

## **Irvine Ranch Water District Goals and Objectives for 2014**

### **Strategic Objectives: Water Reliability, Cost Effectiveness, Innovation, Water Policy**

#### IRWD Groundwater Development Program:

- Complete the water quality testing, environmental permitting, design and construction of groundwater production facilities and well head treatment, as required, to produce water at or above IRWD's allowable Basin Production Percentage (BPP).
  - Well 115 and OPA Well 1 – Complete construction;
- Advocate for increased availability of replenishment water for local groundwater replenishment efforts and for IRWD water banking efforts;
- Complete the investigation of a joint well project with East Orange County Water District;
- Work with Orange County Water District (OCWD) to complete the annexation of additional IRWD territory through the LAFCO process;
- Work with OCWD to develop a policy clarifying the inclusion of recycled water demands in OCWD's calculation of the BPP; and
- Update the IRWD Groundwater Work Plan.

#### Potable Water Supply Reliability Study:

- Update IRWD's 2008 Potable Water Supply Reliability Study to include evaluations of system vulnerabilities and both local and import supply vulnerabilities associated with potential earthquakes, Delta levee failures, continued Delta flow restrictions, State Water Project (SWP) pumping plant failures, climate change events and other potential problems.

#### IRWD Water Banking Program:

- Identify, evaluate, and secure additional land to be incorporated into the District's water banking projects in Kern County;
- Deliver IRWD's 2013 and 2014 State Water Project Table A water allocated to the Jackson Ranch inside Dudley Ridge Water District (DRWD) to the Strand Ranch Integrated Banking Project (Strand Ranch) through the executed Multi-Year Unbalanced Exchange and Point of Delivery Agreement between DRWD, Metropolitan Water District of Southern California (MWD), Kern County Water Agency and the California Department of Water Resources (DWR);
- Negotiate an agreement with MWD for the delivery of MWD system water to IRWD's Strand and Stockdale Integrated Banking Projects for the benefit of IRWD and/or for the joint benefit of IRWD and others on an effective 2-for-1 basis;
- Assist MWD in the development and execution of Delivery Agreements with DWR that will allow MWD to deliver MWD system water to and from the Strand Ranch;
- Develop, execute, and obtain MWD's consent for developing long-term unbalanced exchange agreements with Carpinteria Valley Water District and/or Antelope Valley-East Kern Water Agency and initiate the development with DWR of Multi-Year Exchange and Point of Delivery Agreements for the programs;
- Complete a technical and legal review of the exportability the high-flow Kern River water that IRWD has in storage at the Strand Ranch;
- Execute the template IRWD/MWD Wheeling Agreement that has been developed for the recovery, exchange and delivery of non-SWP water from the Strand Ranch Project to IRWD's service area and successfully implement and gain necessary approvals for a pilot

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project for the exchange and wheeling of 1,000 AF of Kern River Water from the Strand Ranch to IRWD's service area;

- Work with MWD and Municipal Water District of Orange County to develop a standardized framework through which agencies can work through to expedite the approval process for water transfers, storage, and wheeling proposals;
- Complete and certify an Environmental Impact Report for the Stockdale Integrated Banking Project with Rosedale that also incorporates construction and operation of water banking facilities on the Stockdale West and East Properties as well as on additional lands to be secured by IRWD and/or Rosedale in the future;
- Finalize and execute a long-term exchange agreement with Rosedale for a Joint Integrated Stockdale Water Banking and Exchange Project;
- Award a construction contract for drilling and constructing of wells for the Stockdale Integrated Banking Project including additional project wells in the Rosedale service area.
- Initiate the design of recovery facilities pipelines and wellheads for the Stockdale Integrated Banking Project;
- Develop and obtain approval of a long-term exchange agreement with Buena Vista Water Storage Agreement for the delivery and storage of high flow Kern River Water to the proposed Stockdale Water Banking on a two-for-one basis;
- Develop a master plan for IRWD's water banking projects and programs; and
- Negotiate and execute long-term farm lease agreements for portions of the Jackson Ranch to make use of water to be returned from unbalanced exchanges at the Strand Ranch Project as well as water available to the leasee's from their own water supply portfolios.

