

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

**March 11, 2013**

**PLEDGE OF ALLEGIANCE**

**CALL TO ORDER**

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

**ROLL CALL**

Directors Matheis, LaMar, Swan, Withers and President Reinhart

**NOTICE**

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

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**COMMUNICATIONS TO THE BOARD**

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1. A. Written:

B. Oral: Mrs. Joan Irvine Smith relative to the Dyer Road Wellfield.

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

Recommendation: Determine that the need to discuss and/or take immediate action on item(s) introduced come to the attention of the District subsequent to the agenda being posted.

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**PRESENTATION**

**Next Resolution No. 2013-8**

3. **RESOLUTION OF COMMENDATION FOR PETER GONZALEZ**

Recommendation: That the Board adopt a resolution commending Peter Gonzalez for his dedicated service to the District.

Reso. No. 2013-

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**CONSENT CALENDAR**

**Items 4-16**

4. **MINUTES OF REGULAR BOARD MEETINGS**

Recommendation: That the minutes of the February 11, 2013 Regular Board Meeting and the February 14, 2013 Adjourned Regular Board Meeting be approved as presented.

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**CONSENT CALENDAR – Continued**

**Items 4-16**

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

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

6. JANUARY 2013 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate Swap Summary for January 2013; approve the January 2013 Summary of Payroll ACH payments in the total amount of \$1,397,905, and approve the January 2013 accounts payable Disbursement Summary of Warrants 335832 through 336720, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$18,242,425.

7. ORANGE PARK ACRES DOMESTIC WATER PRESSURE REGULATING STATIONS AND FIRE FLOW IMPROVEMENTS CONTRACT CHANGE ORDER

Recommendation: That the Board authorize the General Manager to approve Contract Change Order No. 1 with Paulus Engineering, Inc. in the amount of \$68,888.08 for the Orange Park Acres Domestic Water Pressure Regulating Stations and Fire Flow Improvements, projects 10409 (1287) and 10410 (1297).

8. TRABUCO LIFT STATION EMERGENCY STORAGE BASIN EXPENDITURE AUTHORIZATION

Recommendation: That the Board approve an Expenditure Authorization in the amount of \$286,000 for the Trabuco Lift Station Emergency Storage Basin, project 21113 (3724).

9. ADDENDUM NO. 2 TO THE BAKER WATER TREATMENT PLANT FINAL ENVIRONMENTAL IMPACT REPORT

Recommendation: That the Board approve the proposed Addendum No. 2 to the Baker Water Treatment Plant Project Final Environmental Impact Report, including the determinations set forth in Addendum No. 2 and approve the modifications to the project.

**CONSENT CALENDAR – Continued**

**Items 4-16**

10. QUITCLAIM OF REAL PROPERTY – IRVINE LAND COMPANY LLC, BAKE PARKWAY/LAKE FOREST DRIVE EXTENSION, PLANNING AREAS 18 AND 39

Recommendation: That the Board adopt a resolution approving execution of the quitclaim deed to Irvine Land Company LLC.

Reso. No. 2013-

11. QUITCLAIM OF REAL PROPERTY – SOUTHERN CALIFORNIA EDISON COMPANY, BAKE PARKWAY/LAKE FOREST DRIVE EXTENSION, PLANNING AREAS 18 AND 39

Recommendation: That the Board adopt a resolution approving execution of the quitclaim deed to Southern California Edison Company.

Reso. No. 2013-

12. UPCOMING PROJECTS STATUS REPORT

Recommendation: Receive and file.

13. WELL 107 REPLACEMENT WELL DRILLING AND EQUIPPING CONTRACT CHANGE ORDER AND FINAL ACCEPTANCE

Recommendation: That the Board authorize the General Manager to execute Contract Change Order No. 10 with Pascal & Ludwig Constructors in the credit amount of (\$166,239.70) for project 11432 (1403); accept construction of Well 107 Replacement Well Drilling and Equipping; authorize the General Manager to file a Notice of Completion; and authorize the release of retention 35 days after filing of the Notice of Completion.

14. WELLS 21 AND 22 DESALTER PROJECT WELLHEAD FACILITIES FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Wells 21 and 22 Desalter Project Wellhead Facilities, project 10286 (1081), authorize the General Manager to file a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

15. RESOLUTION AUTHORIZING SIGNATURE OF A FUNDING AGREEMENT AND RELATED DOCUMENTS FOR PROPOSITION 50 GRANT FUNDING FOR WELL 115 REPLACEMENT PROJECT

Recommendation: That the Board authorize the execution of a funding agreement for Well 115 Replacement project for grant funding of \$1,916,300 and agree to requirements including a matching fund requirement of at least 50%, and adopt a resolution authorizing signature of a funding agreement and related documents for funding under the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50).

Reso. No. 2013-

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**CONSENT CALENDAR – Continued**

**Items 4-16**

16. 2013 STATE LEGISLATIVE UPDATE

Recommendation: That the Board take a “SUPPORT” position on AB 803 (Hueso); and that staff continue to research how other states have enabled electronic storage of documents, and to continue working with IRWD’s association and industry partners over the next year to build a coalition of support for an electronic retention/storage legislative proposal.

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**ACTION CALENDAR**

17. WELLS 21 AND 22 DESALTER PROJECT PIPELINES CONTRACT CHANGE ORDER

Recommendation: That the Board approve Contract Change Order No. 16 in the amount of \$781,774.78 to Flatiron West, Inc. for the Wells 21 and 22 Desalter Project Pipelines, project 10286 (1081).

18. INITIAL DISINFECTION FACILITY CHLORINE INJECTION LINE REPLACEMENT BUDGET ADDITION AND EXPENDITURE AUTHORIZATION

Recommendation: That the Board authorize the addition of project 11669 (4285) in the amount of \$1,117,300 to the FY 2012-13 Capital Budget and approve an Expenditure Authorization in the amount of \$83,000 for the Initial Disinfection Facility Chlorine Injection Line Replacement, project 11669 (4285).

19. EOCWD/IRWD JOINT WELL PLANNING REPORT CONSULTANT SELECTION

Recommendation: That the Board authorize a budget increase to the FY 2012-13 Capital Budget for project 11686 (4287) by \$79,700; approve an Expenditure Authorization in the amount of \$79,700 for project 11686 (4287); authorize the General Manager to execute a Professional Services Agreement with Richard C. Slade & Associates in the amount not to exceed \$63,900 to prepare the EOCWD/IRWD Joint Well Planning Report; and authorize the General Manager to execute a Memorandum of Understanding with EOCWD, subject to non-substantive changes, that provides for the equal sharing of costs to prepare the planning report.

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**ACTION CALENDAR - Continued**

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20. NEWPORT BAY WATERSHED TMDL PROGRAM FY 2012-13 WORK PLAN AND BUDGET APPROVAL, AND COST-SHARE AUTHORIZATION

Recommendation: That the Board approve the Newport Bay Watershed TMDL Program Fiscal Year 2012-13 Work Plan and Budget in accordance with the terms of County of Orange Cooperative Agreement D11-066, and authorize payment of IRWD's \$99,898 cost-share.

21. POSEIDON RESOURCES LETTER OF INTENT

Recommendation: That the Board revoke the current non-binding Letter of Intent to purchase water from the project and that the District continues to negotiate with Poseidon Resources on water quality and other issues related to the proposed ocean desalination project.

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**OTHER BUSINESS**

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

22. A. General Manager's Report

B. Directors' Comments

C. CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL RELATIVE TO:

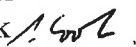
- 1) ANTICIPATED LITIGATION – Government Code Section 54956.9(d)(2) – significant exposure to litigation (one potential case), and
- 2) ANTICIPATED LITIGATION – Government Code Section 54956.9(d)(4) – initiation of litigation (one potential case) (potential settlement – construction contractor).

D. Adjourn meeting to March 14, 2013 at 10:00 a.m. to hold a Wells 21 and 22 Dedication at 1221 Edinger Avenue, Tustin, CA 92780

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

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

March 11, 2013  
Prepared by: J. Dayer  
Submitted by: T. Roberts  
Approved by: Paul Cook 

PRESENTATION

RESOLUTION COMMENDING PETER GONZALEZ  
FOR HIS SERVICE TO THE DISTRICT

SUMMARY:

As Mr. Peter Gonzalez has retired from the District following 33 years of dedicated and outstanding service, staff has prepared a resolution (provided as Exhibit "A") to honor him at the Board meeting.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2013 –

RESOLUTION OF THE BOARD OF DIRECTORS  
OF IRVINE RANCH WATER DISTRICT COMMENDING  
PETER GONZALEZ FOR HIS DEDICATED AND  
LOYAL SERVICE TO THE DISTRICT.

LIST OF EXHIBITS:

Exhibit "A" – Resolution

# EXHIBIT "A"

## RESOLUTION NO. 2013-

### RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT COMMENDING PETER GONZALEZ FOR HIS DEDICATED AND LOYAL SERVICE TO THE DISTRICT

WHEREAS, Peter Gonzalez began his career at the Irvine Ranch Water District on December 1, 1979 as a Vehicle/Equipment Mechanic I and was promoted to a Vehicle/Equipment Mechanic II in August 1982; in November 1993, Peter was promoted to a Vehicle/Equipment Mechanic III and in August 2008, promoted to a Senior Vehicle/Equipment Maintenance Mechanic; and

WHEREAS, Peter's 33 years of service is marked by his high level of expertise, energy and enthusiasm; and

WHEREAS, Peter was appreciated as a coach and mentor who took great pride in welcoming and training new employees; and

WHEREAS, Peter was a valuable member of the Irvine Disaster Emergency Communications Group, serving as a Sergeant with 15 years of dedicated volunteer service; and

WHEREAS, Peter took the lead in establishing and maintaining the District's radio communications link with the Water Emergency Response Organization of Orange County; and

WHEREAS, Peter is recognized as the District's resident expert in two-way radio communications, configuration and training and was instrumental in developing and testing a satellite receiver/voting repeater configuration to improve remote area radio communications; and



WHEREAS, Peter's reputation for integrity, professionalism, modesty and strong work ethic has earned him the respect of his co-workers and supervisors.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Irvine Ranch Water District commends Peter Gonzalez for his long and loyal service. His dedication and outstanding service to the District stands as an example to all employees. On this occasion, the Board extends its best wishes to Peter Gonzalez in his retirement.

SIGNED and APPROVED this 4th day of March, 2013.

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

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

March 11, 2013  
Prepared and  
Submitted by: L. Bonkowski   
Approved by: P. Cook 

CONSENT CALENDAR

MINUTES OF BOARD MEETINGS

SUMMARY:

Provided are the minutes of the February 11, 2013 Regular Board meeting and the February 14, 2013 Adjourned Regular Board meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE FEBRUARY 11, 2013 REGULAR BOARD MEETING AND THE FEBRUARY 14, 2013 ADJOURNED REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

- Exhibit "A" – Minutes – February 11, 2013
- Exhibit "B" – Minutes – February 14, 2013

## EXHIBIT "A"

### MINUTES OF REGULAR MEETING – FEBRUARY 11, 2013

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 Reinhart on February 11, 2013 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Matheis, Reinhart, LaMar, Swan and Withers (arrived at 5:08 p.m.)

Directors Absent: None

Also Present: General Manager Cook, Executive Director of Finance Clary, Director of Risk Management and Treasury Jacobson, Executive Director of Engineering Burton, Executive Director of Water Policy Heiertz, Director of Water Resources Weghorst, Director of Human Resources Wells, Assistant Director of Conservation Sanchez, Legal Counsel Arneson, Secretary Bonkowski, Ms. Christine Compton, Mr. Jim Reed, Mr. Bruce Newell, Mr. Thomas Bonkowski, Mr. Mike Hoolihan, and other members of the public and staff.

WRITTEN COMMUNICATION: None.

#### ORAL COMMUNICATION:

1) Mrs. Joan Irvine Smith's assistant addressed the Board of Directors with respect to the Dyer Road wellfield. She said it was her understanding that currently wells 4, C-8, C-9, 10, 12, 14, 15 and 17 will operate in accordance with the District's annual pumping plan. Wells 1, 2, 3, 5, 6, 7, 11, 16 and 18 will be off. This was confirmed by Mr. Cook, General Manager of the District.

With respect to the OCWD annexation of certain IRWD lands, on June 5, 2009, IRWD received a letter from OCWD noting that OCWD has completed the formal responses to comments they previously received on the draft program Environmental Impact Report. The letter further noted that with this task completed, OCWD has exercised its right to terminate the 2004 Memorandum of Understanding (MOU) regarding annexation. OCWD also indicated that due to the lack of progress on the annexation issue, the draft program Environmental Impact Report will not be completed. On June 8, 2009, OCWD completed the Long-Term Facilities Plan which was received and filed by the OCWD Board in July 2009. Staff has been coordinating with the City of Anaheim (Anaheim) and Yorba Linda Water District (YLWD) on their most recent annexation requests and has reinitiated the annexation process with OCWD. IRWD, YLWD and Anaheim have negotiated a joint MOU with OCWD to process and conduct environmental analysis of the annexation requests. The MOU was approved by the OCWD Board on July 21, 2010. This was confirmed by Mr. Cook.

With respect to the Groundwater Emergency Service Plan, IRWD has an agreement in place with various south Orange County water agencies, MWDOC and OCWD, to produce additional groundwater for use within IRWD and transfer imported water from IRWD to south Orange County in case of emergencies. IRWD has approved the operating agreement with certain south Orange County water agencies to fund the interconnection facilities needed to affect the

emergency transfer of water. MWDOC and OCWD have also both approved the operating agreement. This was confirmed by Mr. Cook.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED – None.

### SCE PRESENTATION

Mr. Thomas Bonkowski introduced Southern California Edison (SCE) representatives Mr. James Pasmore and Mr. Cameron McPherson, who presented the Board with a \$500,000 incentive check for the Michelson Water Reclamation Project Phase II Expansion project. SCE's Savings-by-Design program provides incentive awards to non-residential projects based on their installation and use of energy efficient equipment or systems that exceed Title 24 standards for energy efficiency. The MWRP project installed energy efficient pumps, motors, HVAC components, Turblex blowers, interior lighting and an ultraviolet disinfection system.

### CONSENT CALENDAR

In response to an inquiry from Director Swan relative to item No. 6, the 2013 State Legislative Update, Ms. Compton discussed the IRWD-sponsored legislation relative to document electronic storage (cloud-based technology). Staff was asked to submit a follow-up report at the Water Resources Policy and Communications Committee. There being no further comments, on MOTION by Withers, seconded and unanimously carried, CONSENT CALENDAR ITEMS 4 THROUGH 8 WERE APPROVED AS FOLLOWS:

4. MINUTES OF REGULAR BOARD MEETINGS

Recommendation: That the minutes of the January 28, 2013 Regular Board Meeting be approved as presented.

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

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

6. 2013 STATE LEGISLATIVE UPDATE

Recommendation: Receive and file.

7. MAIN STREET DIVERSION STRUCTURE GRATING MODIFICATIONS FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Main Street Diversion Structure Grating Modifications, project 20957 (1221); authorize filing of a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

## CONSENT CALENDAR (CONTINUED)

### 8. ADDENDUM NO. 1 TO THE SYPHON RESERVOIR INTERIM FACILITIES FINAL MITIGATED NEGATIVE DECLARATION

Recommendation: That the Board approve the proposed Addendum No. 1 to the Syphon Reservoir Interim Facilities Final Initial Study/Mitigated Negative Declaration, including the determinations set forth in Addendum No. 1 and approve the modifications to the project.

## ACTION CALENDAR

### AGREEMENT AMENDMENT WITH THE CITY OF IRVINE FOR DEVELOPMENT OF CIENEGA FILTRATION PROJECT FIELD DEMONSTRATION

Assistant Director of Conservation Sanchez reported that in 2007, the District entered into an agreement for the construction and operation of the Cienega Field Demonstration Project. The City contributed \$1,425,000 toward the construction of the project. The City's participation in the project was approved by the Executive Officer of the Regional Board as a mechanism for the City to comply with its permit requirements for compliance with selenium and nitrogen TMDLs.

Ms. Sanchez said that the original agreement was executed based on the assumption that in 2009 the parties would negotiate a new agreement regarding participation in the Full-Scale Cienega Project. In January 2010, the agreement was amended to extend the term to December 2012 to accommodate additional technology evaluations and pilot testing. Later in 2010, IRWD opted to not pursue development of a Full-Scale Project due to lack of uncertainty over the selenium TMDL, lack of funding commitments from stakeholders, and overall project cost. The City is currently working on developing other project alternatives for its long-term compliance with the TMDLs. The schedule for the proposed selenium revision is unknown due to unresolved legal issues and Regional Board staff resource limitations. In order to ensure continued permit compliance the City has requested that IRWD continue to operate the pilot Cienega facility.

Ms. Sanchez said that the proposed amendment will extend the term of the agreement until December 31, 2015 or if the City notifies IRWD that it is terminating its continued participation. The amendment also removes all references to construction of a full-scale project and includes a provision that the parties will cost-share all direct chemical and water pumping maintenance costs for the facility on a 50-50 basis. In no event will the agreement extend beyond December 31, 2015, unless otherwise agreed to in writing.

Director LaMar said that this item was reviewed and approved by the Water Resources Policy and Communications Committee on February 7, 2013. Following discussion, on MOTION by LaMar, seconded and unanimously carried, **THE BOARD APPROVED AMENDMENT NO. 2 TO THE AGREEMENT BETWEEN CITY OF IRVINE AND IRVINE RANCH WATER DISTRICT FOR DEVELOPMENT OF CIENEGA FILTRATION PROJECT FIELD DEMONSTRATION.**

BENEFIT FORMULA AND CONTRIBUTION RATES FOR NEW CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM MEMBERS

General Manager Cook reported that the District has received information from the California Public Employees' Retirement System (CalPERS) regarding the impact of Assembly Bill 340 on employee and employer contribution rates. Mr. Cook said that AB 340 created the Public Employees' Pension Reform Act (PEPRA) that implemented new benefit formulas and final compensation period as well as contribution requirements for new employees hired on or after January 1, 2013 who meet the definition of a "new member" under PEPRA. He said that CalPERS has recommended an Employee Contribution rate of 6.25% of reportable compensation for new employees that receive the 2% @ 62 retirement benefit.

Mr. Cook said that in September of 2012, the IRWD Board adopted a "second tier" retirement benefit of 2% at 60 for employees hired after September 29, 2012. As part of this action, the Board stipulated that employees receiving this benefit shall pay the entire Employee Contribution rate, defined by CalPERS as 7%. The new 2% @ 62 retirement benefit is approximately 10% less valuable than the 2% at 60 benefit, and the Employee Contribution rate of 6.25% associated with the 2% @ 62 benefit is approximately 10% percent less than the 7% contribution rate associated with the 2% @ 60 benefit. .

Director Swan reported that this item was reviewed and approved by the Finance and Personnel Committee on February 5, 2013. On MOTION by Swan, seconded and unanimously carried, **THE BOARD APPROVED THE EMPLOYEE CONTRIBUTION RATE OF 6.25% FOR NEW EMPLOYEES HIRED AFTER JANUARY 1, 2013 AS ESTABLISHED BY THE CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS).**

GENERAL MANAGER'S REPORT

General Manager Cook reported that the meeting scheduled for today with the Orange County Register to discuss the Baker treatment plant was postponed.

Mr. Cook said that the District was approached by the Great Park to assist them in their efforts with hosting a solar decathlon. He said staff is working with them to provide potable water (via water buffalos) for the solar homes. He said that updates on this effort will be submitted to the Water Resources Policy and Communications Committee.

Mr. Cook also said that annexation of certain IRWD lands was brought up at the last OCWD workshop. He said that staff anticipates submitting a draft agreement at the March Board meeting.

Mr. Cook further reported that he and President Reinhart will be traveling to Washington, DC tomorrow and Wednesday relative to legislative matters.

## DIRECTORS' COMMENTS

Director LaMar reported that he attended the OCBC annual dinner as well as a MWDOC workshop. Due to another commitment, Director LaMar left the Board meeting.

Director Matheis reported that she, along with other Board members, will be attending the Urban Water conference next week. She reminded the Board of the upcoming Water Education Foundation's class entitled Water 101 which will be held at the District's offices this Thursday and Friday. She said that she attended the South Orange County Watershed Management Executive Committee meeting. She further noted that Mr. Mike Savage from Brown and Caldwell was in the audience, and introduced its newest staff member to the Board.

Director Withers said that he attended Tustin's Mayor's dinner along with Director Matheis, and a Newport Beach Mayor's dinner. He said that he will be attending Tuesday's OCBC Infrastructure Committee and Wednesday's LAFCO Commission meeting. He further congratulated Ms. Fiona Sanchez as being recognized as one of this year's Women in Water.

Director Swan reported on his attendance at MWDOC's Board workshop with MWD Directors, an OWOW recycled water meeting, an ACWA Task Force meeting in Sacramento, a Newport Chamber of Commerce meeting, and a WACO meeting.

Director Reinhart reported on his attendance at an OCBC dinner, a WACO meeting, a MWDOC Board workshop, and a SOCWA Board meeting.

## CLOSED SESSION

President Reinhart said that a Closed Session would be held with Legal Counsel relative to existing and anticipated litigation - Government Code Section 54956.9(a) and 54956.9(b) – Orange County Water District v. Sabic Innovative Plastics, et al.; significant exposure to litigation (two potential cases).

## OPEN SESSION

Following the Closed Session, the meeting was reconvened with Directors Swan, Matheis, Withers, and Reinhart present (LaMar absent). No action was reported.

## ADJOURNMENT

President Reinhart adjourned the meeting to Thursday, February 14, 2013 at 8:00 a.m. in the IRWD Community Room, 15500 Sand Canyon Avenue, Irvine, to hold an Adjourned Regular Board Meeting.

APPROVED and SIGNED this 11th day of March, 2013.

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President, IRVINE RANCH WATER DISTRICT

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Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

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Legal Counsel - Bowie, Arneson, Wiles & Giannone

## EXHIBIT "B"

### MINUTES OF ADJOURNED REGULAR MEETING – FEBRUARY 14, 2013

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 8:00 a.m. by President Reinhart on February 11, 2013 in the District's Community Room, 15500 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None

Also Present: General Manager Cook, Executive Director of Finance Clary, Director of Risk Management and Treasury Jacobson, Executive Director of Engineering Burton, Executive Director of Water Policy Heiertz, Director of Water Resources Weghorst, Director of Human Resources Wells, Director of Administrative Services Mossbarger, Assistant Director of Conservation Sanchez, Legal Counsel Arneson, Special Legal Counsel Steve Culp, Secretary Bonkowski, Ms. Fiona Sanchez, Ms. Gina Jackson, Five Point's representative Curtis Tarr, and other members of the public and staff.

WRITTEN COMMUNICATION: None.

ORAL COMMUNICATION: None.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED: None.

### CLOSED SESSION

President Reinhart said that a conference with Legal Counsel relative to existing litigation Government Code Section 54956.9(a) – Lisa Williams and Shawn Williams vs. IRWD and Metropolitan Water District of Southern California, would be held.

### OPEN SESSION

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

### ACTION CALENDAR

### UTILITY BILLING SOFTWARE IMPLEMENTATION AND CONSULTANT SELECTION

Using a PowerPoint presentation, Director of Administration Services Mossbarger provided an overview of the proposed Oracle Customer Care and Billing (CC&B) project. Mr. Mossbarger reviewed the purpose of the system noting that it will improve the District's ability to enhance customer service, improve and streamline internal operations and financial reporting and provide a platform for expanded capabilities with others. He said that the Board had approved procurement of the Oracle CC&B application licenses, and in December 2011, approved a

contract with Five Point for a detailed requirements analysis and assistance with procurement of CC&B implementation services. Director Withers left the Board meeting at 9:30 a.m.

Mr. Mossbarger listed the key benefits of implementing the Oracle CC&B system as follows: 1) enhanced customer service through a more robust customer web portal, enhanced customer relationship and contact management and improved utility billing features; 2) improvements to customer self-service through the Oracle Utilities Customer Self-Service (OUCSS) web portal and implementation of an Interactive Voice Response system (IVR); 3) streamlined business operations via significant efficiency improvements in utility billing and customer relationship management, document management and field computing as well as greater application integration; 4) integration of the Oracle Financial Management System and Enterprise Asset Management applications; 5) enhancement of analytics and reporting; and 6) greater flexibility to meet future district requirements with modern, scalable systems, including the ability to handle future consolidations and capability to perform third party billing functions for outside entities.

Mr. Mossbarger reviewed the risks of the system noting the following: 1) a higher initial and ongoing cost than the current Legacy application; 2) Tier 1 applications will require support staff with a higher level skill set for both business and technical purposes; 3) requires additional IT support and business staff than the current system; 4) the challenge of finding qualified technical resources; 5) system applications implementations, especially the Tier 1 system, are time consuming, requiring significant training and acceptance of new business processes, and 6) the Oracle utility customer self-service is a new software product that has not yet been implemented by a utility.

Mr. Mossbarger reviewed the one-time cost totaling \$12.6 million, of which \$2.2 million has previously been expended. He said that staff anticipates that the recurring costs for Oracle CC&B will increase from approximately \$330,000 for the existing Legacy system to \$1.1 million annually. This includes the addition of personnel within the Information Technology Department, the business to support a more sophisticated system, and higher Oracle maintenance fees.

Mr. Mossbarger said that the implementation of the system would be performed in two phases: Phase one includes implementing CC&B & OBIEE software over 16 months with three months of supported operations with phase two implementing OUCSS Web Portal software over seven months with two months of supported operations. The result of changing the implementation to a two-phase approach is \$325,000, additional application integrations is \$75,000, and Business Intelligence for Water Efficiency is \$58,000.

Mr. Mossbarger said that a Request for Proposal (RFP) was issued on May 15, 2012 to 17 consultants with experience providing system integration services. Requests were sent to Accenture, Blue Heron, Capgemini, Centric Consulting, Deloitte, EP2M, IBM, Infosys, Lucidity Consulting Group, Oracle, Promark Solutions, PWC, Tata Consulting, Vertex, Wagware, Westin, and Wipro. The proposals were reviewed by the cross-functional evaluation team, and after completing a thorough evaluation of the firms based on their written proposals, Infosys was the evaluation team's top selection, with Blue Heron as second choice. Based upon a review of the proposals, the top two firms were selected to participate in an extensive interview process.

Based on evaluation criteria in the proposals and the interviews, Infosys was the clear first choice. Upon selection of Infosys as the finalist, the evaluation team and Five Point performed further due diligence through a three and a half day solutions lab in August 2012. The solutions lab focused on due diligence activities to further investigate Infosys' proposed solution and confirm the solution scope. The solutions lab resulted in several key changes to the original Infosys proposal.

Mr. Mossbarger said that additional consulting services for oversight management and supplemental services are also required, and staff recommends Five Point, who has worked with staff since 2011 to assist with the detailed requirement and procurement of implementation services for the Oracle CC&B solution. Fees for Project Oversight and Quality Assurance and Implementation Project Management will be billed at a fixed monthly fee, exclusive of travel expenses.

Mr. Mossbarger provided the Board with potential alternatives to the Oracle CC&B system noting that the District could continue to use the current Legacy system, add IRV functionality, and make incremental changes; rewrite the existing legacy system software costing \$5 - 6 million; implement Phase 1 at this time and not Phase 2 OUCSS web portal software, and continue to support the existing web access portal (Legacy system); or implement a Tier 2 alternative which would reopen procurement and allow Tier 2 software application vendors to respond.

Director Swan said that both he and Director LaMar spent a substantial amount of time at the January 10, 2013 Finance and Personnel Committee reviewing this item, and noted his concerns about the expenditure. He said his recommendation would be to move forward with Phase 1 and defer Phase 2 to a future discussion. Director LaMar also commented on the significant expenditure, and concurred with Director Swan's recommendation. In response to Director Reinhart's inquiry if the cost is firm, Executive Director of Finance Clary provided an overview of steps taken to assure the District that the costs are accurate. Mr. Curtin Tarr, representing Five Point, said that its staff will be providing advice and consultation to the project management team to ensure a successful implementation and transition to Oracle CC&B system. On MOTION by Swan, seconded and carried (Withers absent), **THE BOARD AUTHORIZED STAFF TO PROCEED WITH PHASE 1A AND 1B OF THE PROJECT AND DEFERRED CONSIDERATION OF PHASE 2A AND 2B OF THE PROJECT TO A DATE TO BE DETERMINED, APPROVED A REVISED BUDGET INCREASE IN THE AMOUNT OF \$1,539,900 EACH FOR PROJECTS 3236 AND 3237; APPROVED EXPENDITURE AUTHORIZATIONS IN THE REVISED AMOUNT OF \$4,685,700 FOR EACH PROJECT (DUE TO DELETION OF PHASE 2A AND 2B COSTS IN THE TOTAL AMOUNT OF \$1.1 MILLION); APPROVED THE PROCUREMENT OF HARDWARE AND SOFTWARE FOR A NOT-TO EXCEED REVISED COST OF \$1,150,200; APPROVED THE PROCUREMENT OF TEMPORARY LABOR FOR A NOT-TO-EXCEED COST OF \$130,000; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH INFOSYS LIMITED FOR A NOT-TO-EXCEED REVISED COST OF \$4,975,000; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH FIVE POINT, LLC FOR A NOT-TO-EXCEED COST OF \$1,295,600.**

DIRECTORS' COMMENTS

Director Swan commented on the recent OCWD's annexation progress.

Director Matheis noted a recent newspaper article written by Ms. Debby Cook, former Mayor of Huntington Beach, relative to Mesa Water District's interest with Poseidon Inc.'s proposal to build an ocean desalination plant in Huntington Beach.

ADJOURNMENT

There being no further business, President Reinhart adjourned the meeting at 10:46 a.m.

APPROVED and SIGNED this 11th day of March, 2013.

\_\_\_\_\_  
President, IRVINE RANCH WATER DISTRICT

\_\_\_\_\_  
Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

\_\_\_\_\_  
Legal Counsel - Bowie, Arneson, Wiles & Giannone

March 11, 2013

Prepared and

Submitted by: N. Savedra

Approved by: P. Cook

## CONSENT CALENDAR

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

#### SUMMARY:

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

#### Events/Meetings

##### Steven LaMar

3/18-19/13 OCBC Advocacy Conference, Sacramento, CA

##### Mary Aileen Matheis

3/06/13 Chamber of Commerce & City of Lake Forest Meet Mayor Scott Voigts

3/07/13 Speaking Engagement to the Kiwanis Club

3/14/13 Water Education Foundation Executive Briefing, Sacramento, CA

3/15/13 Moderator - Joint Program of ACWA Region 3 & Mountain Counties Water Resources Association, Auburn, CA

##### Douglas Reinhart

2/28/13 Meeting w/State Water Resources Control Board Member Felicia Marcus

3/01/13 Meeting with IRWD and Lillestrand Leadership Consulting

3/5-7/13 Watereuse Association Board Meeting, Washington D.C.

##### Peer Swan

2/20/13 OCWA February Meeting

2/21/13 ACWA California Water Task Force Committee Meeting

##### John Withers

2/07/13 ACC/OC Elected Officials Briefing and Reception

2/08/13 City of Newport Beach Mayor's Dinner Meeting

3/08/13 Lake Forest City Council's Leadership Luncheon

#### RECOMMENDATION:

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

#### LIST OF EXHIBITS:

None

March 11, 2013

Prepared by: Jacobson/Fournier

Submitted by: Cheryl Clary

Approved by: Paul Cook

## CONSENT CALENDAR

### JANUARY 2013 TREASURY REPORTS

#### SUMMARY:

The following is submitted for the Board's information and approval:

- A. The Investment Summary Report for January 2013. This Investment Summary Report is in conformity with the 2013 Investment Policy and provides sufficient liquidity to meet estimated expenditures during the next six months, as outlined in Exhibit "A".
- B. The Monthly Interest Rate Swap Summary as of January 31, 2013, as outlined in Exhibit "B".
- C. The Summary of Payroll ACH payments in the total amount of \$1,397,905, as outlined in Exhibit "C".
- D. The January 31, 2013 Disbursement Summary of warrants 335832 through 336720, wire transfers, Workers' Compensation distributions, payroll withholding distributions, and voided checks in the total amount of \$18,242,425, as outlined in Exhibit "D".

#### FISCAL IMPACTS:

As of January 31, 2013, the book value of the investment portfolio was \$342,556,382, with a 0.36% rate of return and a market value of \$342,743,854. Based on the District's December 31, 2012 quarterly real estate investment rate of return of 10.18%, the District's weighted average return for the fixed income and real estate investments was 2.06%.

As of January 31, 2013, the total notional amount of the interest rate swap portfolio was \$130 million of fixed payer swaps. Cash accrual in January from all swaps was negative \$621,151 and negative \$4,379,640 fiscal year to date.

Payroll ACH payments totaled \$1,397,905 and wire transfers, all other ACH payments, and checks issued for debt service, accounts payable, payroll and water purchases for January totaled \$18,242,425.

#### ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was not submitted to a Committee; however, the investment and interest rate swap reports are submitted to the Finance and Personnel Committee on a monthly basis.

RECOMMENDATION:

THAT THE BOARD RECEIVE AND FILE THE TREASURER'S INVESTMENT SUMMARY REPORT AND THE MONTHLY INTEREST RATE SWAP SUMMARY FOR JANUARY 2013; APPROVE THE JANUARY 2013 SUMMARY OF PAYROLL ACH PAYMENTS IN THE TOTAL AMOUNT OF \$1,397,905, AND APPROVE THE JANUARY 2013 ACCOUNTS PAYABLE DISBURSEMENT SUMMARY OF WARRANTS 335832 THROUGH 336720, WORKERS' COMPENSATION DISTRIBUTIONS, WIRE TRANSFERS, PAYROLL WITHHOLDING DISTRIBUTIONS AND VOIDED CHECKS IN THE TOTAL AMOUNT OF \$18,242,425.

