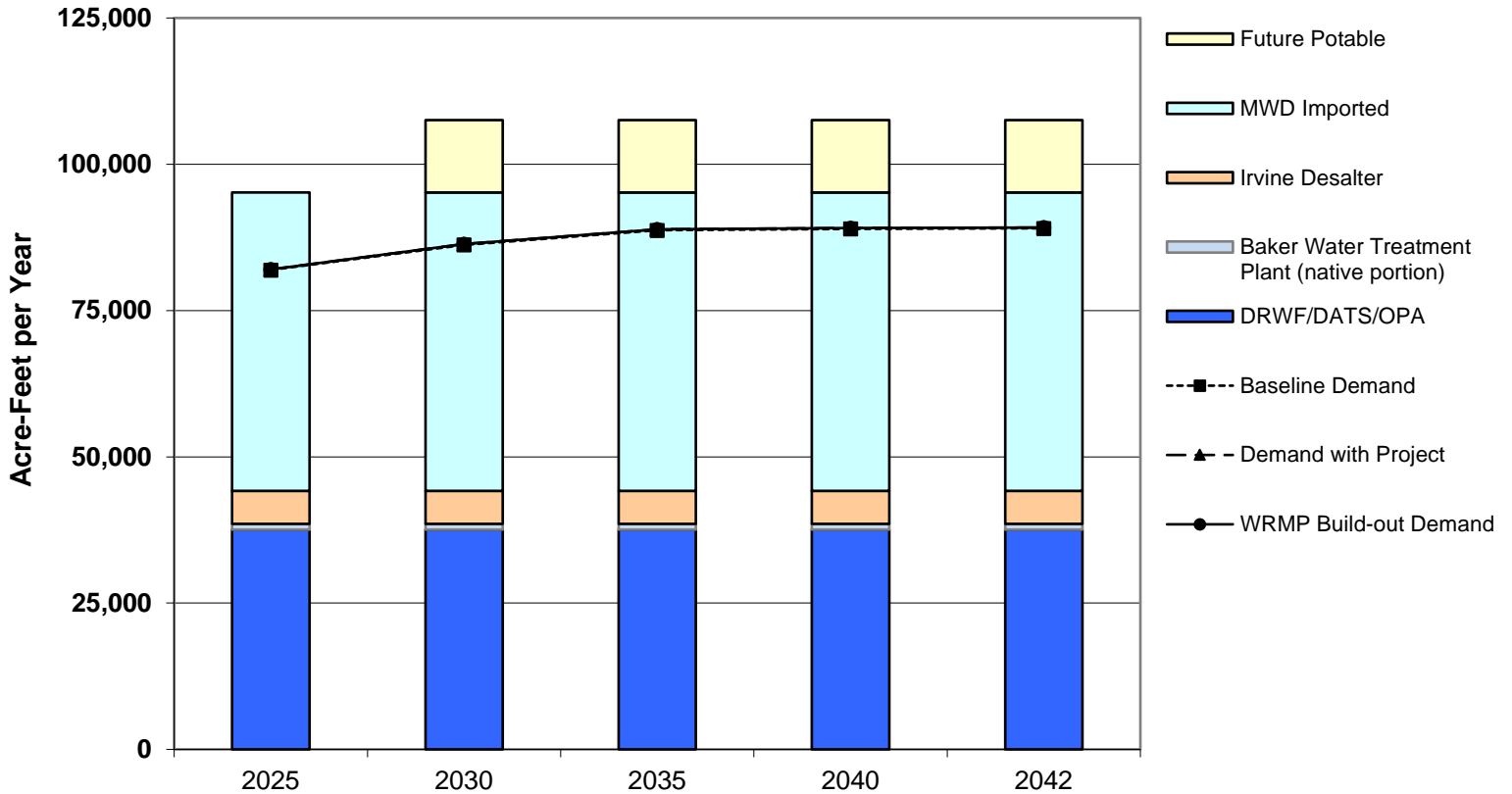
(in acre-feet per year)	2025	2030	2035	2040	2042
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF, Baker)	51,027	51,027	51,027	51,027	51,027
DRWF/DATS/OPA	37,532	37,532	37,532	37,532	37,532
Irvine Desalter	5,618	5,618	5,618	5,618	5,618
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Baker Water Treatment Plant (native portion)	1,000	1,000	1,000	1,000	1,000
Supplies Under Development					
Future Potable	-	12,352	12,352	12,352	12,352
Maximum Supply Capability	101,506	113,859	113,859	113,859	113,859
Baseline Demand	81,937	86,232	88,745	88,967	89,056
Demand with Project	82,033	86,366	88,878	89,101	89,190
WRMP Build-out Demand	82,033	86,366	88,878	89,101	89,190
Reserve Supply with Project	19,473	27,493	24,980	24,758	24,669

Notes: Supplies identical to Normal-Year based on Metropolitan's Urban Water Management Plan and usage of groundwater under drought conditions (OCWD Master Plan). Demands increased 7% from Normal-Year. By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

Baker Water Treatment Plant is supplied untreated imported water and native water from Irvine Lake.

**Figure 3
IRWD Multiple Dry-Year Supply & Demand - Potable Water**



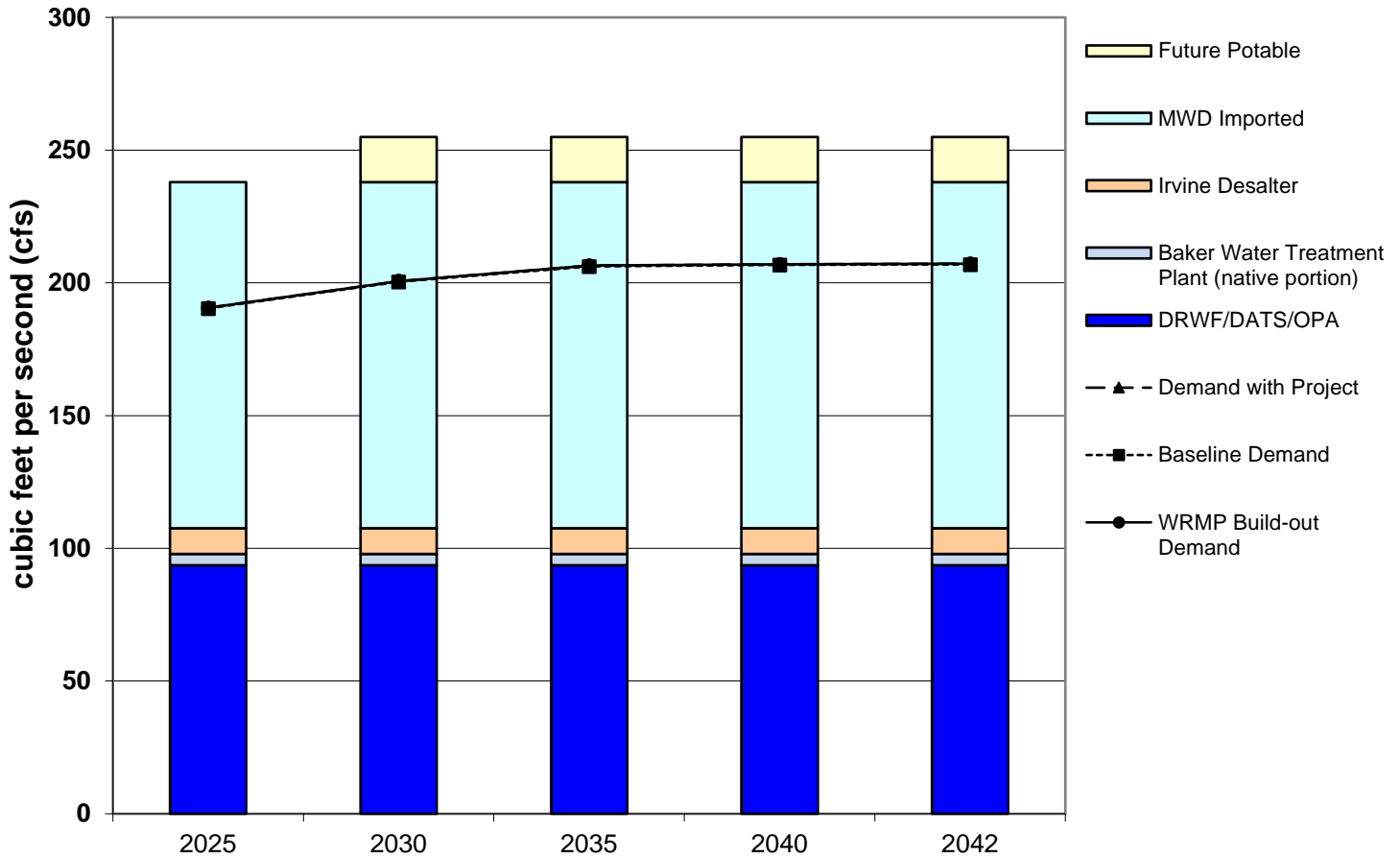
(in acre-feet per year)	2025	2030	2035	2040	2042
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF, Bake	51,027	51,027	51,027	51,027	51,027
DRWF/DATS/OPA	37,532	37,532	37,532	37,532	37,532
Irvine Desalter	5,618	5,618	5,618	5,618	5,618
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Baker Water Treatment Plant (native portion)	1,000	1,000	1,000	1,000	1,000
Supplies Under Development					
Future Potable	-	12,352	12,352	12,352	12,352
Maximum Supply Capability	101,506	113,859	113,859	113,859	113,859
Baseline Demand	81,937	86,232	88,745	88,967	89,056
Demand with Project	82,033	86,366	88,878	89,101	89,190
WRMP Build-out Demand	82,033	86,366	88,878	89,101	89,190
Reserve Supply with Project	19,473	27,493	24,980	24,758	24,669

Notes: Supplies identical to Normal-Year based on Metropolitan's Urban Water Management Plan and usage of groundwater under drought conditions (OCWD Master Plan). Demands increased 7% from Normal-Year. By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

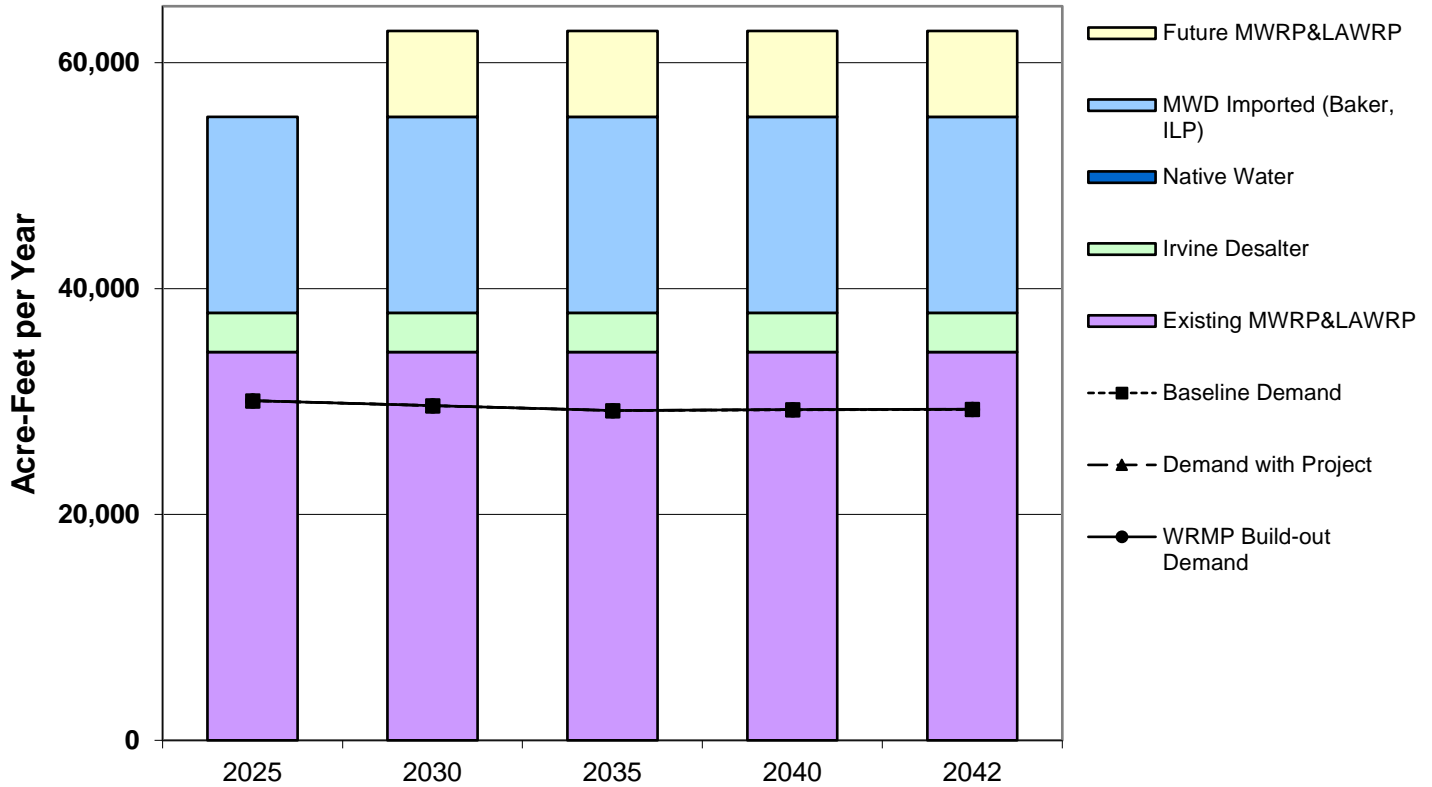
Baker Water Treatment Plant is supplied untreated imported water and native water from Irvine Lake.

**Figure 4
IRWD Maximum-Day Supply & Demand - Potable Water**



(in cfs)	2025	2030	2035	2040	2042
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF, Baker)	130.4	130.4	130.4	130.4	130.4
DRWF/DATS/OPA	93.7	93.7	93.7	93.7	93.7
Irvine Desalter	9.7	9.7	9.7	9.7	9.7
Wells 21 & 22	8.6	8.6	8.6	8.6	8.6
Baker Water Treatment Plant (native portion)	4.2	4.2	4.2	4.2	4.2
Supplies Under Development					
Future Potable	-	17.0	17.0	17.0	17.0
Maximum Supply Capability	246.6	263.6	263.6	263.6	263.6
Baseline Demand	190.4	200.4	206.2	206.7	206.9
Demand with Project	190.6	200.7	206.5	207.0	207.2
WRMP Build-out Demand	190.6	200.7	206.5	207.0	207.2
Reserve Supply with Project	55.9	62.9	57.0	56.5	56.3

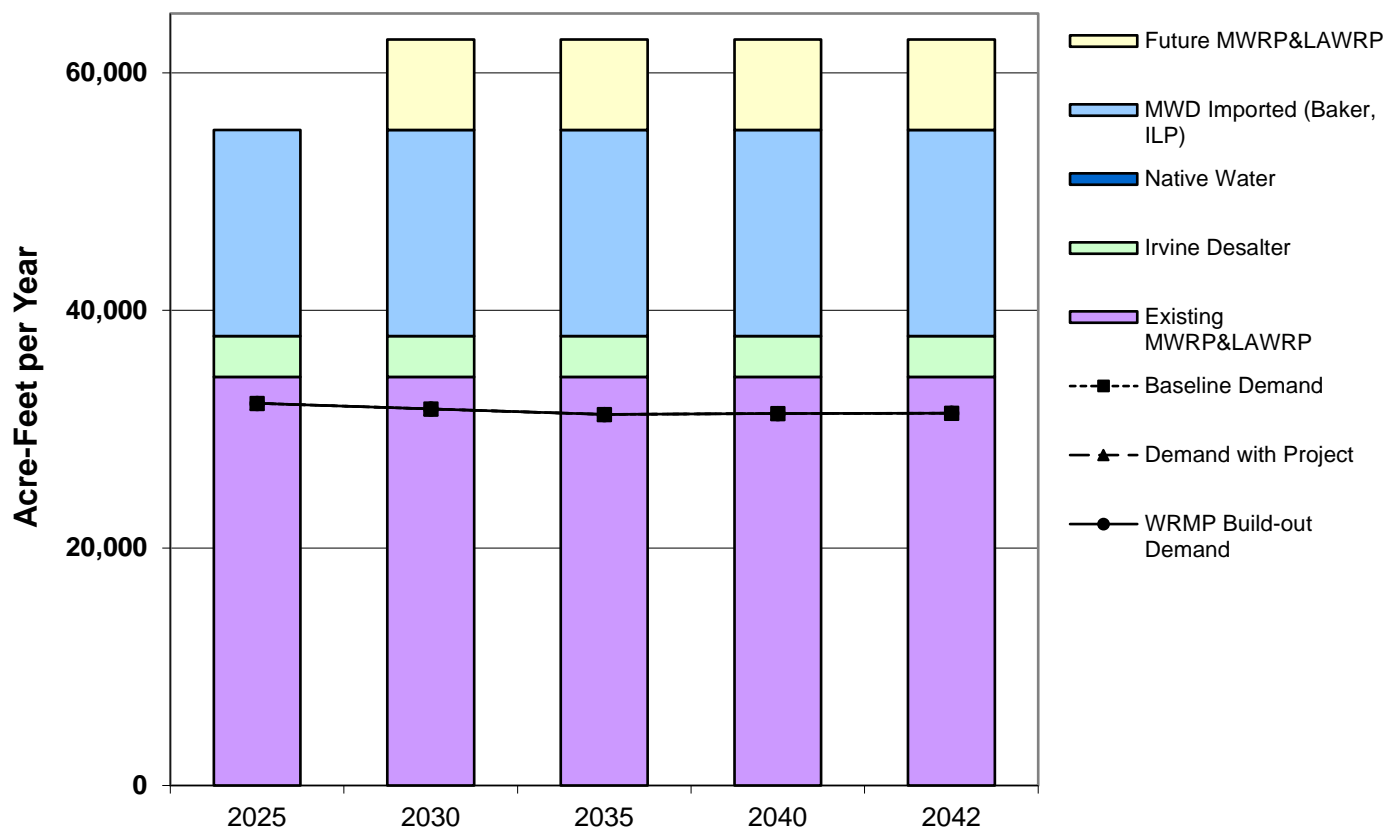
**Figure 5
IRWD Normal-Year Supply & Demand - Nonpotable Water**



(in acre-feet per year)	2025	2030	2035	2040	2042
Current Nonpotable Supplies					
Existing MWRP&LAWRP	34,389	34,389	34,389	34,389	34,389
Future MWRP&LAWRP	-	7,623	7,623	7,623	7,623
MWD Imported (Baker, ILP)	17,347	17,347	17,347	17,347	17,347
Irvine Desalter	3,461	3,461	3,461	3,461	3,461
Native Water	-	-	-	-	-
Maximum Supply Capability	55,197	62,820	62,820	62,820	62,820
Baseline Demand	30,074	29,636	29,199	29,272	29,301
Demand with Project	30,075	29,638	29,201	29,274	29,303
WRMP Build-out Demand	30,075	29,638	29,201	29,274	29,303
Reserve Supply with Project	25,123	33,182	33,619	33,546	33,517

Note: Downward trend reflects reduction in agricultural use over time.
 After 2016, native water is treated to potable through the Baker Water Treatment Plant.
 MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

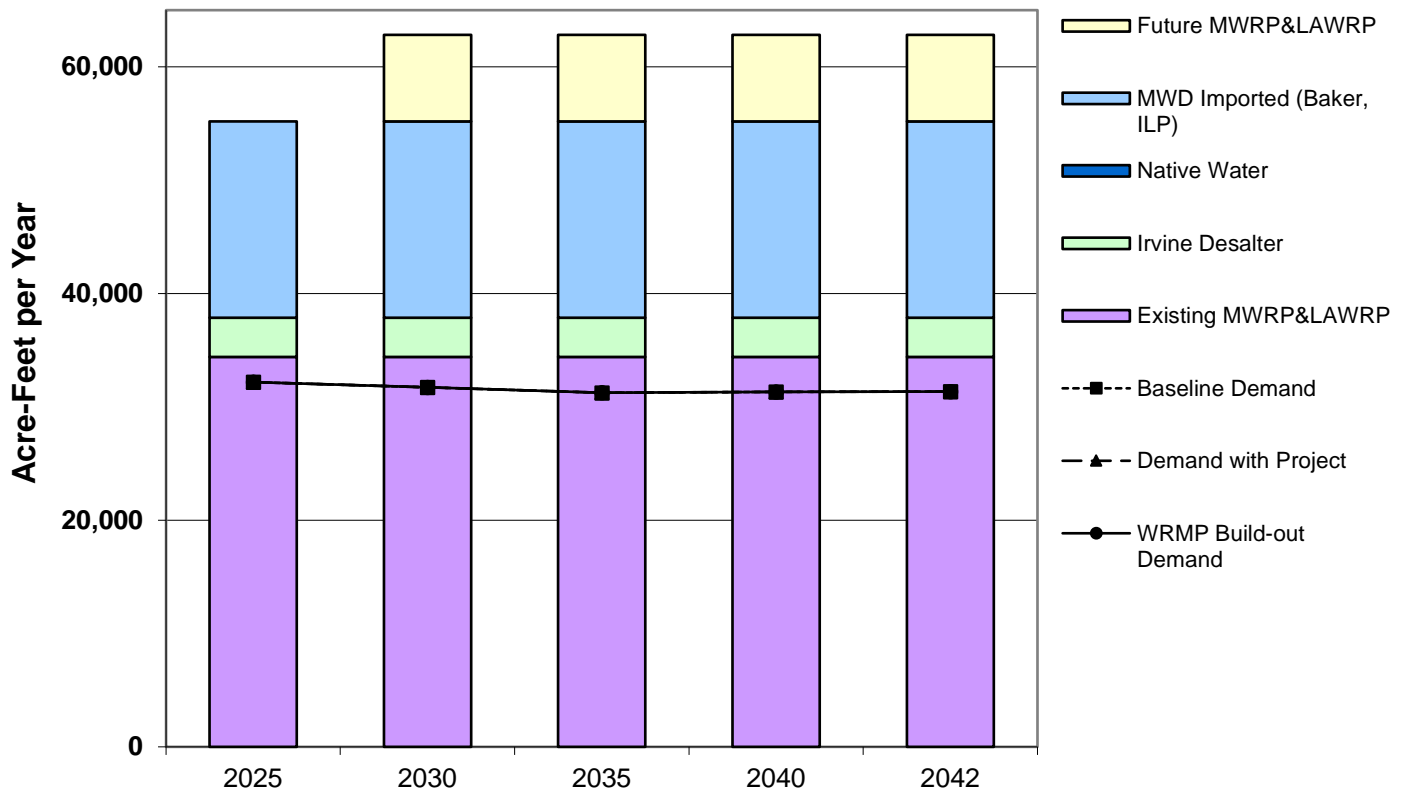
**Figure 6
IRWD Single Dry-Year Supply & Demand - Nonpotable Water**



(in acre-feet per year)	2025	2030	2035	2040	2042
Current Nonpotable Supplies					
Existing MWRP&LAWRP	34,389	34,389	34,389	34,389	34,389
Future MWRP&LAWRP	-	7,623	7,623	7,623	7,623
MWD Imported (Baker, ILP)	17,347	17,347	17,347	17,347	17,347
Irvine Desalter	3,461	3,461	3,461	3,461	3,461
Native Water	-	-	-	-	-
Maximum Supply Capability	55,197	62,820	62,820	62,820	62,820
Baseline Demand	32,179	31,711	31,243	31,321	31,352
Demand with Project	32,180	31,713	31,245	31,323	31,355
WRMP Build-out Demand	32,180	31,713	31,245	31,323	31,355
Reserve Supply with Project	23,017	31,107	31,575	31,497	31,465

Note: Downward trend reflects reduction in agricultural use over time.
 After 2016, native water is treated to potable through the Baker Water Treatment Plant.
 MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

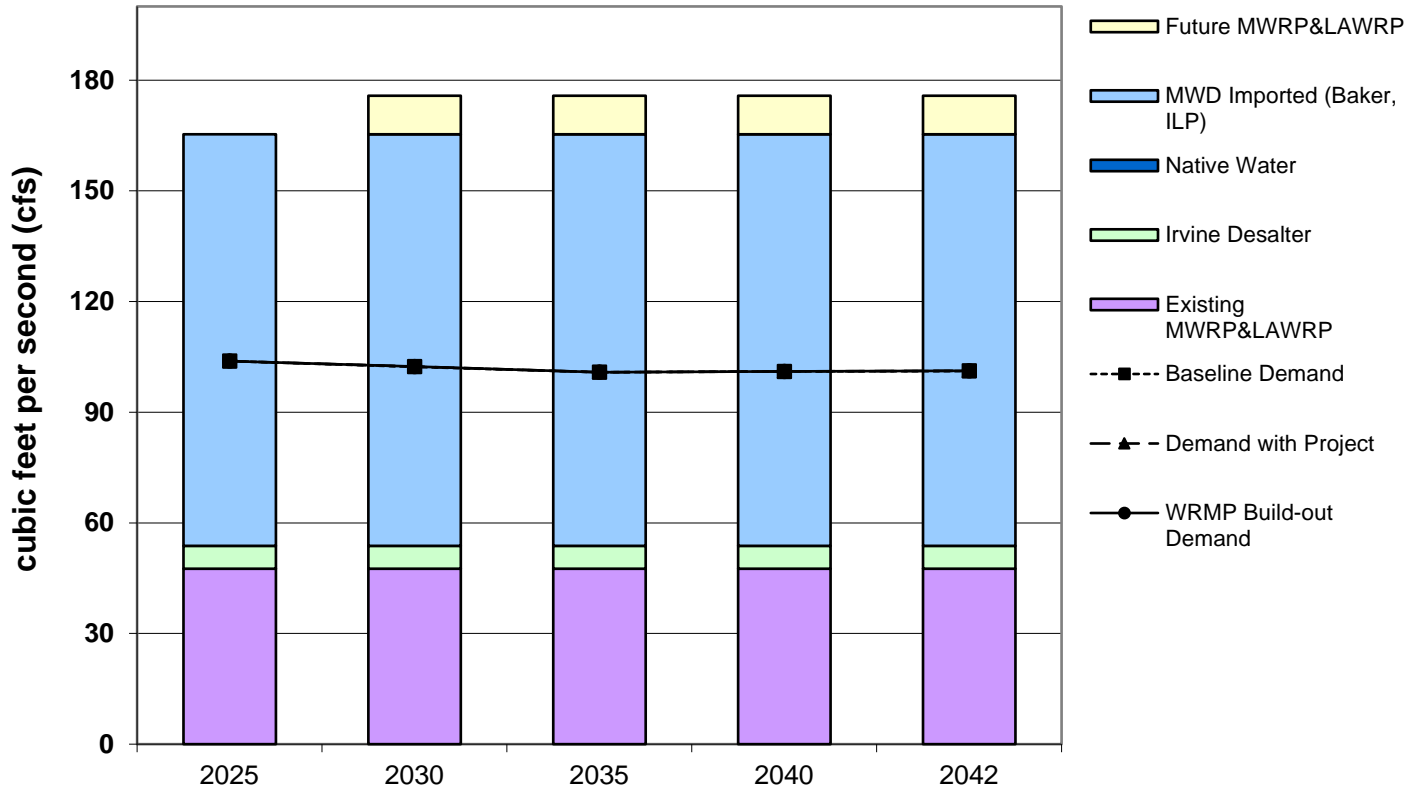
**Figure 7
IRWD Multiple Dry-Year Supply & Demand - Nonpotable Water**



(in acre-feet per year)	2025	2030	2035	2040	2042
Current Nonpotable Supplies					
Existing MWRP&LAWRP	34,389	34,389	34,389	34,389	34,389
Future MWRP&LAWRP	-	7,623	7,623	7,623	7,623
MWD Imported (Baker, ILP)	17,347	17,347	17,347	17,347	17,347
Irvine Desalter	3,461	3,461	3,461	3,461	3,461
Native Water	-	-	-	-	-
Maximum Supply Capability	55,197	62,820	62,820	62,820	62,820
Baseline Demand	32,179	31,711	31,243	31,321	31,352
Demand with Project	32,180	31,713	31,245	31,323	31,355
WRMP Build-out Demand	32,180	31,713	31,245	31,323	31,355
Reserve Supply with Project	23,017	31,107	31,575	31,497	31,465

Note: Downward trend reflects reduction in agricultural use over time.
 After 2016, native water is treated to potable through the Baker Water Treatment Plant.
 MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

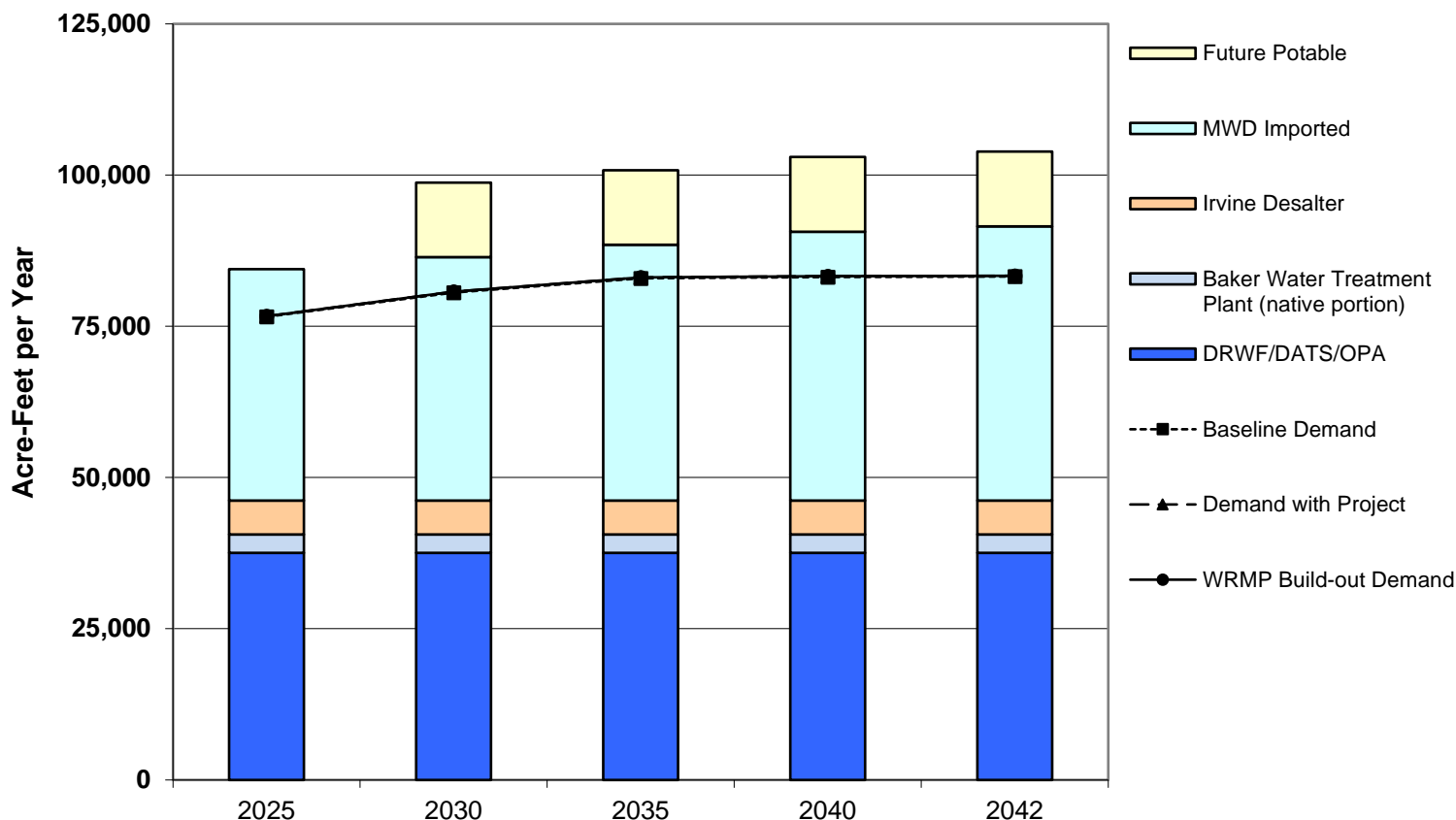
Figure 8
IRWD Maximum-Dry Supply & Demand - Nonpotable Water



(in cfs)	2025	2030	2035	2040	2042
Current Nonpotable Supplies					
Existing MWRP&LAWRP	47.6	47.6	47.6	47.6	47.6
Future MWRP&LAWRP	-	10.5	10.5	10.5	10.5
MWD Imported (Baker, ILP)	111.5	111.5	111.5	111.5	111.5
Irvine Desalter	6.2	6.2	6.2	6.2	6.2
Native Water	-	-	-	-	-
Maximum Supply Capability	165.3	175.8	175.8	175.8	175.8
Baseline Demand	103.8	102.3	100.8	101.1	101.2
Demand with Project	103.8	102.3	100.8	101.1	101.2
WRMP Build-out Demand	103.8	102.3	100.8	101.1	101.2
Reserve Supply with Project	61.5	73.5	75.0	74.7	74.6

Note: Downward trend reflects reduction in agricultural use over time.
 After 2016, native water is treated to potable through the Baker Water Treatment Plant.