#### Baker Water Treatment Plant:

- Initiate construction of the Baker Water Treatment Plant and Raw Water Pump Station;
- Coordinate construction with the development of the Serrano Summit project;
- Develop staffing and training plan for operations and maintenance of the Baker Water Treatment Plant; and
- Ensure facilities are constructed to address any potential issues with quagga mussels.

#### Management of Irvine Lake:

- Develop a capital improvements needs assessment and an operations plan to maximize the utilization of storage capacity in Irvine Lake, taking into account the use of this water as an alternate source of supply for the Baker Water Treatment Plant;
- Continue discussions with Serrano Water District (SWD) to update the methodology used to account for evaporative losses for water stored in Irvine Lake, execute an amended agreement with SWD to reflect and apply the new methodology prospectively;
- Update Santiago Aqueduct Commission agreements related to Irvine Lake spillage; and
- Complete the seismic analysis of Santiago Creek Dam to determine the extent of the seismic upgrades required for the outlet tower.

#### Second Lower Cross Feeder:

- Continue discussions with MWD, MWDOC, and other water agencies in Orange County to determine the benefits of constructing the Second Lower Cross Feeder.

Water Use Efficiency Programs:

- Implement enhanced outreach and cost-effective demand management programs, identified in Water Efficiency Plan (dated December 2013) including:
  - Focus on development and implementation of the CalScape outreach campaign and suite of implementation programs;
  - Expand outreach and assistance to homeowners associations and property managers;
  - Develop partnerships with private and public entities to leverage the effectiveness and reach of water efficiency programs;
  - Research and implement, as appropriate, new technologies and innovative programs to train and assist customers to improve their water use efficiency, with an emphasis on outdoor water use;
  - Continue to partner with commercial, industrial and institutional customers to implement cost-effective water use efficiency programs;
  - Expand the use of enhanced customer engagement and reporting such as WaterSmart as a tool to motivate additional water use efficiency;
  - Research and implement, as appropriate, the use of enhanced GIS data to improve customer allocation-setting, outreach and programs targeted toward outdoor water use;
- Actively participate in policy discussions addressing water-energy nexus, Demand management, and exploring concepts for establishing a conservation credit exchange program.

Recycled Water Customer Development:

- Complete development of the on-line site supervisor training for recycled water customers;
- Evaluate the feasibility of using satellite recycling plants in remote areas not served by the recycled water distribution system;
- Work with key customers to encourage them use recycled water, including UCI for use in its cooling towers and Royalty Carpet for carpet dyeing;
- Pursue partnerships with neighboring agencies to sell them recycled water;
- Work with upper Santa Ana River Watershed agencies to develop regional recycled water goals and revising policy position on Santa Ana River Watershed Grant Funding Prioritization as necessary;
- Determine whether recycled water can be cost-effectively served to the remaining Irvine Lake Pipeline customers;
- Pursue new Local Resources Program funding from MWD as well as grant funding for projects that use recycled water; and
- Identify opportunities for cost effective implementation of dual-plumbed condominiums and apartment properties.

**Strategic Objectives: Sewer Reliability, Cost Effectiveness, Environmental Commitment, Innovation, Resource Recovery**

Biosolids Dewatering and Energy Recovery Facilities:

- Continue construction of the MWRP Biosolids and Energy Recovery Facilities;
- Complete AQMD permitting process while staying within appropriate reporting thresholds;
- Develop odor monitoring and response plan;

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- Develop a staffing and training needs plan, evaluate outsourcing options, and initiate phased recruitment for the MWRP Biosolids and Energy Recovery Facilities;
- Develop a marketing plan for the distribution / sale of pellets;
- Begin developing concepts and partnerships relative to implementing a foodwaste recycling program at the MWRP once the new solids handling facilities are completed;
- Collaborate with other agencies including Encina Wastewater Authority on lessons learned, O&M, product marketing and distribution, and resource sharing opportunities; and
- Discuss potential Orange County Sanitation District participation in MWRP Biosolids and Energy Recovery Facilities on an interim basis.