LIST OF EXHIBITS:

- Exhibit "A" - Investment Summary Report
- Exhibit "B" - Monthly Interest Rate Swap Summary
- Exhibit "C" - Monthly Payroll ACH Summary
- Exhibit "D" - Monthly Summary of District Disbursements

01/31/13

PRICE	SETTLMT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON	YIELD	YTFC	ORIGINAL COST	CARRY VALUE	MARKET VALUE 1/31/2013	UNREALIZED GAIN/(LOSS)(2)
100.11%	01/15/13			03/03/13		LAIF	State of California Tsy.	\$50,000,000		0.300%		\$50,000,000.00	\$50,000,000.00	50,056,361.55	56,361.55
100.11%	01/15/13			03/03/13		LAIF-JPA	State of California Tsy.	50,000,000		0.300%		\$50,000,000.00	\$50,000,000.00	50,056,361.55	56,361.55
100.11%	01/15/13			02/15/13		LAIF BABS	State of California Tsy.	42,532,839		0.300%		\$42,532,838.86	\$42,532,838.86	42,580,783.19	47,944.33
100.00%	01/31/13			02/01/13		B of A Tsy. Reserves	Bank of America	6,911,163		0.009%		6,911,162.56	6,911,162.56	6,911,162.56	
100.31%	05/23/11	N/A	N/A	04/11/13	Aaa/AAA/AAA	FHLMC - Note	Fed Home Loan Mortgage Bank	5,000,000	1.720%	0.517%		5,112,550.00	5,011,271.34	5,015,350.00	4,078.66
100.01%	12/20/12	N/A	N/A	12/19/13	Aaa/AA+NR	FFCB - Note	Fed Farm Credit Bank	10,000,000	0.190%	0.183%		10,000,700.00	10,000,617.31	10,000,900.00	282.69
100.37%	04/24/12	N/A	N/A	12/23/13	Aaa/AA+AAA	FHLMC - Note	Fed Home Loan Mortgage Bank	5,000,000	0.625%	0.304%		5,026,600.00	5,014,218.75	5,018,550.00	4,331.25
101.26%	07/11/12	N/A	N/A	02/25/14	Aaa/AA+AAA	FHLMC - Note	Fed Home Loan Mortgage Bank	5,000,000	1.375%	0.301%		5,086,800.00	5,056,330.82	5,063,050.00	6,719.18
100.00%	02/09/12	Continuous	04/25/12	04/25/14	Aaa/AA+NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.430%	0.430%	0.430%	5,000,000.00	5,000,000.00	5,000,150.00	150.00
100.15%	05/23/12	N/A	N/A	05/23/14	Aaa/AA+NR	FHLB - Note	Fed Home Loan Bank	5,000,000	0.350%	0.394%		4,995,600.00	4,997,130.96	5,007,250.00	10,119.04
101.62%	04/18/12	N/A	N/A	05/28/14	Aaa/AA+NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.375%	0.354%		5,107,250.00	5,066,996.43	5,080,950.00	13,953.57
100.10%	04/26/12	One Time	04/26/13	10/24/14	Aaa/AA+NR	FHLB - Note	Fed Home Loan Mortgage Bank	5,000,000	0.600%	0.425%		5,008,700.00	5,006,016.47	5,005,000.00	(1,016.47)
100.38%	01/30/12	One Time	01/30/14	01/30/15	Aaa/AA+NR	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	0.750%	0.500%	0.500%	5,024,850.00	5,016,506.20	5,019,050.00	2,543.80
100.38%	01/30/12	One Time	01/30/14	01/30/15	Aaa/AA+NR	FNMA - Note	Fed Natl Mortgage Assoc	10,000,000	0.750%	0.453%	0.453%	10,059,000.00	10,039,189.78	10,038,100.00	(1,089.78)
100.00%	02/09/12	Continuous	05/09/12	02/09/15	Aaa/AA+NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.460%	0.480%	0.700%	4,997,000.00	4,997,979.93	5,000,200.00	2,220.07
100.01%	03/14/12	Continuous	09/12/12	03/12/15	Aaa/AA+NR	FHLB - Note	Fed Home Loan Bank	5,000,000	0.550%	0.601%	0.855%	4,992,500.00	4,994,723.24	5,000,250.00	5,526.76
100.12%	04/18/12	Continuous	04/16/13	04/16/15	Aaa/AA+NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.600%	0.617%	0.651%	4,997,500.00	4,998,161.02	5,005,800.00	7,638.98
99.88%	12/18/12	Continuous	03/18/13	06/18/15	Aaa/NA/NR	FFCB - Note	Fed Farm Credit Bank	10,000,000	0.320%	0.360%	0.720%	9,990,000.00	9,990,493.42	9,987,800.00	(2,693.42)
99.98%	12/27/12	Continuous	03/26/13	06/26/15	Aaa/AA+NR	FFCB - Note	Fed Farm Credit Bank	10,000,000	0.375%	0.375%	0.375%	10,000,000.00	10,000,000.00	9,998,200.00	(1,800.00)
100.16%	08/28/12	Continuous	08/27/13	08/27/15	Aaa/AA+NR	FFCB - Note	Fed Farm Credit Bank	10,000,000	0.480%	0.480%	0.480%	10,000,000.00	10,000,000.00	10,016,100.00	16,100.00
100.04%	09/17/12	Continuous	09/17/13	09/17/15	Aaa/AA+NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.480%	0.482%	0.482%	4,999,750.00	4,999,781.28	5,001,800.00	2,018.72
100.04%	09/17/12	Continuous	09/17/13	09/17/15	Aaa/AA+NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.480%	0.455%	0.472%	5,001,250.00	5,001,093.61	5,001,800.00	706.39
100.04%	09/25/12	Quarterly	09/25/13	09/25/15	Aaa/AA+NR	FHLMC - Note	Fed Home Loan Mortgage Bank	5,000,000	0.500%	0.470%	0.490%	5,001,500.00	5,001,323.29	5,001,900.00	576.71
100.00%	09/28/12	Continuous	12/28/12	09/28/15	NA/AA+NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.450%	0.470%	0.470%	4,997,000.00	4,997,345.21	5,000,200.00	2,854.79
100.10%	10/17/12	One Time 2yr	10/09/14	10/09/15	Aaa/AA+NR	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	0.480%	0.460%	0.466%	5,002,000.00	5,001,803.13	5,005,050.00	3,246.87
99.90%	11/29/12	Quarterly	05/15/13	11/16/15	NA/AA+NR	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	0.500%	0.500%	0.500%	5,000,000.00	5,000,000.00	4,994,950.00	(5,050.00)
100.01%	11/30/12	Quarterly	05/24/13	11/24/15	Aaa/AA+NR	FHLMC - Note	Fed Home Loan Mortgage Bank	5,000,000	0.500%	0.500%	0.500%	5,000,000.00	5,000,000.00	5,000,350.00	350.00
99.71%	12/18/12	Continuous	03/18/13	12/18/15	Aaa/AA+NR	FFCB - Note	Fed Farm Credit Bank	10,000,000	0.400%	0.425%	0.701%	9,992,500.00	9,992,808.22	9,971,000.00	(21,808.22)
99.87%	12/21/12	Continuous	03/21/13	12/21/15	Aaa/AA+NR	FHLB - Note	Fed Home Loan Bank	5,000,000	0.410%	0.418%	0.510%	4,998,750.00	4,998,797.95	4,993,400.00	(5,397.95)
99.78%	01/15/13	N/A	07/15/13	01/15/16	NA/AA+NR	FHLB - Note	Fed Home Loan Bank	5,000,000	0.375%	0.390%		4,997,750.00	4,997,784.93	4,988,750.00	(9,034.93)
99.89%	01/17/13	Quarterly	07/15/13	01/15/16	Aaa/AA+NR	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	0.500%	0.500%	0.500%	5,000,000.00	5,000,000.00	4,994,500.00	(5,500.00)
100.86%	08/23/12	N/A	N/A	06/20/13		CA ST-RANS-A1	State of California	3,500,000	2.500%	0.430%	0.430%	3,559,535.00	3,533,426.63	3,530,205.00	(3,221.63)
<b>SUB-TOTAL</b>								<u>\$317,944,001</u>				<u>\$318,393,086.42</u>	<u>\$318,157,801.32</u>	<u>\$318,345,273.85</u>	<u>\$187,472.54</u>
<b>RESTRICTED CASH (Swap Collateral Deposits)</b>															
100.00%						Collateral Deposit	Citi-Group	\$15,608,581		0.144%		\$15,608,580.59	\$15,608,580.59	15,608,580.59	
100.00%						Collateral Deposit	Merrill Lynch	\$8,790,000		0.144%		\$8,790,000.00	\$8,790,000.00	8,790,000.00	
<b>SUB-TOTAL</b>								<u>\$24,398,581</u>				<u>\$24,398,580.59</u>	<u>\$24,398,580.59</u>	<u>\$24,398,580.59</u>	
<b>TOTAL INVESTMENTS</b>								<u>\$342,342,582</u>				<u>\$342,791,667.01</u>	<u>\$342,556,381.91</u>	<u>\$342,743,854.44</u>	
						Petty Cash						3,300.00			
						January Bank Balance	Bank of America					(2,886,037.37)			
												<u>\$339,908,929.64</u>			

(1) LAIF market value is as of the most recent quarter-end as reported by LAIF.

Security market values are determined using Bank of New York ("Trading Prices"), Bloomberg and/or broker dealer pricing.

(2) Gain (loss) calculated against carry value using the trading value provided by Bank of New York/or Brokers

(3) Real estate rate of return is based on most recent quarter end return

Outstanding Variable Rate Debt	\$363,000,000
Net Outstanding Variable Rate Debt (Less \$130 million fixed-payer swaps)	\$233,000,000
Investment Balance:	\$339,908,930
Investment to Variable Rate Debt Ratio:	146%
Portfolio - Average Number of Days To Maturity	415

This Investment Summary Report is in conformity with the 2013 Investment Policy and provides sufficient liquidity to meet the next six months estimated expenditures.

	Investment Portfolio	Real Estate Portfolio (3)	Weighted Avg. Return
January	0.36%	10.18%	2.06%
December	0.38%	10.18%	2.10%
Change	-0.02%		

IRVINE RANCH WATER DISTRICT  
SUMMARY OF MATURITIES

01/31/13

PORTFOLIO \$342,342,582

DATE	TOTAL	%	LAIF	AGENCIES	VRDO	MONEY MARKET SAVINGS & SWEEP	Collateral * Deposit	CAL REV NOTES
1/13	\$31,309,743	9.15%						
2/13	\$142,532,839	41.63%	\$142,532,839			6,911,163	\$24,398,581	
3/13								
04/13	\$5,000,000	1.46%		5,000,000				
05/13								
06/13	\$3,500,000	1.02%						3,500,000
07/13								
8/13								
09/13								
10/13								
11/13								
12/13	\$15,000,000	4.38%		15,000,000				
<b>SUB-TOTAL</b>	<b>\$197,342,582</b>	<b>57.64%</b>	<b>\$142,532,839</b>	<b>20,000,000</b>	<b>-</b>	<b>6,911,163</b>	<b>\$24,398,581</b>	<b>\$3,500,000</b>
<b>13 Months - 3 YEARS</b>								
1/1/2014 - 3/31/2014	\$5,000,000	1.46%		5,000,000				
4/1/2014 - 6/30/2014	\$15,000,000	4.38%		15,000,000				
7/1/2014 - 9/30/2014								
10/1/2014 - 12/31/2014	\$5,000,000	1.46%		5,000,000				
1/1/2015 - 3/31/2015	\$25,000,000	7.30%		25,000,000				
4/1/2015 - 6/30/2015	\$25,000,000	7.30%		25,000,000				
07/1/30/2015 - 9/30/2015	\$30,000,000	8.76%		30,000,000				
10/1/2015 - 12/30/15	\$30,000,000	8.76%		30,000,000				
01/01/16 - 03/31/2016	\$10,000,000	2.92%		10,000,000				
<b>TOTALS</b>	<b>\$342,342,582</b>	<b>100.00%</b>	<b>\$142,532,839</b>	<b>165,000,000</b>	<b>-</b>	<b>6,911,163</b>	<b>\$24,398,581</b>	<b>\$3,500,000</b>
<b>% OF PORTFOLIO</b>			<b>41.63%</b>	<b>48.20%</b>		<b>2.02%</b>	<b>7.13%</b>	<b>1.02%</b>

\* Return of posted collateral is dependant on interest rates.

**IRVINE RANCH WATER DISTRICT  
INTEREST RATE SWAP MONTHLY SUMMARY REPORT - DETAIL  
January 31, 2013**

Exhibit "B"

LIBOR Avg. %	Prior Mo. 0.21%	Current Mo. 0.20%	12-Mo Avg 0.23%
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Current Fiscal Year Active Swaps								Cash Flow				(Since 6/06)	Mark to Market	
Effective Date	Maturity Date	Years to Maturity	Counter Party	Notional Amt	Type	Base Index	Fixed Rate	Prior Month	Current Month	Fiscal YTD	Cumulative Cash Flow	Current Mark to Market	Notional Difference	
<b>Fixed Payer Swaps - By Effective Date</b>														
6/4/2006	6/4/2019	6.3	ML	\$ 20,000,000	FXP	LIBOR	6.200%	\$ (103,094)	\$ (99,741)	\$ (703,289)	\$ (5,746,136)	\$ 13,953,137	\$ (6,046,863)	
6/4/2006	6/4/2019	6.3	CG	\$ 20,000,000	FXP	LIBOR	6.200%	\$ (103,094)	\$ (99,741)	(703,289)	(5,746,136)	13,913,050	(6,086,950)	
6/17/2006	6/17/2019	6.4	CG	\$ 30,000,000	FXP	LIBOR	6.140%	\$ (153,241)	\$ (148,139)	(1,044,512)	(8,511,799)	20,947,747	(9,052,253)	
3/10/2007	3/10/2029	16.1	ML	\$ 30,000,000	FXP	LIBOR	5.687%	\$ (141,448)	\$ (136,765)	(964,275)	(7,517,693)	17,380,980	(12,619,020)	
3/10/2007	3/10/2029	16.1	CG	\$ 30,000,000	FXP	LIBOR	5.687%	\$ (141,448)	\$ (136,765)	(964,275)	(7,517,693)	17,315,184	(12,684,816)	
Totals/Weighted Avgs		10.9		\$ 130,000,000			5.949%	\$ (642,325)	\$ (621,151)	\$ (4,379,640)	\$ (35,039,458)	\$ 83,510,098	\$ (46,489,902)	
Total Current Year Active Swaps				\$ 130,000,000				\$ (642,325)	\$ (621,151)	\$ (4,379,640)	\$ (35,039,458)	\$ 83,510,098	\$ (46,489,902)	

Current Fiscal Year Terminated Swaps								Cash Flow				Mark to Market	
Effective Date	Maturity Date		Counter Party	Notional Amt	Type	Base Index	Fixed Rate	Prior Month	Current Month	Fiscal YTD	Cumulative Cash Flow	Current Mark to Market	Notional Difference
Total Current Year Terminated Swaps				\$ -				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Current Fiscal Year - Total Swaps								Cash Flow				Mark to Market	
								Prior Month	Current Month	Fiscal YTD	Cumulative Cash Flow	Current Mark to Market	Notional Difference
Total Current Year Active & Terminated Swaps				\$ 130,000,000				\$ (642,325)	\$ (621,151)	\$ (4,379,640)	\$ (35,039,458)	\$ 83,510,098	\$ (46,489,902)

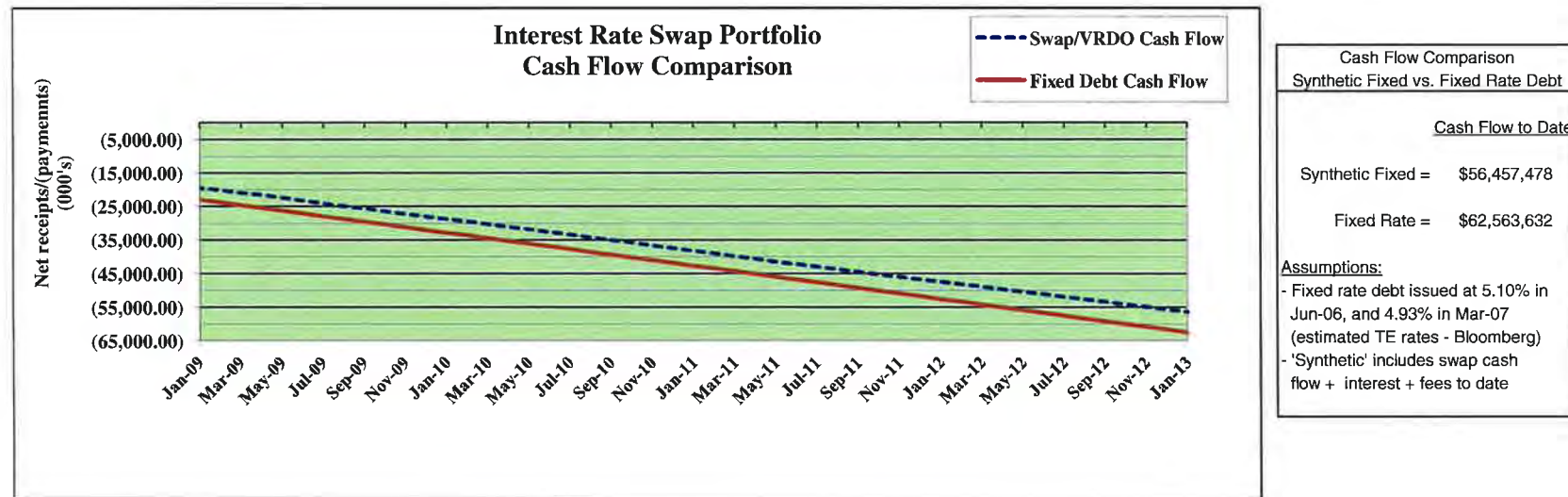


Exhibit "C"

MONTHLY SUMMARY OF PAYROLL ACH PAYMENTS

January  
2013

DATE	AMOUNT	VENDOR	PURPOSE
1/11/2013	722,092.11	BANK OF AMERICA	PAYROLL 1/11/2013
1/25/2013	675,812.73	BANK OF AMERICA	PAYROLL 1/25/2013
	<u>\$1,397,904.84</u>		

IRWD Ledger Payment Register For 01-JAN-13 To 31-JAN-13 Report Date: 04-FEB-2013 09:42  
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 1  
 Bank Account Currency: USD ( US Dollar ) Payment Currency: USD ( US Dollar )  
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
335832		02-JAN-13	Jason La		130.60	03-JAN-13	130.60	Reconciled
335833		02-JAN-13	John Tettmer		64.80			Negotiable
335834		02-JAN-13	Lars Oldewage		335.95	07-JAN-13	335.95	Reconciled
335835		02-JAN-13	Steve Habiger		220.00	09-JAN-13	220.00	Reconciled
335836		02-JAN-13	Truc Mai Bertsch		6.60	11-JAN-13	6.60	Reconciled
335837		02-JAN-13	AGILENT TECHNOLOGIES, INC.		263.47	07-JAN-13	263.47	Reconciled
335838		02-JAN-13	AIRGAS-WEST, INC.		1,253.09	07-JAN-13	1,253.09	Reconciled
335839		02-JAN-13	AMERICAN MEMBRANE TECHNOLOGY		125.00	08-JAN-13	125.00	Reconciled
335840		02-JAN-13	AQUA-METRIC SALES COMPANY		1,423.32	07-JAN-13	1,423.32	Reconciled
335841		02-JAN-13	ARCADIS U.S., INC.		4,727.30	07-JAN-13	4,727.30	Reconciled
335842		02-JAN-13	ARMORCAST PRODUCTS COMPANY		1,260.68	07-JAN-13	1,260.68	Reconciled
335843		02-JAN-13	AT&T		5,007.24	11-JAN-13	5,007.24	Reconciled
335844		02-JAN-13	BAILEY, OFELIA		1,200.00	11-JAN-13	1,200.00	Reconciled
335845		02-JAN-13	BALLARD, CARL		1,800.00	08-JAN-13	1,800.00	Reconciled
335846		02-JAN-13	BATTERY SPECIALTIES		3,229.06	09-JAN-13	3,229.06	Reconciled
335847		02-JAN-13	BECK, CINDY		1,800.00			Negotiable
335848		02-JAN-13	BELL PIPE & SUPPLY CO		534.62	08-JAN-13	534.62	Reconciled
335849		02-JAN-13	BILL'S SWEEPING SERVICE INC		460.00	04-JAN-13	460.00	Reconciled
335850		02-JAN-13	BIOMAGIC INC		2,185.98	07-JAN-13	2,185.98	Reconciled
335851		02-JAN-13	BLASICK, DIANE		1,080.00	08-JAN-13	1,080.00	Reconciled
335852		02-JAN-13	BOHAC CONSULTING SERVICES, INC.		540.00	15-JAN-13	540.00	Reconciled
335853		02-JAN-13	BOONE, CHUCK		1,620.00			Negotiable
335854		02-JAN-13	BORCHARD SURVEYING & MAPPING, INC.		1,510.00			Negotiable
335855		02-JAN-13	BORROTO, JORGE		1,740.00	09-JAN-13	1,740.00	Reconciled
335856		02-JAN-13	BRADLEY, CARRIE		1,800.00	11-JAN-13	1,800.00	Reconciled
335857		02-JAN-13	BREITER, JOE		1,800.00	09-JAN-13	1,800.00	Reconciled
335858		02-JAN-13	BRENNTAG PACIFIC INC		15,451.35	10-JAN-13	15,451.35	Reconciled
335859		02-JAN-13	C WELLS PIPELINE MATERIALS INC		15,129.98	17-JAN-13	15,129.98	Reconciled
335860		02-JAN-13	CALIFORNIA BARRICADE INC		4,050.00	08-JAN-13	4,050.00	Reconciled
335861		02-JAN-13	CDW GOVERNMENT LLC		1,648.60	07-JAN-13	1,648.60	Reconciled
335862		02-JAN-13	CELAYA, MARY		1,800.00	07-JAN-13	1,800.00	Reconciled
335863		02-JAN-13	CH2M HILL, INC		4,841.72	07-JAN-13	4,841.72	Reconciled
335864		02-JAN-13	CHEESMAN, ENRIQUE		1,680.00			Negotiable

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 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 2  
 Bank Account Currency: USD ( US Dollar ) Payment Currency: USD ( US Dollar )  
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
335865		02-JAN-13	CITY OF LAKE FOREST		136.80	10-JAN-13	136.80	Reconciled
335866		02-JAN-13	CITY OF ORANGE		192.00	08-JAN-13	192.00	Reconciled
335867		02-JAN-13	CITY OF ORANGE		188.25	14-JAN-13	188.25	Reconciled
335868		02-JAN-13	CLEARINGHOUSE		528.45	07-JAN-13	528.45	Reconciled
335869		02-JAN-13	COAST PLUMBING HEATING AND AIR, INC		387.00	04-JAN-13	387.00	Reconciled
335870		02-JAN-13	COASTAL TRAFFIC SYSTEMS, INC		1,020.00	09-JAN-13	1,020.00	Reconciled
335871		02-JAN-13	COMMERCE ENERGY INC		602.80	07-JAN-13	602.80	Reconciled
335872		02-JAN-13	COMMERCIAL DOOR OF ORANGE COUNTY, INC.		1,298.57	09-JAN-13	1,298.57	Reconciled
335873		02-JAN-13	COMMON-A USERS GROUP		495.00	08-JAN-13	495.00	Reconciled
335874		02-JAN-13	CONEYBEARE INC		8,071.29	22-JAN-13	8,071.29	Reconciled
335875		02-JAN-13	CONTROLLED KEY SYSTEMS INC		742.73			Negotiable
335876		02-JAN-13	COX COMMUNICATIONS		97.15	07-JAN-13	97.15	Reconciled
335877		02-JAN-13	CRIM, RON		1,800.00	08-JAN-13	1,800.00	Reconciled
335878		02-JAN-13	D & H WATER SYSTEMS INC.		7,226.15	14-JAN-13	7,226.15	Reconciled
335879		02-JAN-13	DEAKYNE, SCOTT		750.00	08-JAN-13	750.00	Reconciled
335880		02-JAN-13	DEE JASPAR & ASSOCIATES, INC.		11,064.55	11-JAN-13	11,064.55	Reconciled
335881		02-JAN-13	DELL MARKETING LP		2,467.30	07-JAN-13	2,467.30	Reconciled

335882	02-JAN-13	DENGER, LOU	1,800.00	07-JAN-13	1,800.00	Reconciled
335883	02-JAN-13	DEPARTMENT OF INDUSTRIAL RELATIONS STATE OF CALIFORNIA	2,926.39	07-JAN-13	2,926.39	Reconciled
335884	02-JAN-13	DETECTION INSTRUMENTS CORP	637.45	23-JAN-13	637.45	Reconciled
335885	02-JAN-13	DOUGLAS ENVIRONMENTAL GROUP	1,150.00	07-JAN-13	1,150.00	Reconciled
335886	02-JAN-13	EMEDCO	672.91	10-JAN-13	672.91	Reconciled
335887	02-JAN-13	ERVIN, CRAIG J	1,800.00	07-JAN-13	1,800.00	Reconciled
335888	02-JAN-13	FARRELL & ASSOCIATES	345.37	14-JAN-13	345.37	Reconciled
335889	02-JAN-13	FIRST CHOICE SERVICES	1,048.06	08-JAN-13	1,048.06	Reconciled
335890	02-JAN-13	FISERV	999.50	04-JAN-13	999.50	Reconciled

IRWD Ledger  
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 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
335891	02-JAN-13	FISHER SCIENTIFIC COMPANY LLC	12,598.32	10-JAN-13	12,598.32	Reconciled		
335892	02-JAN-13	FRANCHISE TAX BOARD	1,757.66	16-JAN-13	1,757.66	Reconciled		
335893	02-JAN-13	GELSER, DON	1,800.00	07-JAN-13	1,800.00	Reconciled		
335894	02-JAN-13	GENTERRA CONSULTANTS INC	877.50	07-JAN-13	877.50	Reconciled		
335895	02-JAN-13	GEORGE, JAYNE	1,260.00	07-JAN-13	1,260.00	Reconciled		
335896	02-JAN-13	GRAINGER	2,109.13	07-JAN-13	2,109.13	Reconciled		
335897	02-JAN-13	GRAYBAR ELECTRIC COMPANY	1,501.02	07-JAN-13	1,501.02	Reconciled		
335898	02-JAN-13	HABIGER, STEVE	1,800.00	09-JAN-13	1,800.00	Reconciled		
335899	02-JAN-13	HACH COMPANY	3,389.86	07-JAN-13	3,389.86	Reconciled		
335900	02-JAN-13	HARRINGTON INDUSTRIAL PLASTICS LLC	255.64	04-JAN-13	255.64	Reconciled		
335901	02-JAN-13	HASSETT, MARY KAY	1,800.00	09-JAN-13	1,800.00	Reconciled		
335902	02-JAN-13	HEANEY, DAVID	1,800.00	07-JAN-13	1,800.00	Reconciled		
335903	02-JAN-13	HILL BROTHERS CHEMICAL COMPANY	20,449.10	08-JAN-13	20,449.10	Reconciled		
335904	02-JAN-13	HILLS, JOHN	900.00	04-JAN-13	900.00	Reconciled		
335905	02-JAN-13	HOLLIDAY, MARY E	1,200.00	07-JAN-13	1,200.00	Reconciled		
335906	02-JAN-13	HOME DEPOT USA INC	93.02	17-JAN-13	93.02	Reconciled		
335907	02-JAN-13	HOPKINS TECHNICAL PRODUCTS INC	364.82	11-JAN-13	364.82	Reconciled		
335908	02-JAN-13	HYDE, JIM	1,800.00			Negotiable		
335909	02-JAN-13	IDEXX DISTRIBUTION, INC	775.80	07-JAN-13	775.80	Reconciled		
335910	02-JAN-13	INDUSTRIAL METAL SUPPLY CO	272.51	07-JAN-13	272.51	Reconciled		
335911	02-JAN-13	INORGANIC VENTURES INC	246.98	07-JAN-13	246.98	Reconciled		
335912	02-JAN-13	INTERNAL REVENUE SERVICE	1,502.17	10-JAN-13	1,502.17	Reconciled		
335913	02-JAN-13	INTERNAL REVENUE SERVICE	25.00	11-JAN-13	25.00	Reconciled		
335914	02-JAN-13	IRVINE PIPE & SUPPLY INC	1,728.08	04-JAN-13	1,728.08	Reconciled		
335915	02-JAN-13	ISDOC	200.00	07-JAN-13	200.00	Reconciled		
335916	02-JAN-13	JCI JONES CHEMICALS INC	2,032.70	07-JAN-13	2,032.70	Reconciled		
335917	02-JAN-13	JOHANNESSEN, JOHNNIE	1,800.00	09-JAN-13	1,800.00	Reconciled		
335918	02-JAN-13	KAMINSKE, ED	1,800.00	09-JAN-13	1,800.00	Reconciled		
335919	02-JAN-13	KELLY SERVICES INC	1,744.00	07-JAN-13	1,744.00	Reconciled		
335920	02-JAN-13	KILANI, ABDEL	1,620.00	08-JAN-13	1,620.00	Reconciled		

IRWD Ledger  
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Report Date: 04-FEB-2013 09:42  
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 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
335921	02-JAN-13	KINDBERG, JOE	1,800.00			Negotiable		
335922	02-JAN-13	KNUTH, MICHAEL C	900.00	07-JAN-13	900.00	Reconciled		
335923	02-JAN-13	KOVES, JIM	1,560.00	08-JAN-13	1,560.00	Reconciled		
335924	02-JAN-13	LENOVO UNITED STATES INC	57.94	10-JAN-13	57.94	Reconciled		
335925	02-JAN-13	LOCHRIDGE, DAVID	1,500.00	07-JAN-13	1,500.00	Reconciled		
335926	02-JAN-13	LOOMIS, TERRELL	1,560.00	07-JAN-13	1,560.00	Reconciled		
335927	02-JAN-13	LUBRICATION ENGINEERS, INC.	2,113.27	07-JAN-13	2,113.27	Reconciled		
335928	02-JAN-13	LYNCH, JAN	1,000.00	16-JAN-13	1,000.00	Reconciled		

335929	02-JAN-13	MACDONALD, BONNIE	1,400.00	07-JAN-13	1,400.00	Reconciled
335930	02-JAN-13	MC MASTER CARR SUPPLY CO	2,348.70	07-JAN-13	2,348.70	Reconciled
335931	02-JAN-13	MISCOWATER	2,000.19	09-JAN-13	2,000.19	Reconciled
335932	02-JAN-13	MORALES, JACK	1,320.00	07-JAN-13	1,320.00	Reconciled
335933	02-JAN-13	NATIONAL READY MIXED CONCRETE CO	416.64	07-JAN-13	416.64	Reconciled
335934	02-JAN-13	NATURES IMAGE INC	852.00	07-JAN-13	852.00	Reconciled
335935	02-JAN-13	NEWPORT BEACH, CITY OF	806.09	04-JAN-13	806.09	Reconciled
335936	02-JAN-13	NMG GEOTECHNICAL INC	2,942.70	11-JAN-13	2,942.70	Reconciled
335937	02-JAN-13	OLIN CORPORATION	11,070.22	10-JAN-13	11,070.22	Reconciled
335938	02-JAN-13	ON ASSIGNMENT LAB SUPPORT	14,768.96	11-JAN-13	14,768.96	Reconciled
335939	02-JAN-13	ONESOURCE DISTRIBUTORS LLC	653.59	07-JAN-13	653.59	Reconciled
335940	02-JAN-13	ORANGE COUNTY SHERIFF'S OFFICE	306.56	28-JAN-13	306.56	Reconciled
335941	02-JAN-13	PAC RIM ENGINEERING	805.00	14-JAN-13	805.00	Reconciled
335942	02-JAN-13	PACIFIC COAST BOLT CORP	2,891.47	07-JAN-13	2,891.47	Reconciled
335943	02-JAN-13	PACIFIC GAS AND ELECTRIC COMPANY	45.54	15-JAN-13	45.54	Reconciled
335944	02-JAN-13	PALOMARES, JOHN	1,800.00	04-JAN-13	1,800.00	Reconciled
335945	02-JAN-13	PERS LONG TERM CARE	1,160.51	07-JAN-13	1,160.51	Reconciled
335946	02-JAN-13	PHAM, BINH T	1,740.00	16-JAN-13	1,740.00	Reconciled
335947	02-JAN-13	PINNACLE LANDSCAPE COMPANY	6,560.00	09-JAN-13	6,560.00	Reconciled
335948	02-JAN-13	POLLARDWATER.COM	5,934.37	15-JAN-13	5,934.37	Reconciled
335949	02-JAN-13	PONTON INDUSTRIES INC	5,216.77	11-JAN-13	5,216.77	Reconciled
335950	02-JAN-13	POPESCU, LUMINITA	1,560.00	07-JAN-13	1,560.00	Reconciled

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 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 5  
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 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
335951		02-JAN-13	QUALITY LAWN SERVICE		1,150.00	07-JAN-13	1,150.00	Reconciled
335952		02-JAN-13	R&B AUTOMATION INC		22,224.80	09-JAN-13	22,224.80	Reconciled
335953		02-JAN-13	SANCHEZ, AL		1,400.00	08-JAN-13	1,400.00	Reconciled
335954		02-JAN-13	SANDERS PAVING INC		27,874.00	11-JAN-13	27,874.00	Reconciled
335955		02-JAN-13	SANTA ANA BLUE PRINT		763.82	09-JAN-13	763.82	Reconciled
335956		02-JAN-13	SAPETTO GROUP INC		88.75	09-JAN-13	88.75	Reconciled
335957		02-JAN-13	SCHEAFER, TOM		1,740.00	04-JAN-13	1,740.00	Reconciled
335958		02-JAN-13	SCOTT HEALTH & SAFETY		469.63	08-JAN-13	469.63	Reconciled
335959		02-JAN-13	SEPARATION PROCESSES INC		8,922.99	14-JAN-13	8,922.99	Reconciled
335960		02-JAN-13	SHAMROCK SUPPLY CO INC		748.42	04-JAN-13	748.42	Reconciled
335961		02-JAN-13	SIEMENS ENERGY INC		33,825.33	11-JAN-13	33,825.33	Reconciled
335962		02-JAN-13	SIEMENS INDUSTRY INC		985.64	07-JAN-13	985.64	Reconciled
335963		02-JAN-13	SKIDMORE GLENN D		1,560.00	07-JAN-13	1,560.00	Reconciled
335964		02-JAN-13	SOUTH COAST WATER CO.		151.66	08-JAN-13	151.66	Reconciled
335965		02-JAN-13	SOUTHERN CALIFORNIA EDISON COMPANY		258,467.67	07-JAN-13	258,467.67	Reconciled
335966		02-JAN-13	SOUTHERN CALIFORNIA SECURITY CENTER, INC.		293.19	11-JAN-13	293.19	Reconciled
335967		02-JAN-13	SPARKLETT'S		284.16	08-JAN-13	284.16	Reconciled
335968		02-JAN-13	SPARKLING INSTRUMENTS LLC		79.32	07-JAN-13	79.32	Reconciled
335969		02-JAN-13	STANEART, JEFF		1,320.00	28-JAN-13	1,320.00	Reconciled
335970		02-JAN-13	STATE INDUSTRIAL PRODUCTS CORPORTION		538.40	07-JAN-13	538.40	Reconciled
335971		02-JAN-13	SULTAN, SAID		1,800.00	15-JAN-13	1,800.00	Reconciled
335972		02-JAN-13	SUNDBERG, RANDY		1,800.00	18-JAN-13	1,800.00	Reconciled
335973		02-JAN-13	TAHERI, IRAJ		1,800.00	07-JAN-13	1,800.00	Reconciled
335974		02-JAN-13	TALLEY INC		393.29	07-JAN-13	393.29	Reconciled
335975		02-JAN-13	TEKDRAULICS		27,217.80	08-JAN-13	27,217.80	Reconciled
335976		02-JAN-13	TELEDYNE LEEMAN LABS		1,618.32	08-JAN-13	1,618.32	Reconciled
335977		02-JAN-13	TESTAMERICA LABORATORIES, INC		192.15	07-JAN-13	192.15	Reconciled
335978		02-JAN-13	THE PLUMBERS WAREHOUSE		28,617.61	10-JAN-13	28,617.61	Reconciled

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Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
335979		02-JAN-13	THOMSON, KRIS		1,440.00			Negotiable
335980		02-JAN-13	TIFT, TERESA		1,440.00			Negotiable
335981		02-JAN-13	TIME MOTION TOOLS		148.50	07-JAN-13	148.50	Reconciled
335982		02-JAN-13	TRUGREEN LANDCARE LLC		42,270.36	09-JAN-13	42,270.36	Reconciled
335983		02-JAN-13	TUCKER, TOM		1,800.00	07-JAN-13	1,800.00	Reconciled
335984		02-JAN-13	UEMATSU, PATRICIA		1,080.00			Negotiable
335985		02-JAN-13	ULTRA SCIENTIFIC		505.40	09-JAN-13	505.40	Reconciled
335986		02-JAN-13	UNITED PARCEL SERVICE INC		148.35	07-JAN-13	148.35	Reconciled
335987		02-JAN-13	US PEROXIDE LLC		31,005.70	10-JAN-13	31,005.70	Reconciled
335988		02-JAN-13	VA CONSULTING, INC		7,370.00	08-JAN-13	7,370.00	Reconciled
335989		02-JAN-13	VCI CONSTRUCTION INC		3,830.00	07-JAN-13	3,830.00	Reconciled
335990		02-JAN-13	VELAZQUEZ, LORETTA		1,800.00	07-JAN-13	1,800.00	Reconciled
335991		02-JAN-13	VERIZON CALIFORNIA INC		281.63	10-JAN-13	281.63	Reconciled
335992		02-JAN-13	WALSH, SANDY		1,140.00	08-JAN-13	1,140.00	Reconciled
335993		02-JAN-13	WALTERS WHOLESAL E ELECTRIC		2,692.70	04-JAN-13	2,692.70	Reconciled
335994		02-JAN-13	WASTE MANAGEMENT OF ORANGE COUNTY		1,626.45	07-JAN-13	1,626.45	Reconciled
335995		02-JAN-13	WATEREUSE FOUNDATION		6,000.00	16-JAN-13	6,000.00	Reconciled
335996		02-JAN-13	WECK LABORATORIES INC		345.00	04-JAN-13	345.00	Reconciled
335997		02-JAN-13	WEST COAST SAND & GRAVEL INC.		504.98	04-JAN-13	504.98	Reconciled
335998		07-JAN-13	BRITHINEE ELECTRICPAY		100,549.51	10-JAN-13	100,549.51	Reconciled
335999		08-JAN-13	CANON BUSINESS PAY SOLUTIONS INC		10,513.58	11-JAN-13	10,513.58	Reconciled
336000		10-JAN-13	Anita Arant		18.74	18-JAN-13	18.74	Reconciled
336001		10-JAN-13	Brian McKinstry		48.71	22-JAN-13	48.71	Reconciled
336002		10-JAN-13	Casey Hansen		152.00	11-JAN-13	152.00	Reconciled
336003		10-JAN-13	Christopher Fike		90.00	14-JAN-13	90.00	Reconciled
336004		10-JAN-13	Fiona Sanchez		236.50	14-JAN-13	236.50	Reconciled
336005		10-JAN-13	Jenny Pan		80.00			Negotiable
336006		10-JAN-13	Rex Rajewski		161.99	17-JAN-13	161.99	Reconciled
336007		10-JAN-13	A AND Y COMPANY INC		621.47	14-JAN-13	621.47	Reconciled
336008		10-JAN-13	A O REED AND CO		875.80	14-JAN-13	875.80	Reconciled
336009		10-JAN-13	AARP HEALTH CARE OPTIONS		210.92			Voided
336010		10-JAN-13	ACTION ELECTRIC CORP		560.24	11-JAN-13	560.24	Reconciled
336011		10-JAN-13	ADS LLC		6,500.00	22-JAN-13	6,500.00	Reconciled
IRWD Ledger								
BANK: Bank of America N.A. Branch : Los Angeles					Payment Register For 01-JAN-13 To 31-JAN-13		Report Date: 04-FEB-2013 09:42	
Bank Account Currency: USD ( US Dollar )					Account: Checking AP and PR		Page: 7	
Payment Type: All					Payment Currency: USD ( US Dollar )		Display Supplier Address: No	

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
336012		10-JAN-13	AFLAC		5,784.36	17-JAN-13	5,784.36	Reconciled
336013		10-JAN-13	AGGARWAL, NITU		170.18			Negotiable
336014		10-JAN-13	AIRGAS-WEST, INC.		4,263.21	14-JAN-13	4,263.21	Reconciled
336015		10-JAN-13	AKM CONSULTING ENGINEERS, INC.		15,333.00	18-JAN-13	15,333.00	Reconciled
336016		10-JAN-13	ALEXANDER CONTRACT SERVICES INC		100,353.64	18-JAN-13	100,353.64	Reconciled
336017		10-JAN-13	AMERICAN MESSAGING SERVICES LLC		565.85	14-JAN-13	565.85	Reconciled
336018		10-JAN-13	AMERICAN WATER WORKS ASSOC		476.00	14-JAN-13	476.00	Reconciled
336019		10-JAN-13	AT&T		7,189.04	22-JAN-13	7,189.04	Reconciled
336020		10-JAN-13	AT&T		51.02	15-JAN-13	51.02	Reconciled
336021		10-JAN-13	BARCO PRODUCTS COMPANY		1,530.78	14-JAN-13	1,530.78	Reconciled
336022		10-JAN-13	BDC SPECIAL WASTE		200.00	14-JAN-13	200.00	Reconciled
336023		10-JAN-13	BRENNTAG PACIFIC INC		872.78	14-JAN-13	872.78	Reconciled
336024		10-JAN-13	BRITHINEE ELECTRIC		5,230.32	18-JAN-13	5,230.32	Reconciled
336025		10-JAN-13	BUSH & ASSOCIATES INC		4,788.00			Negotiable
336026		10-JAN-13	C WELLS PIPELINE MATERIALS INC		41,826.02	23-JAN-13	41,826.02	Reconciled
336027		10-JAN-13	CAL WATER PURIFICATION		240.00	14-JAN-13	240.00	Reconciled
336028		10-JAN-13	CALIFORNIA BARRICADE INC		5,045.00	24-JAN-13	5,045.00	Reconciled
336029		10-JAN-13	CANON BUSINESS SOLUTIONS INC		407.01	14-JAN-13	407.01	Reconciled
336030		10-JAN-13	CANON FINANCIAL		12,696.74	14-JAN-13	12,696.74	Reconciled