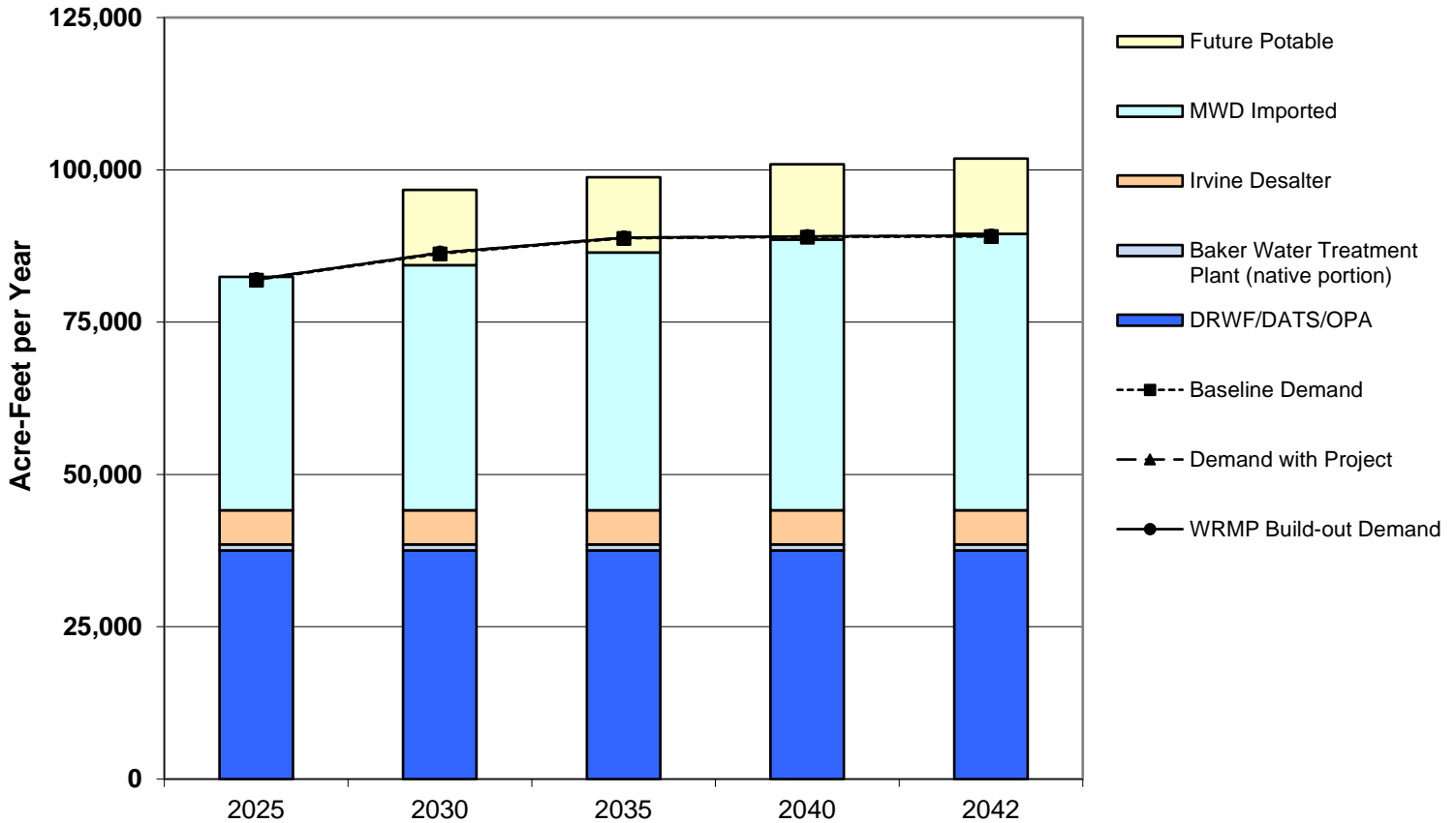
Figure 1a
IRWD Normal-Year Supply & Demand - Potable Water
Under Temporary MWD Allocation*



(in acre-feet per year)	2025	2030	2035	2040	2042
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF, Baker)	38,270	40,222	42,274	44,430	45,323
DRWF/DATS/OPA	37,532	37,532	37,532	37,532	37,532
Irvine Desalter	5,618	5,618	5,618	5,618	5,618
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Baker Water Treatment Plant (native portion)	3,048	3,048	3,048	3,048	3,048
Supplies Under Development					
Future Potable	-	12,352	12,352	12,352	12,352
Maximum Supply Capability	90,798	105,102	107,154	109,310	110,203
Baseline Demand	76,577	80,591	82,939	83,147	83,230
Demand with Project	76,667	80,716	83,064	83,272	83,355
WRMP Build-out Demand	76,667	80,716	83,064	83,272	83,355
Reserve Supply with Project	14,131	24,387	24,090	26,039	26,848

*For illustration purposes, IRWD has shown MWD Imported Supplies as estimated under a MWD short-term allocation up to a level 5 in all of the 5-year increments. This does not reflect a reduction in demands, thus representing a conservative view of supply capability. Under a MWD Allocation, IRWD could supplement supplies with groundwater production which can exceed applicable basin percentages on a short-term basis or transfer water from IRWD's water bank. IRWD may also reduce demands by implementing shortage contingency measures as described in the 2020 UWMP. Under a MWD Allocation, the Baker WTP would be limited to available MWD and native water.

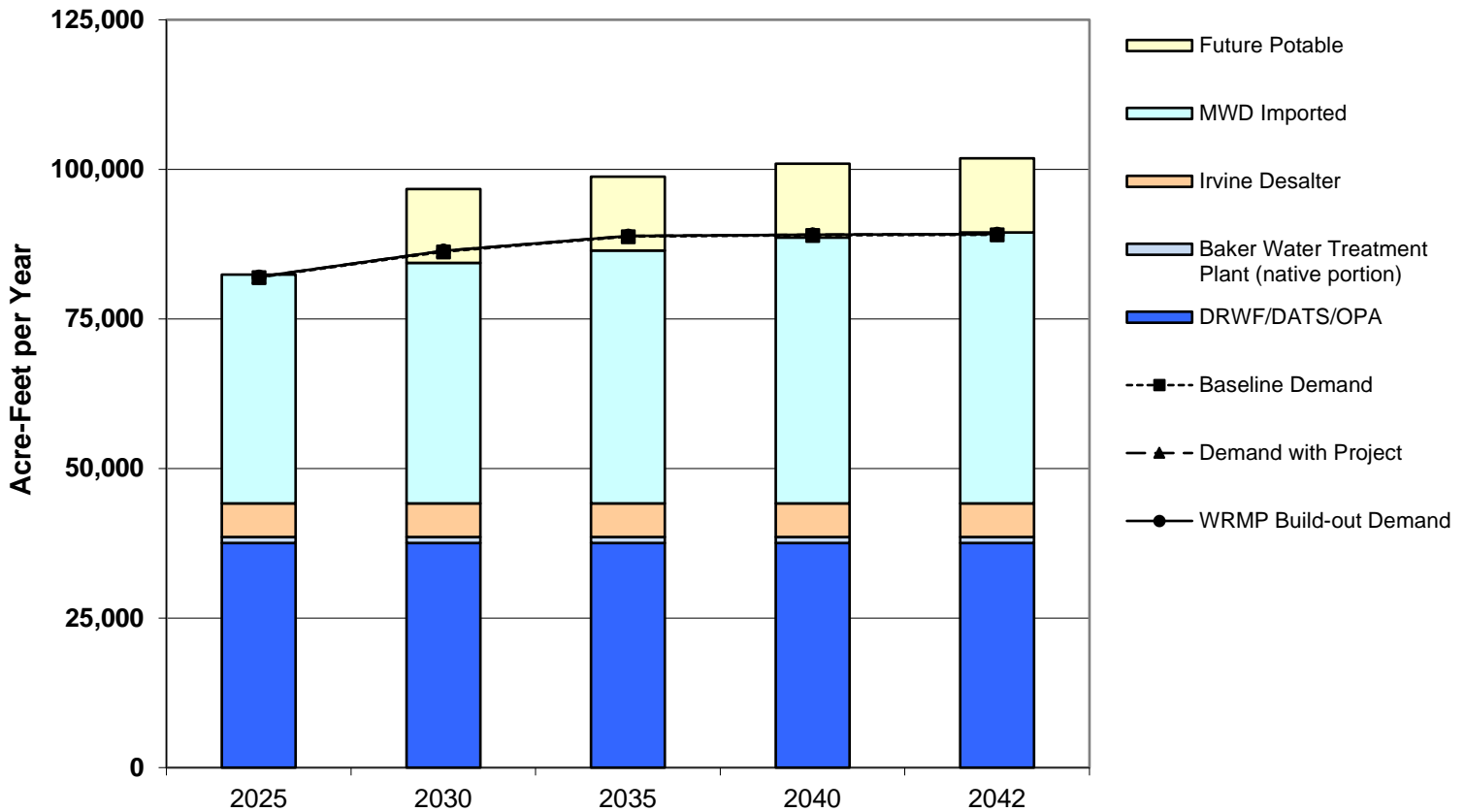
Figure 2a
IRWD Single Dry-Year Supply & Demand - Potable Water
Under Temporary MWD Allocation*



(in acre-feet per year)	2025	2030	2035	2040	2042
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF, Baker)	38,270	40,222	42,274	44,430	45,323
DRWF/DATS/OPA	37,532	37,532	37,532	37,532	37,532
Irvine Desalter	5,618	5,618	5,618	5,618	5,618
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Baker Water Treatment Plant (native portion)	1,000	1,000	1,000	1,000	1,000
Supplies Under Development					
Future Potable	-	12,352	12,352	12,352	12,352
Maximum Supply Capability	88,749	103,054	105,106	107,262	108,155
Baseline Demand	81,937	86,232	88,745	88,967	89,056
Demand with Project	82,033	86,366	88,878	89,101	89,190
WRMP Build-out Demand	82,033	86,366	88,878	89,101	89,191
Reserve Supply with Project	6,716	16,688	16,228	18,161	18,965

*For illustration purposes, IRWD has shown MWD Imported Supplies as estimated under a MWD short-term allocation up to a level 5 in all of the 5-year increments. This does not reflect a reduction in demands, thus representing a conservative view of supply capability. Under a MWD Allocation, IRWD could supplement supplies with groundwater production which can exceed applicable basin percentages on a short-term basis or transfer water from IRWD's water bank. IRWD may also reduce demands by implementing shortage contingency measures as described in the 2020 UWMP. Under a MWD Allocation, the Baker WTP would be limited to available MWD and native water.

**Figure 3a
IRWD Single Dry-Year Supply & Demand - Potable Water
Under Temporary MWD Allocation***



(in acre-feet per year)	2025	2030	2035	2040	2042
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF, Baker)	38,270	40,222	42,274	44,430	45,323
DRWF/DATS/OPA	37,532	37,532	37,532	37,532	37,532
Irvine Desalter	5,618	5,618	5,618	5,618	5,618
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Baker Water Treatment Plant (native portion)	1,000	1,000	1,000	1,000	1,000
Supplies Under Development					
Future Potable	-	12,352	12,352	12,352	12,352
Maximum Supply Capability	88,749	103,054	105,106	107,262	108,155
Baseline Demand	81,937	86,232	88,745	88,967	89,056
Demand with Project	82,033	86,366	88,878	89,101	89,190
WRMP Build-out Demand	82,033	86,366	88,878	89,101	89,190
Reserve Supply with Project	6,716	16,688	16,228	18,161	18,965

*For illustration purposes, IRWD has shown MWD Imported Supplies as estimated under a MWD short-term allocation up to a level 5 in all of the 5-year increments. This does not reflect a reduction in demands, thus representing a conservative view of supply capability. Under a MWD Allocation, IRWD could supplement supplies with groundwater production which can exceed applicable basin percentages on a short-term basis or transfer water from IRWD's water bank. IRWD may also reduce demands by implementing shortage contingency measures as described in the 2020 UWMP. Under a MWD Allocation, the Baker WTP would be limited to available MWD and native water.

Existing sources of identified water supply for the proposed project: IRWD does not allocate particular supplies to any project, but identifies total supplies for its service area, as updated in the following table:

	Max Day (cfs)	Avg. Annual (AFY)	Annual by Category (AFY)
Current Supplies			
Potable - Imported ¹⁰			
East Orange County Feeder No. 2	41.4	18,746	1
Allen-McColloch Pipeline*	64.7	29,296	1
Orange County Feeder	18.0	8,150	1
	<u>124.1</u>	<u>56,192</u>	
Potable - Treated Surface			
Baker Treatment Plant (Imported) ¹⁰	6.3	4,554	6
Baker Treatment Plant (Native)	4.2	3,048	6
Potable - Groundwater			
Dyer Road Wellfield	80.0	28,000	2
OPA Well	1.4	914	
Deep Aquifer Treatment System-DATS	12.3	8,618	2
Wells 21 & 22	8.6	6,329	2
Irvine Desalter	9.7	5,618	3
Total Potable Current Supplies	<u>246.6</u>		<u>113,273</u>
Nonpotable - Recycled Water			
MWRP (25.2 mgd)	39.1	28,228	4
LAWRP (5.5 mgd)	8.5	6,161	4
Future MWRP & LAWRP	10.6	7,623	5
Nonpotable - Imported ¹⁰			
Baker Aqueduct	40.2	11,651	6
Irvine Lake Pipeline	65.0	9,000	7
	<u>105.2</u>	<u>20,651</u>	
Nonpotable - Groundwater			
Irvine Desalter-Nonpotable	6.2	3,461	8
Nonpotable Native			
Irvine Lake (see Baker Treatment Plant above)	4.2	3,048	6,9
Total Nonpotable Current Supplies (Excludes Native)	<u>169.6</u>		<u>66,124</u>
Total Combined Current Supplies	<u>416.2</u>		<u>179,397</u>
Supplies Under Development			
Potable Supplies			
Future Groundwater Production Facilities	17.0	12,352	
Total Under Development	<u>17.0</u>	<u>12,352</u>	<u>12,352</u>
Total Supplies			
Potable Supplies	263.6		125,626
Nonpotable Supplies	169.6		66,124
Total Supplies (Current and Under Development)	<u>433.2</u>		<u>191,750</u>

- 1 Based on converting maximum day capacity to average by dividing the capacity by a peaking factor of 1.6. Max Day is equivalent to Treatment Plant Production
 - 2 Contract amount - See Assessment Potable Supply-Groundwater(iii).
 - 3 Contract amount - See Assessment Potable Supply-Groundwater (iv) and (v). Maximum day well capacity is compatible with contract amount.
 - 4 MWRP 28.0 mgd treatment capacity (28,228 AFY RW production) with 90% plant efficiency (25.2 mgd) and LAWRP permitted 5.5 mgd tertiary treatment capacity (6,161 AFY)
 - 5 Future estimated MWRP & LAWRP recycled water production. Includes biosolids and expansion to 33 mgd
 - 6 Since 2017, Baker Water Treatment Plant (WTP) treats imported and native water. Baker Aqueduct capacity has been allocated to Baker WTP participants and IRWD owns 46.50 cfs in Baker Aqueduct, of which, 10.5 cfs is for for potable treatment. IRWD has 36 cfs remaining capacity for non-potable uses. The nonpotable average use is based on converting maximum day capacity to average by dividing the capacity by a peaking factor of 2.5 (see Assessment Footnote 8, page 27).
 - 7 Based on IRWD's proportion of Irvine Lake imported water storage; Actual ILP capacity would allow the use of additional imported water from MWD through the Santiago Lateral.
 - 8 Contract amount - See Assessment Nonpotable Supply-Groundwater (i) and (ii). Maximum day well capacity (cfs) is compatible with contract amount.
 - 9 Based on 70+ years historical average of Santiago Creek Inflow into Irvine Lake. Since 2020, native water is treated through Baker WTP.
 - 10 Supplies in this table are total and are not adjusted to account for any reductions in imported water.
- *64.7 cfs is current assigned capacity; based on increased peak flow, IRWD can purchase 10 cfs more (see page 25 (b)(1)(iii))

(b) Required information concerning currently available and under-development water supply entitlements, water rights and water service contracts:

(1) Written contracts or other proof of entitlement.^{4 5}

• POTABLE SUPPLY - IMPORTED⁶

Potable imported water service connections (currently available).

(i) Potable imported water is delivered to IRWD at various service connections to the imported water delivery system of The Metropolitan Water District of Southern California (“MWD”): service connections CM-01A and OC-7 (Orange County Feeder); CM-10, CM-12, OC-38, OC-39, OC-57, OC-58, OC-63 (East Orange County Feeder No. 2); and OC-68, OC-71, OC-72, OC-73/73A, OC-74, OC-75, OC-83, OC-84, OC-87 (Allen-McColloch Pipeline). IRWD’s entitlements regarding service from the MWD delivery system facilities are described in the following paragraphs and summarized in the above Table ((2)(a)(1)). IRWD receives imported water service through Municipal Water District of Orange County (“MWDOC”), a member agency of MWD.

Allen-McColloch Pipeline (“AMP”) (currently available).

(ii) Agreement For Sale and Purchase of Allen-McColloch Pipeline, dated as of July 1, 1994 (Metropolitan Water District Agreement No. 4623) (“AMP Sale Agreement”). Under the AMP Sale Agreement, MWD purchased the Allen-McColloch Pipeline (formerly known as the “Diemer Intertie”) from MWDOC, the MWDOC Water Facilities Corporation and certain agencies, including IRWD and Los Alisos Water District (“LAWD”),⁷ identified as “Participants” therein. Section 5.02 of the AMP Sale Agreement obligates MWD to meet IRWD’s and the other Participants’ requests for deliveries and specified minimum hydraulic grade lines at each connection serving a Participant, subject to availability of water. MWD agrees to operate the AMP as any other MWD pipeline. MWD has the right to operate the AMP on a “utility basis,” meaning that MWD need not observe

⁴ In some instances, the contractual and other legal entitlements referred to in the following descriptions are stated in terms of flow capacities, in cubic feet per second (cfs). In such instances, the cfs flows are converted to volumes of AFY for purposes of analyzing supply sufficiency in this assessment, by dividing the capacity by a peaking factor of 1.8 (potable) or 2.5 (nonpotable), consistent with maximum day peaking factors used in the WRMP. The resulting reduction in assumed available annual AFY volumes through the application of these factors recognizes that connected capacity is provided to meet peak demands and that seasonal variation in demand and limitations in local storage prevent these capacities from being utilized at peak capacity on a year-round basis. However, the application of these factors produces a conservatively low estimate of annual AFY volumes from these connections; additional volumes of water are expected to be available from these sources.

⁵ In the following discussion, contractual and other legal entitlements are characterized as either potable or nonpotable, according to the characterization of the source of supply. Some of the nonpotable supplies surplus to nonpotable demand could potentially be rendered potable by the addition of treatment facilities; however, except where otherwise noted, IRWD has no current plans to do so.

⁶ See Imported Supply - Additional Information, below, for information concerning the availability of the MWD supply.

⁷ IRWD has succeeded to LAWD’s interests in the AMP and other LAWD water supply facilities and rights mentioned in this assessment, by virtue of the consolidation of IRWD and LAWD on December 31, 2000.

capacity allocations of the Participants but may use available capacity to meet demand at any service connection.

The AMP Sale Agreement obligates MWD to monitor and project AMP demands and to construct specified pump facilities or make other provision for augmenting MWD's capacity along the AMP, at MWD's expense, should that be necessary to meet demands of all of the Participants (Section 5.08).

(iii) Agreement For Allocation of Proceeds of Sale of Allen-McColloch Pipeline, dated as of July 1, 1994 ("AMP Allocation Agreement"). This agreement, entered into concurrently with the AMP Sale Agreement, provided each Participant, including IRWD, with a capacity allocation in the AMP, for the purpose of allocating the sale proceeds among the Participants in accordance with their prior contractual capacities adjusted to conform to their respective future demands. IRWD's capacity under the AMP Allocation Agreement (including its capacity as legal successor agency to LAWD) is 64.69 cfs at IRWD's first four AMP connections, 49.69 cfs at IRWD's next five downstream AMP connections and 35.01 and 10.00 cfs, respectively at IRWD's remaining two downstream connections. The AMP Allocation Agreement further provides that if a Participant's peak flow exceeds its capacity, the Participant shall "purchase" additional capacity from the other Participants who are using less than their capacity, until such time as MWD augments the capacity of the AMP. The foregoing notwithstanding, as mentioned in the preceding paragraph, the allocated capacities do not alter MWD's obligation under the AMP Sale Agreement to meet all Participants' demands along the AMP, and to augment the capacity of the AMP if necessary. Accordingly, under these agreements, IRWD can legally increase its use of the AMP beyond the above-stated capacities but would be required to reimburse other Participants from a portion of the proceeds IRWD received from the sale of the AMP.

(iv) Improvement Subleases (or "FAP" Subleases) [MWDOC and LAWD; MWDOC and IRWD], dated August 1, 1989; 1996 Amended and Restated Allen-McColloch Pipeline Subleases [MWDOC and LAWD; MWDOC and IRWD], dated March 1, 1996. IRWD subleases its AMP capacity, including the capacity it acquired as successor to LAWD. To facilitate bond financing for the construction of the AMP, it was provided that the MWDOC Water Facilities Corporation, and subsequently MWDOC, would have ownership of the pipeline, and the Participants would be sublessees. As is the case with the AMP Sale Agreement, the subleases similarly provide that water is subject to availability.

East Orange County Feeder No. 2 ("EOCF#2") (currently available).

(v) Agreement For Joint Exercise of Powers For Construction, Operation and Maintenance of East Orange County Feeder No. 2, dated July 11, 1961, as amended on July 25, 1962, and April 26, 1965; Agreement Re Capacity Rights In Proposed Water Line, dated September 11, 1961 ("IRWD MWDOC Assignment Agreement"); Agreement Regarding Capacity Rights In the East Orange County Feeder No. 2, dated August 28, 2000 ("IRWD Coastal Assignment Agreement"). East Orange County Feeder No. 2 ("EOCF#2"), a feeder linking Orange County with MWD's feeder system, was constructed pursuant to a joint powers agreement among MWDOC (then called Orange County Municipal Water District), MWD, Coastal Municipal Water District ("Coastal"), Anaheim and Santa

Ana. A portion of IRWD's territory is within MWDOC and the remainder is within the former Coastal (which was consolidated with MWDOC in 2001). Under the IRWD MWDOC Assignment Agreement, MWDOC assigned 41 cfs of capacity to IRWD in the reaches of EOCF#2 upstream of the point known as Coastal Junction (reaches 1 through 3), and 27 cfs in reach 4, downstream of Coastal Junction. Similarly, under the IRWD Coastal Assignment Agreement, prior to Coastal's consolidation with MWDOC, Coastal assigned to IRWD 0.4 cfs of capacity in reaches 1 through 3 and 0.6 cfs in reach 4 of EOCF#2. Delivery of water through EOCF#2 is subject to the rules and regulations of MWD and MWDOC and is further subject to application and agreement of IRWD respecting turnouts.

Orange County Feeder (currently available)

(vi) Agreement, dated March 13, 1956. This 1956 Agreement between MWDOC's predecessor district and the Santa Ana Heights Water Company ("SAHWC") provides for delivery of MWD imported supply to the former SAHWC service area. SAHWC's interests were acquired on behalf of IRWD through a stock purchase and IRWD annexation of the SAHWC service area in 1997. The supply is delivered through a connection to MWD's Orange County Feeder designated as OC-7.

(vii) Agreement For Transfer of Interest In Pacific Coast Highway Water Transmission and Storage Facilities From The Irvine Company To the Irvine Ranch Water District, dated April 23, 1984; Joint Powers Agreement For the Construction, Operation and Maintenance of Sections 1a, 1b and 2 of the Coast Supply Line, dated June 9, 1989; Agreement, dated January 13, 1955 ("1955 Agreement"). The jointly constructed facility known as the Coast Supply Line ("CSL"), extending southward from a connection with MWD's Orange County Feeder at Fernleaf Street in Newport Beach, was originally constructed pursuant to a 1952 agreement among Laguna Beach County Water District ("LBCWD"), The Irvine Company (TIC) and South Coast County Water District. Portions were later reconstructed. Under the above-referenced transfer agreement in 1984, IRWD succeeded to TIC's interests in the CSL. The CSL is presently operated under the above-referenced 1989 joint powers agreement, which reflects IRWD's ownership of 10 cfs of capacity. The 1989 agreement obligates LBCWD, as the managing agent and trustee for the CSL, to purchase water and deliver it into the CSL for IRWD. LBCWD purchases such supply, delivered by MWD to the Fernleaf connection, pursuant to the 1955 Agreement with Coastal (now MWDOC).

Baker Water Treatment Plant (currently available)

IRWD recently constructed the Baker Water Treatment Plant (Baker WTP) in partnership with El Toro Water District, Moulton-Niguel Water District, Santa Margarita Water District and Trabuco Canyon Water District. The Baker WTP is supplied with untreated imported water from MWD and native Irvine Lake water supply. IRWD owns 10.5 cfs of treatment capacity rights in the Baker WTP.⁸

•**POTABLE SUPPLY - GROUNDWATER**

(i) Orange County Water District Act (“OCWD”), Water Code App., Ch. 40 (“Act”). IRWD is an operator of groundwater-producing facilities in the Orange County Groundwater Basin (the “Basin”). Although the rights of the producers within the Basin vis a vis one another have not been adjudicated, they nevertheless exist and have not been abrogated by the Act (§40-77). The rights consist of municipal appropriators’ rights and may include overlying and riparian rights. The Basin is managed by OCWD under the Act, which functions as a statutorily-imposed physical solution. The Act empowers OCWD to impose replenishment assessments and basin equity assessments on production and to require registration of water-producing facilities and the filing of certain reports; however, OCWD is expressly prohibited from limiting extraction unless a producer agrees to such limitation (§ 40-2(6) (c)) and from impairing vested rights to the use of water (§ 40-77). Thus, producers may install and operate production facilities under the Act; OCWD approval is not required. OCWD is required to annually investigate the condition of the Basin, assess overdraft and accumulated overdraft, and determine the amount of water necessary for replenishment (§40-26). OCWD has studied the Basin replenishment needs and potential projects to address growth in demand through 2035 in its Final Draft Long-Term Facilities Plan (January 2006), last updated November 19, 2014. The Long-Term Facilities Plan is updated approximately every five years.

(ii) *Irvine Ranch Water District v. Orange County Water District*, Orange County Superior Court Case No. 795827. A portion of IRWD is outside the jurisdictional boundary of OCWD. IRWD is eligible to annex the Santa Ana River Watershed portion of this territory to OCWD, under OCWD’s current annexation policy (OCWD Resolution No. 86-2-15, adopted on February 19, 1986, and reaffirmed on June 2, 1999). This September 29, 1998, Superior Court ruling indicates that IRWD is entitled to deliver groundwater from the Basin to the IRWD service area irrespective of whether such area is also within OCWD.

Dyer Road Wellfield (“DWRF”) / Deep Aquifer Treatment System (“DATS”) (currently available)

(iii) Agreement For Water Production and Transmission Facilities, dated March 18, 1981, as amended May 2, 1984, September 19, 1990, and November 3, 1999 (the “DRWF Agreement”). The DRWF Agreement, among IRWD, OCWD and Santa Ana, concerns the development of IRWD’s Dyer Road Wellfield

⁸ The Baker WTP is supplied nonpotable imported water through the existing Baker Pipeline. IRWD’s existing Baker Pipeline capacity (see Section 2(b)(1) NONPOTABLE SUPPLY – IMPORTED) has been apportioned to the Baker WTP participants based on Baker WTP capacity ownership, and IRWD retains 10.5 cfs of pipeline capacity through the Baker WTP for potable supply and retains 36 cfs in Reach 1U of the Baker Pipeline capacity for nonpotable supply.

(DRWF), within the Basin. The DRWF consists of 16 wells pumping from the non-colored water zone of the Basin and 2 wells (with colored-water treatment facilities) pumping from the deep, colored-water zone of the Basin (the colored-water portion of the DRWF is sometimes referred to as the Deep Aquifer Treatment System or DATS.) Under the DRWF Agreement, an “equivalent” basin production percentage (“BPP”) has been established for the DRWF, currently 28,000 AFY of non-colored water and 8,000 AFY of colored water, provided any amount of the latter 8,000 AFY not produced results in a matching reduction of the 28,000 AFY BPP. Although typically IRWD production from the DRWF does not materially exceed the equivalent BPP, the equivalent BPP is not an extraction limitation; it results in imposition of monetary assessments on the excess production. The DRWF Agreement also establishes monthly pumping amounts for the DRWF. With the addition of the Concentrated Treatment System (“CATS”), IRWD has increased the yield of DATS.

Irvine Subbasin / Irvine Desalter (currently available)

(iv) First Amended and Restated Agreement, dated March 11, 2002, as amended June 15, 2006, restating May 5, 1988 agreement (“Irvine Subbasin Agreement”). TIC has historically pumped agricultural water from the Irvine Subbasin. (As in the rest of the Basin of which this subbasin is a part, the groundwater rights have not been adjudicated and OCWD provides governance and management under the Act.) The 1988 agreement between IRWD and TIC provided for the joint use and management of the Irvine Subbasin. The 1988 agreement further provided that the 13,000 AFY annual yield of the Irvine Subbasin (“Subbasin”) would be allocated 1,000 AFY to IRWD and 12,000 AFY to TIC. Under the restated Irvine Subbasin Agreement, the foregoing allocations were superseded as a result of TIC’s commencement of the building its Northern Sphere Area project, with the effect that the Subbasin production capability, wells and other facilities, and associated rights have been transferred from TIC to IRWD, and IRWD has assumed the production from the Subbasin. In consideration of the transfer, IRWD is required to count the supplies attributable to the transferred Subbasin production in calculating available supplies for the Northern Sphere Area project and other TIC development and has agreed that they will not be counted toward non-TIC development.