#### Sewage Treatment and Recycled Water Supply Optimization:

- Continue to implement a comprehensive long-term sewage management strategy to minimize treatment costs and maximize the use of recycled water including:

##### *Michelson Water Recycling Plant*

- Complete the improvements and required staffing changes to increase MWRP capacity to 28 MGD and initiate start-up and operations of the new facilities;
- Evaluate alternatives for final effluent operational storage at MWRP;
- Develop a plan to assess the replacement and rehabilitation needs of the existing MWRP facilities;
- Evaluate the viability of supplementing the recycled water system with water treated by the San Joaquin Marsh and then diverted to the MWRP;

##### *Los Alisos Water Recycling Plant*

- Complete study to evaluate short-term options for solids handling at the LAWRP;
- Update the LAWRP Master Plan to identify long term water recycling and solids handling options;

##### *Recycled Water Storage and Distribution System*

- Evaluate procurement of recycled water storage capacity at Santa Margarita Water District's Upper Oso Reservoir;
  - Assess on-going use of chlorine gas for disinfection and begin investigation for potential conversion to sodium hypochlorite District-wide;
  - Evaluate operational alternatives to enhance recycled water quality from open reservoirs;
  - Assess recycled water distribution system reliability along with the costs and benefits to ensure customer needs are met;
- Develop alternatives for long-term off-season storage/use options of recycled water including:
    - Continue investigating opportunities to expand IRWD's seasonal storage capacity at Syphon Reservoir, Peters Canyon, and other locations based on wet year/dry year supply and demand variations;
    - Initiate conceptual development of indirect potable reuse projects such as an advanced water treatment facility at Peters Canyon to serve replenishment water directly to OCWD's Santiago Pits recharge facility via Handy Creek and other groundwater recharge facilities in the Irvine Sub-basin.

#### Sewage Collection System Planning:

- Complete Sewer Flow Factor Study / Flow Monitoring Study so sewer flow factors and sewer demand projections can be updated;
- Update Sewer Collection System Master Plan;

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- Prepare for the first Sewer System Management Plan (SSMP) state audit in May 2014;
- Evaluate the need to conduct an Infiltration and Inflow (I&I) Study of the IRWD sewers; and
- Develop and implement enhanced sewage discharge source control (non-flushable materials, expired pharmaceuticals) outreach and enforcement programs to protect the sewage collection system and recovered resources (such as recycled water, biosolids pellets).

#### Operational Facilities – Asset Management:

- Initiate data collection and cataloging of assets for entry into the new Enterprise Asset Management (EAM) software;
- Conduct pre-implementation activities for the EAM system implementation that include developing business processes, identifying asset criticality protocols, and initiating procurement of a system implementation consultant;
- Evaluate staffing and resource needs for EAM system implementation and maintenance;
- Update the existing Replacement Planning Model; and
- Identify and evaluate tools, methods, and new technologies to improve the District's electrical and mechanical reliability efforts.

### **Strategic Objective: Water Quality, Innovation**

#### Salt Management Plan:

- Complete the IRWD Recycled Water System Salt Management Plan; and
- Evaluate and implement opportunities, in conjunction with the necessary funding mechanisms, to manage salt loading within IRWD's service area.

#### Research Business Plan:

- Continue to support basic research, knowledge management, applied research, and pilot studies to IRWD's ability to provide services safely, reliably, and cost effectively;
- Ensure that resources dedicated to research and/or pilot studies provide a commensurate level of value to address current and/or future IRWD challenges; and
- Assess the value of Isle Utilities' Technology Approval Group (TAG) process to IRWD and recommend whether IRWD should continue to participate in Southern California TAGs for water treatment technologies.