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
336031		10-JAN-13	SERVICES INC CAPTIVE AUDIENCE MARKETING INC.		85.12	15-JAN-13	85.12	Reconciled
336032		10-JAN-13	CH2M HILL, INC		6,448.37	22-JAN-13	6,448.37	Reconciled
336033		10-JAN-13	CHEM TECH		11,488.40			Negotiable
336034		10-JAN-13	INTERNATIONAL INC CHLORINE INSTITUTE INC, THE		840.00	15-JAN-13	840.00	Reconciled
336035		10-JAN-13	CITY OF IRVINE		1,885.35	14-JAN-13	1,885.35	Reconciled
336036		10-JAN-13	COASTAL TRAFFIC SYSTEMS, INC		510.00	15-JAN-13	510.00	Reconciled
336037		10-JAN-13	COLONIAL LIFE & ACCIDENT INSURANCE CO.		1,620.76	15-JAN-13	1,620.76	Reconciled

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 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 6  
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 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
336038		10-JAN-13	CONDITION MONITORING SERVICES INC		5,894.25	22-JAN-13	5,894.25	Reconciled
336039		10-JAN-13	CONEYBEARE INC		11,312.26	22-JAN-13	11,312.26	Reconciled
336040		10-JAN-13	CORE PERFORMANCE CONCEPTS INC		3,746.00	14-JAN-13	3,746.00	Reconciled
336041		10-JAN-13	COSTCO WHOLESALE MEMBERSHIP		55.00	16-JAN-13	55.00	Reconciled
336042		10-JAN-13	COX COMMUNICATIONS		1,975.98	14-JAN-13	1,975.98	Reconciled
336043		10-JAN-13	CREDENTIAL CHECK CORPORATION		488.92	14-JAN-13	488.92	Reconciled
336044		10-JAN-13	CRESTLINE SPECIALTIES CO INC		2,390.25	14-JAN-13	2,390.25	Reconciled
336045		10-JAN-13	CUMMINS CAL PACIFIC LLC		3,986.75	14-JAN-13	3,986.75	Reconciled
336046		10-JAN-13	DATA CLEAN CORPORATION		513.25	15-JAN-13	513.25	Reconciled
336047		10-JAN-13	DEPARTMENT OF MOTOR VEHICLES		13.73			Negotiable
336048		10-JAN-13	DISCOVERY SCIENCE CENTER		7,966.08	18-JAN-13	7,966.08	Reconciled
336049		10-JAN-13	EAST ORANGE COUNTY WATER DISTRICT		1,564.18	15-JAN-13	1,564.18	Reconciled
336050		10-JAN-13	EMEDCO		247.62	16-JAN-13	247.62	Reconciled
336051		10-JAN-13	EMERGENCY POWER CONTROLS INC		1,200.00	23-JAN-13	1,200.00	Reconciled
336052		10-JAN-13	ENTERPRISE INFORMATION SYSTEMS INC		18,525.00	18-JAN-13	18,525.00	Reconciled
336053		10-JAN-13	ENVIRONMENTAL WATER MANAGEMENT INC		3,350.00	28-JAN-13	3,350.00	Reconciled
336054		10-JAN-13	Erika Blaska		2,229.83	11-JAN-13	2,229.83	Reconciled
336055		10-JAN-13	EVERGREEN OIL INC		231.50	14-JAN-13	231.50	Reconciled
336056		10-JAN-13	FARRELL & ASSOCIATES		175.19	14-JAN-13	175.19	Reconciled
336057		10-JAN-13	FEDEX		537.57	14-JAN-13	537.57	Reconciled
336058		10-JAN-13	FERGUSON WATERWORKS		3,967.43	14-JAN-13	3,967.43	Reconciled
336059		10-JAN-13	FIRST CHOICE SERVICES		568.31	23-JAN-13	568.31	Reconciled
336060		10-JAN-13	FIRST HEALTH LIFE AND HEALTH INSURANCE COMPANY		38.70	24-JAN-13	38.70	Reconciled
336061		10-JAN-13	FISHER SCIENTIFIC COMPANY LLC		3,144.58	14-JAN-13	3,144.58	Reconciled

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 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
336062		10-JAN-13	FLW, INC.		417.81	11-JAN-13	417.81	Reconciled
336063		10-JAN-13	FORTIS RESOURCE PARTNERS INC		14,787.50	18-JAN-13	14,787.50	Reconciled
336064		10-JAN-13	GCI CONSTRUCTION, INC.		20,803.06	18-JAN-13	20,803.06	Reconciled
336065		10-JAN-13	GEI CONSULTANTS INC		2,946.96	15-JAN-13	2,946.96	Reconciled
336066		10-JAN-13	GRAINGER		3,896.38	14-JAN-13	3,896.38	Reconciled
336067		10-JAN-13	GSC IRVINE / MAIN LLC		5,500.00	15-JAN-13	5,500.00	Reconciled
336068		10-JAN-13	H2O INNOVATION USA INC		3,917.20	14-JAN-13	3,917.20	Reconciled
336069		10-JAN-13	HAMILTON, KURT		400.78	14-JAN-13	400.78	Reconciled

336070	10-JAN-13	HARPER & ASSOCIATES ENGINEERING INC	1,625.00	14-JAN-13	1,625.00	Reconciled
336071	10-JAN-13	HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY	153.62	14-JAN-13	153.62	Reconciled
336072	10-JAN-13	HDR ENGINEERING INC	132,793.81	18-JAN-13	132,793.81	Reconciled
336073	10-JAN-13	HILL BROTHERS CHEMICAL COMPANY	4,589.20	11-JAN-13	4,589.20	Reconciled
336074	10-JAN-13	HOROWITZ, SHEILA	618.79	22-JAN-13	618.79	Reconciled
336075	10-JAN-13	HOSE SOLUTIONS INC.	5,058.06	18-JAN-13	5,058.06	Reconciled
336076	10-JAN-13	HUMANA INSURANCE COMPANY	20.90	22-JAN-13	20.90	Reconciled
336077	10-JAN-13	INDUSTRIAL ELECTRIC MACHINERY LLC	302.91	14-JAN-13	302.91	Reconciled
336078	10-JAN-13	INDUSTRIAL METAL SUPPLY CO	331.75	14-JAN-13	331.75	Reconciled
336079	10-JAN-13	IRVINE PIPE & SUPPLY INC	1,786.41	16-JAN-13	1,786.41	Reconciled
336080	10-JAN-13	IRWD-PETTY CASH CUSTODIAN	1,469.34	11-JAN-13	1,469.34	Reconciled
336081	10-JAN-13	Ives Sosa	694.03	14-JAN-13	694.03	Reconciled
336082	10-JAN-13	JAMES BAY PARTNERS LLC	103.23	28-JAN-13	103.23	Reconciled
336083	10-JAN-13	JOHN MICHAEL COVAS	99.90	23-JAN-13	99.90	Reconciled
336084	10-JAN-13	JOHNSTONE SUPPLY	3,582.29	11-JAN-13	3,582.29	Reconciled
336085	10-JAN-13	JWC ENVIRONMENTAL	13,177.83	22-JAN-13	13,177.83	Reconciled
336086	10-JAN-13	KELLY SERVICES INC	14,927.46	18-JAN-13	14,927.46	Reconciled

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 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 10  
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 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
336087		10-JAN-13	KENNAH CONSTRUCTION CO INC		10,000.00	17-JAN-13	10,000.00	Reconciled
336088		10-JAN-13	KONECRANES INC		450.00	14-JAN-13	450.00	Reconciled
336089		10-JAN-13	Kristen Koenig		121.73			Negotiable
336090		10-JAN-13	LENOVO UNITED STATES INC		18,358.38	22-JAN-13	18,358.38	Reconciled
336091		10-JAN-13	LEWIS OPERATING CORP		1,620.00	15-JAN-13	1,620.00	Reconciled
336092		10-JAN-13	MARKET-THINK LLC		3,900.00	22-JAN-13	3,900.00	Reconciled
336093		10-JAN-13	MBC APPLIED ENVIRONMENTAL SCIENCES		2,500.00	16-JAN-13	2,500.00	Reconciled
336094		10-JAN-13	MERCHANTS LANDSCAPE SERVICES INC		7,280.00	17-JAN-13	7,280.00	Reconciled
336095		10-JAN-13	MID-WEST ASSOCIATES INC		4,223.02			Negotiable
336096		10-JAN-13	MUNICIPAL WATER DISTRICT OF ORANGE COUNTY		140,299.56	17-JAN-13	140,299.56	Reconciled
336097		10-JAN-13	NATIONAL READY MIXED CONCRETE CO		313.40	14-JAN-13	313.40	Reconciled
336098		10-JAN-13	NATURES IMAGE INC		11,126.00	18-JAN-13	11,126.00	Reconciled
336099		10-JAN-13	NCH CORPORATION		565.83	14-JAN-13	565.83	Reconciled
336100		10-JAN-13	NCH CORPORATION		517.88	14-JAN-13	517.88	Reconciled
336101		10-JAN-13	NMG GEOTECHNICAL INC		17,246.37	17-JAN-13	17,246.37	Reconciled
336102		10-JAN-13	NORITSU AMERICA CORPORATION		200.00	15-JAN-13	200.00	Reconciled
336103		10-JAN-13	NORTHWOOD PLACE APTS		104.34			Negotiable
336104		10-JAN-13	O'HAREN GOVERNMENT RELATIONS		6,500.00	18-JAN-13	6,500.00	Reconciled
336105		10-JAN-13	OCE FINANCIAL SERVICES INC.		15,130.93	22-JAN-13	15,130.93	Reconciled
336106		10-JAN-13	OLIN CORPORATION		21,920.59	22-JAN-13	21,920.59	Reconciled
336107		10-JAN-13	ONESOURCE DISTRIBUTORS LLC		394.57	14-JAN-13	394.57	Reconciled
336108		10-JAN-13	PACIFIC GAS AND ELECTRIC COMPANY		24.18	15-JAN-13	24.18	Reconciled
336109		10-JAN-13	PAPER DEPOT DOCUMENT DESTRUCTION LLC		610.65	18-JAN-13	610.65	Reconciled
336110		10-JAN-13	PARKHOUSE TIRE INC		3,607.31	15-JAN-13	3,607.31	Reconciled
336111		10-JAN-13	PASMA		75.00	16-JAN-13	75.00	Reconciled

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 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 11  
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 Payment Type: All Display Supplier Address: No

Cleared

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
336112		10-JAN-13	PERKINELMER HEALTH SCIENCES INC		29,316.92	22-JAN-13	29,316.92	Reconciled
336113		10-JAN-13	PINNACLE LANDSCAPE COMPANY		6,560.00	17-JAN-13	6,560.00	Reconciled
336114		10-JAN-13	PRAXAIR DISTRIBUTION INC		1,023.21	15-JAN-13	1,023.21	Reconciled
336115		10-JAN-13	PRE-PAID LEGAL SERVICES INC		1,357.36	17-JAN-13	1,357.36	Reconciled
336116		10-JAN-13	PURE EFFECT INC		5,945.00	18-JAN-13	5,945.00	Reconciled
336117		10-JAN-13	PYRAMID WIRE AND CABLE		2,264.97	18-JAN-13	2,264.97	Reconciled
336118		10-JAN-13	PYRO-COMM SYSTEMS INC		200.00	11-JAN-13	200.00	Reconciled
336119		10-JAN-13	QUALITY ENVIRONMENTAL CONTAINERS		2,915.62	15-JAN-13	2,915.62	Reconciled
336120		10-JAN-13	QUALITY LAWN SERVICE		500.00	11-JAN-13	500.00	Reconciled
336121		10-JAN-13	QUICKEL PAVING INC		728.00	11-JAN-13	728.00	Reconciled
336122		10-JAN-13	RAINBOW DISPOSAL CO INC		482.22	15-JAN-13	482.22	Reconciled
336123		10-JAN-13	RAM AIR ENGINEERING INC		1,467.38	15-JAN-13	1,467.38	Reconciled
336124		10-JAN-13	RAND MCNALLY		8,568.00	22-JAN-13	8,568.00	Reconciled
336125		10-JAN-13	SACRAMENTO RIVER WATERSHED PROGRAM		1,500.00			Negotiable
336126		10-JAN-13	SADDLEBACK MATERIALS CO INC		484.88	11-JAN-13	484.88	Reconciled
336127		10-JAN-13	SAN DIEGO FLUID SYSTEM TECH		259.04	15-JAN-13	259.04	Reconciled
336128		10-JAN-13	SANTA ANA BLUE PRINT		1,937.24	22-JAN-13	1,937.24	Reconciled
336129		10-JAN-13	SCHINDLER ELEVATOR CORPORATION		176.40	14-JAN-13	176.40	Reconciled
336130		10-JAN-13	SEAL ANALYTICAL INC		2,360.68	14-JAN-13	2,360.68	Reconciled
336131		10-JAN-13	SHAMROCK SUPPLY CO INC		231.29	11-JAN-13	231.29	Reconciled
336132		10-JAN-13	SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT		2,091.70	18-JAN-13	2,091.70	Reconciled
336133		10-JAN-13	SOUTH COAST ANSWERING SERVICE		728.26	15-JAN-13	728.26	Reconciled
336134		10-JAN-13	SOUTHERN CALIFORNIA EDISON COMPANY		226,300.84	11-JAN-13	226,300.84	Reconciled

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Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
336135		10-JAN-13	STANTEC CONSULTING SERVICES INC.		25,001.59	22-JAN-13	25,001.59	Reconciled
336136		10-JAN-13	SUNBELT TRANSFORMER LTD		4,322.79	14-JAN-13	4,322.79	Reconciled
336137		10-JAN-13	SUPERMEDIA LLC		71.25	15-JAN-13	71.25	Reconciled
336138		10-JAN-13	T AND S LARSEN MAINTENANCE		600.00	11-JAN-13	600.00	Reconciled
336139		10-JAN-13	TALLEY INC		806.43	14-JAN-13	806.43	Reconciled
336140		10-JAN-13	Tanja Fournier		821.14	14-JAN-13	821.14	Reconciled
336141		10-JAN-13	TEKRAULICS		27,434.93	22-JAN-13	27,434.93	Reconciled
336142		10-JAN-13	TELEDYNE LEEMAN LABS		286.05	16-JAN-13	286.05	Reconciled
336143		10-JAN-13	TESTAMERICA LABORATORIES, INC		170.10	15-JAN-13	170.10	Reconciled
336144		10-JAN-13	THE FURMAN GROUP		10,352.00	23-JAN-13	10,352.00	Reconciled
336145		10-JAN-13	THE PLUMBERS WAREHOUSE		155.07	14-JAN-13	155.07	Reconciled
336146		10-JAN-13	THYSSENKRUPP ELEVATOR		212.45	14-JAN-13	212.45	Reconciled
336147		10-JAN-13	TIC-RETAIL PROPERTIES		726.84	22-JAN-13	726.84	Reconciled
336148		10-JAN-13	TROPICAL PLAZA NURSERY INC		9,621.50	17-JAN-13	9,621.50	Reconciled
336149		10-JAN-13	ULTRA SCIENTIFIC		646.40	16-JAN-13	646.40	Reconciled
336150		10-JAN-13	UNDERGROUND SERVICE ALERT OF SOUTHERN CALIFORNIA		459.00	18-JAN-13	459.00	Reconciled
336151		10-JAN-13	UNISAN PRODUCTS		824.60	14-JAN-13	824.60	Reconciled
336152		10-JAN-13	UNITED PARCEL SERVICE INC		29.14	14-JAN-13	29.14	Reconciled
336153		10-JAN-13	UNITED SITE SERVICES OF CALIFORNIA INC		458.48	14-JAN-13	458.48	Reconciled

336154	10-JAN-13	UNITED STATES POSTAL SERVICE		87.01	17-JAN-13	87.01	Reconciled
336155	10-JAN-13	UNITED WAY OF ORANGE COUNTY		910.00	14-JAN-13	910.00	Reconciled
336156	10-JAN-13	US BANK NAT'L ASSOCIATION NORTH DAKOTA		88,968.58	22-JAN-13	88,968.58	Reconciled
336157	10-JAN-13	US PEROXIDE LLC		6,327.96	22-JAN-13	6,327.96	Reconciled
336158	10-JAN-13	VALIN CORPORATION		8,954.78	18-JAN-13	8,954.78	Reconciled
336159	10-JAN-13	VERIZON CALIFORNIA INC		228.58	16-JAN-13	228.58	Reconciled

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Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
336160		10-JAN-13	VERIZON WIRELESS SERVICES LLC		7,216.24	22-JAN-13	7,216.24	Reconciled
336161		10-JAN-13	VPSI INC		9,578.00	22-JAN-13	9,578.00	Reconciled
336162		10-JAN-13	WALTERS WHOLESALE ELECTRIC		580.78	16-JAN-13	580.78	Reconciled
336163		10-JAN-13	WASTE MANAGEMENT OF ORANGE COUNTY		1,300.22	15-JAN-13	1,300.22	Reconciled
336164		10-JAN-13	WAXIE'S ENTERPRISES, INC		2,276.63	14-JAN-13	2,276.63	Reconciled
336165		10-JAN-13	WECK LABORATORIES INC		1,365.00	14-JAN-13	1,365.00	Reconciled
336166		10-JAN-13	WEST COAST SAFETY SUPPLY INC		1,388.53	16-JAN-13	1,388.53	Reconciled
336167		10-JAN-13	WEST COAST SAND & GRAVEL INC.		755.57	11-JAN-13	755.57	Reconciled
336168		10-JAN-13	WESTERN AV		1,012.29	15-JAN-13	1,012.29	Reconciled
336169		10-JAN-13	WESTERN EXTERMINATOR COMPANY		6,799.50	22-JAN-13	6,799.50	Reconciled
336170		10-JAN-13	WORKFLOWONE		2,625.80	14-JAN-13	2,625.80	Reconciled
336171		10-JAN-13	YORKE ENGINEERING LLC		2,658.55	15-JAN-13	2,658.55	Reconciled
336172		10-JAN-13	YUZON-DUTERTE, YVETTE		155.59	16-JAN-13	155.59	Reconciled
336173		10-JAN-13	UNITED HEALTHCARE DALLAS INSURANCE COMPANY		210.92	22-JAN-13	210.92	Reconciled
336174		11-JAN-13	JCI JONES CHEMICALS INC	CINCINNATI	987.35	15-JAN-13	987.35	Reconciled
336175		11-JAN-13	ORANGE COUNTY FIREIRVINE AUTHORITY		755.00	25-JAN-13	755.00	Reconciled
336176		11-JAN-13	CLEARINGHOUSE	PHOENIX	528.45	14-JAN-13	528.45	Reconciled
336177		11-JAN-13	FRANCHISE TAX BOARD	SACRAMENTO	1,757.66	23-JAN-13	1,757.66	Reconciled
336178		11-JAN-13	ORANGE COUNTY SHERIFF'S OFFICE	SANTA ANA	306.56			Negotiable
336179		11-JAN-13	INTERNAL REVENUE SERVICE	LAGUNA NIGUEL	1,478.35	17-JAN-13	1,478.35	Reconciled
336180		11-JAN-13	INTERNAL REVENUE SERVICE	FRESNO	25.00	16-JAN-13	25.00	Reconciled
336181		11-JAN-13	PERS LONG TERM CARE	PASADENA 2	1,003.81	15-JAN-13	1,003.81	Reconciled
336182		11-JAN-13	BROWN, ANASTASIA	LAGUNA NIGUEL	2,745.00	11-JAN-13	2,745.00	Reconciled
336183		11-JAN-13	JCI JONES CHEMICALS INC	CINCINNATI	4,377.54	15-JAN-13	4,377.54	Reconciled
336184		11-JAN-13	CITY OF TUSTIN	TUSTIN 1	220,000.00			Negotiable

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 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 14  
 Bank Account Currency: USD ( US Dollar ) Payment Currency: USD ( US Dollar )  
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
336185		11-JAN-13	Anthony Mossbarger	HOME	15.69	15-JAN-13	15.69	Reconciled
336186		16-JAN-13	BANK OF NEW YORK MELLON TRUST COMPANY NA	NEWARK	100.00	23-JAN-13	100.00	Reconciled
336187		16-JAN-13	JCI JONES CHEMICALS INC	CINCINNATI	5,505.50	22-JAN-13	5,505.50	Reconciled
336188		17-JAN-13	IRWD-PETTY CASH CUSTODIAN	IRVINE	200.00	17-JAN-13	200.00	Reconciled
336189		17-JAN-13	WILLOW GLEN SERRANO HOA	IRVINE	2,663.40	25-JAN-13	2,663.40	Reconciled
336190		17-JAN-13	Fiona Sanchez		80.30	22-JAN-13	80.30	Reconciled
336191		17-JAN-13	Ives Sosa		178.19	17-JAN-13	178.19	Reconciled
336192		17-JAN-13	Joseph Costantino		131.40	18-JAN-13	131.40	Reconciled
336193		17-JAN-13	Lester Busald Jr.		101.43	24-JAN-13	101.43	Reconciled
336194		17-JAN-13	Paul Weghorst		20.00			Negotiable
336195		17-JAN-13	ACTION ELECTRIC		1,160.63	23-JAN-13	1,160.63	Reconciled

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
336196		17-JAN-13	CORP ADT SECURITY SERVICES INC		206.10	25-JAN-13	206.10	Reconciled
336197		17-JAN-13	AIRGAS-WEST, INC.		734.63	22-JAN-13	734.63	Reconciled
336198		17-JAN-13	ALSTON, SCOTT		3.97	23-JAN-13	3.97	Reconciled
336199		17-JAN-13	ANTHEM BLUE CROSS		525.96	23-JAN-13	525.96	Reconciled
336200		17-JAN-13	ANTHRACITE FILTER MEDIA CO.		1,911.20	22-JAN-13	1,911.20	Reconciled
336201		17-JAN-13	AQUFLOW		7,471.39	23-JAN-13	7,471.39	Reconciled
336202		17-JAN-13	ARCADIS U.S., INC.		644.09	22-JAN-13	644.09	Reconciled
336203		17-JAN-13	ARMORCAST PRODUCTS COMPANY		13,745.42	23-JAN-13	13,745.42	Reconciled
336204		17-JAN-13	ASKINS, PATRICK		65.80	18-JAN-13	65.80	Reconciled
336205		17-JAN-13	AT&T		3,416.74	23-JAN-13	3,416.74	Reconciled
336206		17-JAN-13	AT&T		1,912.68	24-JAN-13	1,912.68	Reconciled
336207		17-JAN-13	AT&T		121.50	22-JAN-13	121.50	Reconciled
336208		17-JAN-13	ATHENS SERVICES		1,296.56	18-JAN-13	1,296.56	Reconciled
336209		17-JAN-13	AVO TRAINING INSTITUTE, INC.		5,940.00	25-JAN-13	5,940.00	Reconciled
336210		17-JAN-13	BANK OF AMERICA MERRILL LYNCH		27,530.88	25-JAN-13	27,530.88	Reconciled
336211		17-JAN-13	BCGR		330.00	18-JAN-13	330.00	Reconciled
336212		17-JAN-13	BELL PIPE & SUPPLY CO		87.48	22-JAN-13	87.48	Reconciled
336213		17-JAN-13	BERGDAHL. LYN		121.29	23-JAN-13	121.29	Reconciled
336214		17-JAN-13	BEST DRILLING AND PUMP, INC.		12,500.00	23-JAN-13	12,500.00	Reconciled
336215		17-JAN-13	BIGWIG MONSTER, LLC		17,000.00	23-JAN-13	17,000.00	Reconciled
336216		17-JAN-13	BIOMAGIC INC		5,431.42	22-JAN-13	5,431.42	Reconciled

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 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 15  
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 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
336217		17-JAN-13	BIRCHARD, CHRISTOPHE		20.16			Negotiable
336218		17-JAN-13	BK FOUNTAIN WORKS		707.71	22-JAN-13	707.71	Reconciled
336219		17-JAN-13	BLANCO, HECTOR		1,025.96	23-JAN-13	1,025.96	Reconciled
336220		17-JAN-13	BRENNTAG PACIFIC INC		8,165.16	24-JAN-13	8,165.16	Reconciled
336221		17-JAN-13	BUTIER ENGINEERING INC		16,592.00	22-JAN-13	16,592.00	Reconciled
336222		17-JAN-13	CALIFORNIA BARRICADE INC		2,265.00	24-JAN-13	2,265.00	Reconciled
336223		17-JAN-13	CANON FINANCIAL SERVICES INC		1,389.97	22-JAN-13	1,389.97	Reconciled
336224		17-JAN-13	CAPITOL ENQUIRY		144.25			Negotiable
336225		17-JAN-13	CAVISTON, MIKE		25.00			Negotiable
336226		17-JAN-13	CH2M HILL, INC		27,370.00	25-JAN-13	27,370.00	Reconciled
336227		17-JAN-13	CHANG, JERRY		30.01	25-JAN-13	30.01	Reconciled
336228		17-JAN-13	CITIGROUP GLOBAL MARKETS INC.		3,751.64	25-JAN-13	3,751.64	Reconciled
336229		17-JAN-13	CITY OF TUSTIN		235.28	22-JAN-13	235.28	Reconciled
336230		17-JAN-13	CLA-VAL COMPANY		571.36	18-JAN-13	571.36	Reconciled
336231		17-JAN-13	CLEAN ENERGY FUELS		980.95	24-JAN-13	980.95	Reconciled
336232		17-JAN-13	COASTAL TRAFFIC SYSTEMS, INC		510.00			Negotiable
336233		17-JAN-13	COMMERCIAL CLEANING SYSTEMS INC		240.00	18-JAN-13	240.00	Reconciled
336234		17-JAN-13	COMMERCIAL DOOR OF ORANGE COUNTY, INC.		189.00	22-JAN-13	189.00	Reconciled
336235		17-JAN-13	CONEYBEARE INC		30,373.19	24-JAN-13	30,373.19	Reconciled
336236		17-JAN-13	COULSON, PAM		2.17			Negotiable
336237		17-JAN-13	CR & R INCORPORATED		12.20	24-JAN-13	12.20	Reconciled
336238		17-JAN-13	CREDENTIAL CHECK CORPORATION		334.58	22-JAN-13	334.58	Reconciled
336239		17-JAN-13	D & G SIGNS		70.04	24-JAN-13	70.04	Reconciled
336240		17-JAN-13	DEE JASPAR & ASSOCIATES, INC.		5,362.23			Negotiable
336241		17-JAN-13	DELL MARKETING LP		23,112.27	23-JAN-13	23,112.27	Reconciled
336242		17-JAN-13	DOLEMAN, IAIN		64.45			Negotiable
336243		17-JAN-13	DOTY BROS EQUIPMENT CO		694.85	18-JAN-13	694.85	Reconciled
336244		17-JAN-13	EAGLE GRAPHICS INC		6,917.43	22-JAN-13	6,917.43	Reconciled
336245		17-JAN-13	EMERGENCY POWER CONTROLS INC		2,565.00			Negotiable

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 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 16  
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 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
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Payment Document : IRWD CHECK

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
336246	17-JAN-13	EMPLOYEE BENEFIT SPECIALIST, INC		650.00	22-JAN-13	650.00	Reconciled	
336247	17-JAN-13	ENDRESS AND HAUSER INC		8,635.00	25-JAN-13	8,635.00	Reconciled	
336248	17-JAN-13	ENVIRON INTERNATIONAL CORP.		8,379.30	24-JAN-13	8,379.30	Reconciled	
336249	17-JAN-13	ENVIRONMENTAL EXPRESS INC		3,977.98	22-JAN-13	3,977.98	Reconciled	
336250	17-JAN-13	FARRELL & ASSOCIATES		277.05	18-JAN-13	277.05	Reconciled	
336251	17-JAN-13	FEDEX		151.40	22-JAN-13	151.40	Reconciled	
336252	17-JAN-13	FERGUSON WATERWORKS		2,288.52	22-JAN-13	2,288.52	Reconciled	
336253	17-JAN-13	FIDELITY SECURITY LIFE INSURANCE COMPANY		5,924.80	25-JAN-13	5,924.80	Reconciled	
336254	17-JAN-13	FISHER SCIENTIFIC COMPANY LLC		5,820.56	24-JAN-13	5,820.56	Reconciled	
336255	17-JAN-13	FISHNET SECURITY INC		2,035.00	22-JAN-13	2,035.00	Reconciled	
336256	17-JAN-13	FIVE POINT PARTNERS LLC		13,846.08	25-JAN-13	13,846.08	Reconciled	
336257	17-JAN-13	FLEET SOLUTIONS LLC		25.00	22-JAN-13	25.00	Reconciled	
336258	17-JAN-13	FORTIS RESOURCE PARTNERS INC		10,247.80	23-JAN-13	10,247.80	Reconciled	
336259	17-JAN-13	GARZA INDUSTRIES, INC		1,295.57	18-JAN-13	1,295.57	Reconciled	
336260	17-JAN-13	GEORGE T HALL CO INC		2,076.94	22-JAN-13	2,076.94	Reconciled	
336261	17-JAN-13	GEORGE YARDLEY CO INC		1,301.18	22-JAN-13	1,301.18	Reconciled	
336262	17-JAN-13	GLOBALSTAR INC		170.13	22-JAN-13	170.13	Reconciled	
336263	17-JAN-13	GOBORN, STEPHANE		30.14			Negotiable	
336264	17-JAN-13	GOOGLE INC.		1,067.04	22-JAN-13	1,067.04	Reconciled	
336265	17-JAN-13	GRATINGER		4,673.13	22-JAN-13	4,673.13	Reconciled	
336266	17-JAN-13	GRAYBAR ELECTRIC COMPANY		15,196.47	23-JAN-13	15,196.47	Reconciled	
336267	17-JAN-13	GWAVA TECHNOLOGIES, INC.		1,944.00	24-JAN-13	1,944.00	Reconciled	
336268	17-JAN-13	HACH COMPANY		1,978.44	22-JAN-13	1,978.44	Reconciled	
336269	17-JAN-13	HAJDUCH, VERA		66.12			Negotiable	
336270	17-JAN-13	HANSON BRIDGETT LLP		1,919.00	24-JAN-13	1,919.00	Reconciled	
336271	17-JAN-13	HENDERSON, LISA		219.22	28-JAN-13	219.22	Reconciled	

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 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 17  
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 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
336272	17-JAN-13	HEWLETT PACKARD CO		17,839.92	24-JAN-13	17,839.92	Reconciled	
336273	17-JAN-13	HILL BROTHERS CHEMICAL COMPANY		2,994.40	18-JAN-13	2,994.40	Reconciled	
336274	17-JAN-13	HOME DEPOT USA INC		804.95	28-JAN-13	804.95	Reconciled	
336275	17-JAN-13	HUMANA INSURANCE COMPANY		276.70	23-JAN-13	276.70	Reconciled	
336276	17-JAN-13	HWANG, ALBERT		14.52	28-JAN-13	14.52	Reconciled	
336277	17-JAN-13	IRON MOUNTAIN INFORMATION MANAGEMENT INC		1,589.86	22-JAN-13	1,589.86	Reconciled	
336278	17-JAN-13	IRVINE PIPE & SUPPLY INC		2,212.62	24-JAN-13	2,212.62	Reconciled	
336279	17-JAN-13	IRWD-PETTY CASH CUSTODIAN		829.49	17-JAN-13	829.49	Reconciled	
336280	17-JAN-13	J.P. MORGAN SECURITIES, INC.		21,868.85	25-JAN-13	21,868.85	Reconciled	
336281	17-JAN-13	J.R. FILANC CONSTRUCTION COMPANY INC.		1,488.49	22-JAN-13	1,488.49	Reconciled	
336282	17-JAN-13	JOHN G. ALEVIZOS D.O. INC.		400.00	22-JAN-13	400.00	Reconciled	
336283	17-JAN-13	JOHN MICHAEL COVAS		5.00			Negotiable	
336284	17-JAN-13	Jonathon Moore		747.54	24-JAN-13	747.54	Reconciled	
336285	17-JAN-13	JU, ROBERT		30.14	23-JAN-13	30.14	Reconciled	
336286	17-JAN-13	KANA PIPELINE INC		340.00	18-JAN-13	340.00	Reconciled	
336287	17-JAN-13	KANG, SHIRLEY		30.01			Negotiable	
336288	17-JAN-13	KARCHER INSULATION INC		3,990.00	22-JAN-13	3,990.00	Reconciled	
336289	17-JAN-13	KASSAJIKIAN, MARINA		41.37	22-JAN-13	41.37	Reconciled	
336290	17-JAN-13	KATZ, J P		61.04	22-JAN-13	61.04	Reconciled	
336291	17-JAN-13	KIM, JONATHAN		30.47			Negotiable	
336292	17-JAN-13	KO, BOBBY		31.42	23-JAN-13	31.42	Reconciled	
336293	17-JAN-13	LA HABRA FENCE COMPANY INC		32,138.00	25-JAN-13	32,138.00	Reconciled	
336294	17-JAN-13	LCS TECHNOLOGIES,		12,187.50	28-JAN-13	12,187.50	Reconciled	

336381	17-JAN-13	WEST COAST SAND & GRAVEL INC.		508.32	18-JAN-13	508.32	Reconciled
336382	17-JAN-13	WESTERN EXTERMINATOR COMPANY		15,008.00	28-JAN-13	15,008.00	Reconciled
336383	17-JAN-13	WIRELESS WATCHDOGS LLC		988.00			Negotiable
336384	17-JAN-13	WONDRIES FLEET GROUP		25,927.67	25-JAN-13	25,927.67	Reconciled
336385	17-JAN-13	YI, MELODY		60.25			Negotiable
336386	17-JAN-13	YOUNG, DAVID		8.09	22-JAN-13	8.09	Reconciled
336387	17-JAN-13	ZAHN, NATHAN		122.11			Negotiable
336388	17-JAN-13	ZEE MEDICAL SERVICE CO		706.45	18-JAN-13	706.45	Reconciled
336389	17-JAN-13	ZELLER, ARLENE		35.39	22-JAN-13	35.39	Reconciled
336390	17-JAN-13	ZHANG, KAN		7.31			Negotiable
336391	22-JAN-13	JCI JONES CHEMICALS INC	CINCINNATI	1,918.58	28-JAN-13	1,918.58	Reconciled
336392	24-JAN-13	ADT SECURITY SERVICES INC		153.74			Negotiable
336393	24-JAN-13	ANDERSONPENNA PARTNERS, INC		14,772.50			Negotiable
336394	24-JAN-13	APCO GRAPHICS INC		294.25	28-JAN-13	294.25	Reconciled
336395	24-JAN-13	ARCADIS U.S., INC.		2,466.00			Negotiable
336396	24-JAN-13	ASHFORD, WALT		246.75	28-JAN-13	246.75	Reconciled
336397	24-JAN-13	ASSOCIATION OF CALIFORNIA WATER AGENCIES/JPIA		33,311.07			Negotiable
336398	24-JAN-13	AT&T		47.85			Negotiable
336399	24-JAN-13	AT&T		15.71			Negotiable
336400	24-JAN-13	AT&T		3,507.60			Negotiable
336401	24-JAN-13	BATTERY SPECIALTIES		3,246.32	28-JAN-13	3,246.32	Reconciled
336402	24-JAN-13	BELL TOWER FLORIST & GIFTS		88.34			Negotiable
336403	24-JAN-13	BILL'S SWEEPING SERVICE INC		1,265.00			Negotiable
336404	24-JAN-13	BIOMAGIC INC		5,423.99			Negotiable
336405	24-JAN-13	BIOMERIEUX INC		70.27	28-JAN-13	70.27	Reconciled
336406	24-JAN-13	BOHAC CONSULTING SERVICES, INC.		630.00			Negotiable
336407	24-JAN-13	BRENNTAG PACIFIC INC		12,909.89			Negotiable
336408	24-JAN-13	BROUGHTON, SUZANNE		271.90			Negotiable
336409	24-JAN-13	C WELLS PIPELINE MATERIALS INC		8,285.14			Negotiable

IRWD Ledger  
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Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
336410		24-JAN-13	CALIFORNIA BARRICADE INC		1,592.50			Negotiable
336411		24-JAN-13	CALIFORNIA DEPT OF PUBLIC HEALTH		32,029.20			Negotiable
336412		24-JAN-13	CANON FINANCIAL SERVICES INC		467.85	28-JAN-13	467.85	Reconciled
336413		24-JAN-13	CDW GOVERNMENT LLC		997.00			Negotiable
336414		24-JAN-13	CHIANG, WEN		325.12			Negotiable
336415		24-JAN-13	CITY OF IRVINE		7,101.35			Negotiable
336416		24-JAN-13	CLEARINGHOUSE		528.45	28-JAN-13	528.45	Reconciled
336417		24-JAN-13	COMPUCOM SYSTEMS, INC.		1,713.64	28-JAN-13	1,713.64	Reconciled
336418		24-JAN-13	CONEBEARE INC		1,259.70			Negotiable
336419		24-JAN-13	CREDENTIAL CHECK CORPORATION		15.66	28-JAN-13	15.66	Reconciled
336420		24-JAN-13	CULVER CARWASH, LLC		372.69	28-JAN-13	372.69	Reconciled
336421		24-JAN-13	CUMMINS CAL PACIFIC LLC		3,986.75	28-JAN-13	3,986.75	Reconciled
336422		24-JAN-13	DATASITE INC		3,692.00			Negotiable
336423		24-JAN-13	DDB ENGINEERING, INC.		4,125.00	25-JAN-13	4,125.00	Reconciled
336424		24-JAN-13	DELTA SYSTEMS ENGINEERING		11,000.00			Negotiable
336425		24-JAN-13	DIRECTV INC		89.99			Negotiable
336426		24-JAN-13	DOUGLAS ENVIRONMENTAL GROUP INC		2,850.00	25-JAN-13	2,850.00	Reconciled
336427		24-JAN-13	DUDEK		27,580.41			Negotiable
336428		24-JAN-13	EMA INC		11,322.79			Negotiable
336429		24-JAN-13	EMERGENCY COMMUNICATIONS NETWORK, LLC		25,000.00			Negotiable
336430		24-JAN-13	ESA PWA		4,948.51			Negotiable
336431		24-JAN-13	EXPRESSAIR		633.00			Negotiable
336432		24-JAN-13	FERGUSON, DAVID		4,588.09			Negotiable
336433		24-JAN-13	FIRE EXTINGUISHING SAFETY		495.84	28-JAN-13	495.84	Reconciled