A portion of the existing Subbasin water production facilities produce water which is of potable quality. IRWD could treat some of the water produced from the Subbasin for potable use, by means of the Desalter and other projects. Although, as noted above, the Subbasin has not been adjudicated and is managed by OCWD, TIC reserved water rights from conveyances of its lands as development over the Subbasin has occurred, and under the Irvine Subbasin Agreement TIC has transferred its rights to IRWD.

(v) Second Amended and Restated Agreement Between Orange County Water District and Irvine Ranch Water District Regarding the Irvine Desalter Project, dated June 11, 2001, and other agreements referenced therein. This agreement provides for the extraction and treatment of subpotable groundwater from the Irvine Subbasin, a portion of the Basin. As is the case with the remainder of the Basin, IRWD’s entitlement to extract this water is not adjudicated, but the use of the entitlement is governed by the OCWD Act. (See also, discussion of Irvine Subbasin in the preceding paragraph.) A portion of the product water has been

delivered into the IRWD potable system, and the remainder has been delivered into the IRWD nonpotable system.

Orange Park Acres (currently available)

On June 1, 2008, through annexation and merger, IRWD acquired the water system of the former Orange Park Acres Mutual Water company, including its well (“OPA Well”). The well is operated within the Basin.

Wells 21 and 22 (currently available)

In early 2013, IRWD completed construction of treatment facilities, pipelines, and wellhead facilities for Wells 21 and 22. Water supplied through this project became available in 2013. The wells are operated within the Basin.

Irvine Wells (under development)

(vi) IRWD is pursuing the installation of production facilities in the west Irvine, Tustin Legacy and Tustin Ranch portions of the Basin. These groundwater supplies are considered to be under development; however, four wells have been drilled and have previously produced groundwater, three wells have been drilled but have not been used as production wells to date, and a site for an additional well and treatment facility has been acquired by IRWD. These production facilities can be constructed and operated under the Act; no statutory or contractual approval is required to do so. Appropriate environmental review has or will be conducted for each facility. See discussion of the Act under Potable Supply - Groundwater, paragraph (i), above.

• **NONPOTABLE SUPPLY - RECYCLED**

Water Recycling Plants (currently available)

Water Code Section 1210. IRWD supplies its own recycled water from sewage collected by IRWD and delivered to IRWD’s Michelson Water Recycling Plant (“MWRP”) and Los Alisos Water Recycling Plant (“LAWRP”). Under the recently completed MWRP Phase II Capacity Expansion Project, IRWD increased its tertiary treatment capacity on the existing MWRP site to produce sufficient recycled water to meet the projected demand through the year 2042. MWRP currently has a permitted tertiary capacity of 28 million gallons per day (“MGD”) and LAWRP currently has a permitted tertiary capacity of 5.5 MGD. Water Code Section 1210 provides that the owner of a sewage treatment plant operated for the purposes of treating wastes from a sanitary sewer system holds the exclusive right to the treated effluent as against anyone who has supplied the water discharged into the sewer system. IRWD’s permits for the operation of MWRP and LAWRP allow only irrigation and other customer uses of recycled water, and do not permit stream discharge of recycled water under normal conditions; thus, no issue of downstream appropriation arises, and IRWD is entitled to deliver all of the effluent to meet contractual and customer demands. Additional reclamation capacity will augment local nonpotable supplies and improve reliability.

•NONPOTABLE SUPPLY - IMPORTED⁹

Baker Pipeline (currently available)

Santiago Aqueduct Commission (“SAC”) Joint Powers Agreement, dated September 11, 1961, as amended December 20, 1974, January 13, 1978, November 1, 1978, September 1, 1981, October 22, 1986, and July 8, 1999 (the “SAC Agreement”); Agreement Between Irvine Ranch Water District and Carma-Whiting Joint Venture Relative to Proposed Annexation of Certain Property to Irvine Ranch Water District, dated May 26, 1981 (the “Whiting Annexation Agreement”); service connections OC-13/13A, OC-33/33A. The imported untreated water pipeline initially known as the Santiago Aqueduct and now known as the Baker Pipeline was constructed under the SAC Agreement, a joint powers agreement. The Baker Pipeline is connected to MWD’s Santiago Lateral. IRWD’s capacity in the Baker Pipeline includes the capacity it subleases as successor to LAWD, as well as capacity rights IRWD acquired through the Whiting Annexation Agreement. (To finance the construction of AMP parallel untreated reaches which were incorporated into the Baker Pipeline, replacing original SAC untreated reaches that were made a part of the AMP potable system, it was provided that the MWDOC Water Facilities Corporation, and subsequently MWDOC, would have ownership, and the participants would be sublessees.) IRWD’s original capacities in the Baker Pipeline include 52.70 cfs in the first reach, 12.50 cfs in each of the second, third and fourth reaches and 7.51 cfs in the fifth reach of the Baker Pipeline. These existing Baker Pipeline capacities have been apportioned to the Baker WTP participants based on Baker WTP capacity ownership. IRWD retains 10.5 cfs of the pipeline capacity for potable supply through the Baker WTP and retains 36 cfs in Reach 1U of the Baker Pipeline capacity for nonpotable supply (See also footnote 8, page 27). Water is subject to availability from MWD.

•NONPOTABLE SUPPLY - NATIVE

Irvine Lake (currently available)

(i) Permit For Diversion and Use of Water (“Permit No. 19306”) issued pursuant to Application No. 27503; License For Diversion and Use of Water (“License 2347”) resulting from Application No. 4302 and Permit No. 3238; License For Diversion and Use of Water (“License 2348”) resulting from Application No. 9005 and Permit No. 5202. The foregoing permit and licenses, jointly held by IRWD (as successor to The Irvine Company (“TIC”) and Carpenter Irrigation District (“CID”)) and Serrano Water District (“SWD”), secure appropriative rights to the flows of Santiago Creek. Under Licenses 2347 and 2348, IRWD and SWD have the right to diversion by storage at Santiago Dam (Irvine Lake) and a submerged dam, of a total of 25,000 AFY. Under Permit No. 19306, IRWD and SWD have the right to diversion by storage of an additional 3,000 AFY by flashboards at Santiago Dam (Irvine Lake). (Rights under Permit No. 19306 may be junior to an OCWD permit to divert up to 35,000 AFY of Santiago Creek flows to spreading

⁹ See Imported Supply - Additional Information, below, for information concerning the availability of the MWD supply.

pits downstream of Santiago Dam.) The combined total of native water that may be diverted to storage under these licenses and permit is 28,000 AFY. A 1996 amendment to License Nos. 2347, 2348 and 2349 [replaced by Permit No. 19306 in 1984] limits the withdrawal of water from the Lake to 15,483 AFY under the licenses. This limitation specifically references the licenses and doesn't reference water stored pursuant to other legal entitlements. The use and allocation of the native water is governed by the agreements described in the next paragraph.

(ii) Agreement, dated February 6, 1928 ("1928 Agreement"); Agreement, dated May 15, 1956, as amended November 12, 1973 ("1956 Agreement"); Agreement, dated as of December 21, 1970 ("1970 Agreement"); Agreement Between Irvine Ranch Water District and The Irvine Company Relative to Irvine Lake and the Acquisition of Water Rights In and To Santiago Creek, As Well As Additional Storage Capacity in Irvine Lake, dated as of May 31, 1974 ("1974 Agreement"). The 1928 Agreement was entered into among SWD, CID and TIC, providing for the use and allocation of native water in Irvine Lake. Through the 1970 Agreement and the 1974 Agreement, IRWD acquired the interests of CID and TIC, leaving IRWD and SWD as the two co-owners. TIC retains certain reserved rights. The 1928 Agreement divides the stored native water by a formula which allocates to IRWD one-half of the first 1,000 AF, plus increments that generally yield three-fourths of the amount over 1,000 AF.¹⁰ The agreements also provide for evaporation and spill losses and carryover water remaining in the Lake at the annual allocation dates. Given the dependence of native water on rainfall, for purposes of this assessment only a small portion of IRWD's share of the 28,000 AFY of native water rights (3,048 AFY in normal years and 1,000 AFY in single and multiple-dry years) is shown in currently available supplies, based on averaging of historical data. However, IRWD's ability to supplement Irvine Lake storage with its imported untreated water supplies, described herein, offsets the uncertainty associated with the native water supply.

•NONPOTABLE SUPPLY - GROUNDWATER

Irvine Subbasin / Irvine Desalter (currently available)

(i) IRWD's entitlement to produce nonpotable water from the Irvine Subbasin is included within the Irvine Subbasin Agreement. See discussion of the Irvine Subbasin Agreement under Potable Supply - Groundwater; paragraph (iv), above.

(ii) See discussion of the Irvine Desalter project under Potable Supply - Groundwater, paragraph (v), above. The Irvine Desalter project will produce nonpotable as well as potable water.

¹⁰ The 1956 Agreement provides for facilities to deliver MWD imported water into Irvine Lake, and grants storage capacity for the imported water. By succession, IRWD owns 9,000 AFY of this 12,000 AFY imported water storage capacity. This storage capacity does not affect availability of the imported supply, which can be either stored or delivered for direct use by customers.

•IMPORTED SUPPLY - ADDITIONAL INFORMATION

As described above, the imported supply from MWD is contractually subject to availability. To assist local water providers in assessing the adequacy of local water supplies that are reliant in whole or in part on MWD's imported supply, MWD has provided information concerning the availability of the supplies to its entire service area. In the MWD 2020 UWMP, MWD has extended its planning timeframe out through 2045 to ensure that the MWD 2020 UWMP may be used as a source document for meeting requirements for sufficient supplies. In addition, the MWD 2020 UWMP includes "Justifications for Supply Projections" (Appendix A-3) that details the planning, legal, financial, and regulatory basis for including each source of supply in the plan. The MWD 2020 UWMP summarizes MWD's planning initiatives over the past 15 years, which includes the Integrated Resources Plan (IRP), the IRP 2015 Update, the WSDM Plan, Strategic Plan and Rate Structure. The reliability analysis in MWD's 2015 IRP Update shows that MWD can maintain reliable supplies under the conditions that have existed in past dry periods throughout the period through 2040. The MWD 2020 UWMP includes tables that show the region can provide reliable supplies under both the single driest year (1977) and multiple dry years (1990-92) through 2045. MWD has also identified buffer supplies, including additional State Water Project groundwater storage and transfers that could serve to supply the additional water needed.

It is anticipated that MWD will revise its regional supply availability analysis periodically, if needed, to supplement the MWD 2020 UWMP in years when the MWD UWMP is not being updated.

IRWD is permitted by the statute (Wat. Code, § 10610 *et seq.*) to rely upon the water supply information provided by the wholesaler concerning a wholesale water supply source, for use in preparing its UWMPs. In turn, the statute provides for the use of UWMP information to support water supply assessments and verifications. In accordance with these provisions, IRWD is entitled to rely upon the conclusions of the MWD UWMP. As referenced above under Summary of Results of Demand-Supply Comparisons - **Actions on Delta Pumping**, MWD has provided additional information on its imported water supply.

MWD's reserve supplies, together with the fact that IRWD relies on MWD supplies as supplemental supplies that need not be used to the extent IRWD operates currently available and under-development local supplies, build a margin of safety into IRWD's supply availability.

- (2) Adopted capital outlay program to finance delivery of the water supplies.

All necessary delivery facilities currently exist for the use of the *currently available* and *under-development* supplies assessed herein, with the exception of future groundwater wells, and IRWD sub-regional and developer-dedicated conveyance facilities necessary to complete the local distribution systems for the Project. IRWD's turnout at each MWD connection and IRWD's regional delivery facilities are sufficiently sized to deliver all of the supply to the sub-regional and local distribution systems.

With respect to future groundwater well projects (PR Nos. 11828 and 11829), IRWD adopted its fiscal year 2022-23 capital budget on April 26, 2021 (Resolution No. 2021-5), budgeting portions of the funds for such projects. (A copy is available from IRWD on request.) For these facilities, as well as unbuilt IRWD sub-regional conveyance facilities, the sources of funding are previously authorized general obligation bonds, revenue-supported certificates of participation and/or capital funds held by IRWD Improvement Districts. IRWD has maintained a successful program for the issuance of general obligation bonds and certificates of participation on favorable borrowing terms, and IRWD has received AAA public bond ratings. IRWD has approximately \$585.5 million (water) and \$711.1 million (recycled water) of unissued, voter-approved general obligation bond authorization. Certificates of participation do not require voter approval. Proceeds of bonds and available capital funds are expected to be sufficient to fund all IRWD facilities for delivery of the supplies under development. Tract-level conveyance facilities are required to be donated to IRWD by the Applicant or its successor(s) at time of development.

See also the MWD 2020 UWMP, Appendix A.3 Justifications for Supply Projections with respect to capital outlay programs related to MWD's supplies.

(3) Federal, state and local permits for construction of delivery infrastructure.

Most IRWD delivery facilities are constructed in public right-of-way or future right-of-way. State statute confers on IRWD the right to construct works along, under or across any stream of water, watercourse, street, avenue, highway, railway, canal, ditch, or flume (Water Code Section 35603). Although this right cannot be denied, local agencies may require encroachment permits when work is to be performed within a street. If easements are necessary for delivery infrastructure, IRWD requires the developer to provide them. The crossing of watercourses or areas with protected species requires federal and/or state permits as applicable.

See also the MWD 2020 UWMP, Appendix A.3 Justifications for Supply Projections with respect to permits related to MWD's supplies.

(4) Regulatory approvals for conveyance or delivery of the supplies.

See response to preceding item (3). Additionally, in general, supplies under development may necessitate the preparation and completion of environmental documents and/or regulatory approvals prior to full construction and implementation. IRWD obtains such approvals when required, and copies of documents pertaining to approvals can be obtained from IRWD.

See also the MWD 2020 UWMP, Appendix A.3 Justifications for Supply Projections with respect to regulatory approvals related to MWD's supplies.

3. Other users and contractholders (identified supply not previously used).

For each of the water supply sources identified by IRWD, if no water has been received from that source(s), IRWD is required to identify other public water systems or water service contractholders that receive a water supply from, or have existing water supply entitlements, water rights and water service contracts to, that source(s):

Water has been received from all listed sources. A small quantity of Subbasin water is used by Woodbridge Village Association for the purpose of supplying its North and South Lakes. There are no other public water systems or water service contractholders that receive a water supply from, or have existing water supply entitlements, water rights and water service contracts to, the Irvine Subbasin.

4. Information concerning groundwater included in the supply identified for the Project:

(a) Relevant information in the Urban Water Management Plan (UWMP):

See Irvine Ranch Water District 2020 UWMP, section 6.2.

(b) Description of the groundwater basin(s) from which the Project will be supplied:

The Orange County Groundwater Basin (“Basin”) is described in the Orange County Water District Groundwater Management Plan (“GMP”) 2015 Update, dated June 17, 2015¹¹. The rights of the producers within the Basin vis a vis one another have not been adjudicated. The Basin is managed by the Orange County Water District (“OCWD”) for the benefit of municipal, agricultural, and private groundwater producers. OCWD is responsible for the protection of water rights to the Santa Ana River in Orange County as well as the management and replenishment of the Basin. Current production from the Basin is approximately 282,000 AFY.

The DWR has not identified the Basin as “critically overdrafted,” and has not identified the Basin as overdrafted in its most current bulletin that characterizes the condition of the Basin, Bulletin 118 (2003) and 2016 Bulletin 118 Interim Update. The efforts being undertaken by OCWD to eliminate long-term overdraft in the Basin are described in the OCWD GMP 2015 Update and OCWD Master Plan Report (“MPR”), including in particular, Chapters 4, 5, 6, 14 and 15 of the MPR. OCWD has also prepared a Long Term Facilities Plan (“LTFP”) which was received by the OCWD Board in July 2009 and was last updated in November 2014. The LTFP Chapter 3 describes the efforts being undertaken by OCWD to eliminate long-term overdraft in the Basin. See also following section on **“Sustainable Groundwater Management Act”**.

Although the water supply assessment statute (Water Code Section 10910(f)) refers to elimination of “long-term overdraft,” overdraft includes conditions which may be managed for optimum basin storage, rather than eliminated. OCWD’s Act defines annual groundwater overdraft to be the quantity by which production exceeds the natural replenishment of the Basin. Accumulated overdraft is defined in the OCWD Act to be the quantity of water needed in the groundwater basin forebay to prevent landward movement of seawater into the fresh groundwater body. However, seawater intrusion control facilities have been constructed by OCWD since the Act was written and have been effective in preventing landward movement of seawater. These facilities allow greater

¹¹ OCWD has also prepared a Long-Term Facilities Plan which was received and filed by its Board in July 2009, and last updated in November 2014.

utilization of the storage capacity of the Basin.

OCWD has invested over \$250 million in seawater intrusion control (injection barriers), recharge facilities, laboratories, and Basin monitoring to effectively manage the Basin. Consequently, although the Basin is defined to be in an “overdraft” condition, it is actually managed to allow utilization of up to 500,000 acre-feet of storage capacity of the basin during dry periods, acting as an underground reservoir and buffer against drought. OCWD has an optimal basin management target of 100,000 acre-feet of accumulated overdraft provides sufficient storage space to accommodate increased supplies from one wet year while also provide enough water in storage to offset decreased supplies during a two- to three year drought. If the Basin is too full, artesian conditions can occur along the coastal area, causing rising water and water logging, an adverse condition. Since the formation of OCWD in 1933, OCWD has made substantial investment in facilities, Basin management and water rights protection, resulting in the elimination and prevention of adverse long-term “mining” overdraft conditions. OCWD continues to develop new replenishment supplies, recharge capacity and basin protection measures to meet projected production from the basin during normal rainfall and drought periods. (OCWD GMP, OCWD MPR and LTFP)

OCWD’s efforts include ongoing replenishment programs and planned capital improvements. It should be noted under OCWD’s management of overdraft to maximize the Basin’s use for annual production and recharge operations, overdraft varies over time as the Basin is managed to keep it in balance over the long term. The Basin is not operated on an annual safe-yield basis. (OCWD GMP, OCWD MPR, section 3.2 and LTFP, section 6). See also the following section on “**Sustainable Groundwater Management Act**”.

(c) Description and analysis of the amount and location of groundwater pumped by IRWD from the Basin for the past five years:

The following table shows the amounts pumped, by groundwater source since the year 2002:

(In AFY)

Year (ending 6/30)	DRWF/DATS/ OPA/21-22	Irvine Subbasin (IRWD)	Irvine Subbasin (TIC)	LAWD ¹²
2021	38,722	3,644	0	0
2020	33,975	4,005	0	0
2019	38,603	3,961	0	0
2018	38,196	4,619	0	0
2017	39,787	4,077	0	169

¹² The water produced from IRWD’s Los Alisos wells is not included in this assessment. IRWD is presently evaluating the future use of these wells.

2016	37,216	4,672	0	307
2015	40,656	9,840	0	336
2014	42,424	10,995	0	376
2013	38,617	8,629	0	282
2012	37,059	7,059	0	0
2011	34,275	7,055	0	0
2010	37,151	8,695	0	3
2009	38,140	7,614	0	0
2008	36,741	4,539	0	16
2007	37,864	5,407	0	6
2006	37,046	2,825	0	268
2005	36,316	2,285	628	357
2004	30,265	1,938	3,079	101
2003	24,040	2,132	4,234	598
2002	25,855	2,533	5,075	744

(d) Description and analysis of the amount and location of groundwater projected to be pumped by IRWD from the Basin:

IRWD has a developed groundwater supply of 35,200 AFY from its Dyer Road Wellfield (including the Deep Aquifer Treatment System), in the main portion of the Basin.

Although TIC's historical production from the Subbasin declined as its use of the Subbasin for agricultural water diminished, OCWD's and other historical production records for the Subbasin show that production has been as high as 13,000 AFY. Plans are also underway to expand IRWD's main Orange County Groundwater Basin supply (characterized as *under-development* supplies herein). (See Section 2 (a) (1) herein). IRWD anticipates the development of potential additional production facilities within both the main Basin and the Irvine Subbasin. However, such additional facilities have not been included or relied upon in this assessment. Additional groundwater development will provide an additional margin of safety as well as reduce future water supply costs to IRWD.

The following table summarizes future IRWD groundwater production from currently available and under-development supplies.

(In AFY)

Year (ending 6/30)	DRWF ¹³	Future GW ¹⁴	IDP (Potable)	IDP (Nonpotable)
2025	43,861	12,352	5,618	3,461
2030	43,861	12,352	5,618	3,461
2035	43,861	12,352	5,618	3,461
2040	43,861	12,352	5,618	3,461

(e) If not included in the 2020 UWMP, analysis of the sufficiency of groundwater projected to be pumped by IRWD from the Basin to meet the projected water demand of the Project:

See responses to 4(b) and 4(d).

The OCWD MPR and LTFP examined future Basin conditions and capabilities, water supply and demand, and identified projects to meet increased replenishment needs of the basin. With the implementation of OCWD’s preferred projects, the Basin yield in the year 2025 would be up to 500,000 AF. The amount that can be produced will be a function of which projects will be implemented by OCWD and how much increased recharge capacity is created by those projects, total demands by all producers, and the resulting Basin Production Percentage (“BPP”) that OCWD sets based on these factors.¹⁵ Sufficient replenishment supplies are projected by the OCWD MPR to be available to OCWD to meet the increasing demand on the Basin. These supplies include capture of increasing Santa Ana River flows, purchases of replenishment water from MWD, and development of new local supplies. In 2008, OCWD began operating its replenishment supply project, the Groundwater Replenishment System project (“GWRS”). The GWRS currently produces approximately 100,000 AFY of new replenishment supply from recycled water (OCWD GMP).

Production of groundwater can exceed applicable basin production percentages on a short-term basis, providing additional reliability during dry years or

¹³ See Potable Supply - Groundwater, paragraph (iii), above. DRWF non-colored production above 28,000 AFY and colored water production above 8,000 AFY are subject to contractually-imposed assessments. In addition, seasonal production amounts apply. This also includes 914 AFY for the OPA well and 6,329 AFY for Wells 21 & 22.

¹⁴ Under-development.

¹⁵ OCWD has adopted a basin production percentage of 77% for 2022-23. In prior years OCWD has maintained a basin production percentage that is lower than the current percentage, and IRWD anticipates that such reductions may occur from time to time as a temporary measure employed by OCWD to encourage lower pumping levels as OCWD implements other measures to reduce the current accumulated overdraft in the Basin. Any such reductions are not expected to affect any of IRWD’s currently available groundwater supplies listed in this assessment, which are subject to a contractually-set equivalent basin production percentage as described or are exempt from the basin production percentage.

emergencies. Additional groundwater production is anticipated by OCWD in the Basin in dry years, as producers reduce their use of imported supplies, and the Basin is “mined” in anticipation of the eventual availability of replenishment water. (OCWD MPR, section 14.6.)

See also, Figures 1-8 hereto. IRWD assesses sufficiency of supplies on an aggregated basis, as neither groundwater nor other supply sources are allocated to particular projects or customers. Under the Irvine Subbasin Agreement, IRWD is contractually obligated to attribute the Subbasin supply only to TIC development projects for assessment purposes; however, the agreement does not allocate or assign rights in the Subbasin supply to any project.

Sustainable Groundwater Management Act. Pursuant to the Sustainable Groundwater Management Act (“SGMA”), the DWR has designated the Orange County groundwater basin, Basin 8-1, as a medium priority basin for purposes of groundwater management. The SGMA specifically calls for OCWD, which regulates the Orange County groundwater basin, to serve as the groundwater sustainability agency or “GSA”. The SGMA allows Special Act Districts created by statute, such as OCWD, to prepare and submit an alternative to a Groundwater Sustainability Plan (“GSP”) that is “functionally equivalent” to a GSP. Basin 8-1 includes the OCWD service area and several fringe areas outside of OCWD that are within the Basin 8-1 boundary. Per the requirements of SGMA, an Alternative Plan must encompass the entire groundwater basin as defined by DWR. On January 1, 2017, OCWD and the overlying agencies within Basin 8-1, including IRWD, jointly prepared and submitted an alternative plan in compliance with SGMA (Basin 8-1 Alternative). The Basin 8-1 Alternative was updated in January 2022.

5. This Water Supply Assessment is being completed for a project included in a prior water supply assessment. Check all of the following that apply:

- Changes in the Project have substantially increased water demand.
- Changes in circumstances or conditions have substantially affected IRWD’s ability to provide a sufficient water supply for the Project.
- Significant new information has become available which was not known and could not have been known at the date of the prior Water Supply Assessment.

6. References

Water Resources Master Plan, Irvine Ranch Water District, Updated 2017

Water Shortage Contingency Plan, Irvine Ranch Water District, June 2021

2020 Urban Water Management Plan, Irvine Ranch Water District, June 2021

Southern California’s Integrated Water Resources Plan, Metropolitan Water District of Southern California, March 1996

Proposed Framework for Metropolitan Water District's Delta Action Plan, Metropolitan Water District of Southern California, May 8, 2007

2007 IRP Implementation Report, Metropolitan Water District of Southern California, October 7, 2007

Board Letter, Action plan for updating the Integrated Resources Plan, Metropolitan Water District of Southern California, December 11, 2007

2010 Integrated Resources Plan Update, Metropolitan Water District of Southern California, October 2010

2015 Integrated Resources Plan Update, Metropolitan Water District of Southern California, January 2016

2020 Urban Water Management Plan, Metropolitan Water District of Southern California, June 2021

2020 Urban Water Management Plan, Municipal Water District of Orange County, May 2021

Climate Action Plan Phase 2: Climate Change Analysis Guidance, California Department of Water Resources, September 2018

Master Plan Report, Orange County Water District, April 1999

Groundwater Management Plan 2015 Update, Orange County Water District, June 2015

Final Draft Long-Term Facilities Plan, Orange County Water District, January 2006

Long-Term Facilities Plan 2014 Update, Orange County Water District, November 2014

2020-2021 Engineer's Report on Groundwater Conditions, Water Supply and Basin Utilization in the Orange County Water District, Orange County Water District, February 2022

Basin 8-1 Alternative, Orange County Water District, January 2017

Basin 8-1 Alternative 2022 Update, Orange County Water District, January 2022

Exhibit A

Depiction of Project Area

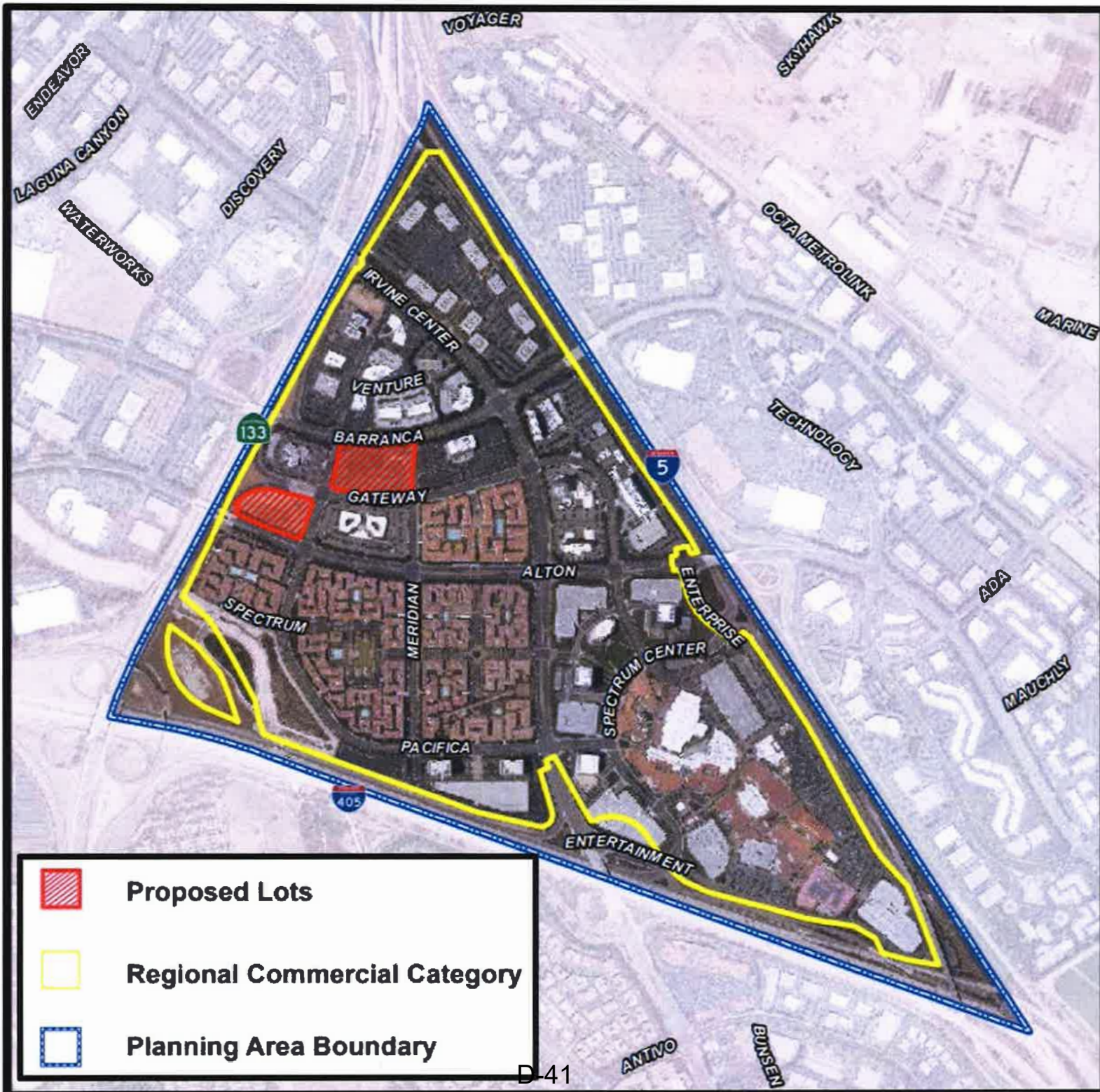


Exhibit B

Uses Included in Project

April 13, 2022

Irvine Ranch Water District
15600 Sand Canyon Avenue
P.O. Box 57000
Irvine, CA 92619-7000

Re: Request for Water Supply Availability Assessment (Water Code §10910 *et seq.*)

The City of Irvine hereby requests an assessment of water supply availability for the below-described project. The City has determined that the project is a "project" as defined in Water Code §10912, and has determined that an environmental impact report is required for the project.