### **Strategic Objective: Employee Satisfaction / Development, Cost Effectiveness**

#### Employee Outreach:

- Further enhance the IRWD intranet and complete transition employee communications to web-based format;
- Develop an Employee Recognition Committee to review and revise the current service award program, develop other (non-monetary) methods to recognize and reward performance, and create a communication plan for the enhanced recognition opportunities;
- Implement a quarterly Managers Meeting program to enhance the sharing of ideas and intra-organization connections; and
- Work with employees to develop a plan for enhancements to the IRWD employee wellness program.

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#### Safety Program Improvements:

- Continue with activities associated with the Safety Awareness Program, including:
  - Provide additional personal protective equipment customized to different tasks performed by employees;
  - Recognize employees who consistently work safely in different conditions;
  - Support Operations in specifying safety training requirements for job-specific tasks by developing meaningful operating procedures to address safety hazards associated with tasks performed by field staff;
- Develop return to work/temporary accommodation programs to facilitate employee recovery from injury and/or illness recovery; and
- Expand role of and participation in the IRWD Safety Committee.

#### Security Improvements:

- Develop a comprehensive security assessment plan for significant IRWD facilities including the Sand Canyon Headquarters Building, the MWRP / Operations Center, LAWRP, and other critical facilities.

#### Employee Training:

- Provide employee training which meets all regulatory requirements, results in continuous improvement, and maintains a productive and highly motivated work force including:
  - Project Management Training classes;
  - Management and Supervisory Training;
  - Training on District Policies (various topics) as needed;
  - Retirement Planning;
  - Business Technology (e.g., MS Office Suite)
  - Effective Communications Skills;
- Develop a plan to increase operator certification levels for both Recycling and Water System Operations;
- Conduct a survey of District staff regarding interest areas for optional Enrichment Program sessions and develop programs accordingly; and
- Complete current phase of the IRWD Leadership Development Initiative.

#### Performance Management:

- Redesign existing performance appraisal process to ensure employees receive constructive and effective feedback on both job performance and goals and expectations; and
- Conduct training sessions for managers, supervisors and employees on the new process.

#### District Operational and Administrative Process Efficiencies:

- Review District Policies and practices to maximize administrative efficiencies while still aligning with the Board's strategic objectives;
- Expand the development of knowledge sharing, staff development, contract services, and mutual aid opportunities with other agencies;
- Develop updated IRWD Key Performance Indicators (KPIs) to monitor and drive improved performance; and
- Evaluate the scope and advantages of a database management system for District Operations.

Succession Planning:

- Continue succession planning efforts to ensure appropriate staffing and skill levels for all District operations (e.g., Mentoring Program, staffing needs analyses for Baker and Biosolids projects, cross training and job rotation programs); and
- Continue partnerships with outside entities to promote careers in the water industry (e.g., Santiago Canyon College, Irvine Valley College) and to assist in growing IRWD's current employees for future promotional opportunities (e.g., Leadership Tomorrow and Leadership Development for Public Agencies sponsored by California State University, Fullerton).

**Strategic Objective: Cost Effectiveness, Water Policy**

Enterprise Resource Planning Software Optimization:

- Optimize Oracle eBusiness Suite Enterprise Resource Plan (ERP) implementation for financial and human resources applications, including training and additional reporting ;
- Identify and implement additional business intelligence capabilities;
- Evaluate and implement other business process efficiencies utilizing E Business Suite capabilities;
- Evaluate and implement solutions for improved capital budgeting, planning and reporting;
- Implement appropriate staffing levels resulting from the ERP implementation; and
- Implement changes relative to IRWD's new Improvement District Consolidation structure.