336434	24-JAN-13	FIRST CHOICE SERVICES		1,012.12			Negotiable
336435	24-JAN-13	FISERV		11,427.04			Negotiable
336436	24-JAN-13	FLEET SOLUTIONS LLC		4,041.95	28-JAN-13	4,041.95	Reconciled
336437	24-JAN-13	FORTIS RESOURCE PARTNERS INC		4,384.80			Negotiable

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 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 23  
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 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
336438		24-JAN-13	FRANCHISE TAX BOARD		1,757.66			Negotiable
336439		24-JAN-13	GEORGE YARDLEY CO INC		1,301.18	28-JAN-13	1,301.18	Reconciled
336440		24-JAN-13	GRAINGER		3,823.20	28-JAN-13	3,823.20	Reconciled
336441		24-JAN-13	HDR ENGINEERING INC		160,391.06			Negotiable
336442		24-JAN-13	HILL BROTHERS CHEMICAL COMPANY		9,647.00			Negotiable
336443		24-JAN-13	HILLEBRECHT, WARREN K		182.33			Negotiable
336444		24-JAN-13	HOME DEPOT USA INC		625.48			Negotiable
336445		24-JAN-13	HSU, MIKE		504.40			Negotiable
336446		24-JAN-13	HUNSAKER & ASSOCIATES IRVINE		5,264.00			Negotiable
336447		24-JAN-13	HYDRO-SCAPE PRODUCTS INC		215.05	28-JAN-13	215.05	Reconciled
336448		24-JAN-13	INDUSTRIAL NETWORKING SOLUTIONS		1,862.88			Negotiable
336449		24-JAN-13	INTERNAL REVENUE SERVICE		1,481.85			Negotiable
336450		24-JAN-13	INTERNAL REVENUE SERVICE		25.00			Negotiable
336451		24-JAN-13	IRVINE COMMUNITY DEVELOPMENT COMPANY		10,551.50			Negotiable
336452		24-JAN-13	Janet Wells		3,000.00	25-JAN-13	3,000.00	Reconciled
336453		24-JAN-13	JOHN G. ALEVIZOS D.O. INC.		164.84	28-JAN-13	164.84	Reconciled
336454		24-JAN-13	KEVIN P. KELLEY		749.75	25-JAN-13	749.75	Reconciled
336455		24-JAN-13	KIM, SOON TAE		1,750.00			Negotiable
336456		24-JAN-13	LENOVO UNITED STATES INC		23,114.92			Negotiable
336457		24-JAN-13	LIGHTING RESOURCES, LLC		736.75	25-JAN-13	736.75	Reconciled
336458		24-JAN-13	LUBRICATION ENGINEERS, INC.		3,956.78	28-JAN-13	3,956.78	Reconciled
336459		24-JAN-13	MALCOLM PIRNIE INC		52,385.22			Negotiable
336460		24-JAN-13	MARVIN GARDENS LLC		3,038.30	25-JAN-13	3,038.30	Reconciled
336461		24-JAN-13	MC MASTER CARR SUPPLY CO		943.53	28-JAN-13	943.53	Reconciled
336462		24-JAN-13	MOBILE MODULAR MANAGEMENT CORPORATION		1,108.75	28-JAN-13	1,108.75	Reconciled

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 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 24  
 Bank Account Currency: USD ( US Dollar ) Payment Currency: USD ( US Dollar )  
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
336463		24-JAN-13	MOUSER ELECTRONICS, INC.		493.57			Negotiable
336464		24-JAN-13	NATIONAL READY MIXED CONCRETE CO		788.08	28-JAN-13	788.08	Reconciled
336465		24-JAN-13	NCL OF WISCONSIN INC		268.29			Negotiable
336466		24-JAN-13	NEWPORT BEACH, CITY OF		1,033.31	25-JAN-13	1,033.31	Reconciled
336467		24-JAN-13	NMG GEOTECHNICAL INC		11,745.40			Negotiable
336468		24-JAN-13	NORITSU AMERICA CORPORATION		280.00			Negotiable
336469		24-JAN-13	OLIN CORPORATION		19,253.06			Negotiable
336470		24-JAN-13	OLSON HAGEL FISHBURN, LLP		316.50	28-JAN-13	316.50	Reconciled
336471		24-JAN-13	ON ASSIGNMENT IAB SUPPORT		12,883.68			Negotiable
336472		24-JAN-13	ONESOURCE DISTRIBUTORS LLC		5,935.48			Negotiable
336473		24-JAN-13	ORANGE COUNTY FIRE AUTHORITY		4,318.00			Negotiable

336474	24-JAN-13	ORANGE COUNTY TREASURER	983.00	28-JAN-13	983.00	Reconciled
336475	24-JAN-13	ORTIZ, SALLY	315.82	28-JAN-13	315.82	Reconciled
336476	24-JAN-13	PACIFIC GAS AND ELECTRIC COMPANY	212.74			Negotiable
336477	24-JAN-13	PASCAL & LUDWIG CONSTRUCTORS	76,520.45			Negotiable
336478	24-JAN-13	PAUL F BRADLEY INC	1,035.00			Negotiable
336479	24-JAN-13	PDA INC	110.00			Negotiable
336480	24-JAN-13	PERS LONG TERM CARE	1,003.81	28-JAN-13	1,003.81	Reconciled
336481	24-JAN-13	PIVOT INTERIORS INC	3,137.79	25-JAN-13	3,137.79	Reconciled
336482	24-JAN-13	POLLARDWATER.COM	3,038.90			Negotiable
336483	24-JAN-13	PONTON INDUSTRIES INC	6,974.72			Negotiable
336484	24-JAN-13	PRAXAIR DISTRIBUTION INC	2,304.48			Negotiable
336485	24-JAN-13	PREMIER PAVING INC	1,149.58	25-JAN-13	1,149.58	Reconciled
336486	24-JAN-13	R & S SOIL PRODUCTS INC	842.40			Negotiable
336487	24-JAN-13	RAM AIR ENGINEERING INC	2,641.14	25-JAN-13	2,641.14	Reconciled
336488	24-JAN-13	SANDERS PAVING INC	10,247.00			Negotiable

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 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 25  
 Bank Account Currency: USD ( US Dollar ) Payment Currency: USD ( US Dollar )  
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
336489		24-JAN-13	SANTA ANA BLUE PRINT		1,062.48	25-JAN-13	1,062.48	Reconciled
336490		24-JAN-13	SANTA ANA CITY OF SECURTEC DISTRICT		55.86	28-JAN-13	55.86	Reconciled
336491		24-JAN-13	PATROL INC SEPARATION PROCESSES INC		12,720.00			Negotiable
336492		24-JAN-13	SHAMROCK SUPPLY CO INC		2,455.00			Negotiable
336493		24-JAN-13	SOUTHERN CALIFORNIA EDISON COMPANY		278.64	28-JAN-13	278.64	Reconciled
336494		24-JAN-13	SOUTHERN CALIFORNIA SECURITY CENTER, INC.		188,334.63	28-JAN-13	188,334.63	Reconciled
336495		24-JAN-13	SPARKLETTS		240.00			Negotiable
336496		24-JAN-13	SS MECHANICAL CORPORATION		80.34			Negotiable
336497		24-JAN-13	SWAP FINANCIAL GROUP LLC		5,500.00			Negotiable
336498		24-JAN-13	TCLA, INC		20,000.00			Negotiable
336499		24-JAN-13	TEKDRUALICS		17,304.00			Negotiable
336500		24-JAN-13	TETRA TECH, INC		9,465.98			Negotiable
336501		24-JAN-13	THE DESIGN FACTOR		8,902.32			Negotiable
336502		24-JAN-13	THE IRVINE COMPANY LLC		1,500.00			Negotiable
336503		24-JAN-13	TIC-IPG-COMMON		1,729.74			Negotiable
336504		24-JAN-13	TIC-OFFICE PROPERTIES		21.22			Negotiable
336505		24-JAN-13	TIC-SPECTRUM OFFICE		19.98			Negotiable
336506		24-JAN-13	TROPICAL PLAZA NURSERY INC		72.86			Negotiable
336507		24-JAN-13	UNITED PARCEL SERVICE INC		29,273.00			Negotiable
336508		24-JAN-13	US PEROXIDE LLC		50.19	28-JAN-13	50.19	Reconciled
336509		24-JAN-13	USA BLUEBOOK		68,053.57			Negotiable
336510		24-JAN-13	VERIZON CALIFORNIA INC		532.98			Negotiable
336511		24-JAN-13	WATERLINE TECHNOLOGIES INC		418.69	28-JAN-13	4,440.00	Reconciled
336512		24-JAN-13	WAXIE'S ENTERPRISES, INC		4,440.00	28-JAN-13	4,440.00	Reconciled
336513		24-JAN-13	WECK LABORATORIES INC		226.76	28-JAN-13	226.76	Reconciled
336514		24-JAN-13			448.50			Negotiable

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 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 26  
 Bank Account Currency: USD ( US Dollar ) Payment Currency: USD ( US Dollar )  
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
336515		24-JAN-13	YORKE ENGINEERING LLC		1,485.00			Negotiable
336516		24-JAN-13	Andrew Brown		172.80			Negotiable

336517	24-JAN-13	Bryan Clinton		345.00			Negotiable
336518	24-JAN-13	Eric Olivolo		200.00			Negotiable
336519	24-JAN-13	Gregory Heiertz		30.00			Negotiable
336520	24-JAN-13	Gretchen Maswadeh		101.70	24-JAN-13	101.70	Reconciled
336521	24-JAN-13	John Hayes		260.00			Negotiable
336522	24-JAN-13	John Tetterer		222.14			Negotiable
336523	24-JAN-13	Leslie Bonkowski		75.00	28-JAN-13	75.00	Reconciled
336524	24-JAN-13	Matthew Daniel		200.00			Negotiable
336525	24-JAN-13	Peer Swan		1,948.86			Negotiable
336526	24-JAN-13	Rodolfo Perez		30.54			Negotiable
336527	24-JAN-13	Steven LaMar		588.36	28-JAN-13	588.36	Reconciled
336528	25-JAN-13	Matthew Wiese	HOME	96.79			Negotiable
336529	25-JAN-13	CALIFORNIA DEPT OFPURCHASE		5,975.00			Negotiable
		HEALTH SVCS					
336530	25-JAN-13	STATE BOARD OF SACRAMENTO		710.90			Negotiable
		EQUALIZATION					
336531	30-JAN-13	IRWD-PETTY CASH IRVINE		1,371.68			Negotiable
		CUSTODIAN					
336532	30-JAN-13	BRITHINEE ELECTRICPAY		14,033.25			Negotiable
336533	30-JAN-13	NWRI FOUNTAIN VALLEY		2,500.00			Negotiable
		UPLAND					
336534	31-JAN-13	CERTIFIED BIO SERVICES, LLC		30,618.50			Negotiable
336535	31-JAN-13	ORANGE COUNTY F.V.		2,678.82			Negotiable
		WATER DISTRICT					
336536	31-JAN-13	II FUELS INC	PAY	40,904.48			Negotiable
336537	31-JAN-13	BUSINESS MACHINES ANAHEIM		505.40			Negotiable
		UNLIMITED					
336538	31-JAN-13	Charles Hjorth		220.00			Negotiable
336539	31-JAN-13	Christopher Fike		180.00			Negotiable
336540	31-JAN-13	Dale Alberts		165.00			Negotiable
336541	31-JAN-13	David Chaney		95.00			Negotiable
336542	31-JAN-13	David Crowe		175.00			Negotiable
336543	31-JAN-13	Harry Cho		258.34			Negotiable
336544	31-JAN-13	John Dayer		0.03			Negotiable
336545	31-JAN-13	Kelly Welch		74.64			Negotiable
336546	31-JAN-13	Leslie Bonkowski		125.88			Negotiable
336547	31-JAN-13	Lyndy Lewis		140.00			Negotiable
336548	31-JAN-13	Mattias Velardes		165.00			Negotiable
336549	31-JAN-13	Michael Chandler		130.00			Negotiable
336550	31-JAN-13	Michael Hoolihan		280.00			Negotiable
336551	31-JAN-13	Nikola Mrvos		399.20			Negotiable
336552	31-JAN-13	Pio Reynoso		85.00			Negotiable

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 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 27  
 Bank Account Currency: USD ( US Dollar ) Payment Currency: USD ( US Dollar )  
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
336553		31-JAN-13	Ray Bennett		132.66			Negotiable
336554		31-JAN-13	Scott Van Deusen		215.00			Negotiable
336555		31-JAN-13	Terri Isaacs		271.22			Negotiable
336556		31-JAN-13	Thomas Bonkowski		27.69			Negotiable
336557		31-JAN-13	ACCURATE AIR ENGINEERING INC		902.19			Negotiable
336558		31-JAN-13	ATRGAS-WEST, INC.		1,024.64			Negotiable
336559		31-JAN-13	AKM CONSULTING ENGINEERS, INC.		27,390.00			Negotiable
336560		31-JAN-13	ALMEGA ENVIRONMENTAL & TECHNICAL SERVICES		5,913.02			Negotiable
336561		31-JAN-13	AMERICAN DOCK BOXES, INC.		543.32			Negotiable
336562		31-JAN-13	AQUA-METRIC SALES COMPANY		7,678.80			Negotiable
336563		31-JAN-13	ARCADIS U.S., INC.		15,638.00			Negotiable
336564		31-JAN-13	ARMORCAST PRODUCTS COMPANY		640.07			Negotiable
336565		31-JAN-13	AT&T		50.46			Negotiable
336566		31-JAN-13	AT&T		4,979.28			Negotiable
336567		31-JAN-13	AT&T		15.73			Negotiable
336568		31-JAN-13	BANK OF AMERICA		21,305.22			Negotiable
336569		31-JAN-13	BEST DRILLING AND PUMP, INC.		787,308.78			Negotiable
336570		31-JAN-13	BILL'S SWEEPING SERVICE INC		805.00			Negotiable
336571		31-JAN-13	BIOMERIEUX INC		158.03			Negotiable
336572		31-JAN-13	BLACK & VEATCH CORPORATION		92,981.25			Negotiable
336573		31-JAN-13	BOHAC CONSULTING SERVICES, INC.		1,260.00			Negotiable
336574		31-JAN-13	BORCHARD SURVEYING & MAPPING, INC.		330.00			Negotiable
336575		31-JAN-13	BTF PRECISE MICROBIOLOGY INC.		525.20			Negotiable
336576		31-JAN-13	C WELLS PIPELINE MATERIALS INC		2,495.88			Negotiable
336577		31-JAN-13	CALIFORNIA BARRICADE INC		1,700.00			Negotiable
336578		31-JAN-13	CDW GOVERNMENT LLC		707.20			Negotiable



336626	31-JAN-13	INVESTMENT TRANSCEND	25.65	Negotiable
336627	31-JAN-13	IRVINE PIPE & SUPPLY INC	2,148.07	Negotiable
336628	31-JAN-13	JEWELL, JASON	25.65	Negotiable
336629	31-JAN-13	KANAN, KATHI	15.00	Negotiable
336630	31-JAN-13	KANG, BONGKU	10.65	Negotiable
336631	31-JAN-13	KIM, MICHELLE	26.50	Negotiable
336632	31-JAN-13	KS DIRECT LLC	334.80	Negotiable
336633	31-JAN-13	KURZ INSTRUMENTS INC	668.30	Negotiable
336634	31-JAN-13	LE, TAI	35.56	Negotiable
336635	31-JAN-13	LENOVO UNITED STATES INC	9,454.78	Negotiable
336636	31-JAN-13	LEWIS OPERATING CORP	1,080.00	Negotiable
336637	31-JAN-13	LGC GEOTECHNICAL, INC.	3,275.00	Negotiable
336638	31-JAN-13	LIPSCOMB, ROBIN A	44.96	Negotiable
336639	31-JAN-13	LUBRICATION ENGINEERS, INC.	4,572.22	Negotiable
336640	31-JAN-13	MC FADDEN-DALE INDUSTRIAL	37.82	Negotiable

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 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
336641		31-JAN-13	MC MASTER CARR SUPPLY CO		1,788.88			Negotiable
336642		31-JAN-13	MEL UNDERWOOD WATER TRUCKS & EQUIPMENT		910.00			Negotiable
336643		31-JAN-13	MICHAEL A BACA		3,500.00			Negotiable
336644		31-JAN-13	MOBILE MODULAR MANAGEMENT CORPORATION		1,111.32			Negotiable
336645		31-JAN-13	MOSS, DIANA		49.77			Negotiable
336646		31-JAN-13	MOTAMENI, MARYAM		47.23			Negotiable
336647		31-JAN-13	MUNICIPAL MAINTENANCE EQUIPMENT INC		2,332.80			Negotiable
336648		31-JAN-13	MYERS & SONS HI- WAY SAFETY, INC.		2,827.44			Negotiable
336649		31-JAN-13	OLDHAM, LARA		31.38			Negotiable
336650		31-JAN-13	OLIN CORPORATION		24,952.39			Negotiable
336651		31-JAN-13	OLSON HAGEL FISHBURN, LLP		316.50			Negotiable
336652		31-JAN-13	ON ASSIGNMENT LAB SUPPORT		497.92			Negotiable
336653		31-JAN-13	ONESOURCE DISTRIBUTORS LLC		12,031.64			Negotiable
336654		31-JAN-13	ORANGE COUNTY FIRE PROTECTION		1,820.00			Negotiable
336655		31-JAN-13	ORANGE COUNTY TREASURER		420.00			Negotiable
336656		31-JAN-13	ORANGE, COUNTY OF		1,677.50			Negotiable
336657		31-JAN-13	ORANGE, COUNTY OF		291.00			Negotiable
336658		31-JAN-13	PAC RIM ENGINEERING		3,105.00			Negotiable
336659		31-JAN-13	PACIFIC COAST BOLT CORP		1,994.07			Negotiable
336660		31-JAN-13	PARKWAY LAWNMOWER SHOP		151.98			Negotiable
336661		31-JAN-13	PAT NEAL ASSOCIATES		63.90			Negotiable
336662		31-JAN-13	PAULUS ENGINEERING INC		3,749.96			Negotiable
336663		31-JAN-13	PAYNE & FEARS LLP		11,132.50			Negotiable
336664		31-JAN-13	PEARPOINT		349.92			Negotiable
336665		31-JAN-13	PERKINELMER HEALTH SCIENCES INC		2,099.56			Negotiable
336666		31-JAN-13	PINNACLE LANDSCAPE COMPANY		6,560.00			Negotiable

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 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 31  
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 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
336667		31-JAN-13	PRAXAIR DISTRIBUTION INC		2,579.83			Negotiable
336668		31-JAN-13	PROGRESSIVE WATER TREATMENT INC		54,301.88			Negotiable

336669	31-JAN-13	PSOMAS	7,320.50	Negotiable
336670	31-JAN-13	QUICKEL PAVING INC	12,500.00	Negotiable
336671	31-JAN-13	RAININ INSTRUMENT, LLC	880.42	Negotiable
336672	31-JAN-13	RALPH ANDERSEN & ASSOCIATES	5,875.00	Negotiable
336673	31-JAN-13	RAM AIR ENGINEERING INC	2,634.36	Negotiable
336674	31-JAN-13	REFRIGERATION SUPPLIES	561.60	Negotiable
336675	31-JAN-13	RMC WATER AND ENVIRONMENT	21,185.30	Negotiable
336676	31-JAN-13	RRM DESIGN GROUP	1,368.27	Negotiable
336677	31-JAN-13	SANDERS PAVING INC	18,324.00	Negotiable
336678	31-JAN-13	SANTA ANA BLUE PRINT	1,363.11	Negotiable
336679	31-JAN-13	SEUNG, HYE	15.00	Negotiable
336680	31-JAN-13	SHAHBAZY, REBEKA	26.50	Negotiable
336681	31-JAN-13	SHAMROCK SUPPLY CO INC	1,203.51	Negotiable
336682	31-JAN-13	SOUTH COAST ANSWERING SERVICE	501.17	Negotiable
336683	31-JAN-13	SOUTH ORANGE COUNTY WASTEWATER AUTHORITY	69,500.00	Negotiable
336684	31-JAN-13	SOUTHERN CALIFORNIA EDISON COMPANY	424,740.47	Negotiable
336685	31-JAN-13	SOUTHERN CALIFORNIA SECURITY CENTER, INC.	322.00	Negotiable
336686	31-JAN-13	SOUTHERN COUNTIES LUBRICANTS LLC	675.24	Negotiable
336687	31-JAN-13	SPARKLETT'S	147.06	Negotiable
336688	31-JAN-13	SS MECHANICAL CORPORATION	52,440.00	Negotiable
336689	31-JAN-13	STANTEC CONSULTING SERVICES INC.	9,098.17	Negotiable
336690	31-JAN-13	STATE BOARD OF EQUALIZATION	2,544.00	Negotiable

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 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 32  
 Bank Account Currency: USD ( US Dollar ) Payment Currency: USD ( US Dollar )  
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
336691		31-JAN-13	STERILIZER TECHNICAL		375.00			Negotiable
336692		31-JAN-13	SULLY-MILLER CONTRACTING CO.		45,842.25			Negotiable
336693		31-JAN-13	SULLY-MILLER CONTRACTING CO.		2,412.75			Negotiable
336694		31-JAN-13	T AND S LARSEN MAINTENANCE		400.00			Negotiable
336695		31-JAN-13	TAYLOR MADE ADIDAS GOLF INC		74.87			Negotiable
336696		31-JAN-13	TAYLOR WOODROW HOMES		42.41			Negotiable
336697		31-JAN-13	TESTAMERICA LABORATORIES, INC		486.35			Negotiable
336698		31-JAN-13	TETRA TECH, INC		43,234.75			Negotiable
336699		31-JAN-13	THE PLUMBERS WAREHOUSE		287.01			Negotiable
336700		31-JAN-13	TRANSFORMER TESTING		8,122.00			Negotiable
336701		31-JAN-13	TREE OF LIFE NURSERY		1,356.25			Negotiable
336702		31-JAN-13	TRIPAC MARKETING INC		859.37			Negotiable
336703		31-JAN-13	TROPICAL PLAZA NURSERY INC		1,734.50			Negotiable
336704		31-JAN-13	TRUGREEN LANDCARE LLC		42,160.00			Negotiable
336705		31-JAN-13	ULTRA SCIENTIFIC		546.00			Negotiable
336706		31-JAN-13	UNITED PARCEL SERVICE INC		89.04			Negotiable
336707		31-JAN-13	UNITED SITE SERVICES OF CALIFORNIA INC		278.50			Negotiable
336708		31-JAN-13	UNIVAR USA INC		5,319.10			Negotiable
336709		31-JAN-13	VERIZON CALIFORNIA INC		87.19			Negotiable
336710		31-JAN-13	VERIZON WIRELESS SERVICES LLC		6,529.74			Negotiable
336711		31-JAN-13	VERNAZZA REALTY		25.65			Negotiable
336712		31-JAN-13	VWR INTERNATIONAL, LLC		3,843.73			Negotiable
336713		31-JAN-13	WALTERS WHOLESALE ELECTRIC		1,081.21			Negotiable

336714 31-JAN-13 WATSON HYDRAULICS 803.68 Negotiable  
 INC  
 IRWD Ledger Payment Register For 01-JAN-13 To 31-JAN-13 Report Date: 04-FEB-2013 09:42  
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 33  
 Bank Account Currency: USD ( US Dollar ) Payment Currency: USD ( US Dollar )  
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
336715		31-JAN-13	WAXIE'S ENTERPRISES, INC		2,043.85			Negotiable
336716		31-JAN-13	WECK LABORATORIES INC		1,714.00			Negotiable
336717		31-JAN-13	WELLS SUPPLY COMPANY		1,123.20			Negotiable
336718		31-JAN-13	WEST COAST SAND & GRAVEL INC.		1,052.32			Negotiable
336719		31-JAN-13	ZEE MEDICAL SERVICE CO		53.16			Negotiable
336720		31-JAN-13	BRUCE NEWELL	ORANGE	2,632.00			Negotiable
Payment Document Subtotal:					7,674,791.84		3,737,572.89	

Payment Document : IRWD Wire

IRWD Ledger Payment Register For 01-JAN-13 To 31-JAN-13 Report Date: 04-FEB-2013 09:42  
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 34  
 Bank Account Currency: USD ( US Dollar ) Payment Currency: USD ( US Dollar )  
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD Wire								
9763		16-JAN-13	BANK OF NEW YORK MELLON TRUST COMPANY NA	NEWARK	3,240.24			Negotiable
9764		16-JAN-13	INTERNAL REVENUE SERVICE	FRESNO	168,641.57			Negotiable
9765		16-JAN-13	FRANCHISE TAX BOARD	SACRAMENTO	46,674.96			Negotiable
9766		16-JAN-13	EMPLOYMENT DEVELOPMENT DEPARTMENT	W SACRAMENTO	10,406.34			Negotiable
9767		16-JAN-13	WILLIAMS, TWYLA	PARKER	658.62			Negotiable
9768		16-JAN-13	ORDONEZ, CYNTHIA MARIE	DESERT HOT SPR SACRAMENTO	500.17			Negotiable
9769		16-JAN-13	CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES	SACRAMENTO	1,991.98			Negotiable
9770		16-JAN-13	IRWD EMPLOYEE ASSOCIATION	IRVINE	420.00			Negotiable
9771		16-JAN-13	EMPLOYEE BENEFIT SPECIALIST, INC	PAY	10,855.08			Negotiable
9772		16-JAN-13	GREAT WEST	DENVER	99,460.12			Negotiable
9773		16-JAN-13	CALPERS	SACRAMENTO	83,306.94			Negotiable
9774		23-JAN-13	YORK INSURANCE SERVICES GROUP INC - CA	PAY	1,880.03			Negotiable
9775		24-JAN-13	CALPERS	SACRAMENTO	351,341.85			Negotiable

9776	29-JAN-13	MUNICIPAL WATER FOUNTAIN DISTRICT OF ORANGEVALLEY COUNTY		871,322.85	Negotiable
9777	29-JAN-13	U.S. BANK NATIONALST. LOUIS ASSOCIATION		8,484.40	Negotiable
9778	29-JAN-13	BANK OF NEW YORK NEWARK MELLON TRUST COMPANY NA		138.89	Negotiable
9779	29-JAN-13	GREAT WEST DENVER		133,007.28	Negotiable
9780	29-JAN-13	BANK OF NEW YORK NEWARK MELLON TRUST COMPANY NA		750.00	Negotiable
9781	29-JAN-13	INTERNAL REVENUE SERVICE FRESNO		147,341.86	Negotiable
9782	29-JAN-13	FRANCHISE TAX SACRAMENTO BOARD		39,419.17	Negotiable
9783	29-JAN-13	EMPLOYMENT DEVELOPMENT DEPARTMENT SACRAMENTO		11,678.58	Negotiable

IRWD Ledger  
 BANK: Bank of America N.A. Branch: Los Angeles  
 Bank Account Currency: USD ( US Dollar )  
 Payment Type: All

Payment Register For 01-JAN-13 To 31-JAN-13  
 Account: Checking AP and PR  
 Payment Currency: USD ( US Dollar )  
 Display Supplier Address: No

Report Date: 04-FEB-2013 09:42  
 Page: 35

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD Wire								
9784		29-JAN-13	WILLIAMS, TWYLA	PARKER	658.62			Negotiable
9785		29-JAN-13	ORDONEZ, CYNTHIA MARIE	DESERT HOT SPR	500.17			Negotiable
9786		29-JAN-13	CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES	SACRAMENTO	1,991.98			Negotiable
9787		29-JAN-13	IRWD EMPLOYEE ASSOCIATION	IRVINE	410.00			Negotiable
9788		29-JAN-13	EMPLOYEE BENEFIT SPECIALIST, INC	PAY	9,598.06			Negotiable
9789		29-JAN-13	GREAT WEST DENVER		81,631.52			Negotiable
9790		29-JAN-13	CALPERS SACRAMENTO		66,552.78			Negotiable
9791		31-JAN-13	BANK OF NEW YORK MELLON TRUST COMPANY NA	NEWARK	8,750.00			Negotiable
9792		31-JAN-13	ORANGE COUNTY WATER DISTRICT	F.V.	6,264,725.60			Negotiable
Payment Document Subtotal:					10,567,632.69			
Bank Account Subtotal :					18,242,424.53		3,737,572.89	
Report Count : 930			Report Total:		18,242,424.53		3,737,572.89	

\*\*\* End of Report \*\*\*

IRWD Ledger

Void Payment Register

Report Date: 04-FEB-2013 09:42

Include Zero Amount Payments: Yes  
 Display Payee Address: No

Period From: 01-JAN-13

Page: 1  
 To: 31-JAN-13  
 Date: Void Date

Bank: Bank of America N.A.

Branch: Los Angeles

Account: Checking AP and PR

Bank Account Currency: USD

Payment Currency: USD ( US Dollar )

Payment Number	Date	Payee Name	Site	Address	Payment Amount	Void Date
-----						
Payment Document: IRWD CHECK						
332786	23-AUG-12	STATE WATER RESOURCES CONTR			3,192.00	29-JAN-13
334315	25-OCT-12	CALIFORNIA DEPT OF HEALTH S			5,975.00	25-JAN-13
336009	10-JAN-13	AARP HEALTH CARE OPTIONS			210.92	10-JAN-13

Payment Document Subtotal 9,377.92

Bank Account Subtotal 9,377.92

Report Total 9,377.92

Report Count: 3

\*\*\* End of Report \*\*\*

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March 11, 2013

Prepared by: T. Bonkowski/M. Cortez

Submitted by: K. Burton *K.B.*

Approved by: Paul Cook *P. Cook*

## CONSENT CALENDAR

### ORANGE PARK ACRES DOMESTIC WATER PRESSURE REGULATING STATIONS AND FIRE FLOW IMPROVEMENTS CONTRACT CHANGE ORDER

#### SUMMARY:

Paulus Engineering, Inc. (Paulus) was awarded a construction contract in the amount of \$1,143,821 to construct the Orange Park Acres Domestic Water Pressure Regulating Stations and Fire Flow Improvements. Construction is complete and a final Contract Change Order is required to adjust for changed field conditions and final project quantities. Staff recommends that the Board authorize the General Manager to approve Contract Change Order No. 1 in the amount of \$68,888.08.

#### BACKGROUND:

The Master Plan improvements for the Orange Park Acres (OPA) water system included the installation of pressure regulating stations and fire flow improvements within the OPA service area. The work involved the construction of three pressure reducing stations including vaults, valves, piping, telemetry, and landscaping. Additionally, 3,460 LF of 8-inch pipeline, 25 LF of 6-inch pipeline and 121 LF of 4-inch pipeline and all ancillary work, e.g. pavement removal and replacement, pipeline appurtenances, electrical, traffic control, and site grading and improvements, were constructed.

During the project's construction, many undocumented field conditions were encountered that conflicted with the proposed pipeline alignment. Contract Change Order (CCO) No. 1 includes the additional work that Paulus was required to perform due to these conflicts. CCO No. 1 also reconciles the final accounting for the project and includes the increase and decrease in quantities listed on the bid form and includes changes made during construction of the project. CCO No. 1, as shown in Exhibit "A", reflects a net increase in the amount of \$68,888.08. A staff report with additional information on the various items included in Change Order No. 1 is included as Exhibit "B". Staff reviewed and negotiated the costs with the Contractor and believe them to be fair and equitable.

#### FISCAL IMPACTS:

Projects 10409 (1287) and 10410 (1297) were included in the FY 2012-13 Capital Budget. The existing budgets and Expenditure Authorizations are sufficient to complete the project.

Consent Calendar: Orange Park Acres Domestic Water Pressure Regulating Stations and Fire Flow Improvements Contract Change Order

March 11, 2013

Page 2

ENVIRONMENTAL COMPLIANCE:

This project is subject to the California Environmental Quality Act (CEQA) and in conformance with Title 14, Chapter 3, Section 15004, a Mitigated Negative Declaration was adopted on August 9, 2010.

COMMITTEE STATUS:

This item was reviewed by the Engineering and Operations Committee on February 19, 2013.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO APPROVE CONTRACT CHANGE ORDER NO. 1 WITH PAULUS ENGINEERING, INC. IN THE AMOUNT OF \$68,888.08 FOR THE ORANGE PARK ACRES DOMESTIC WATER PRESSURE REGULATING STATIONS AND FIRE FLOW IMPROVEMENTS, PROJECTS 10409 (1287) AND 10410 (1297).

LIST OF EXHIBITS:

Exhibit "A" – Contract Change Order No. 1

Exhibit "B" – Contract Change Order Staff Report

# EXHIBIT "A"

## CONTRACT CHANGE ORDER

**IRVINE RANCH WATER DISTRICT**  
 5600 Sand Canyon Avenue  
 Irvine, California 92718  
 (949) 453-5300  
 Orange Park Acres Fire Flow Improvements and DW Pressure Regulating Stations  
 Project



C.O. No. 1 Page 1  
 Final  
 Project No. 11409 & 11410

Date: 01/27/13

THE FOLLOWING CHANGE TO CONTRACT, DRAWINGS AND SPECIFICATIONS IS PROPOSED.	\$ ADDITIONS	\$ DELETIONS	DAYS ±
Contract Change Orders 1-11 for the OPA Fire Flow Improvements and DW Pressure Regulating Stations. The time and material pricing for the field verified extra work for this CCO No. 1 are listed below and described on the attached memo:			
1. Add'l costs associated with removal and export of existing soil and import of CMB material on Near Vicki Lane per on-site soil tech.	\$5,079.00		+1
2. Add'l costs associated with extra depth of water line to avoid conflicts with SCE lines and extra thick asphalt on Old Chapman.	\$39,720.32		+6
3. Add'l costs associated with the piping for Zone 5R Tie-in off Orange Park Blvd.	\$9,500.00		+2
4. Deletion of the PRS at Morada and Hilton Dr.			
5. Add'l costs associated with removal and export of existing soil and import of CMB material on Morada per on-site soil tech.	\$15,941.00	(\$96,367.34)	+0
6. Add'l costs associated with the relocation of Air Vac on Old Chapman Ave.	\$5,040.00		+4
7. Add'l costs associated with the relocation of a unidentified AT&T line in conflict with the Hillside PRS.	\$2,618.00		+1
8. Add'l costs associated with the installation of 5 services not shown on plans, conflicts with SC Gas lines and County requirements of slurry backfill on Amapola.	\$69,770.10		+1
9. Add'l costs associated with the relocation of the 8" DW line from the Eastbound lane to the Westbound lane on Amapola due to a conflict with the existing storm drain.	\$15,287.00		+3
10. Costs associated with the installation of an additional water service on Morada	\$2,300.00		+1
<b>TOTAL</b>	<b>\$165,255.42</b>	<b>(\$96,367.34)</b>	<b>+36</b>

DAYS ±

1. NET AMOUNT THIS CHANGE ORDER	=	\$68,888.08	36
2. ORIGINAL CONTRACT AMOUNT	=	\$1,143,821.00	150
3. TOTAL PREVIOUS CHANGE ORDER(S)	=	\$0.00	0
4. TOTAL BEFORE THIS CHANGE ORDER (2+3)	=	\$1,143,821.00	150
5. PROPOSED REVISED CONTRACT AMOUNT TO DATE (1+4)	=	\$1,212,709.08	<del>186</del> 186

We hereby agree to make the above change subject to the terms of this change order for the sum of:

Sixty-eight thousand eight hundred eighty-eight and 08/100 ----- Dollars

2-12-13 Date Paulus Engineering, Inc. Contractor By [Signature]

SIGNATURE	DATE	APPROVAL LEVEL REQUIRED
<u>[Signature]</u> IRWD Engineer or Consulting Engineer	<u>2/12/13</u> Date	Department Director Approval Required
<u>Malaysha Cortez</u> Principal Engineer	<u>2/12/13</u> Date	General Manager Approval Required
<u>[Signature]</u> Director of Engineering and Construction	<u>2/12/13</u> Date	Committee Approval Required
General Manager	Date	Board Approval Required
		By _____ Date _____
		Purchase Order No. 505235

## EXHIBIT "B"

### Staff Report

Contract Change Order No. 1 in the amount of \$68,888.08 to Paulus Engineering, Inc. for the OPA Domestic Water Pressure Regulating Stations and Fire Flow Improvements, Projects 11409 (1287) and 11410 (1297), is the final accounting for the project and reflects the increase and decrease in quantities listed on the bid form and includes changes made during the construction. The following items are included:

1. Removal and disposal of oversaturated soils as well as import, placement and compaction of crushed aggregate base (CAB) under the direction of the on-site soils tech on Vickie Lane. – *Additional cost of \$5,079.*
2. Installation of additional 8-inch domestic waterline, water services and fire hydrant. This work was performed to abandon the existing waterline running through the front yard of the homes on Old Chapman Avenue. Additional saw-cut, breaking, excavation, removal, haul-off and disposal of existing concrete and AC base paving as a result of the existing full depth concrete in Old Chapman Avenue. – *Additional cost of \$39,720.32.*
3. Field changes for the tie-in connection for the Zone 5R connection in Orange Park Boulevard. The tie-in included an additional cut in of 8"x6" tee with valve to the existing 6" line going across Hillside Drive, 56 LF of 8" C-900 pipe, the removal of two 45 degree bends and the installation of 2 thrust blocks. – *Additional cost of \$9,500.*
4. Deletion of the Pressure Reducing Station at Morada and Hilton Drive from contract. There were only a few services in that area so staff installed individual PRVs at each of the customer's meters. – *Deductive cost of <\$96,367.34>.*
5. Removal and disposal of oversaturated soils as well as import, placement, haul off, disposal and compaction of CMB under the direction of the on-site soils tech on Morada. – *Additional cost of \$15,941.*
6. Relocation of an air-vacuum valve on Old Chapman. The 4" domestic water line was extended 56 LF to move the air-vacuum assembly away from customer driveway. – *Additional cost of \$5,040.*
7. Relocation of unidentified AT&T telephone conduit around the new Pressure Regulating Station Vault to be installed on Hillside Drive. – *Additional cost of \$2,618.*
8. Installation of 341 LF of 8" C-900 domestic water pipeline and five services (long side) not shown on plans on Amapola. The services were in conflict with existing SC Gas pipelines and the County required flagmen, grind and cap and slurry backfill within the pipeline limits. – *Additional cost of \$69,770.10.*
9. Relocation of the 8" domestic water pipeline from the Eastbound land to the Westbound lane on Amapola, potholing, steel plates and slurry backfill due to a conflict with the existing storm drain. – *Additional cost of \$15,287.*
10. Additional water service installation on Morada. – *Additional cost of \$2,300.*

05  
March 11, 2013

Prepared by: H. Cho/M. Cortez

Submitted by: K. Burton *K.B.*

Approved by: Paul Cook *PC*

## CONSENT CALENDAR

### TRABUCO LIFT STATION EMERGENCY STORAGE BASIN EXPENDITURE AUTHORIZATION

#### SUMMARY:

Wastewater from IRWD's Portola Hills area is currently routed to Santa Margarita Water District's (SMWD) Chiquita Wastewater Treatment Plant through several lift stations and pipelines owned by SMWD and Trabuco Canyon Water District (TCWD). Pursuant to the 1989 Portola Hills Wastewater Agreement between IRWD, SMWD, and TCWD, IRWD owns a 28.19% pro rata share of the operating, maintenance and improvement costs of the SMWD facilities. The Trabuco Lift Station Emergency Storage Basin project was recently constructed by SMWD. SMWD has invoiced IRWD for its portion of the final project cost. Staff recommends that the Board approve an Expenditure Authorization in the amount of \$286,000 for the Trabuco Lift Station Emergency Storage Basin Project.