Proposed Project Information

Project Title: Lot 103 (585-082-01) and Lot 106 (585-081-02)

Location of project: 106 (Alton and Pacifica) 103 (Barranca/Pacific /Gateway) within City of Irvine Planning Area 33

(For projects requiring a new assessment under Water Code §10910 (h).) Previous Water Supply Assessment including this project was prepared on:_____. This application requests a new Water Supply Assessment, due to the following (check all that apply):

- Changes in the project have substantially increased water demand
- Changes in circumstances or conditions have substantially affected IRWD's ability to provide a sufficient water supply for the project
- Significant new information has become available which was not known and could not have been known at the date of the prior Water Supply Assessment

(Enclose maps and exhibits of the project)

Type of Development:

- Residential: No. of dwelling units: 1100 dwelling units
- Shopping center or business: No. of employees____ Sq. ft. of floor space _____
- Commercial office: No. of employees____ Sq. ft. of floor space _____
- Hotel or motel: No. of rooms _____
- Industrial, manufacturing, processing or industrial park: No. of employees____
No. of acres _____ Sq. ft. of floor space _____
- Mixed use (check and complete all above that apply)
- Other: _____

Total acreage of project: 10.4 ac. (Lot 103 - 6.2 ac / Lot 106 - 4.2 ac.)

Acres devoted to landscape:

Greenbelt Approximately 1.5 acres Golf Course _____
 Parks Approximately 1 acre
 Agriculture _____ Other landscaped areas _____
 Number of schools _____ Number of public facilities _____

Other factors or uses that would affect the quantity of water needed, such as peak flow requirements or potential uses to be added to the project to reduce or mitigate environmental impacts:

What is the current land use of the area subject to a land use change under the project?
Current use is commercial, vacant land. Units will be in addition to overall commercial square footage already permitted in Planning Area 33.

Is the project included in the existing General Plan? No. If no, describe the existing General Plan Designation Land is designated Regional Commercial which currently permits residential uses. Application submitted for General Plan Amendment to add 1,100 residential units to the current allocation of land uses in Planning Area 33.

The City acknowledges that IRWD's assessment will be based on the information hereby provided to IRWD concerning the project. If it is necessary for corrected or additional information to be submitted to enable IRWD to complete the assessment, the request will be considered incomplete until IRWD's receipt of the corrected or additional information. If the project, circumstances or conditions change or new information becomes available after the issuance of a Water Supply Assessment, the Water Supply Assessment may no longer be valid. The City will request a new Water Supply Assessment if it determines that one is required.

The City acknowledges that the Water Supply Assessment shall not constitute a "will-serve" or in any way entitle the project applicant to service or to any right, priority or allocation in any supply, capacity or facility, and that the issuance of the Water Supply Assessment shall not affect IRWD's obligation to provide service to its existing customers or any potential future customers including the project applicant. In order to receive service, the project applicant shall be required to file a completed Application(s) for Service and Agreement with the Irvine Ranch Water District on IRWD's forms, together with all fees and charges, plans and specifications, bonds and conveyance of necessary easements, and meet all other requirement as specified therein.

CITY OF IRVINE/COUNTY OF ORANGE

By:  Principal Planner

REQUEST RECEIVED:

Date: April 14, 2022

By: 
Irvine Ranch Water District

REQUEST COMPLETE:

Date: May 2, 2022

By: 
Irvine Ranch Water District

July 11, 2022
Prepared by: J. Muncy
Submitted by: R. Jacobson / C. Clary
Approved by: Paul A. Cook



CONSENT CALENDAR

FY 2022-23 OPERATING BUDGET VENDOR EXPENDITURE COMMITMENTS GREATER THAN \$200,000

SUMMARY:

Each year, based on the Board-approved IRWD operating budget, staff initiates or renews commitments with vendors for certain products and services included in the approved budget. Staff has provided a list of those vendors with expected commitments totaling \$200,000 or greater in Fiscal Year (FY) 2022-23 for the Board's review. The list of vendor commitments excludes contracts or agreements approved by separate Board action. Consistent with provisions included in the District's Policy Regarding Authorization of Expenditures, staff recommends the Board approve the list provided of vendor expenditure commitments greater than \$200,000 for FY 2022-23.

BACKGROUND:

On a biennial basis, the Board approves the fiscal year operating budget for IRWD for the upcoming year. Included in the operating budget are expenditures for line items such as chemicals, fuel, hauling of biosolids, and other products and services which result in commitments greater than \$200,000. These expenditures often utilize cooperative agreements for best pricing when available or have been previously competitively bid and, in some cases, are for specialized products (e.g., certain chemicals) provided by a single supplier.

These commitments are structured as open purchase orders and typically consist of multiple individual transactions during the fiscal year with the cumulative total of the purchase order exceeding \$200,000. The approval structure allows staff to order goods and services on a regular and efficient basis during the fiscal year. These commitments are made based on a not-to-exceed amount and can be cancelled at any time.

A list of the planned vendor commitments exceeding \$200,000 for FY 2022-23 is provided as Exhibit "A". The list includes vendor names, descriptions of the products or service being provided, the basis for pricing (e.g., cooperative agreement, single source, etc.), and estimated annual expense. Excluded from this list are contracts in excess of \$200,000, which have been approved by separate Board action and are within their approved contract period, as well as recurring utility bills.

The cumulative planned expenditure amount for the listed vendors for FY 2022-23 is \$7,572,500, representing approximately 4.03% of total planned expenditures in the approved operating budget. Consistent with provisions included in the District's Policy Regarding Authorization of Expenditures, staff recommends the Board approve the list of vendor commitments greater than \$200,000 for FY 2022-23.

FISCAL IMPACTS:

Total planned expenditures for FY 2022-23 for vendor commitments greater than \$200,000 (excluding contracts/agreements approved by separate Board action) are \$7,572,500, representing approximately 4.03% of total planned expenditures in the approved FY 2022-23 operating budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on July 5, 2022.

RECOMMENDATION:

THAT THE BOARD APPROVE THE LIST OF VENDOR COMMITMENTS GREATER THAN \$200,000 BASED ON APPROVED FISCAL YEAR 2022-23 OPERATING BUDGET EXPENDITURES.

LIST OF EXHIBITS:

Exhibit "A" – FY 2022-23 Operating Budget Vendor Commitments Greater than \$200,000

FY 2022/23 Operating Budget - Vendor Commitments Greater than \$200,000

Supplier	Service	Requester	Type	PO Amount
Biomagic Inc.	FY 22/23 Open PO for odor control chemical deliveries to various locations determined by IRWD	B. Joseph	Single Source	\$200,000
Brenntag Pacific Inc	FY 22/23 Open PO for citric acid 50% deliveries at BWTP	K. Reideler	Single Source	\$287,500
California Barricade Rental, Inc.	FY 22/23 Open PO to provide IRWD traffic control services for Departments 420, 425, 430 & 570	K. Pfister G. Barreto D. Crowe B. Joseph	Competitive Bid	\$270,000
Chem Tech International Inc	FY 22/23 Open PO to deliver Sodium Hypochlorite 12.5% mini-bulk deliveries to DATS	B. Clinton	Single Source	\$400,000
Culligan Of Santa Ana	FY 22/23 Open PO for resin exchange services at BWTP	K. Reideler	Single Source	\$345,000
Drake Traffic Control Services Inc	FY 22/23 Open PO to provide IRWD traffic control services for Departments 420, 425, 430 & 570	K. Pfister G. Barreto D. Crowe B. Joseph	Competitive Bid	\$270,000
Hill Brothers Chemical	FY 22/23 Open PO for the delivery of odor control product (Oxy-Can) to various locations determined by IRWD	B. Joseph	Single Source	\$350,000
Merrimac Petroleum, Inc.	FY 22/23 Open PO for gasoline and diesel motor fuel	J. Sciabica	Cooperative Agreement (Huntington Beach)	\$700,000
Olin Corporation	FY 22/23 Open PO for bulk Sodium Hypochlorite 12.5% deliveries at BWTP	K. Reideler	Cooperative Agreement (SOCWA)	\$300,000
Olin Corporation	FY 22/23 Open PO to supply bulk Sodium Hypochlorite 12.5% for DATS, PTP, & and other locations determined by IRWD	D. Paulson	Cooperative Agreement (SOCWA)	\$250,000
Olin Corporation	FY 22/23 Open PO to supply MWRP with Sodium Hypochlorite 12.5% for effluent disinfection, MBR, and odor scrubber	A. Nieto	Cooperative Agreement (SOCWA)	\$700,000
Polydyne Inc	FY 22/23 Open PO to supply MWRP Biosolids with emulsion polymer for MWRP Biosolids dewatering	A. Nieto	Cooperative Agreement (SOCWA)	\$600,000
Polydyne Inc	FY 22/23 Open PO to supply MWRP Biosolids with emulsion polymer for solids thickening	A. Nieto	Cooperative Agreement (SOCWA)	\$250,000
Synagro-Wwt Inc.	FY 22/23 Open PO to provide Class A Pellets for MWRP Biosolids hauling	P. Reynoso	Cooperative Agreement (SOCWA)	\$250,000
Synagro-Wwt, Inc.	FY 22/23 Open PO to provide Class B Pellets for MWRP Biosolids hauling	A. Nieto	Cooperative Agreement (SOCWA)	\$1,500,000
Traffic Management, Inc	FY 22/23 Open PO to provide IRWD traffic control services for Departments 420, 425, 430 & 570	K. Pfister G. Barreto D. Crowe B. Joseph	Competitive Bid	\$270,000
Water Treatment Chemicals Inc	FY 22/23 Open PO to provide bulk Sumaclear 1000 Aluminum Chlorohydrate 50% deliveries to BWTP	K. Reideler	Single Source	\$300,000
Zebbron Contracting	FY 22/23 Open PO for manhole structure rehabilitation at various locations determined by IRWD	B. Joseph	Competitive Bid	\$330,000
				\$7,572,500

Note: This page is intentionally left blank.

July 11, 2022

Prepared by: D. Cotton

Submitted by: C. Clary

Approved by: Paul A. Cook



CONSENT CALENDAR

UTILITY BILL PRINTING, MAILING, AND ELECTRONIC BILL PRESENTMENT SERVICES CONTRACT

SUMMARY:

IRWD's contract for utility bill printing, mailing, and electronic presentment services with Infosend, Inc. was originally awarded in August 2017 based on the evaluation of six proposals from qualified candidates. The original contract was for three years with automatic 24-month renewal extensions unless terminated. Staff recommends the Board approve an additional two-year renewal period for utility bill printing, mailing, and electronic bill presentment services with Infosend effective August 16, 2022, in the approximate amount of \$632,000 per year for a total of \$1,264,000 (based on the current number of bills, printed notifications, correspondence and postage rates) covering August 16, 2022, through August 15, 2024.

BACKGROUND:

IRWD's contract for utility bill printing, mailing, and electronic bill presentment services with Infosend, originally awarded in August 2017, expired on August 15, 2020. In May 2022, staff conducted an evaluation of the cost and services provided by Infosend and comparative vendors. Based on positive customer feedback, exceptional performance over the past five years, enhanced technology, cybersecurity options, and extensive Paymentus integration requirements, staff recommends a two-year contract extension. Infosend has provided customers with on-time and flexible bill delivery options. Its flexible and customizable bill messaging options allowed the District to communicate the "*We'll Help You Through This*" campaign during COVID-19 and will be utilized to communicate future campaigns to educate customers about billing, payment options, conservation, state- and federally funded assistance programs, and delinquency information. Extending the Infosend contract will maintain continuity and customer support.

Responsibilities of IRWD's bill print provider include the ability to send customers a secure link to access the payment processor portal and usage history, send a PDF image of the monthly electronic bill (eBill), United States Postal Service (USPS) bill presentment, pre-printed newsletters, ad-hoc messaging on bills and envelopes, and in IRWD's newsletter. From August 2017 through December 1, 2021, there were no price increases in contract fees (other than pass-through increases for postage). Effective December 1, 2021, due to the increases in the cost of labor and materials, the vendor increased prices 9.5%, or approximately \$0.07, per printed bill. This equates to a price increase of less than 2 % per year since the inception of the contract. Estimated costs to print bills, correspondences, and notifications are approximately \$220,000. Estimated costs for pass-through postage costs to mail bills, correspondence and notifications are approximately \$412,000 (based on current and future estimated USPS postage rates).

FISCAL IMPACTS:

Funds for utility bill printing, mailing, and electronic bill presentment services for FY 2021-22 and FY 2022-23 are included in the approved FY 2021-23 Operating Budgets.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on July 5, 2022.

RECOMMENDATION:

THAT THE BOARD APPROVE A TWO-YEAR RENEWAL PERIOD EFFECTIVE AUGUST 16, 2022, THROUGH AUGUST 15, 2024, WITH INFOSEND, INC. FOR UTILITY BILL PRINTING, MAILING, AND ELECTRONIC BILL PRESENTMENT SERVICES, TOTALING APPROXIMATELY \$1,264,000.

LIST OF EXHIBITS:

Exhibit "A" – Infosend, Inc. Service Agreement
Exhibit "B" – Utility Bill Printing Fee Schedule



InfoSend Service Agreement

This Agreement entered into as of **August 15, 2017** in Anaheim, California, by and between **InfoSend, Inc.** having its main office at 4240 E. La Palma Ave, Anaheim, California 92807 and **Irvine Ranch Water District**, "Client" having its main office at: 15600 Sand Canyon Avenue, Irvine, CA 92618. InfoSend's primary phone number is (714) 993-2690.

Section 1. Term of Agreement

The "Initial Term" of this Agreement shall be a period of thirty-six (36) months. Subsequent twenty-four (24) month "Renewal Periods" Term shall automatically commence upon the expiration of any term (Initial Term or Renewal Period) unless either party shall:

- Execute a mutually agreeable Agreement Amendment prior to the expiration of the current term that documents a different mutually agreeable renewal period length.
- Give written notice of non-renewal at least 60 days prior to the end of the current term. The party giving non-renewal notice can indicate if it prefers for the contract to be terminated at the end of the current term or for it to continue on a month-to-month basis if mutually agreeable to the other party. This notice must be sent in writing via certified mail, FedEx, UPS, all with delivery signature requested to cancel the automatic renewal of the Agreement for Renewal Period should a mutually agreeable Agreement Amendment not be signed before the end of the current term.

This Agreement automatically terminates any prior contracts, terms or agreements previously executed between InfoSend and Client to cover the same services contained in this Agreement, unless specifically referenced herein.

Section 2. InfoSend Services

Subject to the terms and conditions of this Agreement, InfoSend will provide to Client, and Client will purchase from InfoSend, the services listed in Exhibit A ("Scope of Primary Services") to this Agreement for the pricing set forth in Exhibit B ("InfoSend Fees"). In the event Client requires other consulting, installation, development and/or customization services, InfoSend shall perform and Client shall purchase such services in accordance with the provisions of Exhibit C ("Professional Services") of this Agreement.

Section 3. Termination

This Agreement and any future amendments to the Agreement may be terminated for cause as follows:

- (a) If either party breaches any material term or condition of this Agreement, other than for Client's failure to pay and other than a failure to perform due to the causes described in Section 8, "Force Majeure," and fails either to substantially cure breach within thirty (30) days after receiving written notice specifying the breach, or, for those breaches which cannot reasonably be cured within thirty (30) days, to promptly commence curing such breach and thereafter proceed with all due diligence to substantially cure such breach, then the party not in breach may, by giving written notice to the breaching party, terminate this Agreement in its entirety, or as it pertains to a particular Product, Deliverable, Service or Professional Service, as of a date specified in such notice of termination. All of the obligations of the parties contained in this Agreement, except for Client's obligation to pay fees, shall be deemed to have been performed in an acceptable manner unless the party not in breach provides the breaching party with written notice as stated above within sixty (60) days of the event giving rise to the breach.
- (b) If Client fails to pay when due any payables owed hereunder within thirty (30) days of receiving written notice of such failure to pay thereof, InfoSend may, at InfoSend's option, terminate this Agreement in its entirety or only as it pertains to a particular Product, Deliverable, Service or Professional Service, by giving written notice to Client, as of a date specified in such termination notice.
- (c) In the event that either party hereto becomes or is declared insolvent or bankrupt, is the subject of any proceedings related to its liquidation, insolvency or for the appointment of a receiver or similar officer for it,

A handwritten signature in blue ink, appearing to be "Pa", written over a horizontal line.

makes an assignment for the benefit of all or substantially all of its creditors, or enters into an agreement for the composition, extension or readjustment of all or substantially all of its obligations, then the other party hereto may, by giving written notice thereof to such party, terminate this Agreement as of the date specified in such notice of termination.

Upon termination of this Agreement or any portion hereof for any reason, all rights granted to Client under this Agreement with respect to terminated Products, Deliverables, Services and Professional Services, will cease and Client will promptly pay to InfoSend any and all charges due, including but not limited to payables that are due pursuant to this Agreement, the Discontinuance Fee set forth in Section 4 below and accrued finance charges; however, Client shall not be responsible for paying the Discontinuance Fee if this Agreement is terminated by InfoSend other than as a result of Client's breach of its obligations hereunder or is terminated by Client pursuant to Paragraph 3(a).

Section 4. Discontinuance Fee

The parties have mutually agreed upon the Fees for the Services to be provided hereunder based upon certain assumed volumes, and the Term of this Agreement. Because of the difficulty in ascertaining InfoSend's actual damages for Client's termination without cause or a termination of the Agreement due to a breach by Client prior to the expiration of the then-current Term, Client agrees that, prior to the effective date of such termination and in addition to all other payables then due and owing to InfoSend, Client will pay to InfoSend the following discontinuance fee:

The discontinuance fee is equal to two (2) months of the Client's average monthly billing for the previous 6 months of Service (excluding any postage charges and professional services fees that were invoiced in that time period).

Client shall not be required to pay the Discontinuance Fee if InfoSend terminates the Agreement pursuant to Section 3, Paragraph (a).

Section 5. Confidentiality of Information

All information and data relating to Client's business submitted by Client to InfoSend under this Agreement shall be treated as confidential by InfoSend and shall not, unless otherwise required by law, be disclosed to any third party by InfoSend without Client's written consent. InfoSend shall promptly notify Client should InfoSend be served with a summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, requests for admission, or other discovery request or court order from any third party regarding this Agreement and/or the Services performed under this Agreement.

InfoSend takes great care in both data security and human resource security. InfoSend has a Human Resources policy that requires all new employees to pass a background check performed by an outside company. All new employees must pass a drug-screening test as well. These practices will remain in place for the duration of the Agreement.

Section 6. Limitation of Liability and Indemnification

InfoSend will not be responsible for actions or omissions resulting from receiving data and/or following instructions received from Client. No damages shall be assessed against InfoSend when any delay or breach on InfoSend's part is caused by failure of Client to perform Client's responsibilities or any other reason beyond the control of InfoSend.

InfoSend is a service provider, as such; Client acknowledges that data processing involves the risk of human and machine errors that InfoSend shall not be liable for any errors, omissions, delays or losses, except for damages or losses caused by the negligence or willful misconduct of InfoSend. InfoSend shall defend, hold harmless and indemnify Client from all claims, damages and losses, including reasonable attorney's fees, caused by the negligence or willful misconduct of InfoSend. In no event shall InfoSend be liable for indirect, special or consequential damages even if InfoSend has been advised of the possibility of such potential claim, loss or damage. The foregoing limitation of liability and exclusion of certain damages shall apply regardless of the success or effectiveness of other remedies. Notwithstanding anything to the contrary contained herein, InfoSend shall not be responsible for delays in receipt of Client information or processing Client information because of causes

beyond its reasonable control, including, without limitation, failures or limitations on the availability of third party telecommunications or other transmission facilities and Clients' failure to properly enter and/or transmit information.

Section 7. Invoicing and Payment ^{monthly pc}

InfoSend will issue ~~weekly~~ ^{30 pc} invoices. Invoice terms are NET 10. Should Client dispute any invoiced charges it must do so in a reasonable time frame. Disputes must be made within 3 months of the invoice date. Past due invoices are subject to a 1.5% per month finance charge.

Client acknowledges that past due invoices must be paid in a timely fashion to avoid service interruptions. The recurring nature of InfoSend's services result in a rapid rise in the Client's account balance if Client's accounts payable process is delayed. This is especially true if InfoSend is invoicing client for postage charges. It is therefore necessary for InfoSend to put service on hold if past due account balances are not paid in a timely manner. The Past Due Accounts Receivable notes and procedures are outlined below:

- InfoSend is at significant risk of financial loss if clients default on their past due debt. InfoSend's Accounts Receivable staff must therefore constantly monitor past due account balances and evaluate the risk of a client defaulting on debt if courtesy emails and finance charges do not reduce this risk. InfoSend reserves the right to reduce this risk by notifying Client's staff in writing that it must pay at least the portion of the account balance that is past due within five (5) days to avoid InfoSend's services being put on hold.
- Should a hold be instated it will immediately be removed once payment is received.
- Additionally, unpaid balances can result in cancellation of the agreement as per Section 3(b).


Section 8. Force Majeure

Neither party will be liable for any failure or delay in performing an obligation under this Agreement that is due to causes beyond its reasonable control, including, but not limited to, fire, explosion, epidemics, earthquake, lightning, failures or fluctuations in electrical power or telecommunications equipment, accidents, floods, acts of God, the elements, war, civil disturbances, acts of civil or military authorities or the public enemy, fuel or energy shortages, acts or omissions of any common carrier, strikes, labor disputes, regulatory restrictions, restraining orders or decrees of any court, changes in law or regulation or other acts of government authority, transportation stoppages or slowdowns or the inability to produce parts or materials. These causes will not excuse Client from paying accrued payables due to InfoSend through any available lawful means acceptable to InfoSend.

Section 9. Miscellaneous

The substantive laws of the state of California shall govern this Agreement. It constitutes the entire Agreement between the parties with respect to the subject matter hereof. No representations and agreements modifying or supplementing the terms of this Agreement will be valid unless in writing, signed by persons authorized to sign agreements on behalf of both parties. This Agreement is not intended to, and shall not be construed to, create or confer any right in or upon any person or entity not a party to it.

Irvine Ranch Water District

Name: Paul Cook
 Title: General manager
 Signature: 
 Date: August 17, 2017

InfoSend, Inc.


Name: Russ Rezai
 Title: President
 Signature: 
 Date: August 15, 2017

Exhibit A - Scope of InfoSend Primary Services

Client will select one or more of InfoSend's Primary Services from the list below by checking the box next to the Primary Service name. Any Primary Services not selected prior to the execution of this Agreement can be added at a later date via an Agreement Amendment. Optional Service Features can be turned on or off at any time without incurring a termination fee when turned off.

<input checked="" type="checkbox"/>	Data Processing, Printing and Mailing Service ("DPPM Service"): During the term of this Agreement, InfoSend will provide data processing, printing and mailing services. The Service consists of processing data, printing documents, mail preparation, applying postage (where applicable) and sending via the United States Postal Service. Document types include but are not limited to bills, postcards and letters.
<input checked="" type="checkbox"/>	InfoSend will provide eBusiness services (the "eBusiness Services"). During the term of this Agreement InfoSend can provide eBusiness Services. These services can include presenting bills online and/or accepting payment transaction information to facilitate ACH and/or credit card payments.

Section 1. Scope of DPPM Service:

Data Transfer and Processing

- Client to transmit data to InfoSend in an agreed upon format. Should Client make changes to data file format after initial setup is complete it agrees to pay for the professional services required to accommodate the new file format. See Exhibit C – Professional Services for information on initial setup and ongoing programming changes.
- A File Transfer Report will be emailed to the Client representatives who have opted-in to this email. A copy of this report is also available to download from the InfoSend website.
- Client will have access to an online Job Tracking application that shows the progress of each file as it is processed and becomes a batch of documents to be printed and mailed. Client can see both the original input file name and the InfoSend-assigned "Job Code".
- InfoSend will process the mailing addresses and perform the following functions:
 - Apply CASS-certified address validation
 - Comply with USPS requirements to obtain pre-sort automation rates
 - InfoSend will stay current with all USPS regulations required to mail presorted first class mail
- InfoSend will provide proofs of the final print-ready PDF files to Client to be reviewed and approved before printing begins (if requested).

Document Printing and Mailing

- Batches are printed by InfoSend using a high-speed production process onto the agreed upon forms.
- Printed documents are put through a quality control process and then released to the mailing department to be inserted into outgoing envelope. The return envelope and any applicable inserts are included as well.
- After a batch of mail is completed in InfoSend's system it will be marked as such in the online Job Tracker and a Process Confirmation Report will be emailed to the Client representatives who have opted-in to this email. A copy of this report is also available to download from the InfoSend website.

Exhibit B - InfoSend Fees

Section 1. Price Escalations to InfoSend Fees

InfoSend Fees can be adjusted once every twelve (12) months to account for increases in the cost of materials, labor, and other overhead costs. InfoSend reserves the right to increase InfoSend Fees on a yearly basis (starting with the first anniversary of the Agreement date). The Client will be notified, in writing, at least 30 days prior to such price increase. InfoSend fees will not be increased without the prior written consent of Client. An amendment to this Agreement will not be required if the Fees are changed, unless the terms or conditions of the Agreement have changed. Postage fees can change at any time per USPS regulations and do not require an Agreement amendment.

Section 2. DPPM Fees:

Client understands that print and mail production costs vary based on volume. The following InfoSend Fees are based on the estimated monthly volumes listed below. Should Client's actual continuous volume be less than 70% of the volume estimates Client has provided to InfoSend (listed below) then InfoSend reserves the right to invalidate the Fees listed in this Agreement. Should this rare situation arise then InfoSend will notify Client immediately and negotiate with Client in good faith to pass on any increased production costs to Client. If this circumstance arises and InfoSend invalidates the Fees listed in this Agreement, Client reserves the right to terminate this Agreement with no additional obligation or cost to InfoSend.

Sales tax is not included. Any applicable sales tax will be collected per government regulations.

Example Summary Service Fees for 2 Page Utility Bill – Custom Envelope Package

Summary of fee for a typical 2 page (2 physical sheets) bill including data processing, forms, printing, fold/insert, custom envelopes, Pipelines insert (physical and eInsert) mail preparation, delivery to USPS, account management, reports, and Web tools is **\$0.202** per bill package.

Item	Unit fee	Units	total
Processing	\$0.0145	2	\$0.029
Print 1 st page	\$0.025	1	\$0.025
Print 2 nd page	\$0.005	1	\$0.005
Forms	\$0.012	2	\$0.024
Bill page inserting	\$0.015	2	\$0.03
Archive	\$0.006	1	\$0.006
eInsert	\$0.002	1	\$0.002
Newsletter	\$0.047	1	\$0.047
Custom #10	\$0.018	1	\$0.018
Custom #9	\$0.016	1	<u>\$0.016</u>

\$0.202

Example Summary Service Fees for 2 Page Utility Bill – Standard Envelope Package

Summary of fee for a typical 2 page (2 physical sheets) bill including data processing, forms, printing, fold/insert, InfoSend standard envelopes, Pipelines insert (physical and eInsert) mail preparation, delivery to USPS, account management, reports, and Web tools is **\$0.194** per bill package.

Item	Unit fee	Units	total
Processing	\$0.0145	2	\$0.029
Print 1 st page	\$0.025	1	\$0.025
Print 2 nd page	\$0.005	1	\$0.005
Forms	\$0.012	2	\$0.024
Bill page inserting	\$0.015	2	\$0.03
Archive	\$0.006	1	\$0.006
eInsert	\$0.002	1	\$0.002
Newsletter	\$0.047	1	\$0.047

Custom #10	\$0.018	1	\$0.014
Custom #9	\$0.016	1	<u>\$0.012</u>
			\$0.194

5. Cost Proposal for Task 1 (Monthly Printing Services)

Display proposed cost per piece and pricing methodology on one page

Printing Services	Per Item	Options Below:
	<p>Bills, Correspondence & Notices Data Processing & Document Composition</p> <p>Price is per page produced, no cost for production of backer image, where applicable.</p>	\$0.0145
	<p>Bills, Correspondence & Notices Printing</p> <p>Approximately 64,000 mail pieces per month, the exact number of sheets produced is unknown but estimated to be 102,400 sheets per month. Price is per physical sheet of paper produced, no cost to print the backer image.</p>	<p>Per 1st Sheet \$0.025</p> <p>Per Additional Sheet \$0.005</p>
	<p>13 Months of Print Image Archive</p> <p>Per bill PDF. This is normally considered an optional service so the details (and additional retention options) are listed on the optional services page.</p>	\$0.006
	<p>Example Summary Printing Service Fees for 1 Page Utility Bill or other Notice (Excluding Materials & Postage)</p> <p>A utility bill or notice with 1 physical sheet of paper (with duplex printing) & 13 months of PDF archiving costs:</p> <p>\$0.0145 (processing) + \$0.025 (1st Page Printing) + \$0.006 (13 Month Archive)</p>	\$0.0455 for 1 Page Bill or Notice
	<p>Example Summary Printing Service Fees for 2 Page Utility Bill (Excluding Materials & Postage)</p> <p>A utility bill with 2 physical sheets of paper (with duplex printing) & 13 months of PDF archiving costs:</p> <p>\$0.0145 (processing) x 2 + \$0.025 (1st Page Printing) + \$0.005 (2nd Page Printing) + \$0.006 (13 Month Archive)</p>	\$0.065 for 2 Page Utility Bill

6. Cost Proposal for Task 2 (Monthly Mailing Services)

Display proposed costs per piece and pricing methodology on one page.

Mailing Services	Per Item	Options Below:
	<p>Bills, Correspondence & Notices Mailing Mailing services required for folding, inserting, presorting, mailing via USPS. Price is per sheet mailed.</p>	\$0.015
	<p>Multiple Page Mail Piece Surcharge – Handwork This surcharge is assessed per mail piece (not per page). This surcharge only applies to multiple page bills that have too many pages to be inserted into the #10 envelope.</p>	\$0.20
	<p>Postage (for all job types) You will be invoiced for the exact postage used.</p>	Pass Through
	<p>Electronic Address Updates – NCOALink or ACS Per reported update. This is only charged if there is a change of address filed by the customer for the address you provided.</p>	\$0.20 per hit
	<p>Example Summary Mailing Service Fees for 1 Page Utility Bill or Notice (Excluding Materials & Postage) A utility bill with 1 physical sheet of paper \$0.015 (Mailing) x 1</p>	\$0.015 for 1 Page Bill or Notice
	<p>Example Summary Mailing Service Fees for 2 Page Utility Bill (Excluding Materials & Postage) A utility bill with 2 physical sheets of paper \$0.015 (Mailing Service) x 2</p>	\$0.03 for 2 Page Utility Bill
	<p>Example Summary Mailing Service Fees for 20 Page “House Holded” Utility Bill (Excluding Materials & Postage) A utility bill with 20 physical sheets of paper \$0.015 (Mailing Service) x 20 + \$0.20 (Multiple Mail Piece Handwork Surcharge)</p>	\$0.50 for 20 Page Utility Bill

7. Cost Proposal for Task 3 (Electronic Bill Presentment Services)

Display proposed costs per piece and pricing methodology on one page.

eBill Loading and Storage Fee

Fee to load eBill PDFs in the eBusiness system and store for 13 months. \$0.023 each



8. Cost Proposal for Task 4 (Electronic Payment Services)

Display proposed costs per piece and pricing methodology on one page.

Payment Initiation & PCI Compliance Fee \$0.055 Each

Per payment initiated to one of InfoSend's preferred payment partners. This is for all payment initiations for ACH, credit card, auto pay, same day or scheduled payments made through the system. Processing costs will be covered under separate contract directly with processor.

9. Cost Proposal for Task 5 (Optional Newsletter Printing)

Display proposed costs per piece pricing methodology on one page.

Pipelines Newsletter Marketing Insert –

8.5" x 11", printed 4/4 on matte stock \$0.047 Each



10. Cost Proposal for Task 6 (Optional Special Direct Mail Services)

Display proposed costs per piece pricing methodology on one page.