Utility Billing Software Implementation:

- Complete Phase 1 of the Oracle CC&B software system implementation;
- Evaluate proceeding with Phase 2 of the Oracle CC&B software system implementation; and
- Develop a high-level scope for providing outside water agencies with utility billing services.

State and Federal Funding:

- Secure federal funding authorization under the Water Resources and Reform Development Act (WRRDA) for Army Corps of Engineering funding of the Syphon Reservoir Recycled Water Storage project; and
- Continue to seek grants for renewable energy and other key projects through available sources, such as Cap-and-Trade revenues.

IRWD Rates and Charges:

- Update IRWD's Cost of Service Study to support current rate structure.

Debt and other Financial Instruments:

- As market conditions warrant, seek authorization from the Finance and Personnel Committee to execute a basis swap trade consistent with the parameters approved by the Board;
- Evaluate financing structures available for the replacement component of the Biosolids Facility capital requirement;
- Provide financing required to implement the Long-Term Financing Strategy; and
- Continue to evaluate opportunities to capture and lock-in historically low interest rates on the District's existing debt and new money needs.

Real Estate Asset Development:

- Lake Forest/Serrano Summit Property:
  - Complete the project’s environmental permitting/mitigation requirements related to the City of Lake Forest’s civic center site;
  - Complete the revised tentative tract map, Area Plan, EIR and final tract map;
  - Develop project marketing strategy, preferred sale structures and select necessary consultant(s) to manage the project sale process.
- Sand Canyon Office Development:
  - Seek primary build-to-suit tenant to develop a for-lease office building on the remaining vacant site;
- Wood Canyon Villa Apartment Property Partnership:
  - Evaluate partnership buyout opportunities utilizing the District’s majority equity position in the property and, if appropriate, propose same to General Partner;
- Completion of the detailed reference guide for the District’s real property inventory listing including current use, site description, title restrictions/constraints and property location.

Pension and Health Benefits:

- Ensure that IRWD is well positioned to comply with requirements associated with national health care legislation;
- Implement cost effective changes, when identified, to existing health benefits to maintain a competitive compensation structure;
- Review additional opportunities to optimize funding of pension and other post-employment obligation benefit liabilities; and
- Follow the policy principles established by the Board in June 2010 and continue to advocate for appropriate pension reform to eliminate practices that are financially detrimental to IRWD and the CalPERS system.

**Strategic Objectives: Environmental Commitment, Innovation**

Natural Treatment Systems (NTS) and Watershed Initiatives:

- Prepare final environmental documentation for and design of the Peters Canyon Wash Channel Water Capture and Reuse Pipeline Project facilities;
- Develop and implement an improved data tracking and management system for the NTS that will improve the ability to evaluate the effectiveness of the NTS facilities, as well as prepare necessary regulatory reporting;
- Prepare an Annual Report of NTS Operations including nutrient removal performance at each NTS facility, operational objectives, and recommendations for adaptive changes to the NTS program;
- Evaluate the performance and cost effectiveness of the existing pilot bioretention facility as part of the NTS Program;
- Continue to work with partners in Newport Bay Executive Committee to develop and implement the elements of the Nitrogen Selenium Management Plan; and
- Continue to participate in stakeholder development of TMDLs for the Newport-Bay Watershed for selenium, nutrients and toxics, and advocate for a maximum benefit approach to be applied.



### Carbon Footprint Minimization:

- Further refine and complete an Embedded Energy Model for IRWD; and
- Investigate transitioning to alternative fuel vehicles in our fleet to ensure compliance with regulations, greenhouse gas reduction, and economic savings.