#### BACKGROUND:

The Trabuco Lift Station is owned by SMWD and is located south of the street intersection of Alicia and Santa Margarita Parkways; a site plan is attached as Exhibit "A". This facility is one of several lift stations used to lift wastewater from IRWD and TCWD to SMWD's Chiquita Wastewater Treatment Plant. To minimize the risk of sewer spills, SMWD adopted a policy to install overflow wastewater storage structures at its lift stations. The emergency storage basin at the Trabuco Lift Station was recently completed. Based on the 1989 Portola Hills Wastewater Agreement between IRWD, SMWD, and TCWD, IRWD owns a 28.19% pro rata share of the operating, maintenance and improvement costs of the SMWD facilities. IRWD's portion of the final project cost is approximately \$240,000.

IRWD's Portola Hills Sewage Lift Station Abandonment and Gravity Sewer project that is currently under construction will redirect wastewater originally routed to SMWD's facilities to the MWRP instead, through a new gravity sewer system. Upon the completion of this project, IRWD will no longer route any wastewater to SMWD and capacity in SMWD's facilities will not be required. At this time, staff is preparing an amendment to the Portola Hills Wastewater Agreement that will address IRWD's capacity ownership, and anticipates bringing it to the Board for consideration in the near future.

#### FISCAL IMPACTS:

Project 21113 (3724) is included in the FY 2012-13 Capital Budget. Staff requests an Expenditure Authorization as shown in the table below and in Exhibit "B".

Project No.	Current Budget	Addition <Reduction>	Total Budget	Existing EA	This EA Request	Total EA Request
21113 (3724)	\$286,000	\$-0-	\$286,000	\$-0-	\$286,000	\$286,000

ENVIRONMENTAL COMPLIANCE:

SMWD is the lead agency for CEQA compliance.

COMMITTEE STATUS:

This item was reviewed by the Engineering and Operations Committee on February 19, 2013.

RECOMMENDATION:

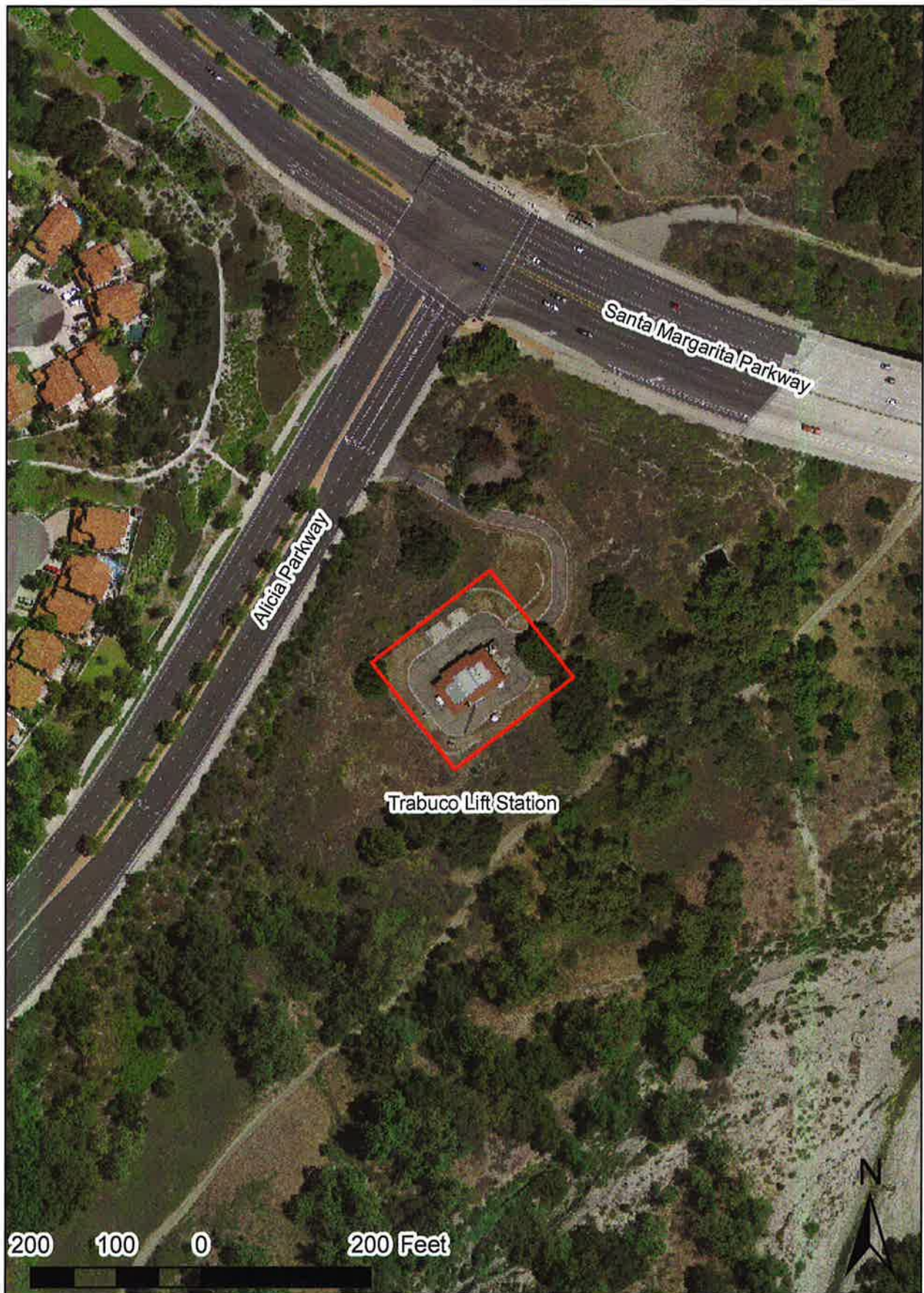
THAT THE BOARD APPROVE AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$286,000 FOR THE TRABUCO LIFT STATION EMERGENCY STORAGE BASIN, PROJECT 21113 (3724).

LIST OF EXHIBITS:

Exhibit "A" – Site Map

Exhibit "B" – Expenditure Authorization

# EXHIBIT A: TRABUCO LIFT STATION LOCATION PLAN



**IRVINE RANCH WATER DISTRICT**

Expenditure Authorization

Project Name: TRABUCO LS EMERGENCY STORAGE BASIN (SMWD)  
 EPMS Project No: 21113 EA No: 1  
 Oracle Project No: 3725  
 Project Manager: CORTEZ, MALCOLM  
 Project Engineer: LEW, KELLY  
 Request Date: February 11, 2013

ID Split: Miscellaneous

Improvement District (ID) Allocations

ID No.	Allocation %	Source of Funds
286	78.0	BONDS YET TO BE SOLD**
288	22.0	BONDS YET TO BE SOLD**
<b>Total</b>	<b>100.0%</b>	

Summary of Direct Cost Authorizations

Previously Approved EA Requests:	\$0
This Request:	\$286,000
<b>Total EA Requests:</b>	<b>\$286,000</b>
Previously Approved Budget:	\$286,000
Budget Adjustment Requested this EA:	\$0
<b>Updated Budget:</b>	<b>\$286,000</b>
<b>Budget Remaining After This EA</b>	<b>\$0</b>

Comments: Split based on 71.4% Enhancement Fund and 28.6% allocated based on build-out ratio between ID 286/28  
 Assumes 50% of ID 286 future flow of .22mgd and 15% of ID 288 future flow of .22 mgd to the Trabuco LS.

Phase	This EA Request	Previous EA Requests	EA Requests to Date	This Budget Request	Previous Budget	Updated Budget	Start	Finish
ENGINEERING - CA&I IRWD	10,000	0	10,000	0	10,000	10,000	7/12	6/13
CONSTRUCTION	250,000	0	250,000	0	250,000	250,000	7/12	6/13
Contingency - 10.00% Subtotal	\$26,000	\$0	\$26,000	\$0	\$26,000	\$26,000		
<b>Subtotal (Direct Costs)</b>	<b>\$286,000</b>	<b>\$0</b>	<b>\$286,000</b>	<b>\$0</b>	<b>\$286,000</b>	<b>\$286,000</b>		
Estimated G/A - 180.00% of direct labor*	\$18,000	\$0	\$18,000	\$0	\$18,000	\$18,000		
<b>Total</b>	<b>\$304,000</b>	<b>\$0</b>	<b>\$304,000</b>	<b>\$0</b>	<b>\$304,000</b>	<b>\$304,000</b>		
Direct Labor	\$10,000	\$0	\$10,000	\$0	\$10,000	\$10,000		

\*EA includes estimated G&A. Actual G&A will be applied based on the current ratio of direct labor to general and administrative costs.

EA Originator:

 2/11/13

Department Director:

 2/12/13

Finance:

\_\_\_\_\_

Board/General Manager:

\_\_\_\_\_

\*\* IRWD hereby declares that it reasonably expects those expenditures marked with two asterisks to be reimbursed with proceeds of future debt to be incurred by IRWD in a maximum principal amount of \$311,000. The above-captioned project is further described in the attached staff report and additional documents, if any, which are hereby incorporated by reference. This declaration of official intent to reimburse costs of the above-captioned project is made under Treasury Regulation Section 1.150-2.

March 11, 2013

Prepared by: J. Corey

Submitted by: P. Weghorst/G. Heiertz

Approved by: Paul Cook

## CONSENT CALENDAR

### ADDENDUM NO. 2 TO THE BAKER WATER TREATMENT PLANT FINAL ENVIRONMENTAL IMPACT REPORT

#### SUMMARY:

Irvine Ranch Water District (IRWD) proposes modifications to the Baker Water Treatment Plant (WTP) Project. The proposed modifications include the addition of residuals handling facilities, new electrical conduits and vaults necessary for Southern California Edison (SCE) to service the project and a larger overflow pipeline to Serrano Creek. Environmental review has been completed for the proposed modifications and staff recommends that the Board approve Addendum No. 2 to the Baker WTP Final Environmental Impact Report (FEIR) and approve the proposed modifications.

#### BACKGROUND:

In April 2011, the IRWD's Board of Directors approved the Baker WTP Project FEIR. The FEIR evaluated the environmental effects of constructing and operating a new potable water treatment facility in the City of Lake Forest at the location of the former Baker Filtration Plant. The Baker WTP Project will enhance water supply reliability in southern Orange County and provide redundant treatment capacity to Metropolitan Water District of Southern California's Diemer Treatment Plant by treating 28 million gallons of raw water per day. The project will provide treated water to IRWD and four partnering water agencies in Southern Orange County: El Toro Water District (ETWD), Moulton Niguel Water District (MNWD), Santa Margarita Water District (SMWD), and Trabuco Canyon Water District (TCWD).

In February 2012, the IRWD's Board of Directors approved Addendum No. 1 to the Baker WTP Project FEIR. Addendum No. 1 evaluated the environmental effects of modifying the alignment of the treated water pipeline that will connect the Baker WTP to the South County Pipeline and changes to the mechanical design of the product water pump station.

The Baker WTP Project FEIR identified a 15-inch sewer pipeline that would be constructed to connect to facilities that would convey residual non-reclaimable waste (NRW) from the Baker WTP to IRWD's Los Alisos Water Recycling Plant (LAWRP) for treatment. At LAWRP, the NRW would be dewatered and the solids hauled offsite to a composting facility. This approach to residuals handling has been identified as no longer feasible given IRWD's future plans for biosolids treatment.

#### Project Modifications:

Three modifications have been proposed by IRWD that require additional environmental review. These modifications are as follows:

- Residuals handling facilities would be constructed onsite at the Baker WTP. This modification will eliminate the need for NRW deliveries to LAWRP and avoid problems in IRWD's future handling of biosolids.
- New underground conduits, wiring and vaults would also be constructed for SCE to provide adequate service to both the Baker WTP and the raw water pump station to be located within the Peters Canyon Regional Park.
- The 42-inch pipeline and discharge structure that will convey overflow water from the Baker WTP forebay and disinfection facility to Serrano Creek would be increased in size to 54-inch pipeline and discharge structure.

Addendum No. 2:

Environmental consultants at ESA have prepared Addendum No. 2 to the FEIR that provides for the environmental review of the project modifications described above. A copy of Addendum No. 2 is attached as Exhibit "A". The proposed project modifications would not change the regulatory framework, impact discussion, mitigation measures or conclusions as described in the Baker WTP FEIR.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Section 15164 of the State of California Environmental Quality Act (CEQA) Guidelines provides for the preparation of an addendum to a previously certified EIR by lead agency or a responsible agency if some changes or additions to the project are necessary but none of the conditions described in CEQA calling for preparation of a subsequent EIR have occurred. Based on the information and analysis in the proposed Addendum No. 2, the Determination section of the Addendum sets forth the proposed determinations by the District that none of such conditions have occurred. The proposed modifications would not change the regulatory framework, impact discussion, mitigation measures or conclusions as described in the Final FEIR.

COMMITTEE STATUS:

Addenda to environmental impact reports are not typically taken to Committee prior to submittal for Board approval.

RECOMMENDATION:

THAT THE BOARD APPROVE THE PROPOSED ADDENDUM NO. 2 TO THE BAKER WATER TREATMENT PLANT PROJECT FINAL ENVIRONMENTAL IMPACT REPORT, INCLUDING THE DETERMINATIONS SET FORTH IN ADDENDUM NO. 2 AND APPROVE THE MODIFICATIONS TO THE PROJECT.

Consent Calendar: Addendum No. 2 to the Baker Water Treatment Plant Final Environmental Impact Report  
March 11, 2013  
Page 3

**LIST OF EXHIBITS:**

Exhibit "A" – Addendum No. 2 to the Baker Water Treatment Plant Project Final Environmental Impact Report

# EXHIBIT A

Addendum No. 2

## BAKER WATER TREATMENT PLANT PROJECT

Environmental Impact Report  
(State Clearinghouse No.2010051055)

Prepared for  
Irvine Ranch Water District  
15600 Sand Canyon Avenue  
Irvine, CA 92618

March 2013



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March 2013



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# **BAKER WATER TREATMENT PLANT PROJECT**

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## **Final Environmental Impact Report Addendum No. 2**

### **1.0 Introduction**

The Irvine Ranch Water District (IRWD) proposes to modify the Baker Water Treatment Plant (WTP) Project. The proposed modifications include an addition to the treatment process at the Baker WTP and two new electrical conduit alignments necessary for Southern California Edison (SCE) to service the Project. The treatment process at the Baker WTP would be modified to include new residuals handling facilities that would allow residuals processing to occur onsite at the Baker WTP rather than at Los Alisos Water Recycling Plant (LAWRP) as previously planned. **Figure 1** shows the approximate location of the new residuals handling facilities at the Baker site. Figure 1 also shows the approximate location of the first proposed SCE conduit alignment. **Figure 2** shows the approximate location of the second proposed SCE conduit alignment south of the Raw Water Pump Station. The potential environmental effects of the proposed modifications to the Project are addressed in this Addendum No. 2 to the Baker WTP Project Final Environmental Impact Report (EIR) (SCH # 2010051055). All other planned Baker WTP facilities and Project objectives outlined in the Final EIR and Addendum No. 1 remain unchanged. The proposed modifications do not affect the changes to the Project that were analyzed in Addendum No. 1.

IRWD has prepared this Addendum pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15164, to describe the modifications to the Project and to evaluate whether the modifications present any new significant impacts not identified in the previously certified Final EIR and Addendum No.1 that would require preparation of a subsequent or supplemental EIR. As documented in the analysis presented below, the proposed modifications would not result in substantial changes that warrant preparation of a subsequent or supplemental EIR pursuant to Sections 15162 and 15163 of the CEQA Guidelines.

### **2.0 Project Background**

In April of 2011, the IRWD Board of Directors certified the Baker WTP Project Final EIR. The Final EIR evaluated the environmental effects of constructing and operating a new potable water treatment facility in the City of Lake Forest at the location of the former Baker Filtration Plant (BFP). The Project included other requisite offsite components, such as the Raw Water Pump Station located in the City of Orange. The Baker WTP Project will enhance water supply reliability in southern Orange County and provide redundant treatment capacity to Metropolitan Water District of Southern California's (MWD) Diemer Treatment Plant by treating raw water at



SOURCE: RBF Consulting; Carollo, ESA, 2013.

IRWD Baker WTP EIR Addendum No. 2 - 211448.01

**Figure 1**  
Baker Water Treatment Plant  
Proposed Modifications



SOURCE: RBF Consulting; ESA, 2013.

IRWD Baker WTP EIR Addendum No. 2 . 211448.01

**Figure 2**  
Raw Water Pump Station  
Proposed Modifications

a normal operating capacity of 43.5 cubic feet per second (28 million gallons per day). The Project will not increase the capacity of regional treated water distribution pipelines, but rather improve regional potable water system reliability and operational flexibility. The Project also will provide treated water to four partnering water agencies in southern Orange County: El Toro Water District (ETWD), Moulton Niguel Water District (MNWD), Santa Margarita Water District (SMWD), and Trabuco Canyon Water District (TCWD).

In March of 2012, the IRWD Board of Directors certified Addendum No. 1 to the Baker WTP Project Final EIR. Addendum No. 1 evaluated the environmental effects of modifying the alignment of the treated water pipeline that will connect the Baker WTP to the South County Pipeline and changes to the mechanical design of the product water pump station.

### **3.0 Purpose of Addendum**

Under CEQA, the lead agency or a responsible agency shall prepare an addendum to a previously-certified Final EIR if some changes or additions are necessary to the prior EIR, but none of the conditions calling for preparation of a subsequent or supplemental EIR have occurred (CEQA Guidelines §§ 15162, 15164). Once an EIR has been certified, a subsequent EIR is only required when the lead agency or responsible agency determines that one of the following conditions has been met:

- (1) Substantial changes are proposed in the project, or substantial changes occur with respect to the circumstances under which the project is undertaken, which require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects (CEQA Guidelines §15162(a)(1), (2));
- (2) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete, shows any of the following:
  - a. The project will have one or more significant effects not discussed in the previous EIR;
  - b. Significant effects previously examined will be substantially more severe than shown in the previous EIR;
  - c. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
  - d. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative (CEQA Guidelines §15162(a)(3)).

If one or more of the conditions described above for a subsequent EIR exist, but only minor additions or changes would be necessary to make the previous EIR adequately apply to the

project in the changed situation, then the lead agency may prepare a supplement to an EIR, rather than a subsequent EIR (CEQA Guidelines §15163(a)).

CEQA recommends that a brief explanation of the decision to prepare an addendum rather than a subsequent or supplemental EIR be included in the record (CEQA Guidelines §15164(e)). IRWD has evaluated the potential environmental impacts of the proposed modifications as set forth below in Section 6 of this Addendum No. 2. IRWD acting as the Lead Agency, has determined that none of the above CEQA conditions apply and that Addendum No. 2 to the adopted Final EIR is the appropriate environmental documentation for the proposed modifications and fully complies with CEQA, as described in the CEQA Guidelines.

An addendum does not need to be circulated for public review, but rather can be attached to the Final EIR (CEQA Guidelines §15164(c)). Prior to initiating the modified Project, the IRWD Board of Directors will consider this Addendum No. 2 together with the adopted Final EIR and Addendum No. 1 and make a decision regarding the modified Project (CEQA Guidelines §15164(d)).

## 4.0 Proposed Modifications

### 4.1 Baker Water Treatment Plant

The Baker WTP Project Final EIR identified a new 15-inch sewer pipeline that would be constructed to convey residual non-reclaimable waste (NRW) from the Baker WTP to IRWD's Los Alisos Water Recycling Plant (LAWRP) for treatment. At the LAWRP, the NRW would be dewatered and the solids hauled offsite to a composting facility. Subsequent to completion of the Final EIR, IRWD identified new concerns associated with this residuals management approach due to planned changes with the manner in which LAWRP solids will be handled.

As part of the proposed modification, the waste stream from the treatment process at the Baker WTP would be pumped via a new onsite underground pipeline to proposed residuals handling facilities. The waste stream would be a dilute sludge comprised mostly of silt and inorganic materials. The sludge would be thickened, dewatered, temporarily stored, and hauled offsite to a landfill. The liquid from the dewatering process will be piped to the LAWRP via an existing sewer pipeline connection. The NRW pipeline originally proposed in the Final EIR may not need to be built because the capacity of the existing sewer pipeline is sufficient for dewatering discharges from the proposed residuals handling facilities. However, the NRW pipeline could be constructed in the future.

The following proposed facilities associated with this modification would be built at the Baker site, within the boundaries of the existing BFP as delineated in Figure 2-2 of the Final EIR:

- **Thickeners:** two partially-buried concrete open-air basins, approximately seven feet above ground surface (12-ft water depth) and 22 feet in diameter.

- **Dewatering Building:** one 2,400 square foot (sf) building with a height of approximately 25 feet would contain thickened sludge feed pumps, dewatering centrifuges, a polymer storage and feed system, dewatered sludge conveyor system, and electrical equipment.
- **Load Out:** new facilities adjacent to the dewatering building would facilitate short-term storage and offsite disposal of dewatered sludge.
- **Equalization Storage:** one approximately 25,000-gallon partially buried and enclosed concrete basin would provide equalization for flows entering the sewer pipeline.
- Other ancillary facilities such as new onsite pipelines and up to three pumps or pump stations in subsurface vaults (approximately 10 to 20 HP each).

Polymer would be used in the thickening process. Polymer is not classified as a hazardous material. No additional hazardous materials to those described in the Final EIR (page 2-15) would be required. Polymer would be delivered to the Baker WTP approximately one to two times per month. In addition, disposal of the sludge would require approximately two to seven round-trip truck trips per week between the Baker WTP and the landfill. As described in the Final EIR (page 2-12), delivery vehicles would access the Baker site either via Commercentre Drive/Biscayne Bay Drive; or via Palmwood and Wisteria; or via Commercentre Drive/Indian Ocean Drive if and when planned future development on the vacant land north of the Baker site is completed. These access routes are shown in Figure 2-6 of the Final EIR.

As described in the Final EIR (page 2-8), the above ground portions of the Project, which would include the proposed residuals handling facilities, would be designed to be compatible with existing buildings onsite, with an architectural theme that would include concrete masonry unit block walls, steel deck roofs, and aluminum frame doors and windows. The facility designs would attenuate the sound levels of mechanical equipment such that noise levels at the property boundary are in compliance with City of Lake Forest noise ordinances.

In addition to the proposed residuals handling facilities, IRWD has determined that the required size of the emergency overflow pipeline would need to be modified up to 54 inches, instead of 42 inches as previously described on pages 2-8 and 2-12 of the Final EIR. The estimated flow rate of 54 cubic feet per second (cfs) from the discharge structure would remain unchanged.

The energy required to operate the Baker WTP would still be approximately 24.5 million kilowatt hours per year (Final EIR, page 2-16) even with implementation of the proposed modification. However, the existing underground power service provided by SCE would need to be upgraded to provide adequate capacity to feed the loads at the new dewatering building. New underground conduit and wiring would be required. As shown in Figure 1, two new vaults would be installed, one on IRWD property near the Baker site entrance off of Wisteria, and one along Wisteria within the right-of-way (ROW). IRWD would install two 6-inch conduits along Wisteria within the ROW, connecting the two vaults and continuing on to existing SCE facilities at the intersection of Wisteria and Palmwood. SCE would install the cable wiring within the conduits, connecting the Baker site to the existing electrical switch at Wisteria and Palmwood. The total length of conduit and cable wiring would be approximately 650 feet.

## **4.2 Raw Water Pump Station**

The Baker WTP Final EIR included construction of a Raw Water Pump Station (RWPS) located within the Peters Canyon Regional Park in the City of Orange at the site of the existing Baker/Irvine Lake Pipeline Intertie facilities. The RWPS would boost water from the Irvine Lake Pipeline into the Baker Pipeline to convey flow through both pipelines (Final EIR, page 2-4).

SCE currently operates a conduit that supplies electricity to the existing Baker/Irvine Lake Pipeline Intertie facilities. The existing conduit consists of a Cable in Conduit (CIC) assemblage that cannot fully accommodate the proposed RWPS as described in the Baker WTP Final EIR. In order to upgrade the existing CIC system to support pump station activities, approximately 1,100 linear feet of 5-inch PVC conduit and electrical cable would be installed parallel to the existing CIC conduit. The existing CIC conduit would remain in place. The new conduit would convey electricity to the proposed RWPS from an existing SCE connection at Jamboree Road (see Figure 2).

The proposed conduit alignment would run through coastal sage scrub (CSS) vegetation south of the RWPS, as identified in the Baker WTP Final EIR and in the 2010 Biological Resource Assessment (Final EIR, Appendix C, page 4). The proposed alignment would be bordered by Jamboree Road to the east, Peters Canyon Road to the west, and the RWPS to the north. The proposed alignment would be located on land owned by the County of Orange. This proposed project modification may require SCE to secure an easement from the County of Orange.

## **4.3 Construction Methods**

The construction equipment that is expected to be present onsite for the duration of construction is described on page 2-14 of the Final EIR, along with the expected number of construction workers. No additional construction equipment or workers would be required due to the proposed modifications. Construction methods also would be similar to that described in the Final EIR, including site clearing, excavation, grading, treatment plant construction, paving, and site restoration.

IRWD would use trench installation construction techniques to install both SCE conduits. Such construction techniques were described in the Final EIR on pages 2-14 and 2-15. Trenching would utilize a conventional cut and cover construction technique which would include trench excavation, conduit installation, electrical cable installation, backfill operations, and re-surfacing to the original condition. All work would be buried, including any vault structures and boxes. Once installed, the disturbed areas would be returned to pre-construction conditions along the entire length of the alignments.

## **4.4 Project Phasing and Schedule**

Construction of the proposed modifications would proceed simultaneously with construction of all other Baker WTP facilities as described in the Final EIR. The Baker WTP construction phases

would not change due to inclusion of these new Project components. The duration of construction still would be approximately 18 to 24 months.

## **5.0 Incorporation by Reference**

Consistent with Section 15150 of the CEQA Guidelines, the following documents were used in the preparation of this Addendum and are incorporated herein by reference:

- Baker Water Treatment Plant Project Draft Environmental Impact Report, January 2011 (State Clearinghouse No. 2010051055).
- Baker Water Treatment Plant Project Final Environmental Impact Report, April 2011 (State Clearinghouse No. 2010051055).
- Baker Water Treatment Plant Project Final Environmental Impact Report Addendum No. 1, February 2012 (State Clearinghouse No. 2010051055).
- Residuals Handling Alternatives for the Baker Water Treatment Plant, April 2012, Prepared by Carollo Engineers for Irvine Ranch Water District.

These documents are available for review during regular business hours at IRWD located at 15600 Sand Canyon Avenue, Irvine, California 92618-3102.

## **6.0 Analysis of Potential Environmental Impacts Associated with the Proposed Modifications**

The proposed modifications would not change the regulatory framework, impact discussion, mitigation measures, or significance conclusions for the following resource areas as currently described in the adopted Final EIR: Agricultural and Forestry Resources, Air Quality and Greenhouse Gases; Hazards and Hazardous Materials; Hydrology and Water Quality; Public Services and Utilities.

In addition, the proposed modification to the size of the emergency overflow pipeline would not alter any impact discussions, mitigation measures, or significance conclusion as currently described in the adopted Final EIR. Impacts associated with construction of the pipeline, or the physical presence of the pipeline underground, remain unchanged. The proposed discharge rate of 54 cfs into Serrano Creek has not been modified. Therefore, impacts to the creek remain unchanged. As such, this proposed modification is not addressed further in the analyses below.

### **6.1 Aesthetics**

The Final EIR (Chapter 3.1) concluded that potential impacts to aesthetics in the vicinity of the Baker site and the Raw Water Pump Station site would be less than significant after mitigation. This section provides an analysis of the potential aesthetics impacts associated with the proposed residuals handling facilities and conduit installations. There would be no permanent, long-term impacts associated with the proposed conduit alignments as they would be located underground.

### **6.1.1 Setting**

The proposed residuals handling facilities would be located at the Baker site within the boundaries of the existing BFP. The preliminary locations of the facilities are shown in Figure 1. The proposed conduit alignment within the Wisteria ROW is also shown in Figure 1. The Baker site is characterized by the existing treatment facilities associated with the BFP. Surrounding land uses primarily consist of low density residential, public facility, and community park/open space. Existing natural features in the vicinity of the Baker site include Serrano Creek and Serrano Creek Trail. The City of Lake Forest has not designated any scenic roadways or scenic vistas/viewpoints in the area surrounding the Baker site.

The proposed conduit alignment south of the RWPS would be located within Peters Canyon Regional Park, a 354-acre County regional park in the City of Orange (Figure 2). In the vicinity of the RWPS, several City of Orange roadways have scenic qualities and are designated as viewscape corridors. Viewscape corridors are defined as routes that traverse a corridor within which unique or unusual scenic resources and aesthetic values are found. Viewscape corridors include portions of Jamboree Road, Santiago Canyon Road, and Newport Boulevard (City of Orange General Plan, 2009). The proposed conduit alignment would only be visible during construction activities from Jamboree Road and distantly from Santiago Canyon Road. Construction activities would not be visible from Newport Boulevard.

### **6.1.2 Summary of Potential Impact**

As already analyzed in the Final EIR, the Project would introduce new treatment facilities onsite at the BFP that would be visible from surrounding streets, including hilltop residential units located east of the Baker site. There are no scenic highway corridors or City-designated scenic vistas in the vicinity of the Baker site. The proposed Baker WTP would replace existing water treatment facilities within the same general footprint of the existing BFP. The aboveground Baker WTP facilities would be designed to be similar to and compatible with existing buildings onsite. In addition, implementation of Mitigation Measure AES-1 would ensure that a landscape plan is implemented to screen Project facilities from neighboring streets and that landscape vegetation is maintained onsite to the extent feasible to screen Project facilities from scenic views from hilltop residences. Thus the Project would not introduce a new contrasting feature that would affect scenic vistas or alter the visual character of the site.

The proposed modification would add residuals handling facilities at the Baker site and a conduit alignment within the Wisteria ROW. The residual handling facilities would be designed to be compatible with other Project buildings and would not alter the visual character of the site. Mitigation Measure AES-1 as included in the Final EIR also would apply to the proposed residuals handling facilities. As a result, the proposed aboveground structures would be screened by vegetation to the fullest extent possible to preserve scenic views from surrounding and hilltop residences. Impacts would be less than significant with mitigation.

Construction activities associated with installation of the Wisteria conduit alignment would temporarily introduce construction equipment into the roadway. However, similar to the impacts associated with the treated water pipeline and sewer pipeline analyzed in the Final EIR, the

proposed conduit alignment would be below ground and would not impact a scenic vista (Final EIR, page 3.1-9).

The proposed SCE conduit and cable alignment south of the RWPS similarly would be constructed entirely below ground and would not alter the permanent visual character of the site or surroundings. There would be no new permanent above ground structures that would compromise scenic views or viewscape corridors. Mitigation Measures AES-2 as included in the Final EIR would apply to the proposed RWPS conduit alignment, requiring restoration of the area disturbed during construction to reestablish pre-existing conditions including native plantings. Impacts to scenic viewscape corridors would be less than significant with mitigation.

The Final EIR also analyzed potential light and glare impacts resulting from permanent security lighting at the proposed Baker WTP. Implementation of Mitigation Measure AES-3 included in the Final EIR would ensure lighting would be shielded and directed downward away from neighboring properties and land uses. The proposed modification also would require nighttime security lighting on the residuals handling facilities and would be subject to Mitigation Measure AES-3. Impacts would be less than significant with mitigation.

### **6.1.3 Conclusion**

The proposed modifications would not result in a new significant impact or substantially increase the severity of an impact identified in the Final EIR. No mitigation is required beyond the existing commitments contained within the Mitigation Monitoring and Reporting Program (MMRP). Impacts to aesthetics would be less than significant with mitigation.

## **6.2 Biological Resources**

The Final EIR (Chapter 3.4) assessed potential impacts to biological resources and concluded that construction of the Project would have a less than significant impact with the incorporation of mitigation. The following discussion addresses potential impacts of the modified Project.

### **6.2.1 Setting**

The proposed residuals handling facilities would occur within already disturbed areas of the Baker site, which consists of water treatment structures, pavement, and ornamental landscaping. The proposed Wisteria conduit alignment would be installed primarily within the ROW of Wisteria adjacent to the Baker site, with a small portion installed on the Baker site. The Baker site is surrounded by urban development with the exception of Serrano Creek, which borders the site to the east. Common wildlife includes species adapted to urban environments. The Baker site is not considered a wildlife movement corridor and is designated as Non-Reserve Lands in the Orange County Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP).

The proposed RWPS conduit alignment would traverse CSS habitat previously evaluated in the 2010 Biological Resource Assessment as native habitat with varying degrees of disturbance (2010 Biological Resource Assessment, page 5). The RWPS site and surroundings are not considered a

wildlife movement corridor; however, the site is designated as Reserve Lands in the Orange County NCCP/HCP (Final EIR, page 3.4-8).

### **6.2.2 Summary of Potential Impact**

The Final EIR assessed the potential impacts of the Project to biological resources in and around the Baker site. Mitigation measures were adopted that would ensure construction and operation of the Baker WTP does not adversely affect special-status bird species (BIO-3 and BIO-4), neighboring riparian habitat in Serrano Creek and sensitive natural communities (BIO-6 and BIO-7), or jurisdictional wetlands in Serrano Creek (BIO-8 and BIO-9), or conflict with local biological resource policies such as the City of Lake Forest tree preservation policies (BIO-10).

The proposed modification would add residuals handling facilities to the Baker WTP within the boundaries of the existing Baker site. The proposed component would be constructed simultaneously with the other components of the Baker WTP. Potential impacts associated with this proposed modification would be similar to those already described in the Final EIR at the Baker site. With implementation of Mitigation Measures BIO-3, BIO-4, BIO-6, BIO-8, BIO-9, and BIO-10, impacts associated with the proposed residuals handling facilities would be less than significant.

Installation of the Wisteria conduit alignment would occur using trench installation construction techniques as described in the Final EIR (pages 2-14 and 2-15). Trenching would utilize a conventional cut and cover technique that would include trench excavation, conduit installation, backfill operations, and re-surfacing to the original condition. The proposed conduit installation would occur primarily within the already-disturbed Wisteria ROW, with a small portion installed on a portion of the Baker site characterized by ornamental landscaping (Final EIR, Figure 3.4-1). Implementation of the conduit alignment within the paved Wisteria ROW would not result in additional impacts to biological resources. Potential impacts at the Baker site associated with the proposed conduit installation would be similar to those already described in the Final EIR. With implementation of Mitigation Measures BIO-3, BIO-4, BIO-6, BIO-8, BIO-9, and BIO-10, impacts would be less than significant.

The Final EIR assessed the potential impacts of the Project to biological resources in and around the RWPS site. Mitigation measures were adopted to ensure construction and operation of the RWPS would not adversely affect special-status bird species (BIO-3 and BIO-4). Installation of the proposed SCE conduit would occur within and near vegetation with the potential to host nesting song birds (Final EIR, page 3.4-20). Mitigation Measures BIO-3 and BIO-4 would reduce potential impacts to breeding and nesting birds to a level of less than significance.