We're sorry but there is no possible way to price optional special direct mail jobs up front. Pricing is provided upon request.

Direct mail has a myriad of different options such as paper stock, size of printed piece, type of postage used, etc. It cannot be priced up front unless IRWD provides some specific examples of direct mail job specifications and volumes.



Exhibit J – Pricing Detail

Bid Sheets for Utility Bill Printing, Mailing, and Electronic Bill Presentment Services for a Three Year Contract with Two Optional One Year Renewals

Company Name InfoSend Inc.

Year 1 of 3	BID PRICE
See assumptions document for detailed breakdown of quantities used to calculate totals	
Task 1 Perform printing services required for bill, correspondence, notice printing includes custom envelopes & PDF archiving of the printed pages for 13 months	<u>\$94,556.16</u>
Task 2 Perform mailing services required for folding, inserting, presorting, mailing excludes postage	<u>\$18,432.00</u>
Task 3 Perform electronic bill presentment services	<u>\$15,180.00</u>
Lump Sum Total Bid for Tasks 1-3 Year 1 of 3	<u>\$128,168.16</u>
 Optional Task 4 – Perform electronic payment services	 <u>\$25,410.00</u>
Optional Task 5 – Perform printing of monthly newsletter	<u>\$30,456.00</u>
Optional Task 6 – Perform Special Direct Mail Services There is no possible way to price this without specifications	<u>Need specs</u>
Lump Sum Total Bid for Optional Tasks 4-6 Year 1 of 3	<u>\$55,866.00</u>

Year 2 of 3	BID PRICE
Task 1 Perform printing services required for bill, correspondence, notice printing	<u>\$94,556.16</u>
Task 2 Perform mailing services required for folding, inserting, presorting, mailing	<u>\$18,432.00</u>
Task 3 Perform electronic bill presentment services	<u>\$15,180.00</u>
Lump Sum Total Bid for Tasks 1-3 Year 1 of 3	<u>\$128,168.16</u>
 Optional Task 4 – Perform electronic payment services	 <u>\$25,410.00</u>
Optional Task 5 – Perform printing of monthly newsletter	<u>\$30,456.00</u>
Optional Task 6 – Perform Special Direct Mail Services	<u>Need specs</u>
Lump Sum Total Bid for Optional Tasks 4-6 Year 1 of 3	<u>\$55,866.00</u>

InfoSend, Inc.

response to Irvine Ranch Water District

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Year 3 of 3

BID PRICE

Task 1 Perform printing services required for bill, correspondence, notice printing	<u>\$94,556.16</u>
Task 2 Perform mailing services required for folding, inserting, presorting, mailing	<u>\$18,432.00</u>
Task 3 Perform electronic bill presentment services	<u>\$15,180.00</u>
Lump Sum Total Bid for Tasks 1-3 Year 1 of 3	<u>\$128,168.16</u>
Optional Task 4 – Perform electronic payment services	<u>\$25,410.00</u>
Optional Task 5 – Perform printing of monthly newsletter	<u>\$30,456.00</u>
Optional Task 6 – Perform Special Direct Mail Services	<u>Need specs</u>
Lump Sum Total Bid for Optional Tasks 4-6 Year 1 of 3	<u>\$55,866.00</u>
Lump Sum Total Bid for Combined Years 1 through 3 Tasks 1 -3	<u>\$384,504.48</u>
Lump Sum Total Bid for Combined Years 1 through 3 Optional Tasks 4 - 6	<u>\$167,598.00</u>

Bid Submitted by:

Company: InfoSend, Inc.
(Print)

Name: Russ Rezai
(Print)

Name: 
(Signature)

Title: President
(Print)

Date: 4/28/2017

Pricing: Data Processing, Print & Mail Service Set-up Fee

The setup fee is waived.

Pricing: Data Processing, Print & Mail Service & Material Fees

Please note that the below pricing is not contingent on IRWD using InfoSend's Electronic Bill Presentment and Payment service. Either service can be purchased independently of the other. While we would be ecstatic to win the contract for both services we are totally comfortable with providing one or the other and we can provide archived bill images to a third party if needed via a secure API.

InfoSend's Fees – Turnkey Data Processing, Print & Mail Service:			
The individual prices shown in the table below apply only to the turnkey Data Processing Print & Mail service for the following document types. Other types of document printing and or mailing can be quoted later, if needed.			
	Per Item	Options Below:	
Primary Services	Turnkey Data Processing Print & Mail service Price is per physical page. Includes processing of your unique data, CASS address validation, presorting, printing, and mail insertion. Finished mail pieces are delivered to the USPS within the same) business day . If samples (proofs) are requested then the mailing will be completed within one day of sample approval. File upload deadline for same-day mailing is 10:00AM local time at the production facility designated for your account. If samples are required then they must be approved by 12:00PM for the file to be mailed by the same day. Excludes materials, sales tax (where applicable), and postage. A postage deposit will be required prior to go live. For the quoted prices to apply InfoSend must have the right to combine data files sent by your organization with other files you have sent, when possible. Higher pricing applies if files must be printed separately. <i>Pricing assumes the use of materials options listed in the below section.</i>	Bills, Correspondence & Notices Data Processing & Document Composition Price is per page produced, no cost for production of backer image, where applicable.	\$0.0145
	Bills, Correspondence & Notices Printing Approximately 64,000 mail pieces per month, the exact number of sheets produced is unknown but estimated to be 102,400 sheets per month. Price is per physical sheet of paper produced, no cost to print the backer image.	Per 1 st Sheet \$0.025 Per Additional Sheet \$0.005	
	Bills, Correspondence & Notices Mailing Mailing services required for folding, inserting, presorting, mailing via USPS. Price is per sheet mailed.		\$0.015
	Multiple Page Mail Piece Surcharge – Handwork This surcharge is assessed per mail piece (not per page). This surcharge only applies to multiple page bills that have too many pages to be inserted into the #10 envelope.		\$0.20
	Postage (for all job types) You will be invoiced for the exact postage used.		Pass Through
	Electronic Address Updates – NCOALink or ACS Per reported update.		\$0.20
	Pipelines Newsletter Marketing Insert – 8.5 x 11, printed 4/4 on matte stock		\$0.047
	13 Months of Print Image Archive Per bill PDF. This is normally considered an optional service so the details (and additional retention options) are listed on the optional services page.		\$0.006
	Example Summary Service Fees for 2 Page Utility Bill (Excluding Materials & Postage) A utility bill with 2 physical sheets of paper (with duplex printing) & 13 months of PDF archiving costs: \$0.0145 (processing) x 2 + \$0.025 (1 st Page Printing) + \$0.005 (2 nd Page Printing) + \$0.015 (Mailing) x 2 + \$0.006 (13 Month Archive)		\$0.095

Material Component Fees – Data Processing Print & Mail Service

Material Component Fees – Data Processing Print & Mail Service		
Statement, Invoice, or Letter Paper Stock		
All Documents: white paper stock with or without perforation. Paper is 8.5x11" and 24lb. Price includes all inventory costs.	Per Sheet	\$0.012
InfoSend Standard Window Envelopes		
Standard Window Envelopes	Per Standard Envelope	Options Below:
These envelopes include security tint printed on the inside of the paper stock and clear film that prevent the contents of the envelope from being viewed.	#10 InfoSend Standard Double Window Outgoing Envelope	\$0.014
These envelopes include security tint printed on the inside of the paper stock and clear film that prevent the contents of the envelope from being viewed. These envelopes also use sustainably logged paper (SFI).	#9 InfoSend Standard Single Window Return Envelope	\$0.012
	Flat Single Window Envelope – only used for multiple page statements that do not fit in the #10 envelope.	\$0.08
Other Envelopes		
IRWD Custom #10 Envelope printed 1/0 – order quantity of 50,000	Per Envelope	\$0.018
Tustin Custom #10 Envelope printed 1/0 – order quantity of 50,000	Per Envelope	\$0.018
IRWD Custom #10 Envelope printed 1/0 Version 2 – order quantity of 500,000	Per Envelope	\$0.018
IRWD Custom #10 Envelope printed 2/0 (urgent) – order quantity of 50,000	Per Envelope	\$0.018
IRWD Custom #9 Envelope printed 1/0 - order quantity of 500,000	Per Envelope	\$0.016
IRWD Custom Flat Envelope, 9" x 12", printed 1/0 – order quantity of 25,000	Per Flat Envelope	\$0.11

Materials

Pricing: Turnkey Data Processing Print & Mail Service Optional Services

Optional Services

<p>Drop-Shipped Inserts & Inserting of InfoSend-Printed Inserts Clients can print and fold inserts and ship them to InfoSend to be mailed with the statements. If folding is required add \$0.01 to the fee. InfoSend-printed inserts are quoted upon request. No additional service cost to use selective inserting to selectively include inserts with certain bill types as long as at least 3,000 customers are targeted (set-up costs can apply in some situations for advanced selective inserting criteria). Cost includes all inventory costs.</p>	Per Insert	\$0.006
<p>Enhanced Transactional Image Quality The baseline print image quality for transactional documents such as statements and invoices is 600 x 600 DPI. Work produced from the Anaheim facility can be printed at an enhanced image quality at an additional cost. This option uses high definition pigment ink & variable drop sizes to achieve a perceived 1200 x 1200 DPI image quality.</p>	Per Sheet	\$0.01
<p>Print Image Archive Each bill is stored as a PDF and indexed in a database. Search by account number or other key fields. You are charged one up-front fee per document to process it, index it, and store it for a set number of months. The PDFs are accessed using a browser-based application that is accessed by logging in to the InfoSend website. Third party applications can also access the PDFs via a lightweight API with no cost increase to the unit fees. Setup fees may apply depending on your configuration needs. <i>This service includes outbound mail tracking at no additional cost. You can view USPS-provided mail tracking data from the same interface that you use to view PDFs of the printed bills. <i>Only available with mail sent using 1st Class Postage, and not available in some cases with postcard mailings.</i></i></p>	Per PDF (No Set-up Fee)	\$0.006 - For 13 Months of Retention \$0.010 - For 18 Months of Retention \$0.013 - For 24 Months of Retention
<p>Electronic Inserts PDF copies of your physical inserts can be included in the Print Image Archive at an additional cost. This will let your team see exactly which inserts were delivered with each mail piece. This will also allow you to include the inserts in the eBill PDFs that are presented and/or emailed to customers if you use an InfoSend eBusiness service that delivers eBills to your customers or if you use a third-party application that pulls the PDFs from InfoSend's Print Image Archive API to present to your customers.</p>	Per Insert (No Set-up Fee)	\$0.002
<p>FinalDoc Transfer</p> <p>Option 1: Each completed InfoSend batch is indexed and transferred to you via FTP or SFTP to store on your own network. InfoSend will transmit each batch as one PDF file, and can provide an optional companion XML index file that provides a breakdown of the PDF's contents. All individual documents from the batch will be included in the file.</p> <p>Option 2: InfoSend is able to transfer individual PDF files for each document in the batch (it is not possible to just receive a subset of the documents), provide a customer file-naming scheme, or provide a custom index file. Additional Professional Service Fees may be required depending on the customizations requested.</p>	Per Document	Option 1: \$0.007 Option 2: \$0.012
<p>Professional Services Per hour and performed only upon request. For customizations made to document processing program or document format after go-live. Work is only started after receiving your approval of a formal quote. Please note that when you send billing files in PDF format and control your own document design there are no professional services charges when you modify the document template on your end.</p>	Per Hour	\$150.00

Pricing: Electronic Bill Presentation (EBP) or Electronic Bill Presentation & Payment (EBPP)

Please note that the below pricing is not contingent on IRWD using InfoSend's Data Processing, Print and Mail service. Either service can be purchased independently of the other. While we would be ecstatic to win the contract for both services we are totally comfortable with providing one or the other.

InfoSend's Fees – Initial Set-up Costs			
Implementation, professional services, and optional fees.			
Professional Services Fees	Electronic Bill Presentation (EBP) or Electronic Bill Presentation & Payment (EBPP) Initial Set-up Cost: Waived		
	One-time implementation fee. The above pricing includes: <ul style="list-style-type: none"> ▪ Branding of the portal with customized logo and banner, configuration of email templates ▪ InfoSend standard reports. A custom payment-posting file costs an additional \$750. ▪ Payment integration to one of InfoSend's existing preferred payment partners. Integration to a new bank/payment processor is not included and raises costs significantly (when available). <p>Please note: Clients must sign off on requirements documents (Statement of Work, project plan, etc.) before programming and system configuration can begin. Quoted implementation timeline begins upon approval of the SOW. Client can be charged additional fees and/or have the project go-live date delayed if requirements are changed after they have been finalized and signed off.</p>		
	Professional Services Fee Per hour and performed upon request. For customizations made to your Online BillPay configuration after go-live. Work is only started after receiving approval of a formal quote.	Per Hour	\$150.00

InfoSend's Monthly Transaction Fees – EBP or EBPP			
This pricing is based on an estimated number of eBills that are created and sent out each month equal to 55,000 Documents Per Month.			
Monthly Fees	eBill Loading and Storage Fee Fee to load eBill PDFs in the eBusiness system and store for 13 months.	Per eBill	\$0.023
	Optional Electronic Inserts - eInserts PDF copies of your physical inserts can be included in eBills at an additional cost. This will allow you to include the inserts in the eBill PDFs that are presented to your customers via the Online BillPay portal or emailed to the customer if you are not a healthcare organization and elect to let your customers decide whether they want their eBill PDFs attached to the new bill notification email.	Per Insert	\$0.0025
	Payment Initiation & PCI Compliance Fee (only applies for EBPP with payments) Per payment initiated to one of InfoSend's preferred payment partners. This is for all payment initiations for ACH, credit card, auto pay, same day or scheduled payments made through the system. Processing costs will be covered under separate contract directly with processor.	Per Payment	\$0.055
	Monthly Support Fee Per month fee to support the Online BillPay service.	Per Month	WAIVED

Please see the below table to understand how InfoSend came up with the annual totals. This worksheet has been provided on the CD as well. When comparing annual totals for each vendor who submitted a bid you will need to check to see if the same assumptions were made on what to include in the annual totals. For example, InfoSend included 13 months of print image archiving in the printing total (Task 1) because this seemed like a core requirement to IRWD. But some vendors may have excluded it. We would be happy to later re-adjust the annual totals with specific IRWD-provided line items and quantities to use, if requested.

IRWD Assumptions Document				
Printing & Mailing Year 1				
	Quantity	Unit Price	Extended Monthly	Extended Annually
Bills, Correspondence & Notices Data Processing & Document Composition	102,400	\$ 0.0145	\$ 1,484.80	\$ 17,817.60
Bills, Correspondence & Notices Printing: First Pages	64,000	\$ 0.0250	\$ 1,600.00	\$ 19,200.00
Bills, Correspondence & Notices Printing: Additional Pages	38,400	\$ 0.0050	\$ 192.00	\$ 2,304.00
Bills, Correspondence & Notices Mailing	102,400	\$ 0.0150	\$ 1,536.00	\$ 18,432.00
13 Months of Print Image Archive	64,000	\$ 0.0050	\$ 384.00	\$ 4,608.00
Bills, Correspondence & Notices 8.5" x 11" Paper Stock	102,400	\$ 0.0120	\$ 1,228.80	\$ 14,745.60
IRWD Custom #10 Envelope	102,400	\$ 0.0180	\$ 1,843.20	\$ 22,118.40
IRWD Custom #9 Envelope (assuming 30% AutoPay suppression)	71,680	\$ 0.0160	\$ 1,146.88	\$ 13,762.56
			Printing Total (Task 1)	\$ 94,556.16
			Mailing Total (Task 2)	\$ 18,432.00
			Grand Total	\$ 112,988.16
Electronic Bill Presentment (Task 3) Year 1	55,000	\$ 0.0230	\$ 1,265.00	\$ 15,180.00
Electronic Bill Presentment (Task 4) Year 1 (assuming 70% of eBill customers make payment)	38,500	\$ 0.0550	\$ 2,117.50	\$ 25,410.00
Printing of Monthly Newsletter (Task 5)	54,000	\$ 0.0470	\$ 2,538.00	\$ 30,456.00

Pricing Notes

Change requests and bill redesigns are handled utilizing InfoSend's Client Application Change Management process (detailed in Exhibit I). Additional costs vary based on total scope, however the Professional Services rate is defined in the pricing detail. New bill designs are determined according to the client application and billing workflow needs. However, InfoSend does provide notice when new application or printing technology becomes available that could enhance client bill designs. **Please note that when clients export batches in PDF format for InfoSend to process the ongoing professional services costs are dramatically reduced as the vast majority of changes are handled on the client's end.**

InfoSend's pricing includes environmentally friendly SFI® (Sustainable Forestry Initiative) Certified paper envelopes for all clients that use standard envelopes, InfoSend's standard double window #10 and single window #9 envelopes are sustainably produced and are provided at no additional cost to clients. The Sustainable Forestry Initiative ensures materials are sourced from sustainably managed forests. Please visit www.sfiprogram.com for more information.

InfoSend does not impose fees to accept and implement upgrades to IRWD's customer information and billing system.

InfoSend does not impose charges for monthly updates or software upgrades to our portal or software.

Section 2.1. Custom Forms/Envelopes

If Client has selected the Printing and Mailing Service and at any time requests that InfoSend Fees include the cost of custom Client-specific materials (either in this Agreement or since its execution), then Client understands and accepts that these materials will be purchased in bulk to achieve the lowest possible per-unit cost. Client agrees to purchase any remaining supplies of requested custom materials (normally forms or envelopes) if Client stops using InfoSend's Service for any reason. Client agrees to purchase the remaining supply of custom forms/envelopes upon Client's request to change the custom forms/envelopes before the supply has been depleted.

Section 2.2. USPS Postage Rates

Postage rates are determined by the United States Postal Service. All postage rate changes are determined directly by USPS and are independent of any InfoSend service or materials fees. In no event shall any change in the postage rates affect the InfoSend service or materials fees. The Client will be invoiced the amount of excess for overweight and foreign mail.

Section 2.3. Postage Deposit

InfoSend purchases the postage needed to mail Client documents on the day of mailing. The postage charges are later invoiced to Client based on the Client's payment terms. InfoSend requires Client to submit a postage deposit prior to the first mailing to facilitate the payment terms. This amount will remain in deposit for the duration of the Agreement. Upon Agreement expiration or termination Client must pay in full any outstanding invoices from InfoSend for payables created under this Agreement; the postage deposit will be refunded within fifteen (15) days of the date that the last open invoice is paid.

The postage deposit is subject to an annual review and may be adjusted to account for changes to Client average mailing volume or changes to USPS postage rates. There will be no more than one adjustment requested per year, if at all.

The postage deposit amount is calculated by multiplying the estimated number mail pieces per month by the current 5-Digit pre-sorted first class postage rate. The postage deposit amount due for your account is:

54,000 mail pieces per month x \$0.376 = \$20,304.

Exhibit C – Professional Services

Section 1. Price Escalations to InfoSend Professional Services Fees

InfoSend Professional Services Fees can be adjusted once every twelve (12) months to account for increases to the cost of providing these services. InfoSend reserves the right to increase Professional Services Fees on a yearly basis, starting with the first anniversary of the Agreement date, if needed. The Client will be notified, in writing, at least 30 days prior to such price increase. InfoSend fees will not be increased without the prior written consent of Client. An amendment to this Agreement will not be required if the Professional Services Fees are changed with Client's prior written consent, unless the terms or conditions of the Agreement have changed.

Section 2. Definition of Professional Services

InfoSend Professional Services are the technical services that are required to perform the initial setup of the InfoSend Primary Services defined in Exhibit A and the technical services required to make changes to these Primary Services after the initial setup is complete. Once any Primary Service is live and operational Professional Services will not be required unless Client requests a change or makes changes to its data file format or business rules which necessitates a change to InfoSend's system configuration or programming. Examples of InfoSend Professional Services:

- Project requirements gathering and analysis hours
- Project management and/or consulting hours
- Software development and system configuration hours related to the processing of Client's data
- Software development and system configuration hours related to document design, web portal setup, business rule configuration, or any other applicable technical services
- Application testing and deployment hours

Section 3. Professional Services Fee and Process for Approval and Payment of Fee

The current Professional Services Fee is \$175.00 per hour.

Anytime a project will incur billable Professional Services hours Client will be informed before work begins. Professional services shall not be performed without Client's prior written consent. InfoSend and Client will execute a Statement of Work for project that Client wants InfoSend to undertake. The payment terms for the project depend on the size and scope of the project. The Statement of Work can include payment terms that are different than the terms listed in this Agreement for InfoSend Fees, otherwise these terms will apply and the project fees will be invoiced upon project completion. Small projects that incur less than five (5) hours of Professional Services can be initiated without a Statement of Work if Client accepts and executes a Programming Quote for this work.

All projects that will take more than five (5) hours of Professional Services work will require both parties execute a formal Statement of Work. Depending on the nature of the work required InfoSend will provide one of the following quotation methods:

- Fixed Quote – a fixed project cost will be set. InfoSend may elect to waive this cost in some circumstances. Client understands and accepts that it must accept the terms and conditions of the Statement of Work for the project and that changes made to the project requirements, data file structure, etc. after the Statement of Work and any amendments to it have been finalized will require Client to pay for these changes on a Time and Materials basis. Client will be notified immediately if this scenario happens and given an option to keep the original project specifications to keep the fixed quote in place.
- Time and Materials quote – should it not be possible to provide a fixed quote due to the nature of a Client's requested project then InfoSend will provide an estimated number of hours to complete the project and bill the hours on a Time and Materials basis. The Statement of Work will include the terms and conditions for these project types and Client will be invoiced weekly for the hours spent on the project.

Section 4. Initial Setup Cost: InfoSend Primary Services

The Initial Setup cost for the InfoSend Primary Services selected in Exhibit A are listed below. These costs have been provided using a Fixed Quote process, explained in Section 3 above. Client understands and agrees to these terms and to the project-specific terms and conditions that will be provided in the Statement of Work that will be created to capture Client's specific requirements and data types.

Data Processing and Document Creation Initial Setup Fee This applies to the following services, unless client provides pre-rendered PDF files: DPPM Service, Online BillPay (EBPP) Service	
Project Fixed Initial Setup Cost:	\$WAIVED
Project Summary: This project will be completed to process Client's input data files and create the output to be used for the print or online delivery channel.	
Project Details: A requirements gathering process will be initiated to build the Statement of Work required to begin programming and system configuration. During the requirements gathering process the InfoSend and the Client will discuss: <ul style="list-style-type: none">• Client's custom data (if applicable). When custom data is provided by the Client a "field mapping" or "field description" document is required before project implementation can begin. This document is an absolute requirement; programming cannot be based on assumptions and all fields must be defined before programming can begin.• Document design. Client must sign-off on a document design "mockup" before programming can begin. The mockup is a visual representation of how the document will look after Client's custom data is processed by InfoSend's system.	
Project Schedule: Project is estimated to take 8-12 weeks to complete. The Statement of Work will contain all client deliverables and responsibilities. Both parties agree to dedicate adequate resources to the project to complete it in the shortest amount of time possible. Should Client make changes to the data file after programming has begun it must pay Professional Services Fees, on a Time and Materials basis, to cover the programming changes required to accept the new data. Should the document design be changed after the final mockup is accepted and signed off on by the Client then Professional Services Fees will apply, on a Time and Materials basis, to cover the cost of making these changes. Changes to the Client data file, document design, or other key specifics collected and finalized during the requirements gathering process will impact the project completion date. Changes made after the Client has executed the Statement of Work and any follow up documents can cause delays to the project completion.	



December 14, 2021

ATTN: Accounts Payable
IRVINE RANCH WATER DISTRICT
P.O. Box 57000
Irvine, CA 92619-7000

Dear Valued Client,

This letter is a detailed explanation of the rate increase emailed to you on November 1, by Russ Reza.

Our goal at InfoSend is to provide cost saving services to our clients in an accurate, reliable and timely manner- with a personal touch. We place a high value on each and every client and work hard to provide your organization with our services at the lowest possible cost.

Due to the increase in the cost of labor and materials we will be implementing a CPI price increase of 9.5% at this time. This is the change in CPI from 2018 to 2021, InfoSend's fees were held firm during that time period but we can no longer afford to keep your original fees intact due to extraordinarily high cost increases.

Effective December 1, 2021 your new rates will be reflected on the invoice as below:

\$0.0159 Statements Data Processing
\$0.0274 Enhanced Quality Printing Service - First Pages [IRL, IRM, IRN, IRX Files]
\$0.0055 Enhance Quality Printing Service - Additional Pages [IRL, IRM, IRN, IRX Files]
\$0.0383 Enhanced Quality Printing Service - First Pages [IRI, IRW Files]
\$0.0164 Enhance Quality Printing Service - Additional Pages [IRI, IRW Files]
\$0.0164 Mailing Service
\$0.0131 8.5 x 11 Forms
\$0.0153 ENV-INF-#10-RSR Outgoing Envelope
\$0.0876 9 x 12 Large Flat Envelope
\$0.0131 Standard #9 Return Envelope
\$0.2190 Multiple Page Mailpiece Surcharge
\$0.2190 Address Update
\$0.0142 Print Image Archiving (60 Months Retention)
\$0.0619 Inline Inserts


On behalf of the InfoSend Team, I would like to thank you for your valued business. We look forward to continuing to make your billing process as efficient as possible.

Please feel free to contact me with any questions or concerns regarding your new fee schedule.

Sincerely,

Lena Arrizon
Accounts Receivable Manager
lena.a@infosend.com
InfoSend, Inc.

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July 11, 2022
Prepared by: D. Pardee / C. Smithson
Submitted by: C. Clary
Approved by: Paul A. Cook 

CONSENT CALENDAR

PROPERTY TAX RESOLUTIONS FOR FISCAL YEAR 2022-23

SUMMARY:

In July 2021, The Board approved connection fee increases and property tax rates for Fiscal Year (FY) 2021-22 and FY 2022-23. Ad Valorem tax rates require an annual Board resolution that is forwarded to the County of Orange authorizing the rates. Staff recommends the Board adopt the resolution maintaining the current Ad Valorem taxes for FY 2022-23 and the resolution amending the allocation of Ad Valorem property taxes to debt service (one percent property tax allocation).

BACKGROUND:

A fundamental concept in IRWD's Long-term Capital Funding Plan (LTFP) is that the costs of new capital facilities are shared equally between the connection fees paid by the developer and property taxes paid by property owners (a 50/50 split). IRWD uses a comprehensive financial model to incorporate capital costs, debt funding, future development, growth rates, inflation, and other variables to determine connection fees.

On July 12, 2021, the Board approved changes to the IRWD "Schedule of Rates and Charges" and to connection fees and approved property tax rates for FY 2021-22 and FY 2022-23. A summary of the approved rates is included as Exhibit "A".

Property Tax Resolutions:

The property tax rates require Board adoption of a resolution annually that is submitted to the County of Orange to authorize the annual tax assessment. Two resolutions are included for approval: 1) a resolution establishing Ad Valorem taxes by improvement district, provided as Exhibit "B", and 2) a resolution identifying the allocation of Ad Valorem one percent property taxes to debt service, provided as Exhibit "C".

FISCAL IMPACTS:

The Ad Valorem tax revenues discussed above are included in the FY 2022-23 non-operating budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

THAT THE BOARD ADOPT RESOLUTIONS AUTHORIZING THE ANNUAL TAX ASSESSMENTS:

RESOLUTION NO. 2022 -

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA
ESTABLISHING AD VALOREM TAX REVENUES FOR
FISCAL YEAR 2022-23

RESOLUTION NO. 2022 –

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

LIST OF EXHIBITS:

Exhibit “A” – Approved Connection Fees and Property Tax Rates

Exhibit “B” – Resolution Adopting Ad Valorem Property Tax Rates

Exhibit “C” – Resolution Amending Allocation of Ad Valorem Property Taxes to Debt Service

EXHIBIT "A"

**Approved Connection Fees and Property Tax Rates
Fiscal Years 2021-22 and 2022-23**

CONNECTION FEES

Improvement District	Approved FY 2020-21			Approved FY 2021-22			Change ⁽¹⁾	
	Water	Sewer	Total	Water	Sewer	Total	\$	%
	111/222	\$3,551	\$6,363	\$9,914	\$3,576	\$6,408	\$9,984	\$70
112/212	\$1,428	\$3,727	\$5,155	\$1,888	\$4,350	\$6,238	\$1,083	21.0%
112a/212a No Tax Authority (100% Connection Fee)	\$2,628	\$6,857	\$9,485	\$3,180	\$8,297	\$11,477	\$1,992	21.0%
113/213	\$3,232	\$5,656	\$8,888	\$1,259	\$7,691	\$8,950	\$62	0.7%
125/240	\$2,873	\$3,945	\$6,818	\$2,893	\$3,973	\$6,866	\$48	0.7%
125/225	\$2,873	\$3,102	\$5,975	\$2,893	\$3,124	\$6,017	\$42	0.7%
153/253	\$1,308	\$1,520	\$2,828	\$1,110	\$1,944	\$3,054	\$226	8.0%
153/253 PA 30	\$3,943	\$4,115	\$8,058	\$4,258	\$4,444	\$8,702	\$644	8.0%
256 OPA		\$6,290	\$6,290		\$6,334	\$6,334	\$44	0.7%
185/285	\$1,800	\$3,214	\$5,014	\$1,813	\$3,236	\$5,049	\$35	0.7%
188/288	\$1,627	\$2,791	\$4,418	\$1,638	\$2,811	\$4,449	\$31	0.7%

Improvement District	Approved FY 2021-22			Approved FY 2022-23			Change ⁽²⁾	
	Water	Sewer	Total	Water	Sewer	Total	\$	%
	111/222	\$3,576	\$6,408	\$9,984	\$3,683	\$6,600	\$10,283	\$299
112/212	\$1,888	\$4,350	\$6,238	\$1,945	\$4,481	\$6,426	\$188	3.0%
112a/212a No Tax Authority (100% Connection Fee)	\$3,180	\$8,297	\$11,477	\$3,275	\$8,546	\$11,821	\$344	3.0%
113/213	\$1,259	\$7,691	\$8,950	\$1,297	\$7,922	\$9,219	\$269	3.0%
125/240	\$2,893	\$3,973	\$6,866	\$2,980	\$4,092	\$7,072	\$206	3.0%
125/225	\$2,893	\$3,124	\$6,017	\$2,980	\$3,218	\$6,198	\$181	3.0%
153/253	\$1,110	\$1,944	\$3,054	\$1,143	\$2,002	\$3,145	\$91	3.0%
153/253 PA 30	\$4,258	\$4,444	\$8,702	\$4,386	\$4,577	\$8,963	\$261	3.0%
256 OPA		\$6,334	\$6,334		\$6,524	\$6,524	\$190	3.0%
185/285	\$1,813	\$3,236	\$5,049	\$1,867	\$3,333	\$5,200	\$151	3.0%
188/288	\$1,638	\$2,811	\$4,449	\$1,687	\$2,895	\$4,582	\$133	3.0%

PROPERTY TAX RATES ⁽³⁾

Improvement District	Approved FY 2020-21			Approved FY 2021 to 2023		
	Water	Sewer	Total	Water	Sewer	Total
112/212	\$0.0156	\$0.0486	\$0.0642	\$0.0110	\$0.0365	\$0.0475
113/213	\$0.0400	\$0.0590	\$0.0990	\$0.0400	\$0.0590	\$0.0990
125/225/240	\$0.0130	\$0.0150	\$0.0280	\$0.0130	\$0.0150	\$0.0280
153/253	\$0.0090	\$0.0130	\$0.0220	\$0.0090	\$0.0130	\$0.0220
185/285	\$0.0081	\$0.0137	\$0.0218	\$0.0081	\$0.0137	\$0.0218
188/288	\$0.0309	\$0.0085	\$0.0394	\$0.0309	\$0.0085	\$0.0394

⁽¹⁾ ENR for June 2020 through June 2021 is 0.7%.