### **Strategic Objectives: Communication, Customer Satisfaction, Water Policy**

#### IRWD Legislative Efforts:

- Implement the IRWD 2014 State Legislative Strategy. Conduct advocacy activities on legislation impacting IRWD, the water industry and special district interests, including but not limited to the following:
  - *Recycled Water*: Promote the expanded use of recycled water and its acceptance as a resource and not a waste by advocating for the removal of hindrances to recycled water projects. Advocacy would include promotion of the following:
    - Removing recycled water from being classified as a waste;
    - Updating Title 17 & 22 of the California Code of Regulations;
    - Changes to permitting processes so that recycled water is viewed as a resource and not a problem by State agencies;
    - Changes to permitting processes so that recycled water is viewed as a resource and not a problem by State agencies;
  - *Storm-Induced Overflows*: Seek a change to the State’s policy which calls management of any ponds containing recycled water such that no discharge occurs unless the discharge is a result of a 25-year, 24-hour storm event or greater;
  - *Energy and Water Efficiency Partnerships*: Work with industry colleagues (through CMUA, ACWA, and others) to ensure that new laws and regulations related to energy and water efficiency remove barriers to and encourage more partnerships;
  - *Water Supply and Infrastructure Financing*
    - *Water Bond*: Work with water industry colleagues to determine and advocate for the most feasible approach to effectively passing a statewide water bond;
    - *Public Goods Charge for Water*: Continue to oppose imposition of a Public Goods Charge for water. If legislation related to a public goods charge on water moves forward, work with key legislators and industry associations to ensure that the charge is levied and administered fairly. Proceeds of a Public Goods Charge must be allocated within the region from which they originate;
    - *San Joaquin Delta*: Continue to support legislation and efforts related to the Bay Delta Conservation Plan consistent with IRWD’s BDCP Policy Principles which will provide a long-term solution to California’s water crisis, will ensure reliable high-quality water supply to residents, agriculture and businesses across the state, and will protect and improve the Delta ecosystem;
    - *Water Governance*: Advocate for sensible statewide water governance proposals such as those detailed in the 2010 Little Hoover Commission report “Managing for Change: Modernizing California’s Water Governance.”
  - *California Budget*: Monitor the California budget process and proposals that impact special districts and the water industry, particularly those that would shift revenues away from special districts;

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- *Pension Reform:* Monitor statewide activities related to pension reform including legislation introduced, initiatives filed, and proposals considered as part of the budget;
- *Government Reform:* Work with the California Special Districts Association to monitor and respond to proposed government reform legislation to protect special district autonomy and finances and local control.

#### Government Relations:

- Continue to build relationships with federal, state and local elected and appointed officials and their staff members, as well as community leaders to gain support for IRWD policy efforts and initiatives; and
- Monitor and participate in discussions regarding local governance issues, including potential consolidation of wholesale water service agencies in Orange County.

#### Enhanced Internal and External Communication and Education Programs:

- Community Outreach and Education Program:
  - Implement a coordinated IRWD outreach program for customers, business partners, elected officials, and other government agencies that includes traditional as well as multi-pronged social media and internet programs and is based on measurement tools, metrics and customer feedback;
  - Enhance the IRWD customer tour and education programs;
  - Design and install new community education signage throughout public spaces at IRWD facilities, including District offices, facilities, community rooms, the Joaquin Marsh and Wildlife Sanctuary and the Marsh Campus;
  - Design and install Customer Service wall displays;
  - Install water bottle filling stations at the San Joaquin Marsh and Wildlife Sanctuary to educate customers about water quality and promote environmental stewardship;
  - Develop and implement expanded outreach program with traditional, online and industry media outlets to provide information on IRWD projects and programs.
- Construction Project Community Relations:
  - Implement an outreach program for the completion of the MWRP expansion program including dedication event, media outreach, and videos as well as technical and community tours;
  - Conduct active outreach programs for the Biosolids and Energy Recovery Project and Baker Water Treatment Plant including regular community update meetings.
- Transparency Enhancements:
  - Maintain the online Transparency Center with regular updates and refinements.
- Water Use Efficiency Outreach Programs:
  - Develop and implement an annual outreach plan based on customer feedback, metrics and measurement tools. This plan will include specific outreach campaigns that will be linked to results of measurement tools, and results will drive future outreach and collateral materials.