In addition, installation of the conduit would have direct temporary impacts to CSS habitat during construction, similar to those already evaluated for other Project pipelines in the Final EIR. The Final EIR identified potential temporary impacts to sensitive natural communities, particularly CSS, associated with installation of treated water pipelines near the Baker site. Mitigation Measure BIO-5 would apply to the RWPS conduit installation, requiring restoration of disturbed CSS habitat at a 1:1 ratio. As a result, impacts to sensitive natural communities would be less than significant with mitigation.

The proposed RWPS conduit alignment also is located on lands designated as Reserve Lands in the Orange County NCCP/HCP (Final EIR, page 3.4-8). Thus, temporary impacts to CSS habitat within Reserve Lands would occur during construction of the RWPS conduit alignment. IRWD, the County of Orange, and SCE are all Participating Landowners in the NCCP/HCP. Participating Landowners provide land and/or funding to support creation of the Reserve System and/or implementation of the Adaptive Management Program (County of Orange, 1996: NCCP/HCP, page II-162). The NCCP/HCP authorizes incidental take of CSS habitat by Participating Landowners for covered activities such as public utilities, regardless of the number of species, if any, occupying the area (County of Orange, 1996: NCCP/HCP EIR/EIS, pages 6-11 to 6-13). For Participating Landowners, impacts within Reserve Lands are considered to be fully mitigated due to the creation of the permanent habitat Reserve System and implementation of the Adaptive Management Program. The proposed RWPS conduit alignment would not conflict with the NCCP/HCP or require any additional mitigation for temporary impacts to CSS habitat or associated special-status species.

### **6.2.3 Conclusion**

The proposed modifications would not result in a new significant impact not previously identified in the Final EIR, nor would it substantially increase the severity of an impact identified in the Final EIR. No mitigation is required beyond the existing commitments contained within the MMRP. Impacts to biological resources would be less than significant with mitigation.

## **6.3 Cultural Resources**

The Final EIR (Chapter 3.5) assessed potential impacts to cultural resources and concluded that construction of the Project would have a less than significant impact with incorporation of mitigation. The following discussion addresses potential impacts from the modified Project.

### **6.3.1 Setting**

The Project area is located in an area between an elevated coastal terrace and the Santa Ana Mountains. The majority of the Project area has been previously developed and is disturbed. The Baker site has been associated with prehistoric and historic settings as documented in the Final EIR (p. 3.5-2 through 3.5-5). Archaeological and paleontological surveys of the Baker site and the RWPS site were conducted in 2009. The surveys noted that much of the sites were highly disturbed. No cultural or paleontological resources were observed during the course of the field surveys.

### **6.3.2 Summary of Potential Impact**

The Final EIR assessed the potential impacts of ground disturbance due to construction of the Project, including the Baker WTP and the RWPS, and determined that, with implementation of mitigation, impacts to cultural resources, including archaeological, paleontological, and historic resources would be less than significant. Construction activities could unearth, expose, or disturb subsurface archaeological or paleontological resources. The Final EIR determined that due to the large number of prehistoric archaeological sites in close proximity to the Baker site and RWPS site, and the Baker site's location along a reliable water source, the areas have some

archaeological sensitivity. With implementation of Mitigation Measures CUL-1, CUL-2, CUL-3 and CUL-4, the potential impacts to cultural resources would be mitigated to less than significant levels.

The proposed modifications would add residuals handling facilities to the Baker WTP within the boundary of the area of potential effect already surveyed and analyzed in the Final EIR. The proposed modifications also would include a new conduit alignment within the Wisteria ROW and a small portion of the Baker site. The proposed components would be constructed simultaneously with the other components of the Baker WTP. Impacts similar to those already evaluated for the Project have potential to occur due to construction of these proposed components. Mitigation Measures CUL-2, CUL-3 and CUL-4 would apply to the proposed residuals handling facilities and Wisteria conduit alignment and would reduce impacts to cultural resources to less than significant levels.

Installation of the RWPS conduit alignment would occur parallel to an existing CIC route. Construction activities would unearth soils that already have been excavated, reducing the likelihood of cultural resource exposure or disturbance. Impacts similar to those already evaluated for the Project have potential to occur due to construction of this proposed component. Mitigation Measures CUL-1, CUL-2, CUL-3 and CUL-4 would apply to the RWPS conduit alignment, reducing impacts to cultural resources to less than significant levels.

### **6.3.3 Conclusion**

The proposed modifications would not result in a new significant impact or substantially increase the severity of an impact identified in the Final EIR. No mitigation is required beyond the existing commitments contained within the MMRP. Impacts to cultural resources would be less than significant with mitigation.

## **6.4 Geology, Soils and Mineral Resources**

The Final EIR (Chapter 3.6) assessed potential impacts associated with geologic events and concluded that construction and operation of the Project would have a less than significant impact with incorporation of mitigation. The following discussion addresses potential impacts from the modified Project.

### **6.4.1 Setting**

The Baker site is located generally in a seismically active area, but there are no known Alquist-Priolo fault zones in the vicinity of the Project. The closest faults to the Baker site are the Newport-Inglewood and Elsinore faults. The Baker site is also not in an area considered susceptible to landslides or liquefaction. There are no Mineral Resources Zones in the vicinity of the Baker site.

The RWPS site is located near one active fault, the Elsinore fault, and two potentially active faults, the Peralta Hills fault and the El Modena fault. With no recent record of activity, neither is anticipated to be capable of generating significant earthquakes. The RWPS site is also not in an

area considered susceptible to landslides or liquefaction. There are no Mineral Resources Zones in the vicinity of the RWPS site.

#### **6.4.2 Summary of Potential Impact**

The Final EIR assessed the potential impacts of Project implementation associated with geologic hazards and seismic events, including seismic ground shaking, landslides and liquefaction, subsidence, expansive soils, and erosion. None of the Project components would be located in an area considered susceptible to landslides. Construction of all Project components would involve grading, trenching, and excavation activities that may reduce soil cohesion. Implementation of Mitigation Measure GEO-1 would ensure best management practices for soil erosion and sediment control, and would reduce potential impacts to a less than significant level. Resurfacing disturbed areas with asphalt also would minimize erosion at the Baker site during treatment plant operation to less than significant levels. The upper area of the Baker site has a gradual slope of approximately 60 feet to the south and west, with the toe of the slope bordering residential properties. The Baker WTP facilities would be built in accordance with the required California Building Code slope setback requirements to eliminate the risk for slope failure. In addition, Mitigation Measure GEO-2 requires a geotechnical investigation for all Project components to identify site-specific design criteria to mitigate potential geologic hazards, such as slope failure, liquefaction, subsidence, and expansive soils. With the implementation of Mitigation Measures GEO-1 and GEO-2, Project impacts would be reduced to less than significant levels.

The proposed modifications would add residuals handling facilities to the Baker WTP within the existing boundaries of the Baker site. The proposed component would be constructed simultaneously with the other components of the Baker WTP. Construction of the Wisteria conduit alignment would occur primarily within the already-disturbed Wisteria ROW and a small portion of the Baker site. Once installed, the disturbed area of the ROW would be returned to its previous condition along the entire length of the alignment. Installation of the RWPS conduit alignment would occur parallel to an existing conduit in soils that have been previously disturbed. Similarly, once constructed, the disturbed area would be restored to pre-construction conditions. Construction-related impacts to erosion and sedimentation associated with the residuals handling facilities and both SCE conduit alignments would be similar to those already evaluated for the other Baker WTP components. Impacts associated with liquefaction, landslides, subsidence, and expansive soils also would be similar to those already evaluated in the Final EIR. No new operational impacts would occur. Implementation of GEO-1 and GEO-2 would reduce impacts associated with the proposed modifications to less than significant levels.

#### **6.4.3 Conclusion**

The proposed modifications would not result in a new significant impact or substantially increase the severity of an impact identified in the Final EIR. No mitigation is required beyond the existing commitments contained within the MMRP. Impacts to geology, soils and mineral resources would be less than significant with mitigation.

## **6.5 Land Use, Planning and Recreation**

The Final EIR (Chapter 3.9) assessed potential impacts to land use and recreational resources and concluded that construction and operation of the Project would have a less than significant impact with incorporation of mitigation. The following discussion addresses potential impacts from the modified Project.

### **6.5.1 Setting**

The proposed residuals handling facilities would be located at the Baker site in the City of Lake Forest. As described in the Final EIR, the land use designation at the Baker site is Public Facility, and the zoning designation is General Agriculture. The proposed Wisteria conduit alignment would start at the Baker site and run within the Wisteria ROW.

The proposed RWPS conduit alignment would be located within Peters Canyon Regional Park on land designated as Open Space Park by the City of Orange, similar to the RWPS site as described in the Final EIR. The associated zoning designation is Recreation Open Space. Although the proposed conduit and cable would be installed parallel to an existing CIC, there currently is no utility easement associated with these facilities. Thus, installation of the RWPS conduit alignment may require SCE to acquire an easement from the landowner, which is the County of Orange.

### **6.5.2 Summary of Potential Impact**

The Final EIR determined that development of the Baker WTP at the Baker site would not conflict with applicable land use plans, policies, or regulations. Development of the Baker WTP would be consistent with the Public Facilities land use designation, which allows public utility land uses. Water facilities are not subject to city building or zoning ordinances, per Government Code 53091. Therefore, a site development permit would not be required for development of the Baker WTP in the General Agriculture zone (Final EIR, page 3.9-7). As part of the Baker WTP, the proposed residuals handling facilities also would be consistent with land use and zoning designations. Impacts would be less than significant.

The proposed Wisteria conduit alignment would be installed primarily within the roadway ROW. Wisteria is a private road; however, IRWD has a utility and access easement within the Wisteria ROW. There would be no conflict with applicable land use plans, policies, or regulations, and there would be no effect to recreational facilities.

The proposed RWPS conduit alignment may require acquisition of an easement from the County of Orange prior to installation. Once installed, the conduit would be underground and would not conflict with the Open Space Park land use, which allows for passive and active recreation. There would be no long-term effect to the surrounding recreational facility or recreational uses. The Recreation Open Space zone allows public/private utility buildings and structures as a conditional use. The proposed conduit thus would be consistent with such zoning designations, which may require a conditional use permit, if applicable to SCE. Impacts would be less than significant.

### **6.5.3 Conclusion**

The proposed modifications would not result in a new significant impact or substantially increase the severity of a previously identified significant impact. No mitigation is required beyond the existing commitments contained within the MMRP. Impacts to land use and recreation due to Project modifications are less than significant.

## **6.6 Noise**

The Final EIR (Chapter 3.10) assessed potential impacts to sensitive receptors due to Project noise and vibration and concluded that construction and operation of the Project would have a less than significant impact with incorporation of mitigation. The following discussion addresses potential impacts from the modified Project.

### **6.6.1 Setting**

As described in the Final EIR, the Baker site is adjacent to residential land uses. The nearby residences qualify as noise sensitive receptors and would potentially be exposed to noise generated from Project activities. Construction activities at the Baker site would get as close as 100 feet to residential units located on Wisteria and Forestwood. The Wisteria conduit alignment could be as close as 30 feet to neighboring residential units (Figure 1).

As described in the Final EIR, the proposed RWPS would be located near Peters Canyon Reservoir, approximately 1,190 feet south of the nearest sensitive receptor. The RWPS conduit alignment would be even further from such receptors, as the conduit would be installed south of the pump station site (Figure 2).

### **6.6.2 Summary of Potential Impact**

Construction activities would create a temporary increase in ambient noise levels in the immediate vicinity of the construction zone. Noise-related construction impacts at the Baker site, the RWPS site, and within adjacent neighborhoods are described in the Final EIR. Table 3.10-1 shows that the greatest noise levels are associated with excavation and finishing and would be 89 dBA at a distance of 50 feet. Accordingly, attenuated at 100 feet, the closest residences to the Baker site would experience noise levels up to 83 dBA Leq during finishing and excavation, the loudest construction activities that would occur. The Final EIR evaluated the effects of construction noise on sensitive receptors approximately 30 feet from offsite pipeline installations. With implementation of Mitigation Measures NOISE-1 and NOISE-2, potential construction noise impacts on sensitive receptors would be mitigated to less than significant levels. Mitigation to be implemented includes restrictions on days and times for construction activities in accordance with the City of Lake Forest Noise Ordinance and use of noise control techniques.

The Final EIR also assessed noise resulting from construction of the RWPS. The nearest sensitive receptor to the facility is located approximately 1,190 feet to the north. Accordingly, attenuated at 1,190 feet, these residences would experience noise levels of up to 61 dBA Leq during finishing and excavation, the loudest of construction activities that would occur. The Final EIR determined

that construction of the RWPS would be inaudible to the nearest sensitive receptors (Final EIR, page 3.10-10). Noise impacts would be less than significant without mitigation.

The proposed modifications would add residuals handling facilities to the Baker WTP at the Baker site. The proposed component would be constructed simultaneously with the other components of the Baker WTP. Construction noise impacts would be similar to those already described in the Final EIR. Construction of the residuals handling facilities would not require additional or different equipment or methods. Implementation of Mitigation Measures NOISE-1 and NOISE-2 would reduce construction noise impacts to less than significant levels.

The proposed Wisteria conduit alignment also would result in construction noise impacts similar to those analyzed in the Final EIR for the offsite sewer pipeline. Similar to the pipelines, an average of 50 to 100 feet of conduit would be installed per day; therefore sensitive receptors would be exposed to conduit construction noise only for up to two weeks. With implementation of Mitigation Measures NOISE-1 and NOISE-2 identified in the Final EIR, potential construction noise impacts on sensitive receptors would be mitigated to less than significant levels.

Construction of the RWPS conduit alignment would occur south of the pump station site, further away from the nearest sensitive receptors. As such, noise impacts due to construction of the conduit would be less than those already described in the Final EIR. Construction-related noise would be inaudible to sensitive receptors. Impacts would be less than significant without mitigation.

For operational noise, the Project would be designed to attenuate sound levels of mechanical equipment such that noise levels at the Baker site boundary are in compliance with the City of Lake Forest Noise Ordinance (11.16.040 Exterior Noise Standards), and noise levels at the RWPS site are in compliance with the City of Orange Noise Ordinance (8.24.050 Exterior Noise Standards). At the boundary with adjacent residential properties, noise levels would not exceed 55 dBA between the hours of 7:00 a.m. and 10:00 p.m. or 50 dBA between the hours of 10:00 p.m. and 7:00 a.m. Implementation of Mitigation Measure NOISE-3 would ensure that Project operation does not exceed noise standards by requiring post-construction noise monitoring to confirm compliance with standards at the property boundary. Impacts would be reduced to less than significant levels with mitigation.

Operation of the proposed residuals handling facilities would generate noise that would contribute to the cumulative noise level associated with operation of the entire Baker WTP. The proposed modified Project would be designed to attenuate the sound levels of all mechanical equipment such that noise levels at the property boundary are in compliance with the City's noise ordinances. Implementation of Mitigation Measure NOISE-3 would ensure such compliance is attained. Impacts associated with the proposed modification would be less than significant with mitigation. Once constructed and operational, there would be no noise impacts associated with either the Wisteria or RWPS conduit alignments since they would be underground. No mitigation is required.

### **6.6.3 Conclusion**

The proposed modifications would not result in a new significant impact or substantially increase the severity of a previously identified significant impact. No mitigation is required beyond the existing commitments contained within the MMRP. Impacts to sensitive receptors associated noise and vibration are less than significant with mitigation.

## **6.7 Transportation and Traffic**

The Final EIR (Chapter 3.12) assessed potential impacts to transportation and traffic and concluded that construction and operation of the Project would have a less than significant impact with incorporation of mitigation. The following discussion addresses potential impacts from the modified Project.

### **6.7.1 Setting**

The Baker site is located in southern Orange County in the City of Lake Forest. The RWPS site is located in the City of Orange. The regional and local transportation system is comprised of an interconnected network of roadways, local transit systems, and pedestrian and bicycle facilities. Construction and operational vehicles would access the Baker site either via Commercentre Drive/Biscayne Bay Drive; or via Palmwood and Wisteria; or via Commercentre Drive/Indian Ocean Drive if and when planned future development on the vacant land north of the Baker site is completed. Construction and operational vehicles would access the RWPS site from Jamboree Road.

### **6.7.2 Summary of Potential Impact**

As described in the Final EIR (p. 2-12), construction and operational vehicles would access the Baker site from surrounding roadways. The access routes are shown in Figure 2-6 of the Final EIR. Hauling and delivery of materials would require approximately 500 truck trips over the 18- to 24-month construction period. Up to 60 workers per day would be required onsite. Construction vehicles could result in short-term, intermittent lessening of roadway capacities due to slower moving vehicles and the larger turning radii of certain trucks as compared to passenger vehicles. Construction vehicles would access the Baker site via Commercentre Drive and Biscayne Bay Drive to the north on a paved road that currently traverses the undeveloped site. Construction traffic would not affect circulation in residential areas along Wisteria. Construction staging and parking would be located onsite at the Baker site and would not affect traffic on surrounding roadways or affect emergency access. Impacts to traffic due to construction would be less than significant.

Once constructed, access to the Baker WTP would be from Biscayne Bay Drive to the north and Wisteria to the south. If and when the planned future development north of the Baker site is completed, the northern access point to the Baker WTP would be Indian Ocean Avenue instead of Biscayne Bay Drive (see Final EIR, Figure 2-5). On average, operational traffic would include up to three worker entries per day and up to 20 deliveries per month. Access from Wisteria requires a 90-degree turn onto the Baker WTP property. This access point is feasible for some delivery trucks and IRWD staff vehicles; the entry point for large delivery trucks would be from the north.

Due to the limited number of trips associated with operations of the plant, traffic and circulation on Biscayne Bay Drive and Palmwood/Wisteria would not be significantly impaired.

The proposed modifications would add residuals handling facilities to the Baker WTP at the Baker site. The proposed facilities would be constructed simultaneously with the other components of the Baker WTP and would not require additional workers or result in a substantial increase in the number of hauling and delivery trucks over the 18- to 24-month construction period. Construction-related impacts to traffic and circulation would be similar to those already described for the Baker WTP in the Final EIR. Impacts would be less than significant without mitigation.

The proposed modifications also would include a SCE conduit alignment within the ROW of Wisteria. Potential traffic impacts related to the construction of the SCE conduit alignment would be similar to construction impacts described in the Final EIR (p. 3.12-9). The treated water pipeline alignments analyzed in the Final EIR would affect Wisteria and other private streets adjacent to the Baker site. The conduit alignment would be installed in the Wisteria ROW and would temporarily slow traffic serving the local residential community. Mitigation Measure TR-1 would require a Traffic Control/Traffic Management Plan to be implemented during construction. The Plan would require at least one lane of traffic and access to driveways to be maintained within the street at all times. As a result, the temporary impacts to traffic would be less than significant with mitigation.

Once constructed, disposal of the sludge produced from the residuals handling facilities would require approximately two to seven round-trip truck trips per week between the Baker WTP and the landfill. Polymer would be delivered approximately one to two times per month. No additional staff would be required to operate the Baker WTP due to the addition of the residuals handling facilities. Operational vehicles would access the Baker WTP site by means of the aforementioned site entry points. Once constructed, operation of the Wisteria conduit alignment would be underground and would not affect traffic or circulation in the project vicinity. The vehicle trips associated with the proposed modification would not have a significant impact on local and regional traffic or circulation. No additional traffic impacts would occur. Impacts would be less than significant without mitigation.

As discussed in the Final EIR, construction vehicles would access the RWPS site without affecting local roadways or causing lane closures (Final EIR, page 3.12-10). Traffic impacts associated with construction of the RWPS conduit alignment would be to those already described in the Final EIR. Construction of the proposed RWPS conduit alignment would not affect local roadway circulation; all construction staging and parking would occur onsite. Operation of the RWPS conduit and cable also would not adversely affect local traffic and circulation. Impacts would be less than significant.

### **6.7.3 Conclusion**

The proposed modifications would not result in a new significant impact or substantially increase the severity of a previously identified significant impact. No mitigation is required beyond the

existing commitments contained within the MMRP. Impacts to transportation and traffic are less than significant with mitigation.

## **7.0 Summary of Environmental Effects**

As discussed in this Addendum No. 2, the proposed modifications would not change the conclusions of the certified Final EIR and Addendum No. 1. The construction and operation of the proposed residuals handling facilities would meet the same objectives of improving water reliability to areas of south Orange County, providing a reliable local water supply in the event of emergency conditions or scheduled maintenance of the MWD delivery system; and increased operational flexibility by creating redundancy within the raw water supply system.

The proposed modifications would not result in a new significant impact or substantially increase the severity of a previously identified significant impact. No mitigation is required beyond the existing commitments contained within the MMRP. The proposed modifications to the previously-approved Project do not meet any of the conditions that would require the preparation of a subsequent or supplemental EIR as set forth in Sections 15162 and 15163 of the CEQA Guidelines.


## 8.0 Determination

Section 15164(a) of the CEQA Guidelines states the following:

The lead agency or responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for the preparation of subsequent EIR have occurred.

The proposed modifications to the original Project would not result in new significant environmental effects or a substantial increase in the severity of previously identified significant effects. Furthermore, new information associated with the proposed modifications does not indicate that: the Project will have one or more significant effects not discussed in the adopted Final EIR; significant effects previously examined will be substantially more severe than shown in the adopted Final EIR; mitigation measures or alternatives previously found not to be feasible would in fact be feasible; or mitigation measures or alternatives which are considerably different from those analyzed in the adopted Final EIR would substantially reduce one or more significant effects on the environment, but the Project proponents decline to adopt the mitigation measures or alternative. Accordingly, an addendum has been prepared as opposed to a supplemental or subsequent EIR. IRWD is adopting this Addendum No. 2 in accordance with the CEQA Guidelines Section 15164.

**Irvine Ranch Water District**

  
Signature

Jo Ann Corey  
Printed Name

3/11/13  
Date

Engineering Technician III  
Title

March 11, 2013  
Prepared by: R. Thatcher/M. Hoolihan  
Submitted by: K. Burton  
Approved by: Paul Cook

CONSENT CALENDAR

QUITCLAIM OF REAL PROPERTY  
IRVINE LAND COMPANY LLC  
BAKE PARKWAY/LAKE FOREST DRIVE EXTENSION-  
PLANNING AREAS 18 AND 39

SUMMARY:

The Irvine Company is currently developing residential projects known as Los Olivos (Planning Area 39) and Laguna Altura (Planning Area 18). These developments required the extension of Bake Parkway and Lake Forest Drive. As a part of the construction of the road extensions, a portion of the District’s Zone B reclaimed water pipeline required relocation. A portion of the pipeline has been relocated within the rights of way of Bake Parkway and Lake Forest Drive. The Irvine Company has requested that the District quitclaim the portion of its existing pipeline easement per Instrument No. 92-446039 of Official Records where the relocation occurred. Staff has reviewed the request and determined the quitclaim can proceed to clear title. The underlying ownership of the land in question is held by The Irvine Company’s entity known as Irvine Land Company LLC. The resolution authorizing this quitclaim is attached as Exhibit “A”, the quitclaim deed is attached as Exhibit “B”, and a map showing the location of the existing easement and quitclaim area is attached as Exhibit “C”.

FISCAL IMPACT:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable. Not a project as defined under CEQA.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2013 - \_\_\_\_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF  
IRVINE RANCH WATER DISTRICT  
APPROVING EXECUTION OF THE QUITCLAIM DEED TO  
IRVINE LAND COMPANY LLC

LIST OF EXHIBITS:

- Exhibit “A” – Resolution
- Exhibit “B” – Quitclaim Deed
- Exhibit “C” – Location Map

rt quitclaim Irvine Land Co.

# EXHIBIT "A"

RESOLUTION NO. 2013 -

RESOLUTION OF THE BOARD OF DIRECTORS OF  
IRVINE RANCH WATER DISTRICT  
APPROVING EXECUTION OF THE QUITCLAIM DEED TO  
IRVINE LAND COMPANY LLC

WHEREAS, The Irvine Company ("TIC"), on behalf of Irvine Land Company LLC has requested that the Irvine Ranch Water District ("IRWD") Board approve the quitclaim a portion of the existing easement for reclaimed water transmission main purposes recorded as Instrument No. 92-446039 of Official Records of Orange County, California; and

WHEREAS, the extensions of Bake Parkway and Lake Forest Drive caused a relocation of the pipeline within said easement into the adjoining street right of way; and

WHEREAS, Irvine Land Company LLC has granted an easement for the relocated portions of the reclaimed pipeline; and

WHEREAS, the purpose of the quitclaim is to clear title; and

WHEREAS, staff has reviewed and confirmed that the portion of the easement herein referred is no longer needed and can be quitclaimed; and

WHEREAS, the proposed quitclaim has been presented to this Board of Directors, copy of which is attached hereto as Exhibit "B".

NOW, THEREFORE, BE IT RESOLVED, the Quitclaim Deed attached hereto as Exhibit "B" to Irvine Land Company LLC, a Delaware limited liability company, herein described and hereby is approved and execution by the District's officers is authorized.

ADOPTED, SIGNED and APPROVED this 4th day of March 2013.

\_\_\_\_\_  
President, IRVINE RANCH WATER  
DISTRICT and of the Board of Directors  
thereof

\_\_\_\_\_  
Secretary, IRVINE RANCH WATER  
DISTRICT and of the Board of Directors  
thereof

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

By \_\_\_\_\_

# Exhibit "B"

**RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:**

The Irvine Company  
550 Newport Center Drive  
Newport Beach, CA 92660  
Attn: General Counsel

ASSESSOR PARCEL NO(S).:

588-021-10, 37

(Space Above This Line For Recorder's Use)

IRWD Doc. No. E \_\_\_\_\_  
IRWD Res. No. \_\_\_\_\_

DOCUMENTARY TRANSFER TAX \$ consideration less than \$100  
\_\_\_\_\_ Computed on the consideration or value of property conveyed; OR  
\_\_\_\_\_ Computed on the consideration or value less liens or encumbrances  
remaining at time of sale.

\_\_\_\_\_  
Signature or Declarant or Agent determining tax – Firm Name

## EASEMENT QUITCLAIM DEED

**FOR VALUABLE CONSIDERATION**, receipt of which is hereby acknowledged, IRVINE RANCH WATER DISTRICT, a California Water District organized under and existing pursuant to Section 34000 *et seq.* of the California Water Code, does hereby REMISE, RELEASE, AND FOREVER QUITCLAIM to IRVINE LAND COMPANY LLC, a Delaware limited liability company, or the current owner of record,

all RIGHT, TITLE and INTEREST in the real property located in the City of Irvine, County of Orange, State of California, as more particularly described on Exhibit "A" and depicted on Exhibit "B", attached hereto and made a part hereof.

The rights hereby quitclaimed are not necessary or useful in the performance of the duties of said Irvine Ranch Water District.

Dated: \_\_\_\_\_, 2013

IRVINE RANCH WATER DISTRICT,  
a California Water District

By: \_\_\_\_\_  
Name: Douglas J. Reinhart  
Title: President

By: \_\_\_\_\_  
Name: Leslie Bonkowski  
Title: District Secretary

MAIL TAX STATEMENTS TO THE ABOVE ADDRESS

STATE OF CALIFORNIA    )  
  )  
COUNTY OF ORANGE    )

On \_\_\_\_\_, 2013, before me, \_\_\_\_\_, a Notary Public in and for said State, personally appeared Douglas J. Reinhart and Leslie Bonkowski, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (SEAL)  
Notary Public in and for said State

**EXHIBIT "A"**

**LEGAL DESCRIPTION**

In the City of Irvine, County of Orange, State of California being those portions of Block 157 of Irvine's Subdivision, as shown on a map filed in Book 1, Page 88 of Miscellaneous Record Maps, in the Office of the County Recorder of said county, described as follows:

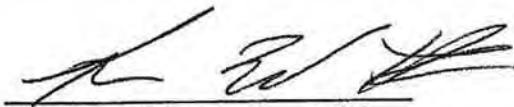
For the purposes of this description the centerline of Bake Parkway is described as follows:

**BEGINNING** at the southwesterly terminus of the that certain course in the centerline of Bake Parkway shown as "N51°55'55"E 1382.87'" on Parcel Map No. 97-193, as per a map filed in Book 315, Pages 26 through 33, inclusive, of Parcel Maps, in the office of the County Recorder of said county; thence along a tangent curve concave southeasterly having a radius of 2350.00 feet, southwesterly 509.24 feet, through a central angle of 12°24'57"; thence South 39°30'58" West 475.00 feet.

That portion of Parcel 1 of Instrument No. 92-446039 of Official Records in the office of the County Recorder of said county, lying northerly of the northeasterly line of that certain 60.00 foot wide strip of land granted to the Southern California Edison Company by Grant Deed recorded April 27, 1972 in Book 10100, Page 428 and re-recorded July 28, 1972 in Book 10247, Page 703, both of said Official Records and southerly of the southwesterly line of Bake Parkway as shown on Parcel Map No. 2004-175, as per a map filed in Book 343, pages 7 through 9, inclusive of Parcel Maps, records of said county.

Together with that portion of said Parcel 1 lying southerly of the southwesterly line of said 60.00 foot wide strip of land granted to the Southern California Edison Company and southeasterly of the a line parallel with and distant 73.00 feet northwesterly from the hereinabove described centerline of Bake Parkway.

As shown on Exhibit "B" attached hereto and by this reference made a part hereof.



Robert L. Wheeler IV, L.S. 8639

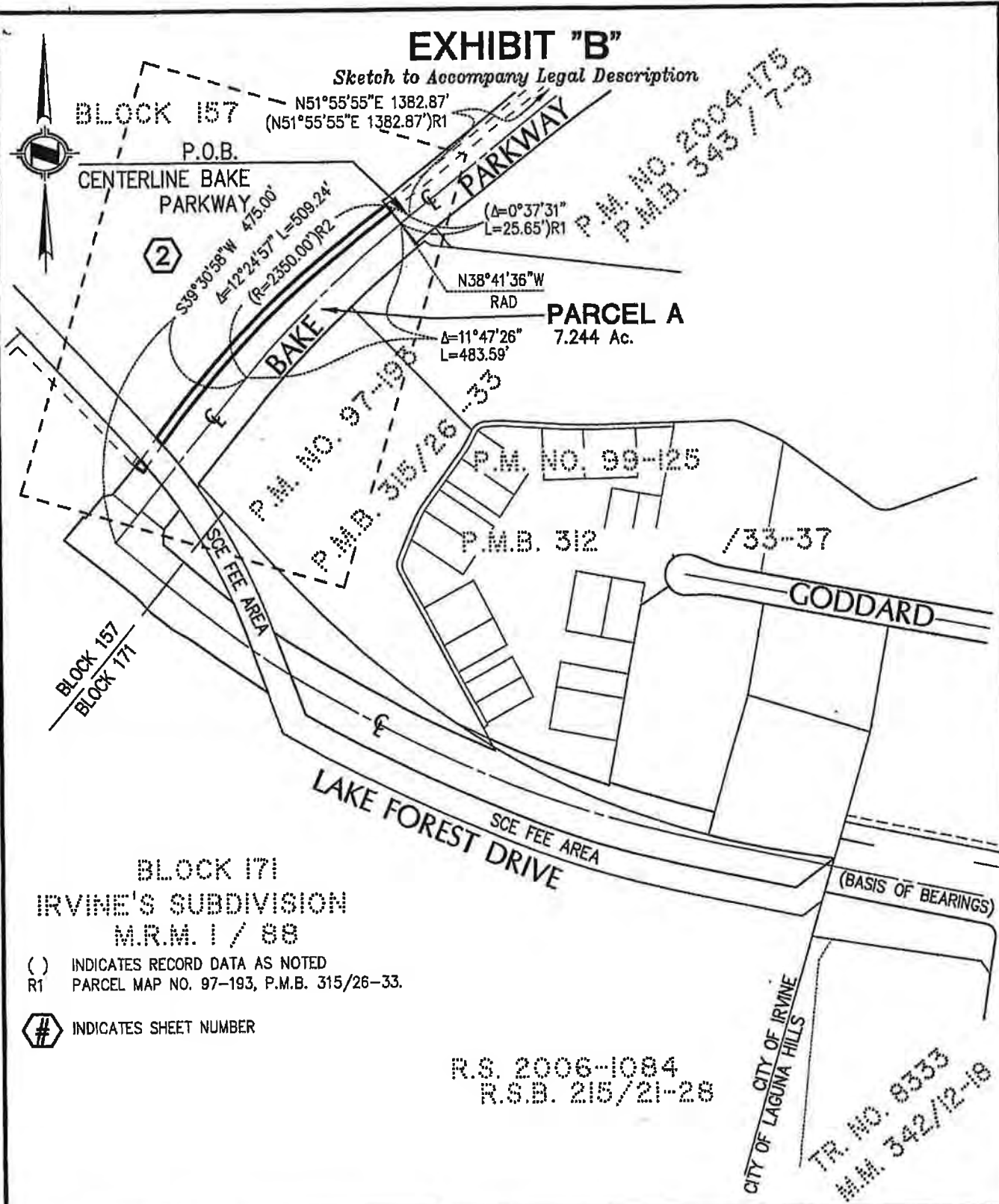
Date: 03/08/11




March 7, 2011  
W.O. No. 922-13AX  
Page 1 of 1  
H&A Legal No. 7665  
By: R. Wheeler  
Cl'd By: R. Williams

# EXHIBIT "B"

Sketch to Accompany Legal Description




**HUNSAKER & ASSOCIATES**  
 IRVINE, INC.  
 PLANNING • ENGINEERING • SURVEYING  
 Three Hughes • Irvine, CA 92618 • PH: (949) 583-1010 • FX: (949) 583-0759

**EXHIBIT "B"**  
**IRWD EASEMENT QUITCLAIM**  
 CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 03/07/11	REV. DATE: ---	.DWG By: R. WHEELER	CK'd By: R. WILLIAMS	SCALE: 1"=300'	W.O. 922-13AX
FILE: I:\922-13\LD\7665\SH01.dwg			H&A LEGAL No. 7665		SHEET 1 OF 2

# EXHIBIT "B"

Sketch to Accompany Legal Description

P.O.C.

CURVE			
CURVE	DELTA	LENGTH	RADIUS
C1	0°47'58"	17.93'	1285.00'
C2	1°01'34"	21.94'	1225.00'
C3	0°20'51"	14.46'	2383.00'

CENTERLINE OF BAKE PARKWAY

N51°55'55"E  
91.75'  
SW'LY LINE OF BAKE  
PARKWAY PER P.M. NO.  
2004-175, P.M.B. 343/7-9



BLOCK 157  
IRVINE'S SUBDIVISION

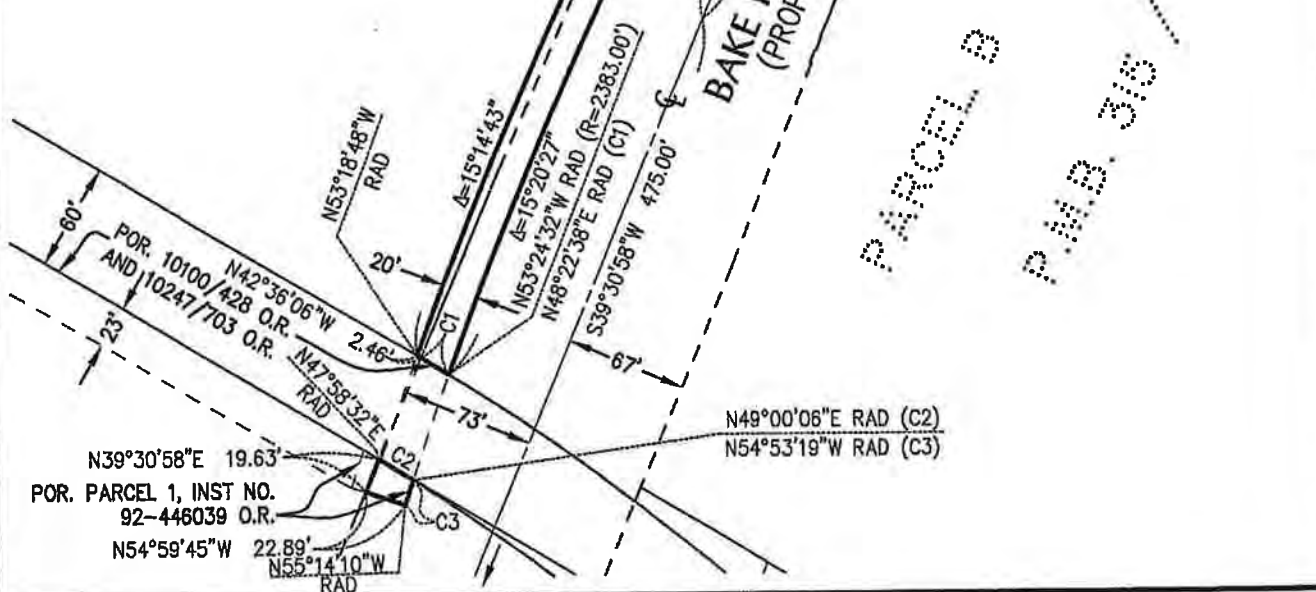
M.R.M. 11/89

PORTION OF PARCEL 1, INST NO. 92-446039 O.R.