⁽²⁾ Estimated ENR for June 2021 through June 2022 is 3.0%.

⁽³⁾ Based on \$100 of land assessed value.

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EXHIBIT "B"

RESOLUTION NO. 2022-

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT
ESTABLISHING AD VALOREM TAX REVENUES FOR
FISCAL YEAR 2022-23

The Board of Directors of the Irvine Ranch Water District (IRWD) has duly considered the financial needs of IRWD and its Improvement District Nos. 112, 113, 125, 153, 185, 188, 212, 213, 225, 240, 253, 285, and 288, for the fiscal year 2022-23 and the funds available and established to become available for meeting said financial needs.

Pursuant to Water Code Section 37206, the Board of Directors annually shall furnish to the Board of Supervisors of Orange County and to the County Auditor, an estimate in writing of the amount of money needed to be raised by the District during the fiscal year for the payment of its proportion of the amount required for the purposes of the District.

Article XIII B of the Constitution of the State of California provides that the appropriations of local agencies will be limited each year to those of the previous year with specified adjustments permitted.

Section 9(a) of Article XIII B specifically excludes appropriations required to pay the cost of interest and redemption charges, including the funding of any reserve or sinking fund required in connection therewith, on indebtedness existing or legally authorized as of January 1, 1979, or on bonded indebtedness thereafter approved according to law by a vote of electors.

The ad valorem tax revenues established by IRWD are used entirely for debt service and are therefore exempt from the appropriations formula established by Article XIII B.

The ad valorem tax revenues received by IRWD pursuant to this Resolution will provide a portion of the funds needed to pay principal and interest with respect to the General Obligation Bonds referenced below, and this Board wishes to specify the sources of the remainder of the amounts needed therefor in the current year.

The Board of Directors of IRWD therefore resolves as follows:

Section 1. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 153 of IRWD for fiscal year 2022-23 is .00900 percent (.0000900) of full value.

Section 2. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 253 of IRWD for fiscal year 2022-23 is .01300 percent (.0001300) of full value.

Section 3. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 225 of IRWD for fiscal year 2022-23 is .01500 percent (.0001500) of full value.

Section 4. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 240 of IRWD for fiscal year 2022-23 is .01500 percent (.0001500) of full value.

Section 5. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 125 of IRWD for fiscal year 2022-23 is .01300 percent (.0001300) of full value.

Section 6. That the tax to be levied for servicing Improvement District No. 252's just proportion of liability determined pursuant to Resolution No. 2005-41, for the General Obligation Bonds of Improvement District No. 225 of IRWD for fiscal year 2022-23 is .00001 percent (.0000001) of full value.

Section 7. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 188 of IRWD for fiscal year 2022-23 is .03090 percent (.0003090) of full value

Section 8. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 288 of IRWD for fiscal year 2022-23 is .00850 percent (.0000850) of full value.

Section 9. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 113 of IRWD for fiscal year 2022-23 is .04000 percent (.0004000) of full value.

Section 10. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 213 of IRWD for fiscal year 2022-23 is .05900 percent (.000590) of full value.

Section 11. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 112 of IRWD for fiscal year 2022-23 is .01100 percent (.00011000) of full value.

Section 12. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 212 of IRWD for fiscal year 2022-23 is .03650 percent (.0003650) of full value.

Section 13. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 185 of IRWD for fiscal year 2022-23 is .00810 percent (.0000810) of full value.

Section 14. That the tax to be levied for servicing the General Obligation Bonds of Improvement District No. 285 of IRWD for fiscal year 2022-23 is .01370 percent (.0001370) of full value.

Section 15. The taxes levied pursuant to Sections 1 and 2 of this Resolution are for bonds approved before January 1, 1989. The taxes levied pursuant to Sections 7 through 14 are for bonds approved after January 1, 1989. The taxes levied pursuant to Sections 3 through 6 are for bonds approved before January 1, 1989 and bonds approved after January 1, 1989.

Section 16. That the Secretary and Treasurer of the District are hereby directed to furnish a certified copy of this resolution to the Auditor of the County of Orange.

Section 17. That the ad valorem tax revenues established by IRWD hereby for the fiscal year 2022-23 are in compliance with the provisions of Article XIII B of the constitution of the State of California.

Section 18. That principal and interest with respect to the General Obligation Bonds of IRWD shall be paid from (1) the ad valorem assessments received by IRWD pursuant to this Resolution; (2) any amounts held in bona fide debt service funds; (3) other monies, if any, required to be applied to the payment of debt service by the applicable indenture or resolution of issuance; (4) tax revenues applied pursuant to Resolution No. 2002-10 and to certain parity obligations as described in the Indenture of Trust, dated April 1, 2011, as amended and supplemented, relating to the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1 (pledge of the 1% levy), as such application may be modified by resolution amending the allocation of tax revenues; and (5) to the extent additional amounts are necessary for such purpose, revenues which are received by IRWD within twelve months of being applied to the payment of debt service and which are legally available therefor, including income from the investment of such revenues where both the investment income and the revenues on which it is earned are received by IRWD within twelve months of being applied to the payment of debt service.

ADOPTED, SIGNED and APPROVED on July 11, 2022

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

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

APPROVE AS TO FORM:
Hanson Bridgett LLP

By: _____
District Counsel

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EXHIBIT "C"

RESOLUTION NO. 2022-

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

The Board of Directors of the Irvine Ranch Water District ("IRWD") has adopted Resolution Nos. 1992-48 and 2002-10, relating to IRWD's appropriation and pledge of revenues from the general 1% *ad valorem* property tax.

Those resolutions authorized and directed the Treasurer to annually allocate the general 1% *ad valorem* property tax revenues received by IRWD among the debt service requirements of the issues of bonds specified in those resolutions ("Secured Bonds") in accordance with a formula set forth therein, with the 2002 pledge formula to be applied in lieu of the 1992 pledge formula to the extent provided in Resolution No. 2002-10.

No Secured Bonds that received a pledge of general 1% *ad valorem* property tax revenues under Resolution Nos. 1992-48 or 2002-10 currently remain outstanding, except for the Series 1993 bonds.

IRWD's revenues from the general 1% *ad valorem* property tax, to the extent not applied to pay principal and interest on the Secured Bonds, have been pledged by IRWD to certain parity obligations (the "Parity Obligations") identified by the Indenture of Trust, dated April 1, 2011, as amended and supplemented (the "2011 Indenture"), relating to the Bonds of Irvine Ranch Water District, Refunding Series 2011A-1.

On November 11, 2013, pursuant to Water Code Section 36454 *et seq.*, the Board of Directors adopted Resolution No. 2013-43, ordering the consolidation of Improvement District Nos. 102, 105, 106, 121, 130, 135, 140, 161, 182, 184 and 186, as modified by certain annexations and detachments ordered by the Board, into a single improvement district designated "Improvement District No. 125" and the consolidation of Improvement District Nos. 2(202), 206, 221, 230, 235, 250, 261, 282, 284 and 286, as modified by certain annexations and detachments ordered by the Board, into a single improvement district designated "Improvement District No. 225."

The consolidation is one of several actions taken by IRWD based upon its comprehensive evaluation and study of its long-term financial requirements, including: a detailed planning, engineering and financial assessment of the total costs of existing and future facilities in the water and wastewater systems; available bond authorization and other revenue sources to finance facilities to serve future development, system reliability necessary to meet upgraded regulatory requirements for both existing and future demands and replacement and refurbishment to the existing systems; debt service; simplification of the improvement district structure; and assurance of equitable and fair sharing of regional and local cost between existing and future users and among the areas that have comprised the various existing improvement districts and other geographic areas served by the system.

Pursuant to Water Code Section 36454.1, the included amounts and/or included percentages of each series of the Secured Bonds or Parity Obligations that constituted the general

obligation of one or more of Improvement District Nos. 105, 121, 130, 135, 140, 161, 182, 184 and 186 were assumed by and became the liability of Improvement District No. 125, and the included amounts and/or included percentages of the respective series of the Secured Bonds or Parity Obligations that constituted the general obligation of one or more of Improvement District Nos. 221, 230, 235, 250, 261, 282, 284 and 286 were assumed by and became the liability of Improvement District No. 225.

The Board deems it to be appropriate, in the interest of IRWD and consistent with the pledges contained in Resolution No. 2002-10 and the 2011 Indenture (collectively, the “Pledges”), to modify the allocation of the revenues from the general 1% *ad valorem* property tax received during the 2022-23 fiscal year (the “Fiscal Year”), subject to the availability of other revenues for debt service on Secured Bonds and Parity Obligations in such year.

The proposed modifications consist of substitution of an allocation of 1% *ad valorem* tax revenues among debt service obligations that is different from the allocation that would be calculated under the formulas specified in the Pledges; in addition, by separate resolution adopting the capital budget, this Board has allocated a portion of the 1% *ad valorem* tax revenues for the Fiscal Year to one or both of IRWD’s Replacement Fund or Enhancement Fund.

Article XIII B of the Constitution of the State of California provides that the appropriations of local agencies will be limited each year to those of the previous year, adjusted for changes in population, cost of living and transfers in sources of funding.

Section 9 of Article XIII B excludes from the appropriations subject to limitation appropriations for debt service and appropriations for all qualified capital outlay projects; a qualified capital outlay project is defined by statute as an appropriation for a fixed asset (including land and construction) with a useful life of 10 or more years and a value which equals or exceeds one hundred thousand dollars (\$100,000).

The Board of Directors of the Irvine Ranch Water District therefore resolves as follows:

Section 1. Subject in all respects to the Pledges, the Treasurer is hereby authorized and directed to implement a modified allocation of the pledged amounts (as defined in the Pledges) of the general 1% *ad valorem* property tax revenues for the Fiscal Year 2022-23 in the manner set forth as follows:

- (a) the amount to be allocated to the Replacement Fund shall be as specified in the resolution adopting the capital budget for the Fiscal Year;
- (b) the amount to be allocated to the Enhancement Fund shall be as specified in the resolution adopting the capital budget for the Fiscal Year;
- (c) the amount to be allocated to the sharing of regional and local cost by existing and future users of the areas known as 111 and 222 shall be as set forth in Attachment “A,” which is attached to this resolution and by this reference made a part hereof;
- (d) the allocation among the Improvement Districts’ debt service obligations shall be as set forth in Attachment “A,” subject to adjustments as may be necessary to reflect actual tax revenues received by IRWD;

(e) the amount allocated to each Improvement District or combination of Improvement Districts specified in Attachment “A” shall be further allocated by the Treasurer among the various outstanding bond issues based upon their debt service requirements and/or other criteria as he deems appropriate; and

(f) the amounts to be allocated pursuant to paragraphs (d) and (e) from the pledged amount of the general 1% *ad valorem* property tax revenues received by IRWD shall be held unallocated until such allocations are made, and each such amount shall be deposited into the appropriate debt service fund or account for the respective bond issue as and when determined by the Treasurer.

The applications described in this section shall be made only if and to the extent there is not a deficiency at the time of application in the amounts available to pay debt service for any Secured Bonds or Parity Obligations.

Section 2. Nothing contained in this resolution is intended to impair or modify in any way the pledge of the general 1% *ad valorem* property tax revenues as stated in the Pledges. Nothing contained in this resolution is intended to create any entitlement with respect to the use of general 1% *ad valorem* property tax revenues for any particular purpose, it being intended that such revenues are unrestricted except by such Pledges and are subject to application as determined in the discretion of the Board of Directors from time to time.

Section 3. It is hereby found and determined that relative to appropriations subject to limitation under Article XIII B of the Constitution of the State of California, the applications of revenues described in this resolution are for debt service, and accordingly do not constitute proceeds of taxes the appropriation of which is limited under Article XIII B, and that the documentation used in making such determinations has been on file in the office of IRWD for not less than 15 days prior to the date hereof, pursuant to Section 7910 of the Government Code of the State of California

Section 4. The President, Secretary, Treasurer and each other officer of IRWD, acting singly, be and hereby is authorized and directed to execute and deliver any and all documents or instruments and to do and perform any and all acts and things necessary or proper for carrying out the transactions contemplated by this resolution.

ADOPTED, SIGNED AND APPROVED on July 11, 2022.

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

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

APPROVED AS TO FORM:
Hanson Bridgett LLP

By _____
District Counsel

ATTACHMENT A

ID or Area (Water)	2002 Pledge Formula Allocation of 1% General Tax Revenue ^a	2022-23 Allocation of 1% General Tax Revenue	ID or Area (Sewer)	2002 Pledge Formula Allocation of 1% General Tax Revenue ^a	2022-23 Allocation of 1% General Tax Revenue
112	0	0	212	0	0
113	0	0	213	0	0
125 ^{b c}	17%	6%	225 ^{d e}	23%	28%
153	0	0	240	3%	5%
154	0	0	252	0	0
185	0	0	253	0	0
188	0	0	288	0	0
111	0	8%	222	0	21%

Fund	Allocation of 1% Revenue, Per 2020-21 Capital Budget Resolution
Replacement Fund	32%
Enhancement Fund	0

^a No Secured Bonds that received a pledge of 1% general tax levy revenues under Resolution No. 1992-48 remain outstanding. The pledge made by Resolution No. 2002-10 secured the outstanding Consolidated Series 1993 Bonds (consisting of the included percentages of Improvement District Nos. 105 (14.67%), 140 (15.20%), 240 (43.73%) and 250 (26.40%)

^b Improvement District No. 125 assumed the liability for the included amounts and/or included percentages of debt service for each series of the Secured Bonds or Parity Obligations that constituted the general obligation of one or more of the improvement districts consolidated as Improvement District No. 125: Nos. 105, 121, 130, 135, 140, 161, 182, 184 and 186.

^c After the formation of Improvement District No. 125, with respect to the Series 1993 Bonds, the aggregated included percentages of Improvement District Nos. 105 and 140 (36.87%) were assumed by Improvement District No. 125.

^d Improvement District No. 225 assumed the liability for the included amounts and/or included percentages of debt service for each series of the Secured Bonds or Parity Obligations that constituted the general obligation of one or more of the improvement districts consolidated as Improvement District No. 225: Nos. 2(202), 206, 221, 230, 235, 250, 261, 282, 284 and 286.

^e After the formation of Improvement District No. 225, with respect to the Series 1993 Bonds, the included percentage of Improvement District No. 250 (26.40%) was assumed by Improvement District No. 225.

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July 11, 2022
Prepared and
Submitted by: C. Clary
Approved by: Paul A. Cook



ACTION CALENDAR

IRWD BUSINESS EXPENSE AND MEETING COMPENSATION AND REPRESENTATION POLICY REVISIONS

SUMMARY:

IRWD's current Business Expense Reimbursement, Travel, Meeting Compensation and Representation policy was last updated in August 2014. In 2014, changes to the policy were made to incorporate the provisions of California Assembly Bill 1234, which provided for certain reforms associated with expense reimbursements of Board members. Since 2014, staff has noted gaps and required clarifications needed to improve the understanding and compliance with this policy. Staff recommends updating the existing policy primarily for clarifying language, minor edits and formatting changes, and other updates as described below.

BACKGROUND:

Staff is recommending the following changes, in addition to other minor edits and clarifications as noted in Exhibit "A":

1. Deleting reference to Committee members as they have the same requirements as Board members;
2. Continuing to have Board member expense reports approved by two other Board members, and clarifying that Board member expense reports must be submitted within 90 days after expenses were paid or incurred;
3. Clarifying language that only Executive Directors, Directors, or the General Manager need to preapprove employee projected expense requests for travel or business activities and reimbursements for their departments, and the General Manager will monitor activity through receipt of quarterly reports summarizing out-of-state travel activity;
4. Clarifying language that District Representatives who receive a monthly mileage allowance will be reimbursed for mileage only when the meeting location is 60 miles (one way) or more from their regular work location;
5. Clarifying language that Board members will not be reimbursed for mileage to Committee meetings within Orange County, including Standing Committee meetings where they represent the District;
6. Clarifying language that highway and bridge tolls are allowable expenses when incurred while conducting District business and the law requires receipts/toll road statements supporting the expenditure;
7. Clarifying language that Representatives should decline both liability and collision insurance naming IRWD as a named insured;

8. Adjusting travel-related maximum meal expenditures permitted for both for the “no receipt” and “receipt” methods as well as total expenses allowed per day to allow for reasonable cost increases since the previous policy update;
9. Adjusting to allow for a combination of meal expenditures up to a maximum under the “receipt method”;
10. Clarifying language that gratuities must be reasonable and should not exceed 20% of the total bill;
11. Clarifying language that lodging for a conference or meeting is permissible if the meeting or conference requiring an overnight stay is more than 50 miles from the Representative’s residence. An exception may be made if the meeting starts prior to 8:00 a.m. or ends after 8:00 p.m.;
12. Clarifying language for any Representative when traveling internationally with a District-owned device requiring access to District meetings/emails, to notify the Director of Information Services (IS) of their travel plans. IS will purchase a one-time appropriate plan for the District-owned device based on a discussion of data plan needs. Usage will be monitored by IS and usage over and above the initial data plan purchase must be approved by the General Manager or his designee;
13. Clarification that advanced Board approval is not required for compensated Board attendance at meetings specified by this policy; and
14. Clarification that if a Board member is paid a per diem meeting rate by an outside agency, then the Board member is not eligible to be compensated for attendance at the same meeting by the District.

The proposed expense policy is provided as Exhibit “A”. A redline of the changes proposed to the District’s expense policy is provided as Exhibit “B”. Legal Counsel has reviewed the updated policy and confirmed compliance with existing laws and legislation.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on July 5, 2022.

RECOMMENDATION:

THAT THE BOARD APPROVE THE PROPOSED REVISIONS, SUBJECT TO NON-SUBSTANTIVE CHANGES, TO THE DISTRICT'S POLICY REGARDING BUSINESS EXPENSE REIMBURSEMENT, TRAVEL, MEETING COMPENSATION, AND REPRESENTATION.

LIST OF EXHIBITS:

- Exhibit "A" –Proposed Business Expense Reimbursement, Travel, Meeting Compensation, and Representation Policy (dated July 5, 2022)
- Exhibit "B" – Redline of Proposed Business Expense Reimbursement, Travel, Meeting Compensation, and Representation Policy (dated July 5, 2022)

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IRVINE RANCH WATER DISTRICT

POLICY REGARDING BUSINESS EXPENSE REIMBURSEMENT,
TRAVEL, MEETING COMPENSATION AND REPRESENTATION

I. BUSINESS EXPENSE REIMBURSEMENT

SECTION 1 – General

The District will authorize Board member and employee attendance at conferences, seminars, meetings, and related travel and will reimburse business expenses in accordance with the Accountable Plan requirements of the IRS publication for Travel, Gift, and Car Expenses and in accordance with District policies. Travel and business expenses will only be approved if necessary to further the accomplishment of District goals and objectives.

This policy applies to all District Employees, Board members, and others authorized to represent the District through travel or business activities. At all times, District Representatives serve the public and must do so within the ethical and business performance standards expected of a public agency. (See Personnel Policies and Procedures Manual, Policy No. 48 – Business Conduct Standards.) Prudent judgment and full compliance with District policies is required. Failure to use discretion or comply with this policy in the incurring of business expenses may result in the loss of discretionary travel/expense privileges for staff and other disciplinary actions stipulated in IRWD's policies and in applicable laws and regulations.

Expense reimbursements covered under separate policies include, but are not limited to, the following:

1. Expenses related to ongoing, formal training reimbursed under Personnel Policy No. 23, Education and Training.
2. Association memberships that are paid directly by the District on behalf of individual employees or Board members.
3. Credit card usage. See the District Procurement Procedures. Appropriate usage of District credit cards for business-related expenses is covered by these procedures.
4. Petty cash, which is used only by non-exempt employees, as described in the District Procurement Procedures.

All payments or reimbursements of travel and other business expenses under this policy are subject to the inclusion of sufficient departmental funds in the current fiscal year's operating or capital budget. Non-compliance with this policy or falsification of reports or documentary evidence may result in disciplinary action, including termination and/or criminal prosecution.

For Board members, the determination of whether an attended conference, meeting or other activity qualifies for expense reimbursement shall be made under Article I of this Policy, separately from the determination of whether an attended conference, meeting or other activity qualifies the Board member to receive compensation under Article II. An attended conference, meeting or other activity may qualify for expense reimbursement regardless of whether or not it qualifies for compensation.

SECTION 2 – Definitions

The following terms are used in this policy:

- a. Accountable Plan (IRS Publication for Travel, Gift and Car Expenses) –
 - Expenses must have a business connection.
 - Expenses must be adequately documented and include evidence such as receipts, canceled checks or bills to support expenses and must be submitted within a reasonable period of time (60 days for employees in accordance with IRWD policy; 90 days for Board members).
 - Any excess reimbursement must be returned within a reasonable period of time (60 days for employees as per IRWD policy and 90 days for Board members).
- b. Board Member –
A member of the District Board of Directors.
- c. District –
Irvine Ranch Water District.
- d. Employee –
Any full-time, part-time, regular, or temporary staff employed by the District.
- e. Expense Report Reviewer –
The Supervisor/Manager of the Representative, who approves the Representative expenses.
- f. Incidentals
Any minor, miscellaneous expenses incurred during travel including, but not limited to non-meal gratuities (bell person and housekeeping) and snacks.
- g. Representative –
Any Employee, Board member, or other authorized person incurring business expenses while conducting District business.
- h. Travel –
Transportation, mileage, toll road charges, lodging, meals, and incidentals associated with attending a seminar, conference, or meeting requiring an overnight stay.
- i. Travel Liaison –
The person or persons selected within each District department to process expense authorizations prior to travel, arrange travel accommodations, and process expense reports following travel in conformance with District policies and procedures.

SECTION 3 – Responsibilities

Accounts Payable shall reimburse Representatives for out-of-pocket expenses upon receipt of an approved and verified expense report form provided by the District.

Board members shall be familiar with and in compliance with this policy, ensure all travel and other reimbursable expenses are reasonable, and promote economic means of travel. The Board can approve or deny travel or other business activities and reimbursements for Board members.

The **District Executive Director of Finance and Administration** shall be familiar with this policy and enforce its provisions.

Expense Report Reviewers shall review and approve (as appropriate) expenses incurred following travel, ensuring conformance with District policies and procedures. In addition, the Reviewer shall notify the Executive Director of Finance and Administration of all non-compliant incurred expenses.

The **General Manager, Executive Directors, and Department Directors** shall be familiar with this policy; ensure all travel and other reimbursable expenses are reasonable; coordinate multiple Representative participation at conferences; and promote economic means of travel. The Representative's Executive Director, Department Director or the General Manager should approve or deny projected expense requests for travel or business activities and reimbursements for their department Representatives prior to travel.

Representatives shall be familiar with and in compliance with this policy; obtain prior authorization for travel; and submit documentary evidence for expenses incurred on a timely basis.

Travel Liaisons shall be familiar with and in compliance with this policy; promote economic and reasonable means of travel; and inform the Executive Director of Finance and Administration of any requested exceptions for travel-related expenses.

SECTION 4 – Seminars/Conferences/Meetings – Approval

Employee attendance at seminars, conferences, meetings, or other activities must be approved by his/her Director, Executive Director, or General Manager in advance using forms provided by the District. On a quarterly basis, the General Manager will receive a report to assist in monitoring out-of-state travel activities for employees.

For Board members, the determination of whether an attended conference, meeting or other activity shall qualify the Board member to receive expense reimbursement shall be made under Article I of this Policy, separately from the determination of whether an attended conference, meeting or other activity shall qualify the Board member to receive compensation under Article II. An attended conference, meeting or other activity may qualify for expense reimbursement regardless of whether or not it qualifies for compensation.

SECTION 5 – Seminars/Conferences/Meetings – Business Purpose

There must be a business reason for attendance at conferences and meetings. Such reasons would include, but are not limited to, making presentations, attendance at meetings, committees or sessions dealing with issues related to District business, or participation as an officer of the association. No travel is permitted out of the country without prior Board approval.

Association involvement as an officer or committee member, which requires the use of District staff time, must be approved by the Executive Director or General Manager prior to a commitment being made.

Seminars must be selected based on value to the District. Benefits would include improved efficiency and effectiveness, as well as meeting new regulatory standards. In addition to the costs estimated on the District's authorization form for conferences and seminars, the cost of an Employee's work time for travel to, from and during the seminar must be considered. Free, local seminars attended during work time must also be authorized in advance.

Preference will be given to seminars that are provided within the Southern California region. Attendance at seminars, conferences, or meetings in "destination resort" areas outside California or areas outside the continental United States is discouraged.

On occasion, Representatives may elect to extend their stay at travel destinations or travel with family members. All expenses including, but not limited to, airfare, meals, extended car rental or lodging, related to such extended or family travel must be paid by the Representative.

SECTION 6 – Transportation

The most economical mode and class of transportation reasonably consistent with travel and scheduling requirements must be used.

The District will not reimburse mileage for use of a personally owned vehicle for travel in lieu of air travel if it exceeds the cost of coach class or equivalent airfare. Where both travel and rental car reimbursements are utilized, the combined total can't exceed the cost of coach class or similar economy airfare.

Mileage reimbursement for the use of personally owned vehicles shall be the rate set per Board policy which is equivalent to the current Internal Revenue Service (IRS) rate for standard mileage rates.

Mileage for commuting is considered a personal expense pursuant to IRS Accountable Plan requirements and will not be reimbursed. Commuting is travel between a Representative's *residence* and any of the Representative's *regular work location(s)*. There may be multiple regular work locations. Pursuant to IRS requirements and guidance documents, facilities including the District's headquarters, the Operations Center/San Joaquin Marsh, Baker Water Treatment Plant, and the Los Alisos Water Reclamation Plant shall be considered regular work locations. Commuting excludes travel between one work location and another. Different commuting expense rules may apply where an employee is assigned to a District-owned house to

be used as a residence. District Representatives who receive a monthly auto allowance will be reimbursed for mileage only when the meeting location is 50 miles (one way) or more from their regular work location. In this instance, the representative has the option to use a District provided vehicle, including reimbursement for the use of gas. Board members will not be reimbursed for mileage to committee meetings located at a District facility or other locations within Orange County, including committee meetings where they represent the District. Particular facts may require interpretation by the Executive Director of Finance and Administration, using Accountable Plan requirements.

Personally owned vehicles used in the conduct of District business must be insured for property and liability damage in an amount not less than the minimum limits required by the Compulsory Financial Responsibility Law.

Reasonable vehicle parking will be allowed when District, rental, or personally owned vehicles are used for District business. Highway, bridge, and road tolls are allowable expenses when incurred while conducting District business and require receipts/toll road statements supporting the expenditure.

When traveling by air or utilizing rental vehicles, the District's Travel Liaisons will generally arrange air travel and car rentals. Travelers should only use rental cars for ground transportation as a last resort or when it is less expensive than other forms of transportation such as trains, buses, taxis, rideshare services (e.g., Uber, Lyft) or shuttles. Discretion must be used in selecting rental car size. They should be the smallest size that provides adequate safety and comfort for the time they are in use. To accommodate a group of travelers, a larger vehicle may be rented in lieu of renting separate vehicles. Gas used for a rental car while traveling for business is an allowable expense.

Representatives should decline both liability and collision insurance on rental cars naming IRWD as a named insured because the Representative and the District are already sufficiently insured through existing District insurance policies. Any accident or damage to a rental vehicle should be reported to the car rental company within 24 hours and to the District Risk Management department within one working day following the accident. Only Representatives are allowed to operate rental cars. Reimbursement for use of chauffeur-driven limousines is not allowed.

All air travel must be at coach class, or a similar economy airline level. First class travel will only be allowed on an exception basis and must be approved in advance by the General Manager or if for the General Manager, by the Board president or his/her designee. Air transportation should be arranged as early as possible to take advantage of reduced fares for early reservations. Consideration should be given to alternative departure/arrival airports, dates, flight times and stopovers to minimize airfares. The total cost of the alternatives (e.g., ground transportation, employee work times, lodging) should also be considered in selecting an alternative. Internet booking services should be consulted to help in finding the optimum alternative. Government and group rates offered by a provider of transportation services shall be used when available. The District expense report approver may approve travel flexibility features such as additional leg room and ticket exchange provisions.

For mileage incurred in the use of a personally owned vehicle, Google Maps or similar verification of the distance traveled shall be submitted and shall serve as the receipt. Reimbursement for toll expenses require receipts or toll road statements supporting the expenditure. For transportation expenses customarily incurred without a receipt, including valet gratuities, a maximum of \$25.00 per day shall be reimbursed for all such expenses that are described in the expense report but are not accompanied by a receipt.

SECTION 7 – Food and Lodging

Expenditures for food and lodging will be moderate and reasonable.

Meals While Traveling:

Meal expenses are allowed while Representatives are traveling. District Representatives will be reimbursed for actual meal expenses, including all taxes and gratuities, up to the amounts indicated below. Gratuities must be reasonable and should not exceed 20% of the total bill. Under the no-receipt method, expenses will be reimbursed on a meal-by-meal basis, not a daily basis. Under the receipt method, the maximum amounts for daily meal expenses can be combined to pay for a more expensive single meal (up to \$60.00 in a day). If meal expenses exceed the amounts allowed as set forth below, the Representative will be reimbursed the allowance amount, with the remainder being paid by the Representative. In the event the Representative provides a detailed receipt adequately justifying the meal(s), this will be considered by the Executive Director of Finance and Administration or General Manager if the Executive Director of Finance and Administration incurs the expense and full reimbursement may be allowed. If meal expenses are less than the amount set forth below, the actual expense amount will be reimbursed. All meal expenses must be documented in detail in accordance with this policy. Documentation includes names of attendees, business relationship to District, business purpose of meal, name of restaurant, date of expenditure and amount requested for reimbursement. If multiple employees participate in a meal and the meals are included on a single check, then the most senior ranking individual will pay for the meal and include it on his/her expense report.

Representatives must provide receipts for all expenses in order to be reimbursed.

Representatives of the District may be reimbursed for meals under either of two methods:

The “No Receipt Method”

When no receipts are provided, the maximum per person per meal/expense reimbursements are as follows:

Breakfast	\$15.00
Lunch	\$20.00
Dinner	\$25.00
Incidentals	\$10.00

During travel, these amounts may be aggregated to allow a total per day maximum of \$60.00 (excluding incidentals). For instance, multiple meal expenses may be combined to allow for a

more expensive single meal. In no event will a Representative be reimbursed more than \$60.00 per travel day (excluding incidentals) under the “No Receipt Method”. Board members are not entitled to reimbursement for meals under the “No Receipt Method”, unless noted that a detailed receipt was lost.

The “Receipt Method”

When receipts are provided, the maximum per person per meal/expense reimbursements are as follows:

Breakfast	\$25.00
Lunch	\$30.00
Dinner	\$50.00
Incidentals	\$15.00

Under this method, the maximum amounts for multiple meal expense can be combined to pay for a more expensive single meal up to a maximum of \$30.00 for breakfast, \$35.00 for lunch or \$60.00 for dinner. In no event will a Representative be reimbursed more than \$105.00 per travel day (excluding Incidentals) under the “Receipt Method”. In the case of a missing receipt, the Employee Representative will be reimbursed the maximum per meal amount allowed under the *No-Receipt Method* for that meal, unless a detailed receipt is lost or not provided by the restaurant and a credit card receipt is provided as outlined below.

Receipts must be an original, detailed receipt including all items purchased for actual costs. Restaurant bill stubs do not provide sufficient detail and are not acceptable for reimbursement under this method. If detailed receipts are not available, the Employee Representative can still be reimbursed at lower amounts under the “No Receipt Method.” Credit card receipts may be accepted for the Representative, if itemized, detailed, meal receipts are not provided by the restaurant or the receipt is lost.

Non-Travel Business Meals:

Non-travel business meals will only be reimbursed if taken in conjunction with a District business meeting and expenditures are reasonable. Meals for Representative guests will be reimbursed only if they have a legitimate business relationship with the District. Conflict of interest policies and applicable statutes must be considered when providing meals for or receiving meals from non-Representatives. If meals are included in the cost of a conference or seminar, Representatives will not be reimbursed for meals eaten outside the conference or seminar in-lieu of the meal provided. This will be considered for reimbursement by the Expense Report Reviewer if there is a valid business purpose. The District will not reimburse for alcoholic beverages consumed by Representatives or their guests under any circumstances. If multiple employees participate in a meal and the meals are included on a single check, then the most senior ranking individual will pay for the meal and include it on his/her expense report.

Lodging:

Generally, lodging for a conference or meeting is permissible if the meeting or conference requiring an overnight stay is more than 50 miles from the Representative’s residence.

Exceptions may be made when the meeting starts prior to 8:00 am or ends after 8:00 pm. When traveling to a conference, the conference-sponsored hotel's group rate published by the conference or activity sponsor shall be used if available at the time of booking. Some conferences require early booking to take advantage of reduced rates. If lodging cannot be arranged at the conference-sponsored hotel's maximum group rate, then the next most reasonably priced lodging must be used. Other lodging accommodations may also be arranged if the cost is less than the conference-sponsored hotel. Government and group rates offered by a provider of lodging shall be used when available.

SECTION 8 – Reimbursement Processing

Requests for reimbursement will be submitted within a reasonable period of time (60 days after they were paid or incurred), except for the Board where requests for reimbursement must be submitted for approval within 90 days after they were incurred.

Requests for reimbursement will be submitted on forms provided by the District and must be accompanied by receipts or documentation evidencing each expense, except as otherwise specified herein for certain expenses. All expense reports, in order to be in accordance with the IRS' Accountable Plan requirements, must include detailed original receipts and must state the date, type of expense, District business purpose, those in attendance and their affiliations, and amounts expended.

Reimbursements to Representatives for meals, lodging and other actual and necessary expenses allowed under this Policy, but excluding conference registration fees, airfare(s) and transportation expenses shall not exceed \$600 per day. However, in the event the Representative provides a reasonable written explanation adequately justifying why his/her daily expenses exceeded the allowable amount, it is within the Executive Director of Finance and Administration's discretion to authorize reimbursement in excess of the daily maximum. This maximum of \$600 per day shall apply *in addition to* all other specific limits, requirements and guidelines of this Policy, including but not limited to the maximum meal reimbursement rates set forth in Section 7 above.

Expenditures, which are improper or otherwise not adequately documented, will not be reimbursed. All credit card expenditures must also be documented in accordance with the District's Credit Card Procedure. Alcoholic beverages and other non-essential expenses including, but not limited to, in-room movies, service bar, etc. will not be reimbursed.

Employee expense reports must be submitted to the Expense Report Reviewer within 60 days (90 days for Board members) after expenses were paid or incurred. Any delinquent expenses will not be reimbursed unless justified in writing and approved by the General Manager at his/her sole discretion or for Board members, by the full Board.

Any Representative traveling for non-District related reasons who requires international access with a District owned device to remotely attend District related meetings or monitor District emails while they are away, is required to notify the Director of Information Services of their travel plans. The Director or his/her designee will purchase a one-time appropriate plan based on the data plan needs. Usage will be monitored by Information Services and reimbursement for

usage over and above the initial data plan must be approved by the General Manager or his designee. Use of wi-fi for data is strongly encouraged where available.

All Board member expense reports must be submitted to the Expense Report Reviewer within 90 days after expenses were paid or incurred. Any delinquent requests for reimbursement must be submitted to the full Board for approval.

All Board member expense reports will be reviewed for proper documentation and compliance with this policy by the Executive Director of Finance and Administration prior to submittal for approval by the Board. All Board Member expense reports must be approved by two other Board Members prior to reimbursement. A summary of the General Manager and Board member expense reports shall be submitted to the District's Finance and Personnel Committee each quarter for review. A summary of all Executive Director and Director expense reports shall be submitted to the District Finance and Personnel Committee on an annual basis for review.

In accordance with Government Code Section 53065.5, the District will disclose any expense reimbursement paid by the District of at least one hundred dollars (\$100) per day for each individual charge for services or product received. This disclosure item will be reported to the Board on a monthly basis. Charges made using the District credit card may be excluded.

II. BOARD MEMBER MEETING COMPENSATION

SECTION 1 – General

As Representatives of the District, Board members shall be familiar with and in compliance with this policy regarding business expense reimbursement and meeting compensation. Each member of the Board of Directors is encouraged to participate in those outside activities and organizations that, in the judgment of the Board, further the interests of the District.

Article I, Section 1- General, Section 2 - Definitions and Section 3 – Responsibilities shall apply to this Article II.

SECTION 2 – Board Member Meeting Compensation

Board members will be compensated at the rate determined by the Board of Directors and consistent with applicable law for attendance at meetings of the Board of Directors and for each day's service rendered as a member of the Board, including travel days to and from any approved conference, meeting or other event where service or representation is rendered as a member of the Board pursuant to Water Code Section 20201, the District's Ordinance 1989-1, the District's Resolution regarding rate of pay for days of service and this Policy. Board approved compensation will be made pursuant to the Water Code Section 20202, and individual Board members will not be compensated for more than a total of ten days in any calendar month.

Board members are required to make a brief report on meetings attended at the expense of the District at the next regularly scheduled meeting of the Board pursuant to Government Code Section 53232.3(d).

SECTION 3 – Meetings Specified By This Policy

A. Board members will receive compensation for attending the following meetings without the need for further authorization:

1. Board meetings.
2. Committee meetings of which they are members (including designated alternate members attending in members' absence).
3. Board meetings of nonprofit organizations created by or supported with funds or other contributions from the District (unless held concurrently with meetings of the District's Board) of which they may or may not be Board members.
4. Service club meetings where a Board member is making a presentation or attending on behalf of the District.
5. Events hosted by a recognized business and/or industry association related to District business.
6. Meetings a Board member has with other elected officials or their employees.
7. Meetings of the governing body of another agency, where a matter directly affecting the interests of the District is on the agenda and the Board member is not a Board member, employee or official compensated by the other agency.
8. Meetings with District staff.
9. Meetings with vendors/contractors.
10. Conferences such as ACWA, CASA, WateReuse, CSDA, and Urban Water Institute.
11. Meetings with property owners on matters in which the property owner is seeking District approval or other consideration or on matters otherwise affecting the interests of the District.
12. Meetings of working coalitions of public and/or private entities in which the District is an active participant, stakeholder or interested party.
13. Meetings or conferences pertaining to the water and sewer utilities industry, where Board members may be asked to give a presentation or otherwise represent the District at such events.

B. Board members will not receive compensation or receive expense reimbursement for the following:

1. Nonprofit organization meetings or events other than those included in A above.
2. District-sponsored employee events including, but not limited to, the Annual Holiday Breakfast, Holiday Luncheon, Employee Picnic or retirement events
3. Ceremonial or social events other than listed in A.5 above (e.g., private party, or political fundraiser).
4. Service club meetings other than those included in A.4 above.
5. Parades, festivals, holiday events, retirement dinners or funerals.
6. Meetings of partisan political organizations.

If a Board member is paid a per diem meeting rate by another outside agency, then the Board member is not eligible to be compensated for attendance at the same meeting by the District. If expense reimbursement is also requested for any reimbursable event, all requirements for such reimbursement under Article I of this Policy shall apply.

SECTION 4 – Processing of Compensation Requests

Requests for compensation shall be submitted on compensation reporting forms, separate from and in addition to any expense reimbursement reporting forms submitted under Section 8 of Article I. All Board member compensation reports must be submitted to the Executive Director of Finance and Administration and the General Manager for approval within 90 days after the activity to be compensated. Any delinquent requests for compensation will be submitted to the full Board for approval.

All Board member compensation reports will be reviewed for compliance with this policy by the Executive Director of Finance and Administration and the General Manager prior to submittal for payment. All Board member compensation reports shall be submitted to the District's Finance and Personnel Committee quarterly for review.

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IRVINE RANCH WATER DISTRICT

POLICY REGARDING BUSINESS EXPENSE REIMBURSEMENT,
TRAVEL, MEETING COMPENSATION AND REPRESENTATION

I. BUSINESS EXPENSE REIMBURSEMENT

SECTION 1 – General

The District will authorize Board member and employee attendance at conferences, seminars, meetings, and related travel and will reimburse business expenses in accordance with the Accountable Plan requirements of the IRS publication for Travel, ~~Entertainment, Gift, and Car Expenses~~ and in accordance with District policies. Travel and business expenses will only be approved as they are if necessary to further the accomplishment of District goals and objectives.

This policy applies to all District Employees, Board members, ~~Committee~~ and others authorized to represent the District through travel or business activities. At all times, District Representatives serve the public and must do so within the ethical and business performance standards expected of a public agency. (See Personnel Policies and Procedures Manual, Policy No. 48 – Business Conduct Standards.) Prudent judgment and full compliance with District policies is required. Failure to use discretion or comply with this policy in the incurring of business expenses may result in the loss of discretionary travel/expense privileges up to and including termination, except for Board and Committee Members for staff and other disciplinary actions stipulated in IRWD's policies and in applicable laws and regulations.

Expense reimbursements covered under separate policies include, but are not limited to, the following:

1. Expenses related to ongoing, formal training reimbursed under Personnel Policy No. 23, Education and Training. ~~See policy.~~
2. Association memberships that are paid directly by the District on behalf of individual employees or ~~officers~~ Board members.
3. Credit card usage. See the District Procurement Procedures. Appropriate usage of District credit cards for business-related expenses is covered by these procedures.
4. Petty cash, which is used only by non-exempt employees. ~~See, as described in~~ the District Procurement Procedures.

All payments or reimbursements of travel and other business expenses under this policy are subject to the inclusion of sufficient departmental funds in the current fiscal year's operating or capital budget. Non-compliance with this policy or falsification of reports or documentary evidence may result in disciplinary action, including termination and/or criminal prosecution.

For Board members, the determination of whether an attended conference, meeting or other activity ~~shall qualify the Board Member to receive~~ qualifies for expense reimbursement shall be made under Article I of this Policy, separately from the determination of whether an attended conference, meeting or other activity ~~shall qualify~~ qualifies the Board member to receive compensation under Article II. An attended conference, meeting or other activity may qualify for expense reimbursement regardless of whether or not it qualifies for compensation.

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SECTION 2 – Definitions

~~As~~ The following terms are used in this policy, ~~the following terms shall have the meanings so indicated:~~

- a. Accountable Plan (IRS Publication for Travel, ~~Entertainment~~, Gift and Car Expenses) –
- Expenses must have a business connection.
 - Expenses must be adequately documented and include evidence such as receipts, canceled checks or bills to support expenses and must be submitted within a reasonable period of time (60 days for employees in accordance with IRWD policy; 90 days for Board members).
 - Any excess reimbursement must be returned within a reasonable period of time (60 days for employees in accordance with ~~as per~~ IRWD policy and 90 days for Board members).
- ~~b. — Approval by the Board or Approval by the Full Board —
— Board approval at a regularly scheduled Board meeting with a quorum present and acting.~~
- b. Board Member –
A member of the District Board of Directors, ~~whether such member is acting as a member of the Board of Directors or as a Committee Member.~~
- ~~b. — Committee Member —
Any member of a standing or ad hoc Committee established by an action of the Board or Board President to act in an advisory capacity.~~
- c. District –
Irvine Ranch Water District.
- d. Employee –
Any full-time, part-time, regular, or temporary ~~or contracted~~ staff employed by the District.
- e. Expense Report Reviewer –
~~The District Executive Director of Finance and Administration, or the person designated by the District Executive Director of Finance and Administration, who performs a review of all projected expenses prior to travel in conformance with District policies and procedures.~~
The Supervisor/Manager of the Representative, who approves the Representative expenses.
- f. Incidentals –

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Any minor, miscellaneous expenses incurred during travel including, but not limited to, ~~local bus fare, toll road charges, telephone calls,~~ non-meal gratuities (bell person and housekeeping) and snacks.

g. Representative –

Any Employee, Board ~~Member, Committee~~ member, or other authorized person incurring business expenses while conducting District business.

~~e.b.~~ Travel –

Transportation, mileage, toll road charges, lodging, meals and incidentals associated with attending a seminar, conference, or meeting requiring an overnight stay.

h. Travel Liaison –

The person or persons selected within each District department to process expense authorizations prior to travel, arrange travel accommodations, and process expense reports following travel in conformance with District policies and procedures.

SECTION -3 – Responsibilities

Accounts Payable shall reimburse ~~travelers~~ Representatives for out-of-pocket expenses upon receipt of an approved and verified expense report form provided by the District.

Board ~~Member and Committee members~~ shall be familiar with and in compliance with this policy, ensure all travel and other reimbursable expenses are reasonable, ~~coordinate multiple Representative participation at conferences~~ and promote economic means of travel. The Board can approve or deny ~~requests for~~ travel or other business activities and reimbursements for Board ~~and Committee~~ members.

The *District Executive Director of Finance and Administration* shall be familiar with ~~and in compliance with~~ this policy; ~~and~~ enforce its provisions; ~~and approve or deny projected expenses requests by staff (excluding the General Manager or Board) prior to travel.~~

Expense Report Reviewers shall ~~perform a~~ review ~~of all projected expenses prior to travel and~~ approve (as ~~well as~~ appropriate) expenses incurred following travel, ~~checking for~~ ensuring conformance with District policies and procedures. In addition, the Reviewer shall notify the Executive Director of Finance and Administration of all non-compliant ~~projected and/or~~ incurred expenses.

The *General Manager, Executive Directors, and Department Directors* shall be familiar with ~~and in compliance with~~ this policy; ensure all travel and other reimbursable expenses are reasonable; coordinate multiple Representative participation at conferences; and promote economic means of travel. The Representative's Executive Director, Department Director or the General Manager ~~can approve or deny projected expense requests for department Representatives prior to travel. Executive and Department Directors can~~ should approve or deny

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projected expense requests for travel or business activities and reimbursements for their department Representatives prior to travel.

Representatives shall be familiar with and in compliance with this policy; obtain prior authorization for travel; and submit documentary evidence for expenses incurred on a timely basis.

Travel Liaisons shall be familiar with and in compliance with this policy; promote economic and reasonable means of travel; and inform the Executive Director of Finance and Administration of any ~~unreconciled requested exceptions for travel-related expenses regarding travel matters~~.

SECTION 4 – Travel Liaison

~~The Travel Liaison is encouraged to arrange all travel, lodging accommodations and seminar/conference registrations in accordance with District policies and procedures.~~

SECTION 5 – Seminars/Conferences/Meetings – Approval

Employee attendance at seminars, conferences, meetings, or other activities must be approved by his/her Director, Executive Director, or General Manager in advance using forms provided by the District. On a quarterly basis, the General Manager will receive a report to assist in monitoring out-of-state travel activities for employees.

For Board members, the determination of whether an attended conference, meeting or other activity shall qualify the Board member to receive expense reimbursement shall be made under Article I of this Policy, separately from the determination of whether an attended conference, meeting or other activity shall qualify the Board member to receive compensation under Article -II. An attended conference, meeting or other activity may qualify for expense reimbursement regardless of whether or not it qualifies for compensation.

SECTION 65 – Seminars/Conferences/Meetings – Business Purpose

There must be a business reason for attendance at conferences and meetings. Such reasons would include, but are not limited to, ~~presentation of technical findings~~making presentations, attendance at meetings, committees or ~~technical~~ sessions dealing with issues related to District business, or participation as an officer of the association. No travel is permitted out of the country without prior Board approval.

~~On occasion, District Representatives are requested to be a presenter at a seminar, conference or meeting. One presenter should provide multiple District presentations, if possible.~~ Association involvement as an officer or committee member, which requires the use of District staff time, must be approved by the Executive Director or General Manager prior to a commitment being made.

Seminars must be selected based on value to the District. Benefits would include improved efficiency and effectiveness, as well as meeting new regulatory standards. In addition to the costs estimated on the District's authorization form for conferences and seminars, the cost of an

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Employee's work time for travel to, from and during the seminar must be considered. Free, local seminars attended during work time must also be authorized in advance.

Preference will be given to seminars that are provided within the Southern California region. Attendance at seminars, conferences, or meetings in "destination resort" areas outside California or areas outside the continental United States is discouraged.

On occasion, Representatives may elect to extend their stay at travel destinations or travel with family members. All expenses including, but not limited to, airfare, meals, extended car rental or lodging, related to such extended or family travel must be paid by the Representative.

SECTION 7-6 – Transportation

The most economical mode and class of transportation reasonably consistent with travel and scheduling requirements ~~will be used. Mileage reimbursement for use of personally owned vehicles shall be the rate set by the Board, which is equivalent to the current Internal Revenue Service (IRS) rate for travel deductions must be used.~~

~~In no case shall the amount paid for~~The District will not reimburse mileage ~~reimbursement~~ for use of a personally owned vehicle ~~used~~ for travel in lieu of air travel ~~exceed~~if it exceeds the cost of coach class or equivalent airfare. Where both travel and rental car reimbursements are utilized, the combined total can't exceed the cost of coach class or similar economy airfare.

Mileage reimbursement for the use of personally owned vehicles shall be the rate set per Board policy which is equivalent to the current Internal Revenue Service (IRS) rate for standard mileage rates.

Mileage for commuting is considered a personal expense pursuant to IRS Accountable Plan requirements and will not be reimbursed. Commuting is travel between a Representative's *residence* and any of the Representative's *regular work location(s)*. There may be multiple regular work locations. Pursuant to IRS requirements and guidance documents, facilities including the District's headquarters, the Operations Center/San Joaquin Marsh, Baker Water Treatment Plant, and the Los Alisos Water Reclamation Plant shall be considered regular work locations. Commuting excludes travel between one work location and another. Different commuting expense rules may apply where an employee is assigned to a District-owned house to be used as a residence. District Representatives who receive a monthly auto allowance will be reimbursed for mileage only when the meeting location is 50 miles (one way) or more from their regular work location. In this instance, the representative has the option to use a District provided vehicle, including reimbursement for the use of gas. Board members will not be reimbursed for mileage to committee meetings located at a District facility or other locations within Orange County, including ~~Standing and Ad Hoc~~committee meetings where they represent the District. Particular facts may require interpretation by the Executive Director of Finance and Administration, using Accountable Plan requirements.

Personally owned vehicles used in the conduct of District business must be insured for property and liability damage in an amount not less than the minimum limits required by the California Compulsory Financial Responsibility Act~~Law~~.

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Reasonable vehicle parking will be allowed when District, rental, or personally owned vehicles are used for District business. Highway, bridge and bridgeroad tolls are allowable expenses when incurred while conducting District business and require receipts/toll road statements supporting the expenditure.

When traveling by air or utilizing rental vehicles, the District's Travel Liaisons will generally arrange air travel and car rentals. Travelers should only use rental cars for ground transportation as a last resort or when it is less expensive than other forms of transportation such as trains, buses, taxis, rideshare services (e.g., Uber, Lyft) or shuttles. Discretion must be used in selecting rental car size. They should be the smallest size that provides adequate safety and comfort for the time they are in use. To accommodate a group of travelers, a larger vehicle may be rented in lieu of renting separate vehicles. Gas used for a rental car while traveling for business is an allowable expense.

Representatives should decline both liability and collision insurance on rental cars; naming IRWD as a named insured because the Representative and the District are already sufficiently insured through existing District insurance policies. Any accident or damage to a rental vehicle should be reported to the car rental company within 24 hours and to the District Risk Management department within one working day following the accident. Only Representatives are allowed to operate rental cars. Reimbursement for use of chauffer-driven limousines is not allowed~~while conducting District business.~~

All air travel must be at coach class, or a similar economy airline level. First class travel will only be allowed on an exception basis and must be approved in advance by the General Manager; or if for the General Manager, by the Board president or his/her designee. Air transportation should be arranged as early as possible to take advantage of reduced fares for early reservations. Consideration should be given to alternative departure/arrival airports, dates, flight times and stopovers to minimize airfares. The total cost of the alternatives (e.g., ground transportation, employee work times, lodging) should also be considered in selecting an alternative. Internet booking services ~~can~~should be consulted to help in finding the optimum alternative. Government and group rates offered by a provider of transportation services shall be used when available. The District expense report approver may approve travel flexibility features such as additional leg room and ticket exchange provisions.

~~Receipts are required for all transportation expenses, except as follows:~~ For mileage incurred in the use of a personally owned vehicle, a MapQuestGoogle Maps or similar verification of the distance traveled shall be submitted and shall serve as the receipt. Reimbursement for toll expenses require receipts or toll road statements supporting the expenditure. For transportation expenses customarily incurred without a receipt, including valet gratuities, ~~toll road charges, and for incidental business-related mileage incurred in connection with attendance at a non-local activity,~~ a maximum of \$25.00 per day shall be reimbursed for all such expenses that are described in the expense report but are not accompanied by a receipt ~~or MapQuest or similar verification.~~

SECTION 87 – Food and Lodging

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Expenditures for food and lodging will be moderate and reasonable.

Meals While Traveling:

Meal expenses are allowed while Representatives are traveling. ~~Expenses for other meals, not associated with travel, but with appropriate business purpose, are also allowed.~~

District Representatives will be reimbursed for actual meal expenses, including all taxes and gratuities, up to the amounts indicated below. ~~Expenses~~Gratuities must be reasonable and should not exceed 20% of the total bill. Under the no-receipt method, expenses will be reimbursed on a meal-by-meal basis, not a daily basis. Under the receipt method, the maximum amounts for daily meal expenses can be combined to pay for a more expensive single meal (up to \$60.00 in a day). If meal expenses exceed the amounts allowed as set forth below, the Representative will be reimbursed the allowance amount, with the remainder being paid by the Representative. In the event the Representative provides a detailed receipt adequately justifying the meal(s), this will be considered by the Executive Director of Finance and Administration or General Manager if the Executive Director of Finance and Administration incurs the expense and full reimbursement may be allowed. If meal expenses are less than the amount set forth below, the actual expense amount will be reimbursed. All meal expenses must be documented in detail in accordance with this policy. Documentation includes names of attendees, business relationship to District, business purpose of meal, name of restaurant, date of expenditure and amount requested for reimbursement. If multiple employees participate in a meal and the meals are included on a single check, then the most senior ranking individual will pay for the meal and include it on his/her expense report.

Representatives must provide receipts for all expenses in order to be reimbursed.

Representatives of the District may be reimbursed for meals under either of two methods:

Method 1—The “No Receipt Method”

When no receipts are provided, the maximum per person per meal/expense reimbursements are as follows:

Breakfast	\$4 <u>15</u> .00
Lunch	\$4 <u>52</u> <u>0</u> .00
Dinner	\$2 <u>0</u> <u>25</u> .00
Incidentals	\$- <u>6</u> <u>10</u> .00

During travel, these amounts may be aggregated to allow a total per day maximum of ~~\$4~~560.00 (excluding incidentals). For instance, multiple meal expenses may be combined to allow for a more expensive single meal. In no event will a Representative be reimbursed more than ~~\$4~~560.00 per travel day (excluding incidentals) under the “No Receipt Method”. Board members are not entitled to reimbursement for meals under the “No Receipt Method”, unless noted that a detailed receipt was lost.

Method 2—The “Receipt Method”

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When receipts are provided, the maximum per person per meal/expense reimbursements are as follows:

Breakfast	\$ 20 <u>25</u> .00
Lunch	\$ 25 <u>30</u> .00
Dinner	\$ 40 <u>50</u> .00
Incidentals	\$ 10 <u>15</u> .00

Under this method, the maximum amounts for multiple meal expense ~~cannot~~can be combined to pay for a more expensive single meal. ~~This method is applied strictly on an individual meal basis. Up to a maximum of \$30.00 for breakfast, \$35.00 for lunch or \$60.00 for dinner.~~ In no event will a Representative be reimbursed more than \$~~85~~105.00 per travel day (excluding Incidentals) under the "Receipt Method". In the case of a missing receipt, the Employee Representative will be reimbursed the maximum per meal amount allowed under the No-Receipt Method ~~+~~ for that meal, unless a detailed receipt is lost or not provided by the restaurant and a credit card receipt is provided as outlined below.

Receipts must be an original, detailed receipt including all items purchased for actual costs. Restaurant bill stubs do not provide sufficient detail and are not acceptable for reimbursement under this method. If detailed receipts are not available, the Employee Representative can still be reimbursed at lower amounts under the "No Receipt Method." Credit card receipts may be accepted for the ~~Employee or Board Member~~ Representative, subject to the Executive Director of Finance and Administration approval, if itemized, detailed, meal receipts are not provided by the restaurant or the receipt is lost.

Non-Travel Business Meals:

Non-travel business meals will only be reimbursed if taken in conjunction with a District business meeting and expenditures are reasonable. Meals for Representative guests will be reimbursed only if they have a legitimate business relationship with the District. Conflict of interest policies and applicable statutes must be considered when providing meals for or receiving meals from non-Representatives. If meals are included in the cost of a conference or seminar, Representatives will not be reimbursed for meals eaten outside the conference or seminar in-lieu of the meal provided. This will be considered for reimbursement by the ~~Executive Director of Finance and Administration~~Expense Report Reviewer if there is a valid business purpose. The District will not reimburse for alcoholic beverages consumed by Representatives or their guests under any circumstances. If multiple employees participate in a meal and the meals are included on a single check, then the most senior ranking individual will pay for the meal and include it on his/her expense report.

Lodging:

Generally, lodging for a conference or meeting is permissible if the meeting or conference requiring an overnight stay is more than 50 miles from the Representative's residence. Exceptions may be made when the meeting starts prior to 8:00 am or ends after 8:00 pm. When ~~travel is~~traveling to a conference, the conference-sponsored hotel's ~~maximum~~ group rate published by the conference or activity sponsor shall be used if available at the time of booking.

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Some conferences require early booking to take advantage of reduced rates. If lodging cannot be arranged at the conference-sponsored hotel's maximum group rate, then the next most reasonably priced lodging must be used. Other lodging accommodations may also be arranged if the cost is less than the conference-sponsored hotel. Government and group rates offered by a provider of lodging shall be used when available.

SECTION ~~9-8~~ – Reimbursement Processing

Requests for reimbursement will be submitted within a reasonable period of time (60 days after they were paid or incurred)~~),~~, except for the Board where requests for reimbursement must be submitted for approval within 90 days after they were incurred.

Requests for reimbursement will be submitted on forms provided by the District~~,~~ and must be accompanied by receipts or documentation evidencing each expense, except as otherwise specified herein for certain ~~transportation~~ expenses. All expense reports, in order to be in accordance with the IRS' Accountable Plan requirements, must include detailed original receipts and must state the date, type of expense, District business purpose, those in attendance and their affiliations, and amounts expended.

Reimbursements to Representatives for meals, lodging and other actual and necessary expenses allowed under this Policy, but excluding conference registration fees ~~and,~~ airfare(s)~~,~~ and transportation expenses shall not exceed \$~~500~~600 per day. However, in the event the Representative provides a reasonable written explanation adequately justifying why his/her daily expenses exceeded the allowable amount, it is within the Executive Director of Finance and Administration's discretion to authorize reimbursement in excess of the daily maximum. This maximum of \$~~500~~600 per day shall apply *in addition to* all other specific limits, requirements and guidelines of this Policy, including but not limited to the maximum meal reimbursement rates set forth in Section 7 above.

Expenditures, which are improper or otherwise not adequately documented, will not be reimbursed. All credit card expenditures must also be documented in accordance with the District's Credit Card Procedure. Alcoholic beverages and other non-essential expenses including, but not limited to, in-room movies, service bar, etc. will not be reimbursed.

Employee expense reports must be submitted to the Expense Report Reviewer within 60 days (90 days for Board members) after expenses were paid or incurred. Any delinquent expenses will not be reimbursed unless justified in writing and approved by the General Manager at his/her sole discretion or for Board members, by the full Board.

Any Representative traveling for non-District related reasons who requires international access with a District owned device to remotely attend District related meetings or monitor District emails while they are away, is required to notify the Director of Information Services of their travel plans. The Director or his/her designee will purchase a one-time appropriate plan based on the data plan needs. Usage will be monitored by Information Services and reimbursement for usage over and above the initial data plan must be approved by the General Manager or his designee. Use of wi-fi for data is strongly encouraged where available.

All Board ~~Member and Committee~~-member expense reports must be submitted to the Expense Report Reviewer within ~~60~~90 days after expenses were paid or incurred. Any delinquent requests for reimbursement ~~must~~will be submitted to the full Board for approval.

All Board ~~and Committee~~-member expense reports will be reviewed for proper documentation and compliance with this policy by the ~~Expense Report Reviewer~~Executive Director of Finance and Administration prior to submittal for approval by ~~the two other~~ Board. ~~Members Committee~~All Board Member expense reports must be approved by two other Board Members prior to reimbursement. A summary of the General Manager ~~and~~ Board-~~Committee~~ member expense reports shall be submitted to the District's Finance and Personnel Committee each quarter for review. A summary of all Executive Director and Director expense reports shall be submitted to the District Finance and Personnel Committee on an annual basis for review.

In accordance with Government Code Section 53065.5-, the District will disclose any expense reimbursement paid by the District of at least one hundred dollars (\$100) per day for each individual charge for services or product received. This disclosure item will be reported to the Board on a monthly basis. Charges made using the District credit card may be excluded.

II. BOARD MEMBER MEETING COMPENSATION

SECTION 1 – General

As Representatives of the District, Board members shall be familiar with and in compliance with this policy regarding business expense reimbursement and meeting compensation. Each member of the Board of Directors is encouraged to participate in those outside activities and organizations that, in the judgment of the Board, further the interests of the District.

Article I, Section 1- General, Section 2 - Definitions and Section 3 – Responsibilities shall apply to this Article II.