BAKE PARKWAY  
(PROPOSED)

PARCEL B  
P.M.B. 318 / 26 - 33

PARCEL A OF  
P.M. NO. 97-193  
P.M. NO. 2004-175,  
P.M.B. 343/7-9  
P.O.C. A

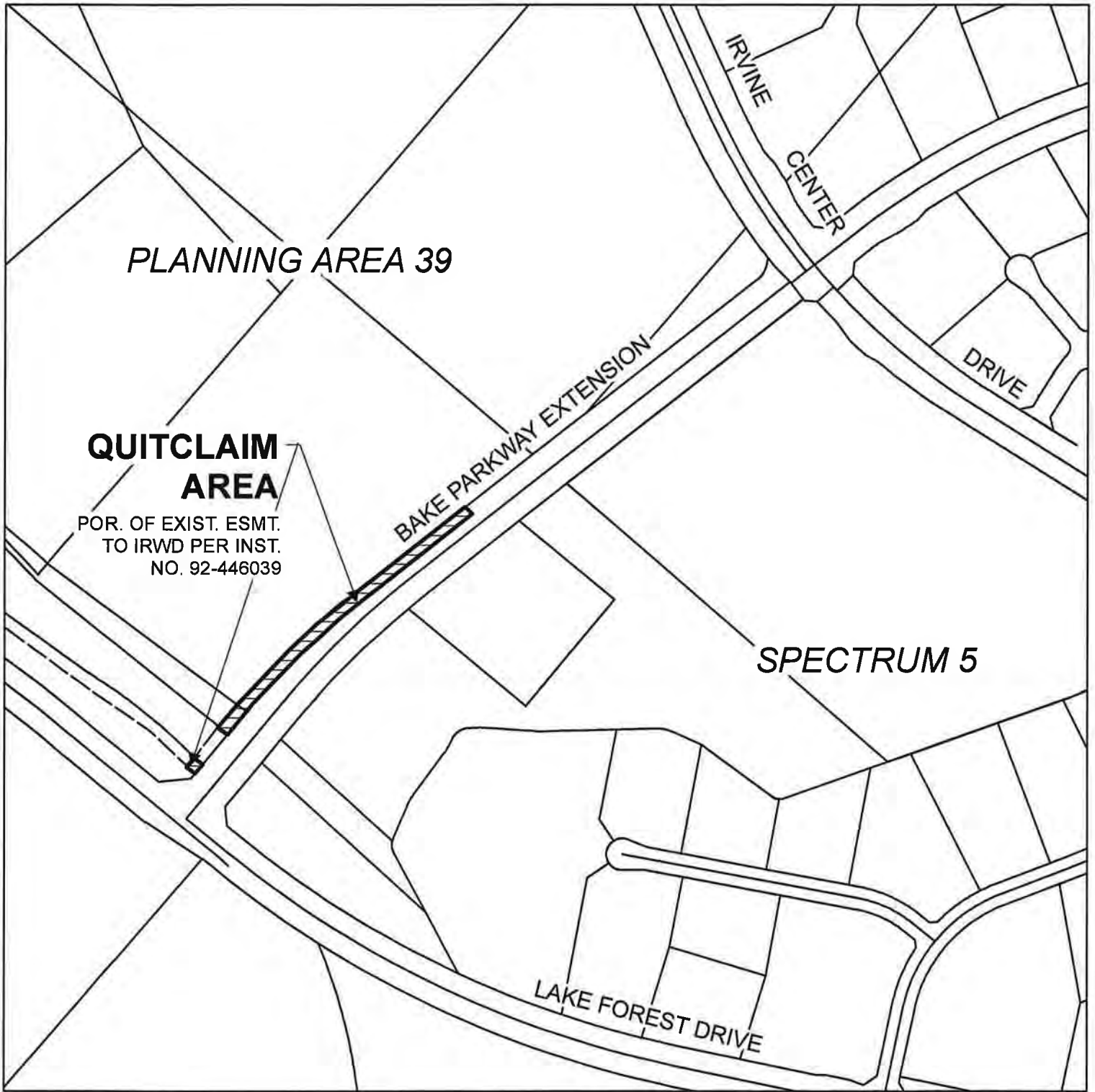


**HUNSAKER & ASSOCIATES**  
IRVINE, INC.  
PLANNING • ENGINEERING • SURVEYING  
Three Hughes • Irvine, CA 92618 • PH: (949) 583-1010 • FX: (949) 583-0759

**EXHIBIT "B"**  
IRWD EASEMENT QUITCLAIM  
CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 03/07/11	REV. DATE: ---	DWG By: R. WHEELER	CK'd By: R. WILLIAMS	SCALE: 1"=100'	W.O. 922-13AX
FILE: I:\922-13\LD\7665\SHTO2.dwg			H&A LEGAL No. 7665		SHEET 2 OF 2

EXHIBIT "C"  
LOCATION MAP



**QUITCLAIM OF POR. OF RECLAIMED WATER PIPELINE  
EASEMENT TO IRVINE LAND COMPANY LLC**



AS  
March 11, 2013  
Prepared by: R. Thatcher/M. Hoolihan  
Submitted by: K. Burton *K.B.*  
Approved by: Paul Cook *Paul Cook*

CONSENT CALENDAR

QUITCLAIM OF REAL PROPERTY  
SOUTHERN CALIFORNIA EDISON COMPANY  
BAKE PARKWAY/LAKE FOREST DRIVE EXTENSION-  
PLANNING AREAS 18 AND 39

SUMMARY:

The Irvine Company is currently developing residential projects known as Los Olivos (Planning Area 39) and Laguna Altura (Planning Area 18). These developments required the extension of Bake Parkway and Lake Forest Drive. As a part of the construction of the road extensions, a portion of the District's Zone B reclaimed water pipeline required relocation. A portion of the pipeline has been relocated within the rights of way of Bake Parkway and Lake Forest Drive. Southern California Edison Co. (SCE) has requested that the District quitclaim its existing pipeline easement per Instrument No. 93-021257 of Official Records which lies within SCE-owned right of way adjacent to the roads. The relocated pipeline is no longer within the SCE granted easement. Staff has reviewed the request and determined the quitclaim can proceed to clear title. The resolution authorizing this quitclaim is attached as Exhibit "A", the quitclaim deed is attached as Exhibit "B", and a map showing the location of the existing easement and quitclaim area is attached as Exhibit "C".

FISCAL IMPACT:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable. Not a project as defined under CEQA.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2013 - \_\_\_\_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF  
IRVINE RANCH WATER DISTRICT  
APPROVING EXECUTION OF THE QUITCLAIM DEED TO  
SOUTHERN CALIFORNIA EDISON COMPANY

LIST OF EXHIBITS:

- Exhibit "A" – Resolution
  - Exhibit "B" – Quitclaim Deed
  - Exhibit "C" – Location Map
- rt quitclaim SCE

# EXHIBIT "A"

RESOLUTION NO. 2013 -

RESOLUTION OF THE BOARD OF DIRECTORS OF  
IRVINE RANCH WATER DISTRICT  
APPROVING EXECUTION OF THE QUITCLAIM DEED TO  
SOUTHERN CALIFORNIA EDISON COMPANY

WHEREAS, Southern California Edison Company ("SCE") has requested that the Irvine Ranch Water District ("IRWD") Board approve the quitclaim of the existing easement for reclaimed water transmission main purposes recorded as Instrument No. 93-0215257 of Official Records of Orange County, California; and

WHEREAS, the extensions of Bake Parkway and Lake Forest Drive caused a relocation of the pipeline within said easement into the adjoining street right of way; and

WHEREAS, the purpose of the quitclaim is to clear title on SCE's land; and

WHEREAS, staff has reviewed and confirmed that the easement herein referred is no longer needed and can be quitclaimed; and

WHEREAS, the proposed quitclaim has been presented to this Board of Directors, copy of which is attached hereto as Exhibit "B".

NOW, THEREFORE, BE IT RESOLVED, the Quitclaim Deed attached hereto as Exhibit "B" to Southern California Edison Company, a corporation, herein described and hereby is approved and execution by the District's officers is authorized.

ADOPTED, SIGNED and APPROVED this 4th day of March 2013.

\_\_\_\_\_  
President, IRVINE RANCH WATER  
DISTRICT and of the Board of Directors  
thereof

\_\_\_\_\_  
Secretary, IRVINE RANCH WATER  
DISTRICT and of the Board of Directors  
thereof

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

By \_\_\_\_\_

# Exhibit "B"

**RECORDING REQUESTED BY AND  
WHEN RECORDED RETURN TO:**

Southern California Edison Co.  
2131 Walnut Grove Ave., 2<sup>nd</sup> fl.  
Rosemead, CA 91770  
Attn: Real Properties

ASSESSOR PARCEL NO(S).:

588-021-03

(Space Above This Line For Recorder's Use)

IRWD Doc. No. E \_\_\_\_\_  
IRWD Res.No. \_\_\_\_\_

DOCUMENTARY TRANSFER TAX \$ consideration less than \$100  
\_\_\_\_\_ Computed on the consideration or value of property conveyed; OR  
\_\_\_\_\_ Computed on the consideration or value less liens or encumbrances  
remaining at time of sale.

\_\_\_\_\_  
Signature or Declarant or Agent determining tax – Firm Name

## EASEMENT QUITCLAIM DEED

**FOR VALUABLE CONSIDERATION**, receipt of which is hereby acknowledged, IRVINE RANCH WATER DISTRICT, a California Water District organized under and existing pursuant to Section 34000 *et seq.* of the California Water Code, does hereby REMISE, RELEASE, AND FOREVER QUITCLAIM to SOUTHERN CALIFORNIA EDISON COMPANY, a corporation, or the current owner of record,

all RIGHT, TITLE and INTEREST in the real property located in the City of Irvine, County of Orange, State of California, being that certain reclaimed water transmission main pipeline easement as described and granted per document recorded April 1, 1993 as Instrument No. 93-0215257 of Official Records in the Office of the County Recorder of said County.

The rights hereby quitclaimed are not necessary or useful in the performance of the duties of said Irvine Ranch Water District.

Dated: \_\_\_\_\_, 2013

IRVINE RANCH WATER DISTRICT,  
a California Water District

By: \_\_\_\_\_  
Name: Douglas J. Reinhart  
Title: President

By: \_\_\_\_\_  
Name: Leslie Bonkowski  
Title: District Secretary

MAIL TAX STATEMENTS TO THE ABOVE ADDRESS

STATE OF CALIFORNIA    )  
  )  
COUNTY OF ORANGE    )

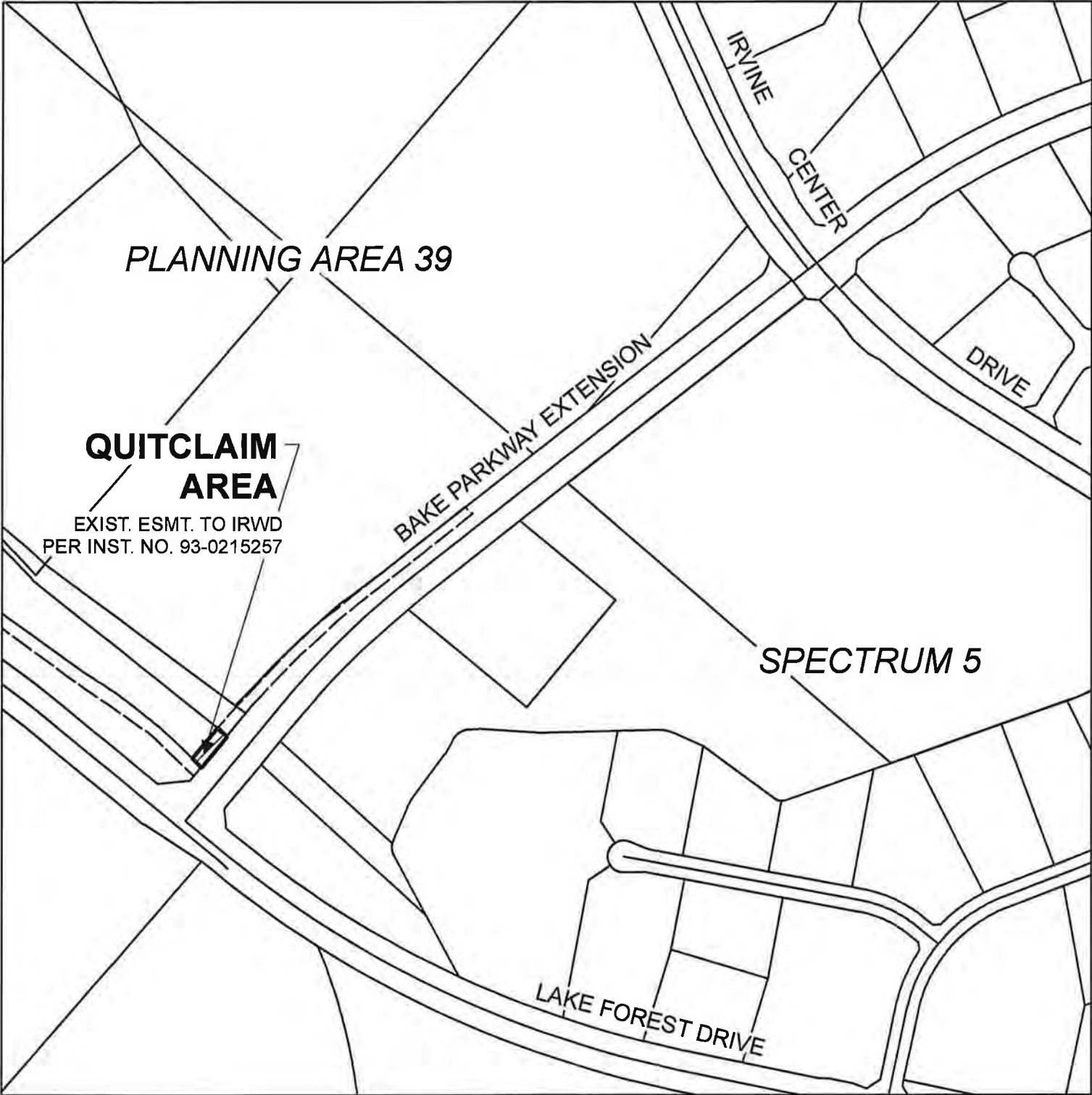
On \_\_\_\_\_, 2013, before me, \_\_\_\_\_, a Notary Public in and for said State, personally appeared Douglas J. Reinhart and Leslie Bonkowski, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (SEAL)  
Notary Public in and for said State

EXHIBIT "C"  
LOCATION MAP



**QUITCLAIM OF RECLAIMED WATER PIPELINE  
EASEMENT TO SOUTHERN CALIFORNIA EDISON CO.**



March 11, 2013

Prepared by: M. Cortez/M. Hoolihan/  
S. Malloy/R. Mori

Submitted by: K. Burton

Approved by: Paul Cook 

## CONSENT CALENDAR

### UPCOMING PROJECTS STATUS REPORT

#### SUMMARY:

A status report of Irvine Ranch Water District's Upcoming Projects is presented to the Board for information.

#### BACKGROUND:

The information, which is attached as Exhibit "A", is a status report submitted quarterly to the Committee and Board for their review.

#### FISCAL IMPACTS:

Not applicable.

#### ENVIRONMENTAL COMPLIANCE:

Not applicable.

#### COMMITTEE STATUS:

This item was reviewed by the Engineering and Operations Committee on February 19, 2013.

#### RECOMMENDATION:

RECEIVE AND FILE.

#### LIST OF EXHIBITS:

Exhibit "A" – Upcoming Projects Status Report

# EXHIBIT "A"

## IRWD UPCOMING PROJECTS STATUS REPORT

Project Name	Planning	Start	Construction	Construction
	Start	Design	Award	Final Acceptance
Newport Blvd. (SAH) Waterline Relocation				Winter 2013
Santiago Canyon Area BPS Permanent Generators				Spring 2013
SJM Building Campus Mold Remediation				Spring 2013
Randall and Lomita Street DW Pipeline Modifications			Spring 2013	Summer 2013
RMS at 5 DW Reservoirs	Summer 2014			
Syphon Reservoir Interim Facilities				Summer 2013
SJM Outlet Pipe Valve Improvement				Spring 2013
Vault Lid Rehabilitation - Phase 2			Spring 2013	Fall 2013
Portola Zone 9 Reservoir Access Road Repair	On-going			
Portola Zone 9 BPS Emergency Generator			Spring 2013	Fall 2013
Manhole Construction Main Street and Executive Park			Winter 2013	Summer 2013
University Lift Station Odor Control		Spring 2013		
IDF Chlorine Injection Line Replacement		Winter 2013	Spring 2013	Summer 2013
Jamboree Center Miscellaneous Improvements for Sewer Maintenance				Spring 2013
Portola Hills SLS Abandonment & Gravity Sewer			Winter 2013	Summer 2013
Newport Coast Cathodic Protection Joint Bonding		Spring 2013	Summer 2013	Winter 2013
Kelvin Avenue Cathodic Protection (Charter Apartments)			Winter 2013	Spring 2013
Santiago Dam and Outlet Tower Seismic Stability Study	On-going			
Sand Canyon HQ and MWRP Skylight Railings			Spring 2013	Summer 2013
Purchasing Storage Yard Outdoor Shelving			Winter 2013	Spring 2013
Lake Forest Sports Park DW and RW Facilities (RA w/Lake Forest)				Fall 2013
PA 9B Jeffrey Road Zones 3, A, B and C Pipelines (RA w/ICDC)				Summer 2014
PA 9B Capital RW and ILP Relocation, Phase 3 (RA w/ICDC)				Summer 2013
PA 9B Backbone Facilities, ILP Relocation, and 12" Sewer (RA w/ICDC)				Spring 2013
Tustin Ranch Road Pipelines (RA w/Tustin)				Fall 2013
Warner/Park/Carnegie Capital DW and S Improvements (RA w/Tustin)			Winter 2013	Summer 2013
Bake Pkwy, S.D. Creek to Future Lake Forest, 12" DW 24" RW (RA w/ICDC)				Winter 2013
Irvine Boulevard Capital DW, S, RW Facilities (RA w/Heritage Fields)				Spring 2013
Ridge Valley Capital RW Facilities (RA w/Heritage Fields)				Summer 2013
Reach B Capital Sewer (RA w/Heritage Fields)			Spring 2013	Fall 2013
Capital RW Facilities between OCTA and LV Street (RA w/Heritage Fields)			Spring 2013	Fall 2013
Trabuco Road Capital DW, S, RW Facilities (RA w/Heritage Fields)			Winter 2013	Fall 2013
O Street, Trabuco to LN Street, DW, S, RW (RA w/Heritage Fields)			Spring 2013	Fall 2013
O Street, Marine to Trabuco, DW, S (RA w/Heritage Fields)			Spring 2013	Fall 2013
Marine Way DW, RW (RA w/Heritage Fields)			Spring 2013	Fall 2013
Reach A Capital Sewer (RA w/Heritage Fields)			Spring 2013	Fall 2013
Baker Ranch Phase 1 DW & RW Improvements (RA w/ Shea/Toll Brothers)			Winter 2013	Summer 2013
Baker Ranch Phase 2 DW & RW Improvements (RA w/ Shea/Toll Brothers)			Spring 2013	Fall 2013


**IRWD UPCOMING PROJECTS STATUS REPORT**

Project Name	Planning	Start	Construction	Construction
	Start	Design	Award	Final Acceptance
MWRP Biosolids and Energy Recovery Facilities			Spring 2013	Fall 2016
MWRP Phase 2 Expansion				Summer 2013
Lake Forest (LAWD) PLC Replacement and Control System Upgrades			Summer 2013	Winter 2014
Water Operations Transdyn Replacement				Summer 2013
Sand Canyon Avenue Grade Separation				Fall 2014
OPA Reservoir Demolition			Spring 2013	Summer 2013
Baker Water Treatment Plant			Spring 2013	Summer 2015
PA 18 Zone 3 to 4 and B to C Booster Pump Stations		Spring 2013		
Well OPA-1 Drilling				Winter 2013
Well OPA-1 Equipping			Spring 2013	Winter 2014
Well 110 Rehabilitation			Fall 2012	Spring 2013
Well 115 Replacement			Winter 2013	Spring 2014
LAWRP Solids Handling Facility and Zone A & B Pump Station Upgrades		Summer 2013		
Bee Canyon Pump Station (ICDC)				Summer 2013
Groundwater Development Program / OCWD Annexation	On-going			
Wells 21 & 22 GW Impact Analysis	Complete			
Zone A and Green Acres Project Supply Hydraulic Modelling Analysis	Complete			
PA-1,2 ILP Recycled Water Conversion Analysis	In-Process			
MWRP/Recycled Water System Storage Analysis	Fall 2013			
DW System Hydraulic Modeling	In-Process			
RW System Hydraulic Modeling	Spring 2013			
Great Park SAMP Update	Summer 2013			
Coastal Zone 2 Surge Analysis	In-Process			
WRMP Update - Chap 2,3,4,5, 7, 10	In-Process			
Update to Sewer Generation Factors	Winter 2014			
Sewer Collection System Model Update	Spring 2014			
Update to Replacement Planning Model	Summer 2013			
Update to IRWD Potable and Non-Potable Storage Requirements	Summer 2013			
	<b>Category</b>	<b>Months</b>		
	Winter	Jan. Feb. & Mar.		
	Spring	Apr. May & June		
	Summer	Jul. Aug. & Sep.		
	Fall	Oct. Nov. & Dec.		

March 11, 2013

Prepared by: J. Moeder/R. Mori

Submitted by: K. Burton

Approved by: Paul Cook 

## CONSENT CALENDAR

### WELL 107 REPLACEMENT WELL DRILLING AND EQUIPPING CONTRACT CHANGE ORDER AND FINAL ACCEPTANCE

#### SUMMARY:

Construction of the Well 107 Replacement Well Drilling and Equipping Project is complete. The Contractor, Pascal & Ludwig Constructors, has completed the required work and all punch list items. A final Contract Change Order in the credit amount of (\$166,239.70) is required to adjust for final project quantities. Staff recommends that the Board:

- Approve Contract Change Order No. 10 with Pascal & Ludwig Constructors in the credit amount of (\$166,239.70) for Project 11432;
- Accept construction of the Well 107 Replacement Well Drilling and Equipping Project;
- Authorize the General Manager to file a Notice of Completion; and
- Authorize the release of retention to Pascal & Ludwig Constructors 35 days after the filing of the Notice of Completion.

#### BACKGROUND:

Pascal & Ludwig Constructors destroyed the old Well 107, drilled the new replacement well, equipped the stainless steel well with a 1,000 gallon per minute pump, installed a new motor control center and programmable logic controller, and constructed the associated discharge piping and instrumentation. Including Contract Change Order No. 10, the contract change order total is a credit amount of (\$50,760.40). Construction is complete and the project is ready for final acceptance by the Board.

Project Title:	Well 107 Replacement Well Drilling and Equipping
Project No.:	11432 (1403)
Design Engineer:	Tetra Tech
Construction Management by:	IRWD Staff
Contractor:	Pascal & Ludwig Constructors
Original Contract Cost:	\$2,705,543
Final Contract Cost:	\$2,654,773
Original Contract Days:	380
Final Contract Days:	490

Total Budget: \$3,646,600

Total Project Cost (Est.): \$3,400,000

**FISCAL IMPACTS:**

Project 11432 (1403) was included in the FY 2012-13 Capital Budget. The existing budget and Expenditure Authorization are sufficient to complete the project.

**COMMITTEE STATUS:**

This item was not reviewed by a Committee.

**ENVIRONMENTAL COMPLIANCE:**

This project is subject to the California Environmental Quality Act (CEQA). In conformance with the California Code of Regulations Title 14, Chapter 3, Section 15004, a Notice of Exemption was filed at the County Recorder's Office on March 14, 2011.

**RECOMMENDATION:**

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE CONTRACT CHANGE ORDER NO. 10 WITH PASCAL & LUDWIG CONSTRUCTORS IN THE CREDIT AMOUNT OF (\$166,239.70) FOR PROJECT 11432 (1403); ACCEPT CONSTRUCTION OF WELL 107 REPLACEMENT WELL DRILLING AND EQUIPPING; AUTHORIZE THE GENERAL MANAGER TO FILE A NOTICE OF COMPLETION; AND AUTHORIZE THE RELEASE OF RETENTION 35 DAYS AFTER FILING OF THE NOTICE OF COMPLETION.

**LIST OF EXHIBITS:**

Exhibit "A" – Contract Change Order No. 10

# EXHIBIT "A"

## CONTRACT CHANGE ORDER

**IRVINE RANCH WATER DISTRICT**

15600 Sand Canyon Avenue

Irvine, California 92619

(949) 453-5300

Well 107 Replacement

Project Title



C.O. No. 010

Final

Project No. 11432 (1403)

Date: 2/14/13

THE FOLLOWING CHANGE TO CONTRACT, DRAWINGS AND SPECIFICATIONS IS PROPOSED.	\$ ADDITIONS	\$ DELETIONS	DAYS ±
1. Delete 239.40 LF of Bid Item #2.	0	19,032.30	0
2. Delete 86.90 LF of Bid Item #9.	0	<del>8,750.83</del>	0
3. Delete 24.10 LF of Bid Item 11.	0	15,966.25	0
4. Delete 10.00 LF of Bid Item #13.	0	6,466.00	0
5. Delete 10.00 LF of Bid Item #16.	0	689.00	0
6. Delete 8.40 LF of Bid Item #17.	0	961.38	0
7. Delete 1 LS of Bid Item #25.	0	795.00	0
8. Delete 59.76 Hours of Bid Item #28.	0	22,170.96	0
9. Delete 1 LS of Bid Item #29.	0	4,770.00	0
10. Delete 1 LS of Bid Item #31.	0	26,500.00	0
11. Delete 5 EA of Bid Item #32.	0	13,250.00	0
12. Delete 10 EA of Bid Item #34.	0	37,100.00	0
13. Delete 40 Hours of Bid Item #37.	0	6,360.00	0
14. Delete 40 Hours of Bid Item #38.	0	4,240.00	0
15. 2.5% OH/Markup Credit on Lump Sum Items	801.63	0	0
16. 1.0% Bond Credit on Lump Sum Items	320.65	0	0
<b>TOTAL</b>	<b>\$1,122.28</b>	<b>\$167,361.98</b>	<b>0</b>

DAYS ±

1. NET AMOUNT THIS CHANGE ORDER	=	(\$166,239.70)	0
2. ORIGINAL CONTRACT AMOUNT	=	\$2,705,543.00	380
3. TOTAL PREVIOUS CHANGE ORDER(S)	=	\$117,054.81	110
4. TOTAL BEFORE THIS CHANGE ORDER (2+ 3)	=	\$2,822,597.81	490
5. PROPOSED REVISED CONTRACT AMOUNT TO DATE (1+4)	=	\$2,656,358.11	490

We hereby agree to make the above change subject to the terms of this change order for the sum of: (\$166,239.70)

One hundred sixty-six thousand, two hundred thirty-nine dollars and 70 cents Dollars

2/21/13  
Date

Passcal & Associates Const.  
Contractor

[Signature]  
By

SIGNATURE	DATE	APPROVAL LEVEL REQUIRED
<u>[Signature]</u> IRWD Engineer or Consulting Engineer	<u>2/21/13</u> Date	Department Director Approval Required <input type="checkbox"/> General Manager Approval Required <input type="checkbox"/> Committee Approval Required <input type="checkbox"/> Board Approval Required <input checked="" type="checkbox"/>
<u>[Signature]</u> Principal Engineer	<u>2/22/13</u> Date	
<u>[Signature]</u> Director of Engineering and Construction	<u>2/22/13</u> Date	
<u>[Signature]</u> General Manager	<u>                    </u> Date	
		By <u>                    </u> Date <u>                    </u>
		Purchase Order No <u>                    </u>

NOTE: The documents supporting this Change Order, including any drawings and estimates of cost, if required are attached hereto and made a part hereof. This Change Order shall not be considered as such until it has been signed by the Owner and the Contractor. Upon final approval, distribution of copies will be made as required. The parties mutually agree the pricing set forth in this Change Order are complete and fair compensation for the entirety of the work authorized under this Change Order and that no additional compensation is warranted nor shall it be allowed.

CHANGES: All workmanship and materials called for by this Order shall be fully in accord with the original Contract Documents insofar as the same may be applied without conflict to the conditions set forth by this Order. The time for completing the contract will not be extended unless expressly provided for in this Change Order.

AS  
March 11, 2013

Prepared by: J. McGehee/R. Mori

Submitted by: K. Burton (K.B.)

Approved by: Paul Cook (P.C.)

## CONSENT CALENDAR

### WELLS 21 AND 22 DESALTER PROJECT WELLHEAD FACILITIES FINAL ACCEPTANCE

#### SUMMARY:

Construction of the Wells 21 and 22 Desalter Project Wellhead Facilities is complete. The Contractor, F.T. Ziebarth Company (Ziebarth), has completed the required work and all punch list items. The project has received final inspection and acceptance of construction is recommended.

#### BACKGROUND:

The construction contract for the Wells 21 and 22 Desalter Project Wellhead Facilities was awarded to Ziebarth in July 2011 for an amount of \$2,183,700. The wellhead facilities will produce untreated groundwater for the Wells 21 and 22 Desalter Plant currently being constructed by Pascal & Ludwig Constructors. The untreated groundwater and resulting product water will be conveyed by the pipelines being constructed by Flatiron West, Inc. under a separate construction contract. The Wells 21 and 22 Desalter Project is receiving 25% matching funds, up to a maximum of \$11,700,000, in Title XVI funding through the United States Bureau of Reclamation (USBR) from the American Recovery and Reinvestment Act of 2009 (ARRA).

Project Title:	Wells 21 and 22 Desalter Project Wellhead Facilities
Project No.:	10286 (1081)
Design Engineer:	RBF Consulting
Construction Management by:	IRWD Staff
Contractor:	F.T. Ziebarth Company
Original Contract Cost:	\$2,183,700.00
Final Contract Cost:	\$3,461,902.60
Original Contract Days:	270
Final Contract Days:	415
Total Budget:	\$39,921,300
Total Project Cost (Est.):	\$37,524,935
Final Change Order Approved On:	February 4, 2013

**FISCAL IMPACTS:**

Project 10286 (1081) is included in the FY 2012-13 Capital Budget. The existing budget and Expenditure Authorization are sufficient to fund the final payment for the project.

**ENVIRONMENTAL COMPLIANCE:**

This project is subject to the California Environmental Quality Act. In conformance with the California Code of Regulations Title 14, Chapter 3, Section 15004, a Mitigated Negative Declaration was adopted February 8, 2010. To fulfill requirements of the American Recovery and Reinvestment Act of 2009, the project is also subject to compliance with the National Environmental Policy Act (NEPA). An Environmental Assessment was prepared to achieve NEPA compliance for the project and the USBR has adopted a Categorical Exemption for the project.

**COMMITTEE STATUS:**

This item was not reviewed by a Committee.

**RECOMMENDATION:**

**THAT THE BOARD ACCEPT CONSTRUCTION OF THE WELLS 21 AND 22 DESALTER PROJECT WELLHEAD FACILITIES, PROJECT 10286 (1081), AUTHORIZE THE GENERAL MANAGER TO FILE A NOTICE OF COMPLETION; AND AUTHORIZE THE PAYMENT OF THE RETENTION 35 DAYS AFTER THE DATE OF RECORDING THE NOTICE OF COMPLETION.**


**LIST OF EXHIBITS:**

None.

March 11, 2013

Prepared by: K. Welch/J. Moeder

Submitted by: G. Heiertz/K. Burton

Approved by: Paul Cook 

## CONSENT CALENDAR

### RESOLUTION AUTHORIZING SIGNATURE OF A FUNDING AGREEMENT AND RELATED DOCUMENTS FOR PROPOSITION 50 GRANT FUNDING FOR WELL 115 REPLACEMENT PROJECT

#### SUMMARY:

The California Department of Public Health (CDPH) has selected the Well 115 Replacement project for grant funding under its Proposition 50 Chapter 4b, Southern California Projects to Reduce Demand on Colorado River Water. The grant is for projects that assist CDPH in meeting drinking water standards and in meeting the state's commitment to reduce Colorado River water use to 4.4 million acre feet per year (AFY). Staff recommends that the Board:

- Adopt a resolution designating matching funds in the amount of \$1,916,300 for purposes of the project;
- Authorize the General Manager to execute the funding agreement with CDPH and other related documents; and
- Authorize the Executive Director of Engineering to sign the Budget and Expenditure Summary and certify that the project is complete.

#### BACKGROUND:

During 2006, the District's Irvine Desalter Project (IDP) was placed on a project priority list for potential grant funding through Proposition 50, Chapter 4b for projects that assist DPH in meeting drinking water standards and reducing demands on Colorado River. Due to the statewide bond freeze, the funding program was placed on hold and the District proceeded with the construction of the IDP project. In March 2012, staff received an invitation to submit an application for Proposition 50 funding for the IDP; however, since the IDP was constructed it was no longer eligible. Staff proposed the Well 115 Replacement project, an IDP project component for the CDPH's consideration. The Well 115 Replacement project, approved by the Board in February 2012, re-drills and re-equips the IDP Well 115 which was taken off line due to casing integrity issues. In June 2012, the Board adopted a resolution authorizing the General Manager to sign and file an application for Proposition 50 funding with the State of California for the Well 115 Replacement project. Staff submitted the application and in November 2012, the CDPH determined the project was eligible for funding in the amount of \$1,916,300 with matching funds of 50 percent.

The CDPH requires a Board resolution designating matching funds in the amount of \$1,916,300 for the project; designating and authorizing the General Manager to execute the funding agreement and other related documents; and authorizing the Executive Director of Engineering to sign the Budget and Expenditure Summary and certify that the project is complete. The required resolution is attached as Exhibit "A".

Consent Calendar: Resolution Authorizing Signature of a Funding Agreement and Related Documents for Proposition 50 Grant Funding for Well 115 Replacement Project

March 11, 2013

Page 2

FISCAL IMPACTS:

The Well 115 Replacement Project, Project 11627 (3717) is included in the FY 2012-13 Capital Budget.

ENVIRONMENTAL COMPLIANCE:

This project is subject to the California Environmental Quality Act (CEQA) and in conformance with the California Code of Regulations Title 14, Chapter 3, Article 7. A Notice of Exemption was prepared for this project and filed with the County of Orange on August 29, 2012

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE EXECUTION OF A FUNDING AGREEMENT FOR WELL 115 REPLACEMENT PROJECT FOR GRANT FUNDING OF \$1,916,300 AND AGREE TO REQUIREMENTS INCLUDING A MATCHING FUND REQUIREMENT OF AT LEAST 50 PERCENT; AND ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2013 –

RESOLUTION OF THE BOARD OF DIRECTORS OF  
IRVINE RANCH WATER DISTRICT AUTHORIZING SIGNATURE  
OF A FUNDING AGREEMENT AND RELATED DOCUMENTS FOR  
FUNDING UNDER THE WATER SECURITY, CLEAN DRINKING  
WATER, COASTAL AND BEACH PROTECTION ACT OF 2002 (PROPOSITION 50)

LIST OF EXHIBITS:

Exhibit "A" – Resolution Authorizing Signature of a Funding Agreement and Related Documents for Proposition 50 Funding

# EXHIBIT "A"

RESOLUTION NO. 2013- \_\_\_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF  
IRVINE RANCH WATER DISTRICT AUTHORIZING SIGNATURE  
OF A FUNDING AGREEMENT AND RELATED DOCUMENTS FOR  
FUNDING UNDER THE WATER SECURITY, CLEAN DRINKING  
WATER, COASTAL AND BEACH PROTECTION ACT OF 2002 (PROPOSITION 50)

WHEREAS, on June 7, 2012, the Irvine Ranch Water District submitted an application to the California Department of Public Health for funding in the amount of \$1,916,300; and

WHEREAS, on December 13, 2012, a Letter of Commitment was signed by Irvine Ranch Water District, issued by the California Department of Public Health, which established conditions for the issuance of a Funding Agreement under the Proposition 50 Program for project number P50-3010092-192, subject to terms and conditions; and

WHEREAS, in the said Letter of Commitment, the estimated grant amount was established at \$1,916,300, subject to terms and conditions; and

WHEREAS, in the said Letter of Commitment, Supplier's Cost and/or Matching Funds are required to be designated to be the responsibility of Irvine Ranch Water District to ensure a fully funded project; and

WHEREAS, prior to the California Department of Public Health executing said Funding Agreement, Irvine Ranch Water District is required to adopt a resolution authorizing an officer to execute said Funding Agreement and amendments, designating a person or persons to approve claims for reimbursement, designating a person or persons (a registered engineer) to sign the Budget and Expenditure Summary, designating a person or persons (registered engineer) to sign Certification of Project Completion, and designating a person to sign the Final Release form.

NOW, THEREFORE, the Board of Directors of the Irvine Ranch Water District DOES HEREBY RESOLVE, DETERMINE AND ORDER AS FOLLOWS:

Section 1. \$1,916,300 of the total cost of Project number P50-3010092-192 is designated as Supplier's Cost and \$1,916,300 of the Supplier's Cost is designated as Matching Funds, and that these funds are the responsibility of Irvine Ranch Water District to ensure Project number P50-3010092-192 is a fully funded project; and

Section 2. The General Manager is hereby authorized to sign WATER SECURITY, CLEAN DRINKING WATER, COASTAL AND BEACH PROTECTION ACT OF 2002 (Proposition 50) Funding Agreement and any amendments thereto; and

Section 3. The General Manager is hereby authorized to approve Claims for Reimbursement under the Proposition 50 Program for project number P50-3010092-192; and

Section 4. The Executive Director of Engineering, a registered engineer, is hereby authorized to execute the Budget and Expenditure Summary under the Proposition 50 Program for project number P50-3010092-192; and

Section 5. The General Manager is hereby authorized to sign the Final Release Form under the Proposition 50 Program for project number P50-3010092-192; and

Section 6. The Executive Director of Engineering, a registered engineer, is hereby authorized to certify that the project is complete and ready for final inspection; and

Section 7. The authority granted hereunder shall be deemed retroactive. All acts authorized hereunder and performed prior to the date of this Resolution are hereby ratified and affirmed. The California Department of Public Health is authorized to rely upon this Resolution until written notice to the contrary, executed by each of the undersigned, is received by the California Department of Public Health. The California Department of Public Health shall be entitled to act in reliance upon the matters contained herein, notwithstanding anything to the contrary contained in the formation documents of Irvine Ranch Water District or in any other document.

APPROVED, SIGNED AND ADOPTED this \_\_\_ day of \_\_\_\_\_, 2013.