SECTION 2 – Board Member Meeting Compensation

Board members will be compensated at the rate determined by the Board of Directors and consistent with applicable law for attendance at meetings of the Board of Directors and for each day's service rendered as a member of the Board ~~by request of the Board~~, including travel days to and from any approved conference, meeting or other event where service or representation is rendered as a member of the Board ~~by request of the Board. For purposes of this Section and Water Code Section 20201, "by request of the Board" shall mean (a) for meetings and other services listed in A, below, authorization by adoption of this Policy; and (b) for meetings and other services listed in B, below, advance authorization from the Board at a regularly scheduled Board meeting or as otherwise authorized by Board resolution, or, if permitted under Section 3 below, advance authorization by the President or Vice President (if the President is unavailable) with ratification at a subsequent regularly scheduled Board meeting.~~ pursuant to Water Code Section 20201, the District's Ordinance 1989-1, the District's Resolution regarding rate of pay for days of service and this Policy. Board approved compensation will be made pursuant to the Water Code Section 20202, and individual Board members will not be compensated for more

than a total of ten days in any calendar month. ~~Changes in compensation for Board Members will be implemented in compliance with IRWD Ordinance No. 1989-1.~~

Board members are required to make a brief report on meetings attended at the expense of the District at the next regularly scheduled meeting of the Board pursuant to Government Code Section 53232.3(d).

SECTION 3 – Meetings Specified By This Policy ~~As “Requested By The~~

~~A. — Board”.~~ ~~No further authorization to receive compensation for the following is required.~~

A. ~~Board Members shall~~ members will receive compensation for attending ~~Board the following~~ meetings: without the need for further authorization:
~~Committee Members shall receive compensation for attending~~

1. Board meetings.
2. Committee meetings of which they are members (including designated alternate members attending in members’ absence).
3. ~~Board Members shall receive compensation for attendance as members of the board of directors at~~ Board meetings of nonprofit organizations created by or supported with funds or other contributions from the District (unless held concurrently with meetings of the District’s Board) ~~.)~~ of which they may or may not be Board members.

~~B. — Meetings and Other Activities Requiring Advance Approval of Compensation By The Board.~~ ~~Compensation for the following requires advance approval by the Board, except as permitted in Section 3 of this article~~

- ~~1. Nonprofit organization board meetings where the Board member is not a member of the organization’s board of directors, if the nonprofit organization is one created by or supported with funds or other contributions from the District.~~
4. Service club meetings where a Board member is making a presentation or attending on behalf of the District.
- ~~2. Social or ceremonial events pre-authorized by the Board.~~
5. Events hosted by a recognized business and/or industry association related to District business.
6. Meetings a Board member has with other elected officials or their employees.
7. Meetings of the governing body of another agency, where a matter directly affecting the interests of the District is on the agenda and the Board member is not a Board member, employee or official compensated by the other agency.
8. Meetings with District staff.
9. Meetings with vendors/contractors.
10. Conferences such as ACWA, CASA, WateReuse, CSDA, and Urban Water Institute.

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11. Meetings with property owners on matters in which the property owner is seeking District approval or other consideration or on matters otherwise affecting the interests of the District.
12. Meetings of working coalitions of public and/or private entities in which the District is an active participant, stakeholder or interested party.
13. ~~C.~~ Meetings or conferences pertaining to the water and sewer Other Activities Not Compensated By The utilities industry, where Board members may be asked to give a presentation or otherwise represent the District at such events.

B. Board members will not be compensated~~receive compensation~~ or receive expense reimbursement for the following:

1. Nonprofit organization meetings or events other than those included in ~~A3 or B1, A~~ above.
2. District-sponsored employee events including, but not limited to, the Annual Holiday Breakfast, Holiday Luncheon, Employee Picnic or retirement events
3. Ceremonial or social events other than listed in A.5 above (e.g., private party, or political fundraiser).
4. Service club meetings other than those included in ~~B2, A.4~~ above.
5. Parades, festivals, holiday events, retirement dinners or funerals.
6. Meetings of partisan political organizations.
- ~~7. Nonprofit organization events.~~
- ~~8. Purely social or ceremonial events not authorized by the Board.~~

~~SECTION 3~~ Authorization in Advance; Exceptions

~~If a Board member is paid a per diem meeting rate by another outside agency, then the Board Members may from time to time member is not eligible to time receive requests or elect to attend meetings or conferences pertaining to be compensated for attendance at the water and wastewater utility industry, and may be asked to, or desire to, give presentations or otherwise represent same meeting by the District at such events. Any Board Member wishing to attend such events and represent the District shall request and receive advance authorization of compensation from the full Board of Directors. If expense reimbursement is also requested for such any reimbursable event, all requirements for such reimbursement under Article I of this Policy shall apply. In the event there is not sufficient time to submit a request for compensation to act as District Representative to the Board, the Board President or Vice President (if the President is unavailable) has the authority to approve such a request in advance; this approval would then be subsequently submitted for ratification at a subsequent regularly scheduled Board meeting.~~

SECTION 4 – Processing of Compensation Requests


Requests for compensation shall be submitted on compensation reporting forms, separate from and in addition to any expense reimbursement reporting forms submitted under Section 8 of Article I. All Board ~~Member and Committee~~ member compensation reports must be submitted to the Executive Director of Finance and Administration and the General Manager for approval

~~August 11, 2014~~July 11, 2022

~~Expense Report Reviewer~~ within ~~60~~90 days after the activity to be compensated. Any delinquent requests for compensation will be submitted to the full Board for approval.

All Board ~~Member and Committee~~ member compensation reports will be reviewed for compliance with this policy by the ~~Expense Report Reviewer~~Executive Director of Finance and Administration and the General Manager prior to submittal for payment. All Board ~~Member and Committee Member~~member compensation reports shall be submitted to the District's Finance and Personnel Committee ~~each~~quarterly for review.

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July 11, 2022
Prepared and
submitted by: C. Compton / C. Clary
Approved by: Paul A. Cook 

ACTION CALENDAR

RESUMPTION OF DISCONTINUATION OF IRWD'S SERVICE POLICY

SUMMARY:

After suspending its regular discontinuation of service policy at the start of COVID-19, IRWD is prepared to resume its regular discontinuation of service policy, as of September 1, 2022, in accordance with Section 12.5 of the Board-adopted Rules and Regulations. Reinstatement of the regular policy includes returning to the charging of late fees and interest for past due balances following an extensive notification process prior to the discontinuation any water service. In addition to the regular notification process, prior to September 1, all customers with a delinquent balance will be sent notification(s) of their past due amount and will be encouraged to enroll in a payment arrangement, if they are unable to pay their account in full. Staff recommends that the Board approve the resumption of its regular discontinuation of service policy effective September 1, 2022.

BACKGROUND:

IRWD suspended shutting off customers for non-payment of past due amounts in March 2020 due to the outbreak of COVID-19. Shortly thereafter, Governor Newsom issued an executive order prohibiting the discontinuation of water service due to non-payment. The Governor's executive order ends on either December 31, 2021, or 30 days from the date a water agency sends a notice to its delinquent customers offering them payment arrangements. IRWD plans to notify its delinquent customers of its intent to resume its normal discontinuation of service policy and to offer them payment plans no later than July 31, 2022.

Assistance Provided to Customers with Arrearages:

In 2022, IRWD participated in the California Water and Wastewater Arrearage Payment program (CWWAPP). The CWWAPP program covered delinquent bills relating to water and wastewater services provided for the period March 4, 2020 through June 15, 2021. IRWD received approximately \$1.4 million for water bills and \$0.5 million for wastewater bills from the program. It applied these funds to the delinquent bills of approximately 3,900 customers.

After the application of the CWWAPP funding, as of June 30, 2022, approximately 3,800 customers still have past due balances. The total amount delinquent on past due accounts is approximately \$2.5 million. Each of these accounts owe more than \$150, is over 60 days delinquent and is not enrolled in a payment arrangement. Based on IRWD's discontinuation of service policy, these customers are eligible for disconnection for non-payment. In addition, there are approximately 635 customers currently enrolled in payment arrangements. These customers are not eligible for disconnection under the District's discontinuation of service policy.

Proposed Timeline:

The following is the recommended timeline for transitioning back to IRWD's normal discontinuation of service policy:

July 11, 2022	Board approval for transitioning back to the regular discontinuation of service policy.
July 30, 2022	Letters sent to customers with delinquent balances regarding resumption of late fees, discontinuation of service and offer to enroll in a payment arrangement.
September 1, 2022	Resumption of late fees and interest charges.
October 1, 2022	Resumption of shutoffs for delinquent accounts not enrolled in a payment arrangement

Staff recommends transitioning back to IRWD's normal discontinuation of service policy by the end of summer 2022. Staff will ensure the appropriate noticing of customers subject to shutoff.

FISCAL IMPACTS:

Unknown at this time.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:


This item was reviewed verbally with the Water Resources Policy and Communications Committee on July 7, 2022.

RECOMMENDATION:

THAT THE BOARD APPROVE THE RESUMPTION OF IRWD'S REGULAR DISCONTINUATION OF SERVICE POLICY EFFECTIVE SEPTEMBER 1, 2022.

LIST OF EXHIBITS:

None.

July 11, 2022
Prepared by: A. McNulty
Submitted by: F. Sanchez / P. Weghorst
Approved by: Paul A. Cook 

ACTION CALENDAR

WATER EFFICIENCY TACTICAL INCENTIVE FUNDING AUTHORIZATION

SUMMARY:

IRWD's Water Use Efficiency Program includes tactical incentives to encourage customers to remove turf and to install commercial and outdoor water conservation devices that are cost-effective to the District. In 2015, IRWD executed a multi-year Water Conservation Participation Agreement with MWDOC to administer IRWD's incentives for regional rebate programs. Staff recommends the Board authorize the General Manager to allocate \$1,230,000 from over-allocation revenues, included in the FY 2022-23 Operating Budget, to co-fund rebate programs that are administered through the agreement with MWDOC and to execute addenda to the agreement, as may be necessary, to reallocate the funds among the individual rebate programs, and to modify incentive levels based on customer participation rates and changes in regional program funding levels.

BACKGROUND:

Tactical Incentives are a key element of IRWD's Water Use Efficiency Program. The financial incentives provided by IRWD are used to supplement existing regional rebate programs that are administered by MWDOC. IRWD incentives are provided taking into consideration avoided costs to the District, available regional funding, device cost, and their effectiveness as a tool to drive change. Tactical incentive programs focus on outdoor water use efficiency through the highly visible and influential turf removal rebate program and the installation of various other water conservation devices.

In July 2015, the Board approved the multi-year Water Conservation Participation Agreement with MWDOC, provided as Exhibit "A". Each fiscal year, addenda to the agreement are executed to allocate funding and to specify device rebate funding levels for the outdoor Residential, Commercial, Water Savings Incentive, Spray to Drip Conversion and Turf Removal programs.

Device Funding Levels:

The proposed allocation of IRWD tactical incentive funding and the specific device funding levels for FY 2022-23 are shown in Exhibit "B". Allocations are based on prior customer participation rates and regional funding. The incentives are a core component of IRWD's drought response.

Total incentive program funding in the amount of \$1,230,000 is included in the Board-adopted FY 2022-23 Operating Budget. To continue providing program incentives through June 2023, staff recommends the Board authorize the General Manager to allocate \$1,230,000 in funding to the FY 2022-23 rebate programs administered through IRWD's agreement with MWDOC and to execute addenda to the agreement as necessary.

IRWD Turf Rebate Program Update:

Last week, staff executed an updated addendum with MWDOC to increase the IRWD supplemental Turf Rebate funding. The increase will provide IRWD's potable residential, commercial, and industrial customers with a total rebate in the amount of \$5.00 per square foot. This is the highest amount of funding on a per square-foot basis available for customers in the history of the program. The increased funding is expected to drive participation rates and encourage customers to stop watering their lawns during the summer months and plant their new landscapes in the fall. The program will allow for project extensions to support this approach and prompt immediate water saving actions. Sites sizes are capped at 5,000 square feet for residential customers and 50,000 square feet for commercial and industrial customers. IRWD's funding would provide \$2.00 for residential customers and \$3.00 for potable commercial customers.

IRWD's public agency customers are eligible for \$3.00 per square foot with a cap of 200,000 square feet. Staff is proposing to provide supplemental funding for public agency potable and recycled customers on a case-by-case basis. This approach will build in the opportunity for IRWD to provide enhanced funding for public demonstration gardens that participate in the program. Staff proposes providing public agency participants a rebate in an amount that is at least as much as that offered to commercial customers, which would be between \$0.50 to \$5.00 per square foot up to the 200,000 square-foot cap.

FISCAL IMPACTS:

Funding from over-allocation revenues for tactical incentives in the amount of \$1,230,000 is included in the adopted Fiscal Year 2022-23 Operating Budget.

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on July 7, 2022.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO ALLOCATE \$1,230,000 IN FUNDING TO THE FISCAL YEAR 2022-23 REBATE PROGRAMS ADMINISTERED THROUGH THE WATER CONSERVATION PARTICIPATION AGREEMENT BETWEEN MWDOC AND IRWD, AND TO EXECUTE ADDENDA TO THE AGREEMENT AS MAY BE NECESSARY TO ALLOCATE FUNDS TO SPECIFIC PROGRAMS AND MODIFY DEVICE INCENTIVE LEVELS BASED ON CUSTOMER PARTICIPATION RATES AND REGIONAL PROGRAM FUNDING LEVELS.

LIST OF EXHIBITS:

Exhibit "A" – Water Conservation Participation Agreement with MWDOC
Exhibit "B" – Device Funding Levels FY 2022-23

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Exhibit "A"

Water Conservation Participation Agreement between the Municipal Water District of Orange County and Irvine Ranch Water District

This Water Conservation Participation Agreement (“Agreement”) is made between the Municipal Water District of Orange County (“MWDOC”) and Irvine Ranch Water District (“Participant Agency”). MWDOC and Participant Agency may be collectively referred to as “Parties” and individually as “Party.”

Recitals

- A. The Metropolitan Water District of Southern California (“Metropolitan”) provides incentive funding to residential, commercial, and industrial water users in its service area for a variety of water conservation activities, including, but not limited to, rebates for the purchase and installation of water-saving devices (“Metropolitan Base Incentives”).
- B. MWDOC is a member agency of Metropolitan and has agreements with Metropolitan that enable residential, commercial, and industrial water users in MWDOC’s service area, and for the benefit of MWDOC’s member agencies, to participate in and take advantage of Metropolitan’s Base Incentives.
- C. Participant Agency, as a MWDOC member agency or a direct Metropolitan member agency, may elect to participate in Metropolitan’s program to replace non-conserving items within its service area.
- D. The Metropolitan Base Incentives amounts for each eligible device or program available to MWDOC and Metropolitan member agencies are listed in the attached Addendums 1A and 1B. It is expected that Metropolitan will establish funding for additional water conservation items and to change some or all of the existing funding rates throughout the term of this Agreement. Any such changes will be incorporated herein by amendment to Addendums 1A and 1B.
- E. Metropolitan and MWDOC each have fiscal responsibility to manage their individual budgets, and hence may have a need to limit availability of funds.
- F. MWDOC and Metropolitan member agencies may also choose to provide additional supplemental funding of their own to augment the Metropolitan Base Incentives. Based on the terms and conditions of this Agreement, MWDOC will facilitate supplemental funding for Participant Agency through the Metropolitan rebate contractor (“Rebate Contractor”) or MWDOC directly. Metropolitan member agencies will coordinate any supplemental funding directly with Metropolitan.
- G. In addition to the Metropolitan Base Incentives, MWDOC has developed and arranged additional local, state, and federal grant funding (“Grant Funding”) for eligible devices in a number of water conservation programs (“MWDOC Administered Programs”) that MWDOC offers to Participant Agency and Metropolitan member agencies. This grant funding may be used to enhance the Metropolitan Base Incentives. Granting agencies

include, but are not limited to, the Department of Water Resources and the United States Bureau of Reclamation.

- H. Participant Agency may also operate customized, local water conservation incentive programs in their respective service areas (“Participant Agency Administered Programs”) and may have access to the Metropolitan Base Incentives and Grant Funding for such, subject to MWDOC and Metropolitan approval and the terms and conditions of this Agreement and any MWDOC and/or Metropolitan agreements.
- I. The purpose of this Agreement is to create a master water conservation participation agreement between MWDOC and Participant Agency that combines all of the conservation programs and incentives (“Programs”) into one agreement. Addendums to this Agreement will be issued for changes involving Metropolitan approved items, MWDOC Board approved items, Grant Funding, adding and subtracting MWDOC Administered Programs and Participant Agency Administered Programs as identified in Section 2, and changes to incentive programs, including funding and incentive levels.

NOW THEREFORE, in consideration of the promises and covenants hereinafter set forth, the Parties do agree as follows:

Section 1: Agreement Term and Administration

- 1.1 This Agreement will be effective on July 1, 2015 or upon execution of this Agreement by all Parties, whichever is later, and shall terminate on June 30, 2025 (“Term”). Continuance of this Agreement will be subject to annual budget approval by MWDOC’s Board of Directors.
- 1.2 This Agreement may be amended at any time by written mutual agreement of the Parties, or by Addendums issued by MWDOC as set forth in Recital I.
- 1.3 This Agreement may be terminated by either Party for any reason upon thirty (30) days written notice to the other Party.
- 1.4 All Addendums are enforced for the duration of this Agreement unless the Addendums are amended or terminated by either Party.
- 1.5 In the event the Agreement is terminated early, Participant Agency is responsible for payment of any funding contributions required by this Agreement that that were initiated prior to the effective date of the termination. For purposes of this Agreement, an application is deemed initiated when an application has been received by Metropolitan’s rebate vendor, EGIA, by MWDOC, or a reservation has been made within any of MWDOC’s online application portals that is pursuant to any of the programs described within this Agreement and the attached Addendums.
- 1.6 Notwithstanding any other provision in this Agreement, funds for all of the programs described within this Agreement and the attached Addendums are conditioned upon the

availability of funds and MWDOC is under no obligation to provide funding for any of the programs if MWDOC determines, in its own discretion, that such funding is exhausted, reduced, eliminated, or unavailable from any funding source, for any reason.

Section 2: Program Funding

2.1 Supplemental Funding

2.1.1 In addition to the Metropolitan Base Incentives, Participant Agency may provide additional funding to augment the Metropolitan Base Incentives amounts for those programs and devices that Participant Agency identifies, and in the amounts indicated, in the appropriate locations in Addendums 2A, 2B, and 2C (“Supplemental Funding”). The Supplemental Funding listed in Addendums 2A through 2C shall specify the amount of Supplemental Funding Participant Agency will provide per device or program, as well as the total maximum Supplemental Funding amount committed to each category of device or program. If the Participant Agency does not complete, sign, and return Addendums 2A through 2C to MWDOC, notwithstanding any other provision of this Agreement, the Participant Agency will not be bound by this Section or the provisions in Addendums 2A through 2C. In general, Supplemental Funding Addendums submitted by the 15th of a month will become effective the first of the following month.

2.1.2 If Participant Agency elects to provide Supplemental Funding or enhanced incentives under this Agreement for any device or program, Participant Agency is responsible for tracking the use of and the remaining availability of those funds. MWDOC will assist, in every way possible, but the ultimate responsibility for tracking all Participant Agency funding is the responsibility of Participant Agency. Participant Agency will ultimately be responsible for any overuse of Participant Agency Supplemental Funding.

2.1.3 Any requests for changes or revisions to Participant Agency’s Supplemental Funding, including funding transfers between Programs, must be submitted by Participant Agency to MWDOC in the form of revised Addendum 2s listing the new funding amounts/limits.

2.1.4 The Participant Agency may elect to participate in the Supplemental Funding Program and be bound by the provisions of this Section 2.1, Sections 3, 5, 6, 7, and 8 of this Agreement, and Addendum 2A through 2C by having its authorized representative complete and sign Addendum 2A through 2C in the spaces provided.

2.2 MWDOC Administered Programs

2.2.2 Participant Agency may elect to take advantage of the MWDOC Administered Programs by having its authorized representative complete and sign Addendums 3A through 3C in the spaces provided. If Participant Agency completes and signs Addendums 3A through 3C, Participant Agency agrees to be bound by the provisions of this Section 2.2, Sections 3, 5, 6, 7, and 8 of this Agreement, and Addendums 3A through

3C. If the Participant Agency does not complete, sign, and return Addendums 3A through 3C, notwithstanding any other provision of this Agreement, the Participant Agency will not be bound by this Section or the provisions in Addendums 3A through 3C.

2.3 Participant Agency Administered Programs

2.3.1 From time to time, funding may be made available for Participant Agency to operate a customized member agency administered local water conservation incentive program or programs (“Participant Agency Administered” “PA” or “MAA Program”) in its service area and access the Metropolitan Base Incentives for such, subject to MWDOC approval of the program and the terms and conditions of this Agreement and Addendum 4. The Participant Agency Administered Program(s) and requirements in connection with it are described in more detail in Addendum 4.

2.3.2 Upon receipt of approval of a Participant Agency Administered Program by MWDOC, Participant Agency is bound by the provisions of Sections 3, 5, 6, 7, and 8 of this Agreement and Addendum 4.

2.4 Exhaustion of Funding

2.4.1 In the event Participant Agency provided funding for any Program or device is exhausted, and Participant Agency does not elect to add additional funding or transfer available funding from another Program or device, MWDOC will discontinue offering the additional rebate funding for that Program or device in Participant Agency’s service area. Notwithstanding any other provision in this Agreement, MWDOC may terminate this Agreement as it relates to Section 2 at any time without prior notice in the event that MWDOC determines that funding for any device or program on Addendums 2 through 4 or MWDOC Grant Funding is exhausted, reduced, eliminated, or unavailable from any funding source, for any reason.

Section 3: Participant Agency Responsibility and Ownership

- 3.1 Participant Agency, at its sole discretion, may independently contract with its own agents under separate agreements for program administration and management for any Participant Agency Administered Program provided that doing so does not compromise program performance, create or present a conflict of interest, or violate the terms of this Agreement.
- 3.2 Participant Agency and/or its agent shall provide all necessary services and materials for such Participant Agency Administered Programs including, but not limited to the following: program administration, promotion, marketing materials, data collection, and analysis, installation verification, and reporting.
- 3.3 All materials and supplies necessary to implement a Participant Agency Administered Program shall be the exclusive property of Participant Agency. MWDOC shall have no

ownership, right, title, security interest, or other interest in any Participant Agency Administered Program materials or supplies, nor any rights duties, or responsibilities, therefor.

- 3.4 Participant Agency is responsible for assuring that any Participant Agency Administered Program complies with all federal, state, and local requirements.
- 3.5 Participant Agency agrees to cooperate with MWDOC's data management activities related to assessing device saturation and program success.
- 3.6 As part of any Participant Agency Administered Program, Participant Agency shall use, maintain, and submit to MWDOC within the designated timeframe an electronic database, to be approved by MWDOC prior to use, for any conservation items installed, distributed, or rebated by Participant Agency or its agents to avoid duplicate distributions and to determine the saturation rate of items by the appropriate geographic delineation.
- 3.7 Participant Agency is solely responsible for the performance of its staff or representatives in complying with the terms of this Agreement and for the proper allocation and appropriate use of funds provided by Metropolitan and/or MWDOC for the purpose of achieving water conservation savings under this Agreement.

Section 4: MWDOC's Obligations

- 4.1 MWDOC will be response to Participant Agency for ensuring that timely reports on the Programs' results are prepared by MWDOC's staff.
- 4.2 MWDOC will develop a database of information regarding participation in the Programs and provide monthly electronic and/or written reports of activity to Participant Agency.
- 4.3 MWDOC will invoice Participant Agency for any Participant Agency funding obligations on a monthly basis for rebates issued in the previous month.
- 4.4 MWDOC does not guarantee any minimum number of rebates will be available for Participant Agency's service area.

Section 5 Marketing.

- 5.1 Participant Agency agrees to assist in the marketing of programs it participates in under this Agreement. With regard to Participant Agency Administered Programs, Participant Agency will be solely responsible for marketing its Participant Agency Administered Program to customers in its service area.

Section 6: Installation Verification

- 6.1 Participant Agency shall be responsible for conducting installation verifications of items installed, distributed, and/or rebated by Participant Agency under Participant Agency

Administered Programs, and/or for paying all costs associated with this verification. Installation verification measures for program devices must be designed to ensure that materials, installation verifications of eligible program devices, and services meet requirements established by Metropolitan, which requirements will be provided to Participant Agency by MWDOC.

- 6.2 Participant Agency may be responsible for conducting installation verifications of items installed, distributed, and/or rebated by Participant Agency or MWDOC under MWDOC Administered Programs, and/or for paying all costs associated with this verification. Installation verification measures for program devices must be designed to ensure that materials, installation verifications of eligible program devices, and services meet requirements established by Metropolitan, which requirements will be provided to Participant Agency by MWDOC.
- 6.3 MWDOC reserves the right to conduct installation verification of items within Participant Agency's service area.
- 6.4 Participant Agency acknowledges that any device receiving funding from Metropolitan may be subject to an installation verification to be performed by Metropolitan, or its agent(s), at Metropolitan's discretion.
- 6.5 Participant Agency shall promptly refund to MWDOC any amounts paid under any Participant Agency Administered Program or MWDOC Administered Program for installed or distributed devices in the event MWDOC or Metropolitan establishes via installation verification that the program devices were not installed.

Section 7: Reporting and Invoicing

- 7.1 For any and all Supplemental Funding provided by Participant Agency and/or Participant Agency provided funding or inspection costs under the MWDOC Administered Programs pursuant to Section 2 of this Agreement, and as more particularly described in Addendums 2 and 3, MWDOC will invoice Participant Agency on a monthly basis for the cost of such funding, and Participant Agency must pay the full amount of such invoice within thirty (30) days of receipt of any such invoice.
- 7.2 For any and all Participant Agency Administered Program(s), Participant Agency will invoice MWDOC on a monthly basis, by the 10th of each month, for any approved funding and costs associated with the Participant Agency Administered Program(s) as indicated in and subject to the provisions of Addendum 4. MWDOC is under no responsibility to reimburse Participant Agency for any costs incurred by Participant Agency that are not approved by MWDOC consistent with the terms and conditions of this Agreement and Addendum 4. The invoice package shall include a fully completed, to the satisfaction of MWDOC, Excel customer/applicant spreadsheet showing program activity, and an invoice, signed by the General Manager or designee of Participant Agency, certifying the information provided as accurate. Participant Agency shall use the Excel customer/applicant spreadsheet and Invoice forms approved by MWDOC.

- 7.3 Participant Agency shall maintain all Participant Agency Administered Program information, including Participant Agency applications, water bills, and purchase receipts, for a period of seven years from the end date of this Agreement.
- 7.4 Payment of Participant Agency invoices shall be in the form of either a credit on MWDOC's water bill to Participant Agency or a check made payable to Participant Agency. Method of payment shall be at MWDOC's discretion.

Section 8: Confidentiality

- 8.1 MWDOC agrees to maintain the confidentiality of Participant Agency's customer names, addresses, and other information gathered in connection with this Agreement. MWDOC will not cause or permit the disclosure of such information except as necessary to carry out any of the MWDOC Administered or Participant Agency Administered Programs, or as required by law. To the extent that MWDOC contracts with third party contractors to carry out all or any portion of any of the Programs, MWDOC will require such contractors to maintain the confidentiality of such customer information.
- 8.2 Notwithstanding anything to the contrary in this Agreement, Participant Agency acknowledges and agrees that MWDOC may request and use historical water consumption data for purposes of satisfying any grant water use and water quality evaluation requirements of any of the Programs. Participant Agency also acknowledges and agrees that MWDOC may also request to use Program applicant information, such as name, mailing address, site photos, and email address to market other water use efficiency programs to past applicants. A similar provision will be required of every individual applicant.

Section 9. Indemnification.

- 9.1 The parties agree that each Party shall be responsible for its own actions, and the actions of its officers, employees, and agents, in performing services under this Agreement. Except as provided in this Agreement and its Addendums, each Party agrees to indemnify and hold the other Party and its officers and agents harmless and agrees to defend the other Party against any claim or asserted liability arising out of its actions, either willful or negligent, or the actions of its officers, employees, and agents, in performing services pursuant to this Agreement. Such indemnity will include any losses relating to any claim made, whether or not a court action is filed, and will include attorney fees and administrative and overhead costs related to or arising out of such claim or asserted liability.
- 9.2 Participant Agency shall include the following language in its agreement with any consultant or contractor retained by Participant Agency to work on any of the Program" "(Consultant) agrees at is sole cost and expense to protect, indemnify, defend, and hold harmless Metropolitan, MWDOC, and their associated Boards of Directors, officers, representatives, agents and employees from and against any and all claims and liability

of any kind (including, but not limited to, any claims or liability for injury or death to any person, damage to property, natural resources or to the environment, or water quality problems) that arise out of or related to Participant Agency's approval, construction, operation, repair, or ownership of any Program. Such indemnity shall include all damages and losses related to any claim made, whether or not a court action is filed, and shall include attorneys' fees, administrative and overhead costs, engineering and consulting fees, and all other costs related to our arising out of such claim or asserted liability."

Section 10. Certification re Lobbying (43 CFR 18)

10.1 The undersigned hereby certifies on behalf of Participant Agency that no Federal appropriated funds have been paid or will be paid, by or on behalf of the Participant Agency, to any person for influencing or attempting to influence an officer or employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress in connection with a Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying" in accordance with its instructions. To the extent federal funds are involved, the Participant Agency shall require that the language of this certification be included in the awards documents for any sub-awards by the Participant Agency at all tiers (including sub-contracts, sub-grants, and contracts under grants, loans and cooperative agreements) and that sub-recipients, if any, shall certify accordingly.

Section 11. Other Terms

- 11.1 Any alteration or variation of the terms of this Agreement will not be valid unless made in writing and signed by both Parties.
- 11.2 This Agreement will inure to the benefit of and be binding upon the Parties and their respective successors.
- 11.3 The partial or total invalidity of one or more parts of this Agreement will not affect the intent or validity of this Agreement.
- 11.4 This agreement shall be deemed a contract made under the laws of the State of California, and for all purposes will be interpreted in accordance with such laws. The Parties hereby agree and consent to the exclusive jurisdiction of the courts of the State of California, and that the venue of any action brought hereunder will be in Orange County, California.


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///


11.5 This Agreement constitutes the entire agreement between the Parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.


MUNICIPAL WATER DISTRICT
OF ORANGE COUNTY

IRVINE RANCH WATER DISTRICT

By: 
Robert J. Hunter
General Manager
Date: 7-14-15

By: 
Paul Cook
General Manager
Date: 7-9-15

Approved as to Form:
Bowie, Arneson, Wiles & Giannone


Joan C. Arneson
Legal Counsel
Date: 6/25/15

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Exhibit "B"

Rebate Program Funding Allocation FY 2022-23

Program	Maximum Funding	Devices	IRWD Rebate Funding Level per Device
SoCal Water\$mart Residential Program	\$ 20,000	Residential Smart Timer	Up to \$75
		Rotating Nozzle	\$2 per nozzle

Program	Maximum Funding	Devices	IRWD Rebate Funding Level per Device
SoCal Water\$mart Commercial Program	\$ 10,000	Connectionless Food Steamer	\$485 per compartment
		Commercial Ice Making Machine (Tier III)	\$250
		Cooling Tower Conductivity Controller	\$700
		Cooling Tower pH Controller	\$400
		Rotating Nozzle	\$2 per nozzle
Water Savings Incentive Program	\$ 50,000	Performance Based	\$3 per 1,000 gallons/one year
Turf Removal Program	\$ 1,070,000	Turf Removal	Not to exceed \$5/SF
Spray to Drip Program	\$ 80,000	Spray to Drip Conversion	Not to exceed \$0.20/SF
Total Funding for all Rebate Programs	\$ 1,230,000		

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