---

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

---

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

APPROVED AS TO FORM:  
BOWIE, ARNESON, WILES & GIANNONE

---

Legal Counsel

March 11, 2013

Prepared by: C. Compton

Submitted by: G. Heiertz

Approved by: Paul Cook



## CONSENT CALENDAR

### 2013 STATE LEGISLATIVE UPDATE

#### SUMMARY:

This report provides an update on the 2013 State legislative session and IRWD state legislative priorities. A copy of the 2013 State Legislative Matrix is attached as Exhibit "A".

Staff recommends that the Board consider the following action:

- AB 803 (Hueso): Water Recycling Act of 2013 - "*SUPPORT*"; and
- Continue research regarding how other states have enabled electronic storage of documents, and to continue working with IRWD's association and industry partners over the next year to build a coalition of support for an electronic retention/storage legislative proposal.

#### BACKGROUND:

The 2013 bill introduction deadline was February 22, 2013. More than 2,000 bills were introduced. On the Assembly side, 1,441 bills were introduced, while the Senate introduced 860 bills. Many of the introduced bills contain spot or intent language, a number of bills include substantive proposals. With the introduction deadline having passed, the 2013 legislative session will come into full swing with policy committees ramping up and legislators working to amend their legislation so that it will be heard by the May policy committee deadlines.

A wide variety of bills have been introduced on issues of interest to IRWD including public contracting and statewide water supplies. There are also a number of bills related to the Safe Drinking Water Act, public employee pension reform, CEQA reform, and the water bond. Many of these bills are expected to have significant amendments prior to their first policy committee hearings. As such, staff will monitor proposals, and bring updates and recommendations to the Water Resources Policy and Communications Committee and the Board as appropriate.

#### State Budget Update:

##### *Unexpected Revenue:*

In January, the State received \$5 billion in unexpected revenues. Late last month, the Department of Finance (DOF) noted that the unexpected revenues were "likely the result of major tax law changes at the federal and state level having a significant impact in the timing of revenue receipts." DOF expects that the revenues will likely be offset by a revenue dip in the coming months. The administration has cautioned the Legislature against using the unexpected revenues to justify increased spending.

*LAO Raises Serious Concerns about the Governor's Proposition 39 Proposal:*

The Governor's FY2013-14 proposed budget includes a plan to implement Proposition 39, which was approved by the voters in November 2012. It repealed a law that gave out-of-state businesses an option to choose a tax liability formula that provided favorable tax treatment for businesses with property and payroll outside California. Proposition 39 also required that \$550 million be annually allocated for five years from the increase in revenue derived from this tax change to fund projects that create energy efficiency and clean energy jobs in California. The Governor has proposed, along with a number of introduced bills, to designate all of the energy-related Proposition 39 funds to schools (\$400.5 million) and community colleges (\$49.5 million) in FY2013-14. In doing so, the Governor is seeking to have the Proposition 39 revenues counted towards the Proposition 98 minimum guarantee for schools.

Last month, the Legislative Analyst Office (LAO) issued a report on the Governor's Proposition 39 proposal. In the report, the LAO raised what it deems as "serious concerns" with the Governor's proposal. The LAO summarized the problem and its recommendation in the statement below:

"The Governor's proposal to count all Proposition 39 revenues toward the Proposition 98 calculation is a significant departure from our longstanding view that revenues are to be excluded from the Proposition 98 calculation if the Legislature cannot use them for general purposes. In addition, the proposal excludes other eligible projects besides schools and community colleges (such as public hospitals) that potentially could achieve greater energy benefits. Further, the proposal does not coordinate Proposition 39 funding with the state's existing energy efficiency programs. In view of the above concerns, we recommend the Legislature exclude from the Proposition 98 calculation all Proposition 39 revenues required to be used on energy-related projects and not count spending from these revenues as Proposition 98 expenditures. In addition, we recommend the Legislature direct the California Energy Commission (CEC) to administer a competitive grant process in which all public agencies, including schools and community colleges, could apply and receive funding based on identified facility needs." (LAO Report, *The 2013-14 Budget: Analysis of Governor's Proposition 39 Proposal*, Feb. 21, 2013)

IRWD 2013 Legislative Priorities:

*AB 803 (Hueso) – Water Recycling Act of 2013:*

Assemblymember Ben Hueso (D-Chula Vista) introduced AB 803, the Water Recycling Act of 2013, on behalf of the WaterReuse Association. The bill is the result of the bicameral stakeholder meetings held by Assemblymember Hueso's office and Senate Natural Resources and Water Committee staff, in partnership with the WaterReuse Association, as a follow-up to AB 2398 (2012).

AB 803 has a narrower focus than its predecessor. If enacted, the proposal will:

- Codify changes to Title 17 and Title 22 of the Department of Public Health's (DPH) California Code of Regulations regarding recycled water;

- Align the Health and Safety Code and the Water Code requirements for reporting recycled water spills; and
- Memorialize existing Regional Water Quality Control Board authority to permit Advanced Treated Purified Water (ATPW) projects at the point where the highly treated water enters a conveyance facility exiting the treatment plant.

Another stakeholder meeting was held on February 26, 2013 to discuss the language introduced in the bill. Staff will provide an update at the Water Resources Policy and Communications Committee meeting on the new developments arising from this meeting. Staff will also continue to participate in the discussions surrounding AB 803, and provide the Committee updates as appropriate.

At this time, given IRWD's involvement in the stakeholder meetings and the drafting of the legislation introduced, staff recommends that the Committee consider taking a "*SUPPORT*" position on AB 803 (Hueso). A copy of the bill is attached as Exhibit "B". The bill may not be heard in committee until March 24, 2013.

*Electronic Document Retention/Storage:*

The Government Code permits documents to be stored electronically if they are "store[d] on a medium that does not permit additions, deletions, or changes to the original document." This requirement limits a special districts' ability to utilize new electronic storage technologies, such as Cloud-based technology, to store documents. To meet the current Government Code requirement, IRWD backs up District documents to Write One Read Many (WORM) tape cartridges. If IRWD were able to utilize a Cloud-based storage medium, the District could reduce the time and cost of backing up District documents to WORM tape.

As reported last month, discussion of this proposal with the California Municipal Utilities Association (CMUA) and the California Association of Sanitation Agencies (CASA) raised a number of questions concerning the current law. As a result, neither association was interested in moving forward with legislation this year. Staff has consulted legal counsel and determined the need for clarifying legislation if IRWD wants to use Cloud-based storage. Also, research revealed that the Secretary of State has recently adopted new regulations surrounding the controlling section of the Government Code.

Staff recommends that the District continue to research how other states have enabled electronic storage of documents, and direct staff to continue working with the District's association and industry partners over the next year to build a coalition of support for an electronic retention/storage legislative proposal.

*CEQA Reform:*

As expected, a number of proposals amending the California Environmental Quality Act (CEQA) were introduced in the 2013 legislative session. The majority of the proposals appear to be in spot bill form at this time. One of the more noteworthy bills is SB 731 (Steinberg). Although SB 713, as introduced, only contains intent language, all eyes are watching this piece of legislation as it appears to be the vehicle through which CEQA reforms will move forward.

One of the more recent developments in the CEQA reform discussion is Senator Michael Rubio's (D-Shafter) resignation from the Senate on February 22, 2013. With Mr. Rubio's resignation, many are questioning even further the extent and types of reforms which will be seriously considered this legislative session. Staff will continue to review the proposals introduced and monitor the CEQA reform discussion. An oral update will be provided to the Committee on any new developments.

Other 2013 Legislative Introduction:

*"Clean Water for Californians" Legislative Package:*

On February 20, 2013, Assemblymember Luis Alejo (D-Salinas), along with several of his legislative colleagues, held a press conference to unveil their "Clean Water for Californians" Legislative Package – a legislative package of nine bills intended to address drinking water issues in California. The purpose of the package is to provide relief for communities that rely on contaminated groundwater sources for drinking water. The legislative package includes:

- *AB 1 (Alejo):* Appropriates \$2 million to the State Water Resources Control Board (SWRCB) to address safe drinking water and wastewater needs of disadvantaged communities in the Salinas Valley.
- *AB 21 (Alejo/Pérez):* Creates the Safe Drinking Water Small Community Grant Fund to address contaminated water in small communities. It would authorize DPH to assess an annual charge in connection with loans (in lieu of interest) for drinking water projects funded by the Safe Drinking Water State Revolving Loan Fund. (SRF).
- *AB 30 (Perea):* Eliminates the 2014 sunset provision on the existing authority that the SWRCB has to charge a fee in lieu of interest on State Water Pollution Control Revolving Fund loans.
- *AB 115 (Perea):* Permits multiple water systems to apply for state funds as a single applicant.
- *AB 118 (Alejo/ Environmental Safety and Toxic Materials Committee):* Authorizes DPH to adopt interim regulations for implementing provisions related to the Safe Drinking Water SRF.
- *AB 119 (Alejo/ ESTM Committee):* Deletes redundant state certification requirements for drinking water devices, and allows manufacturers of such devices to submit specified information and a fee to DPH for purposes of inclusion on the DPH website.
- *AB 145 (Perea/Rendon):* Moves responsibility for the state's drinking water program from DPH to the SWRCB.
- *AB 240 (Rendon):* Amends statutes related to mutual water companies, including companies serving the City of Maywood. States intent to encourage collaboration to create public agency to provide clean drinking water to the people of Maywood.
- *SB 117 (Rubio):* Moves responsibility for the state's drinking water program from DPH to the SWRCB.

ACWA has taken a "Support" position on AB 1, AB 115 and AB 118. ACWA has taken an "Oppose-unless-amended" position on AB 145 and SB 117. In its letter opposing AB 145 and SB 117, ACWA "strongly advocates that the Drinking Water Program must remain a public health program," and that a targeted approach to solving the problems within the Drinking Water Program be explored. If this approach does not work, ACWA suggests that other alternatives to moving the program to the SWRCB be explored including the creation an Office of Drinking Water at the California Environmental Protection Agency. For the Committee's information, staff has included ACWA's letter on AB 145 and SB 117 as Exhibit "C."

Staff will provide the Committee with an oral update on any new developments.

*Water Bond Legislation:*

Four bills have been introduced concerning the 2014 water bond. SB 36 (Rubio), SB 40 (Pavely), and AB 142 (Perea) are spot bills concerning the water bond. SB 42 (Wolk) would repeal the \$11.4 water bond and replace it with a new bond. On February 20, 2013, staff met with the consultant to the Senate Natural Resources and Water Committee. During that meeting, the Committee consultant stated that Committee will examine reopening the water bond this year. On February 26, 2013, the Senate Natural Resources and Water Committee and the Senate Governance and Finance Committee began that discussion in a joint information hearing on the State's finances and debt capacity for a water bond. Staff will provide the Committee with an oral update on the hearing.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on March 7, 2013.

RECOMMENDATION:

THAT THE BOARD TAKE A "SUPPORT" POSITION ON AB 803 (HUESO); AND THAT STAFF CONTINUE TO RESEARCH HOW OTHER STATES HAVE ENABLED ELECTRONIC STORAGE OF DOCUMENTS, AND TO CONTINUE WORKING WITH IRWD'S ASSOCIATION AND INDUSTRY PARTNERS OVER THE NEXT YEAR TO BUILD A COALITION OF SUPPORT FOR AN ELECTRONIC RETENTION/STORAGE LEGISLATIVE PROPOSAL.

LIST OF EXHIBITS:

Exhibit "A" – 2013 IRWD Legislative Matrix

Exhibit "B" – AB 803 (Hueso)

Exhibit "C" – ACWA "Oppose-unless-amended" Letter on AB 145 and SB 117

**EXHIBIT "A"**

**IRWD 2013 LEGISLATIVE MATRIX**  
**February 26, 2013**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effect</b>	<b>Status</b>
<b><u>AB 1</u></b> Alejo (D)	Water Quality: Integrated Plan: Salinas Valley		Appropriates funds for use by the Greater Monterey County Regional Water Management Group to develop the integrated plan to address the drinking water and wastewater needs of disadvantaged communities in the Salinas Valley whose waters have been affected by waste discharges.	02/12/2013 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: Do pass to Committee on APPROPRIATIONS.
<b><u>AB 11</u></b> Logue (R)	Reserve Peace Officers: Emergency Rescue Personnel		Requires specified employers to permit an employee who performs emergency duty as a volunteer firefighter, reserve peace officer, or as emergency rescue personnel to take a leave of absence for the purpose of engaging in fire, law enforcement, or emergency rescue training.	01/28/2013 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LABOR AND EMPLOYMENT.
<b><u>AB 21</u></b> Alejo (D)	Safe Drinking Water Small Community Grant Fund		Authorizes the assessment of a specified annual charge in lieu of interest on loans for water projects made pursuant to the Safe Drinking Water State Revolving Fund, and the deposit of that money into the Safe Drinking Water State Small Community Emergency Grant Fund. Authorizes the expending of the money in the fund for grants for specified water projects that serve disadvantaged and severely disadvantaged communities.	02/14/2013 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<b><u>AB 25</u></b> Campos (D)	Employment: Social Media		Applies existing law that prohibits a private employer from requiring or requesting an employee or applicant for employment to disclose a username or password for the purpose of accessing personal social media, to access personal social media in the presence of the employer, or to divulge any personal social media to public employers.	01/24/2013 - To ASSEMBLY Committees on JUDICIARY and PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.
<b><u>AB 30</u></b> Perea (D)	Water Quality		Amends the Porter-Cologne Water Quality Control Act to authorize the Water Resources Control Board to assess an annual charge in connection with	02/12/2013 - From ASSEMBLY Committee on

**EXHIBIT "A"**

**IRWD 2013 LEGISLATIVE MATRIX  
February 26, 2013**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effect</b>	<b>Status</b>
			any financial assistance under the Water Pollution Control Revolving Fund without a change unless it is determined that the charge is not consistent with federal requirements regarding the fund, at which time the board would replace the charge with an identical interest rate. Relates to deposits to another specified water pollution control fund.	ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: Do pass to Committee on APPROPRIATIONS.
<b><u>AB 37</u></b> Perea (D)	Environmental Quality Act: Record of Proceedings		Requires the lead agency, at the request of a project applicant, to, prepare a record of proceedings concurrently with the preparation of negative declarations, mitigated negative declarations, EIR's, or other environmental documents for specified projects.	01/14/2013 - To ASSEMBLY Committee on NATURAL RESOURCES.
<b><u>AB 69</u></b> Perea (D)	Groundwater: Nitrate at Risk Area Fund		Establishes the Nitrate at Risk Area Fund. Provides that moneys in the fund would be available for the purposes of developing and implementing sustainable and affordable solutions for disadvantaged communities in specified areas designated by the State Department of Public Health, in conjunction with the State Water Resources Control Board.	02/07/2013 - To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<b><u>AB 72</u></b> Holden (D)	Municipal Water District: Board of Directors		Requires the directors of a municipal water district, except directors elected at the district formation election, to take office on the first Friday in December succeeding their election.	01/18/2013 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
<b><u>AB 115</u></b> Perea (D)	Safe Drinking Water State Revolving Fund		Relates to the state Safe Drinking Water Act. Authorizes the Department of Public Health to fund projects by grant or loan where multiple water systems apply for funding as a single applicant for the purpose of consolidating water systems or extending services to households relying on private wells. Authorizes funding of a project to benefit a disadvantaged community.	01/18/2013 - To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<b><u>AB 118</u></b> Env Safety	Safe Drinking Water State Revolving Fund		Authorizes the State Department of Public Health to adopt interim regulations for purposes of implementing provisions relating to the Safe	01/18/2013 - To ASSEMBLY Committee on

**EXHIBIT "A"**

**IRWD 2013 LEGISLATIVE MATRIX  
February 26, 2013**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effect</b>	<b>Status</b>
& Toxic Material Cmt			Drinking Water State Revolving Fund. Requires an applicant for funding to demonstrate that it has the technical, managerial, and financial capacity to operate and maintain its water system for at least 20 years.	ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<b>AB 142</b> Perea (D)	Safe, Clean, and Reliable Drinking Water Supply Act		States the intent of the Legislature to enact legislation to amend the Safe, Clean, and Reliable Drinking Water Supply Act of 2012.	01/17/2013 - INTRODUCED.
<b>AB 145</b> Perea (D)	State Water Resources Control Board: Drinking Water		Transfers to the State Water Resources Control Board the various duties and responsibilities imposed on the State Department of Public Health by the State Safe Drinking Water Act and the Safe Drinking Water State Revolving Fund Law of 1997.	01/31/2013 - To ASSEMBLY Committees on WATER, PARKS AND WILDLIFE and ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<b>AB 153</b> Bonilla (D)	Global Warming Solutions Act of 2006: Offsets		Amends the Global Warming Solutions Act of 2006. Requires the State Air Resources Board to adopt a specified process for the review and consideration of new offset protocols and, commencing in 2014 and continuing thereafter, use that process to review and consider new offset protocols.	01/31/2013 - To ASSEMBLY Committee on NATURAL RESOURCES.
<b>AB 183</b> Dickinson (D)	Delta Protection Commission: Executive Director		Amends the Johnson-Baker-Andal-Boatwright Delta Protection Act of 1992. Requires the Executive Director of the Delta Commission to determine a discretionary project located in the primary zone to be consistent with the resource management plan provided that the project satisfies specified criteria. Authorizes appeals to specified decisions.	02/15/2013 - To ASSEMBLY Committees on WATER, PARKS AND WILDLIFE and NATURAL RESOURCES.
<b>AB 185</b> Hernandez R (D)	Open and Public Meetings: Televised Meetings		Provides that an audio or video recording of an open and public meeting made at the direction of a local agency may be erased or destroyed 2 years after the recording. Requires a local agency that collects a franchise fee from	02/07/2013 - To ASSEMBLY Committee on LOCAL GOVERNMENT.

**EXHIBIT "A"**

**IRWD 2013 LEGISLATIVE MATRIX  
February 26, 2013**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effect</b>	<b>Status</b>
			the holder of a state franchise that provides PEG channels to televise open and public meetings of its legislative body and any of its advisory committees, if financially feasible, and to only use the franchise fees for that purpose.	
<b>AB 194</b> Campos (D)	Open Meetings: Protections for Public Criticism		Makes it a misdemeanor for a member of a legislative body, while acting as a chairperson of a legislative body of a local agency, to prohibit public criticism protected under the Ralph M. Brown Act. Authorizes a district attorney to commence an action for the purpose of obtaining a judicial determination that an action taken by a legislative body of a local agency in violation of the protection for public criticism is null and void.	02/07/2013 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
<b>AB 218</b> Dickinson (D)	Employment Applications: Criminal History		Prohibits a state or local agency from asking an applicant to disclose information regarding a criminal conviction until after the applicant's qualifications for the position have been determined to meet the requirements for the position. Includes specified findings and declarations of the Legislature in support of this policy.	02/21/2013 - To ASSEMBLY Committee on JUDICIARY.
<b>AB 229</b> Perez J (D)	Infrastructure and Revitalization Financing Districts		Authorizes the creation of an infrastructure and revitalization financing district and the issuance of debt with voter approval. Authorizes the creation of a district for up to 40 years and the issuance of debt with a final maturity date of up to 30 years. Authorizes a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases.	02/15/2013 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
<b>AB 243</b> Dickinson (D)	Local Government: Infrastructure Financing Districts		Authorizes the creation of an infrastructure and revitalization financing district and the issuance of debt with voter approval. Authorizes a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases if special conditions are met.	02/15/2013 - To ASSEMBLY Committee on LOCAL GOVERNMENT.

**EXHIBIT "A"**

**IRWD 2013 LEGISLATIVE MATRIX  
February 26, 2013**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effect</b>	<b>Status</b>
			Authorizes a district to fund various projects, including watershed land used for the collection and treatment of water for urban uses, flood management, open space, habitat restoration and development purposes.	
<b><u>AB 294</u></b> Holden (D)	Infrastructure Financing Districts		Authorizes an infrastructure financing district to utilize the Educational Revenue Augmentation Fund portion of incremental tax revenue. Requires a district that proposes to utilize the portion of incremental tax revenue to include that intention in the financing plan, and prior to adopting a resolution authorizing the first debt issuance utilizing the share, obtain and submit an economic analysis to the Infrastructure and Economic Development Bank for review and approval.	02/11/2013 - INTRODUCED.
<b><u>AB 378</u></b> Hueso (D)	Resources: Delta Research		Requires a person conducting Delta research whose research is funded, in whole or in part, by the state, to take specified actions with regard to the sharing of the primary data, samples, physical collections, and other supporting materials created or gathered in the course of that research. Authorizes the Delta Independent Science Board to adopt guidelines to provide adjustments to, and, where essential, exceptions from, these requirements.	02/14/2013 - INTRODUCED.
<b><u>AB 380</u></b> Dickinson (D)	California Environmental Quality Act: Notice		Amends the California Environmental Quality Act. Requires that notices regarding environmental impact reports filed by lead agencies need to be filed with the Office of Planning and Research and the county clerk and posted by that clerk for public review. Provides additional duties regarding that notice by the Office and the county clerk. Provides notice requirements for projects that are determined to be exempted from the Act.	02/14/2013 - INTRODUCED.
<b><u>AB 410</u></b> Jones-	Public Employee Health Benefits: Enrollment		Permits an annuitant who reinstates from retirement under PERS for employment by the state or a contracting agency and who subsequently	02/15/2013 - INTRODUCED.

**EXHIBIT "A"**

**IRWD 2013 LEGISLATIVE MATRIX**

**February 26, 2013**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effect</b>	<b>Status</b>
Sawyer (D)			retires again on or after a specified date to enroll in a health benefit plan as an annuitant of the employer from which he or she first retired, upon meeting specified conditions.	
<b>AB 416</b> Gordon (D)	Local Emission Reduction Program		Creates the Local Emission Reduction Program and requires money to be available from the general fund for providing grants to develop and implement greenhouse gas emission reduction projects in the state, giving consideration to the ability of a project to create local job training and job creation benefits and achieve greenhouse gas emission reduction. Requires the awarding of moneys under the program to eligible recipients.	02/15/2013 - INTRODUCED.
<b>AB 507</b> Garcia (D)	Public Employees Retirement: Retirement Death Benefit		Requires that the amount paid pursuant to the Public Employees Retirement Law Post Retirement Death Benefit be a specified amount for a death occurring during a specified period. Increases that amount each year as specified at which point the amount would be a specified amount and would be adjusted annually thereafter.	02/20/2013 - INTRODUCED.
<b>AB 515</b> Dickinson (D)	California Environmental Quality Act: Judicial Review		Provides for at least 2 CEQA compliance court districts within the state, with the appropriate boundaries for the districts and locations for seating CEQA compliance courts to be determined by rule of court. Establishes a CEQA compliance court in every district. Requires the Governor to appoint the judges. Requires the selection of a presiding judge for a district. Gives the courts the jurisdiction over actions and proceedings involving the CEQA. Provides appeals are to the Supreme Court.	02/20/2013 - INTRODUCED.
<b>AB 536</b> Wagner (R)	Contractors: Payments		Amends existing law that allows specified persons to withhold for a contractor or subcontractor no more than a specified percentage of any disputed amount if there is a good faith dispute over the amount due on a contract payment. Excludes specified amounts from being considered	02/20/2013 - INTRODUCED.

**EXHIBIT "A"**

**IRWD 2013 LEGISLATIVE MATRIX  
February 26, 2013**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effect</b>	<b>Status</b>
			disputed amounts. Provides that the authorized withholding is not wrongfully withheld.	
<b><u>AB 543</u></b> Campos (D)	California Environmental Quality Act: Translation		Requires a lead agency to translate any notice, document, or executive summary required by the California Environmental Quality Act (CEQA) when the impacted community has a substantial number of non-English-speaking people.	02/20/2013 - INTRODUCED.
<b><u>AB 607</u></b> Perea (D)	Worker's Compensation: Dependent Children		Amends existing law that establishes a workers' compensation system. Eliminates the requirement that, in order to conclusively presume that children under 18, or certain adult children, are wholly dependent for support on the deceased employee-parent, there not be a surviving totally dependent parent.	02/20/2013 - INTRODUCED.
<b><u>AB 613</u></b> Hueso (D)	Water Reclamation		Makes technical, nonsubstantive changes to a provision of the Water Recycling Law that provides that a person recycling water or using recycled water in violation of specific provisions is guilty of a misdemeanor.	02/20/2013 - INTRODUCED.
<b><u>AB 662</u></b> Atkins (D)	Local Government: Infrastructure Financing Districts		Amends existing law that authorizes the creation of infrastructure financing districts and prohibits such district from including any portion of a redevelopment project area. Deletes that prohibition on infrastructure financing districts including any portion of a redevelopment project area.	02/21/2013 - INTRODUCED.
<b><u>AB 687</u></b> Hernandez R (D)	Electricity		Requires the Public Utilities Commission provide the highest priority to acquire electric services from other providers to entities treating and remediating groundwater that a federal, state, or local agency identifies as contaminated on a site listed as a Superfund site by the United States Environmental Protection Agency when authorizing additional direct transactions for retail nonresidential end-use customers.	02/21/2013 - INTRODUCED.

**EXHIBIT "A"**

**IRWD 2013 LEGISLATIVE MATRIX**

**February 26, 2013**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effect</b>	<b>Status</b>
<b><u>AB 690</u></b> Campos (D)	Jobs and Infrastructure Financing Districts		Revises and recasts the provisions governing infrastructure financing districts. Provides for the creation of jobs and infrastructure financing districts with voter approval. Authorizes a public financing authority to enter into joint powers agreements with affected taxing entities with regard to nontaxing authority or powers only.	02/21/2013 - INTRODUCED.
<b><u>AB 743</u></b> Logue (R)	Local Government Reorganization		Amends Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Authorizes the local agency formation commission to approve a change of organization or reorganization pursuant to these provisions of a territory that does not exceed 300 acres.	02/21/2013 - INTRODUCED.
<b><u>AB 792</u></b> Mullin (D)	Local Government: Open Meetings		Requires the local agency, if the agency is unable to post the agenda or notice on its Internet Web site because of software or hardware impairment beyond the agency's reasonable control, to post the agenda or notice immediately upon resolution of the technological problems.	02/21/2013 - INTRODUCED.
<b><u>AB 794</u></b> Gorell (R)	Environmental Quality: Use of Landfill & Organic Waste		Exempts from the requirements of the California Environmental Quality Act a project that takes landfill materials or organic waste and converts then into renewable green energy if the lead agency finds that the project will result in a net reduction in greenhouse gas emissions or support sustainable agriculture. Exempts from the requirements of the act a project that uses biological processes to convert organic waste streams into nonchemical soil fertility products.	02/21/2013 - INTRODUCED.
<b><u>AB 801</u></b> Brown (D)	Junk Dealers and Recyclers: Nonferrous Materials		Requires junk dealers and recyclers to obtain specified information before providing payment for nonferrous materials marked with an indicia of ownership. Requires that this information be retained as part of the written record of purchases.	02/21/2013 - INTRODUCED.

**EXHIBIT "A"**

**IRWD 2013 LEGISLATIVE MATRIX  
February 26, 2013**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effect</b>	<b>Status</b>
<b><u>AB 803</u></b> Hueso (D)	Water Recycling Act of 2013		Codifies regulations, among other things. Defines various terms for the purpose of water recycling criteria. Requires the use of certain quality recycled water for specified uses with prescribed prohibitions. Modifies prohibitions and requirements for dual-plumbed recycled water systems.	02/21/2013 - INTRODUCED.
<b><u>AB 811</u></b> Lowenthal B (D)	Excavations: Regional Notification Center System		Amends existing law that requires any person planning to conduct an excavation to contact a regional notification center prior to excavation. Provides that these requirements may also be enforced by the Contractors' State License Board or by an action for civil damages brought in a court of competent jurisdiction by the person or entity that has sustained damages due to a violation of these requirements.	02/21/2013 - INTRODUCED.
<b><u>AB 823</u></b> Eggman (D)	Environment: Agricultural Land: Mitigation		Relates to the California Environmental Quality Act. Requires a lead agency, for a project that converts agricultural lands for nonagricultural uses, to require mitigation measures consisting, at a minimum, of providing replacement acreage through specified mechanisms to ensure the availability of agricultural production capacity.	02/21/2013 - INTRODUCED.
<b><u>AB 841</u></b> Torres (D)	Junk Dealers and Recyclers: Nonferrous Materials		Allows payment for nonferrous materials only by check marked to the seller's address. Removes the limit for a transaction consisting primarily of beverage containers made of nonferrous material to be exempt from these provisions. Exempts the redemption of any nonferrous material, including copper and copper alloy, with a value of not more than \$20 per transaction.	02/21/2013 - INTRODUCED.
<b><u>AB 953</u></b> Ammiano (D)	California Environmental Quality Act		Amends the California Environmental Quality Act, which defines environment and significant effect on the environment for certain purposes. Revises those definitions. Requires a lead agency to include a detailed statement on any effects that may result in the locating a proposed project near natural hazards or adverse environmental conditions.	02/22/2013 - INTRODUCED.

**EXHIBIT "A"**

**IRWD 2013 LEGISLATIVE MATRIX  
February 26, 2013**

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effect</b>	<b>Status</b>
<b>AB 993</b> Linder (R)	Contractors' Arbitration		Amends the Contractors' State License Law. Prohibits the arbitrator from awarding specific performance of any project, and from making a determination relative to any remedy not expressly authorized under these provisions, including attorney's fees, monetary damages for personal injury, and punitive damages.	02/22/2013 - INTRODUCED.
<b>AB 1035</b> Muratsuchi (D)	Local Agencies: Financial Reports		Raises the forfeiture amounts for all local agencies, to which existing law does not apply. Doubles fines if the agency fails to submit the report to the Controller for 2 consecutive years. Triples the fines if the agency fails to submit the report to the Controller for 3 consecutive years, in which case the Controller would be required to conduct an independent audit report, the cost of which is reimbursed by the agency. Specifies the agency that has a forfeiture or payment still must file the report.	02/22/2013 - INTRODUCED.
<b>AB 1043</b> Chau (D)	Drinking Water, Quality, Flood, River Protection		Amends the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006. Eliminates the requirement to develop and adopt regulations and requires a grantee of certain initiative bond act funds to take specific actions to recover the costs of cleanup and to utilize those funds for certain groundwater contamination cleanup projects.	02/22/2013 - INTRODUCED.
<b>AB 1080</b> Alejo (D)	Community Revitalization & Investment Authorities		Authorize certain public entities of a community revitalization and investment area to form a community revitalization plan within a community revitalization and investment authority to carry out the Community Redevelopment Law in a specified manner. Requires the authority to adopt a community revitalization plan for a community revitalization and investment area and authorizes the authority to include in that plan a provision for the receipt of tax increment funds.	02/22/2013 - INTRODUCED.
<b>AB 1090</b> Fong (D)	Public Officers: Conflicts of Interest: Contracts		Provides that a person who violates the prohibition against being financially interested in a contract, or who causes another person to violate or who aids	02/22/2013 - INTRODUCED.

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			and abets another person in violating the prohibition, is subject to administrative and civil fines. Authorizes the Commission to enforce these violations by bringing an administrative or civil action against a person who is subject to the prohibition.	
<b><u>AB 1092</u></b> Levine (D)	Electric Charge Stations: New Construction		Requires a new construction project with 4 or more offstreet parking spaces to include one electric vehicle charge station per every 4 offstreet parking spaces included in the project. Provides that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.	02/22/2013 - INTRODUCED.
<b><u>AB 1131</u></b> Skinner (D)	Renewable Energy and Energy Efficiency Projects		Appropriates up to a specified amount of funds from Renewable Resource Trust Fund to finance specified alternative energy, alternative fuels, and water efficiency projects. Requires the Alternative Energy and Advanced Transportation Financing Authority to submit a report to the Legislature regarding those programs. Extends that appropriation and the reporting requirement date.	02/22/2013 - INTRODUCED.
<b><u>AB 1140</u></b> Daly (D)	Public Works: Prevailing Wages		States that if the Director of Industrial Relations determines, within a semiannual period, that there is a change in any prevailing rate of per diem wages in a locality, that determination applies to any public works contract, whether or not notice to bidders has been published or a contract has been awarded.	02/22/2013 - INTRODUCED.
<b><u>AB 1149</u></b> Campos (D)	Identity Theft: Local Agencies		Relates to disclosure of any breach of an agency security to any resident whose unencrypted personal information was acquired by an unauthorized person. Provides disclosure requirements applying to a breach of computerized data that is owned or licensed by a local agency.	02/22/2013 - INTRODUCED.

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<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effect</b>	<b>Status</b>
<b><u>AB 1200</u></b> Levine (D)	Recycled Water: Landscaping		Requires the Department of Water Resources to require 1,000,000 acre-feet of the water used for landscaping each year to be supplied by recycled water by 2020.	02/22/2013 - INTRODUCED.
<b><u>AB 1212</u></b> Levine (D)	Public Contracts: Bids: Equal Materials or Service		Prohibits certain bid specifications from requiring a bidder to provide submission of data substantiating a request for a substitution of an equal item prior to the bid or proposal deadline.	02/22/2013 - INTRODUCED.
<b><u>AB 1230</u></b> Donnelly (R)	Endangered and Threatened Species Lists		Relates to the California Endangered Species Act and the Fish and Game Commission. Requires the commission to add or remove species based upon the receipt of adequate, rather than sufficient, scientific information.	02/22/2013 - INTRODUCED.
<b><u>AB 1248</u></b> Cooley (D)	Local Agencies Internal Control Guidelines		Requires the Controller to develop internal control guidelines applicable to a local agency to prevent and detect financial errors and fraud.	02/22/2013 - INTRODUCED.
<b><u>AB 1251</u></b> Gorell (R)	Water Quality: Stormwater		Requires the Secretary for Environmental Protection to convene a stormwater task force to review, plan, and coordinate stormwater-related activity to maximize regulatory effectiveness in reducing water pollution.	02/22/2013 - INTRODUCED.
<b><u>AB 1349</u></b> Gatto (D)	CalConserve Water Use Efficiency Revolving Fund		Establishes the CalConserve Water Use Efficiency Revolving Fund for the purpose of water use efficiency projects. Requires moneys in the fund to be used for purposes that include, but are not limited to, at-or-below market interest rate loans.	02/22/2013 - INTRODUCED.
<b><u>AB 1365</u></b> Perez J (D)	State and Local Agency Reports: Submission		Authorizes state and local agencies to file certain reports with the Legislative Counsel electronically.	02/22/2013 - INTRODUCED.
<b><u>AB 1375</u></b> Chau (D)	Clean Technology Investment Fund		States the intent of the Legislature to enact legislation to establish the Clean Technology Investment Fund that would consist of public moneys from the	02/22/2013 - INTRODUCED.

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<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effect</b>	<b>Status</b>
			auction or sale of allowances as part of a market-based compliance mechanism with matching moneys from private investment resources and be used to facilitate economic, environmental, and public health benefits through funding of research, development, and deployment of innovative technologies.	
<b>ACA 1</b> Donnelly (R)	Administrative Regulations: Legislative Approval		Requires an administrative agency to submit all regulations to the Legislature for approval. Authorizes the Legislature, by means of a concurrent resolution, to approve a regulation adopted by an administrative agency of the state.	12/03/2012 - INTRODUCED.
<b>ACA 8</b> Blumenfield (D)	Local Government Financing: Voter Approval		Creates an additional exception to the 1% limit for an ad valorem tax rate imposed by a city, county, city and county, or special district, to service bonded indebtedness incurred to fund specified public improvements and facilities, or buildings used primarily to provide sheriff, police, or fire protection services, that is approved by 55% of the voters of the city, county, city and county, or special district, as applicable.	02/13/2013 - INTRODUCED.
<b>SB 1</b> Steinberg (D)	Sustainable Communities Investment Authority		Authorizes certain public entities of a Sustainable Communities Investment Area to form a Sustainable Communities Investment Authority to carry out the Community Redevelopment Law. Provides for tax increment funding receipt under certain economic development and planning criteria. Establishes prequalification requirements for receipt of funding. Requires monitoring and enforcement of prevailing wage requirements within the area.	01/10/2013 - To SENATE Committees on GOVERNANCE AND FINANCE and TRANSPORTATION AND HOUSING.
<b>SB 13</b> Beall (D)	Public Employees' Retirement Benefits		Corrects an erroneous cross-reference in the Public Employees' Pension Reform Act of 2013 regarding the Judges' Retirement System I and II defined benefit formula adoption. Amends the act regarding employers offering one of more defined benefit formulas to new safety members. Relates to contribution rates for defined pension plans. Repeals provisions regarding	02/11/2013 - From SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on

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<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effect</b>	<b>Status</b>
			disability retirements. Relates to state miscellaneous or industrial members contributions or service credit. Requires related regulations.	APPROPRIATIONS.
<b>SB 14</b> Gaines T (R)	Bear Lake Reservoir: Recreational Use		Relates to existing law which prohibits recreational use in which there is bodily contact with water in a reservoir in which water is stored for domestic use. Exempts from this prohibition any participant in the Bear Lake Reservoir, and establishes standards in this regard, including water treatment, monitoring, and reporting requirements. Subjects the Lake Alpine Water Company to suspension or revocation of any permit issued, and failure to comply would be deemed a violation subject to penalties.	02/19/2013 - From SENATE Committee on ENVIRONMENTAL QUALITY with author's amendments.;02/19/2013 - In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.
<b>SB 24</b> Walters (R)	Public Employees' Retirement: Benefit Plans		Authorizes a local agency public employer or public retirement system that offers a defined benefit pension plan to offer a benefit formula with a lower benefit factor at normal retirement age and that results in a lower normal cost than the benefit formulas that are currently required, for purposes of addressing a fiscal necessity.	01/10/2013 - To SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT.
<b>SB 33</b> Wolk (D)	Infrastructure Financing Districts: Voter Approval		Revises provisions governing infrastructure financing districts. Eliminates the requirement of voter approval for creation of the district and for bond issuance, and authorizes the legislative body to create the district subject to specified procedures. Authorizes the creation of such district subject to specified procedures. Authorizes a district to finance specified actions and project. Prohibits the district from providing financial assistance to a vehicle dealer or big box retailer.	01/10/2013 - To SENATE Committee on GOVERNANCE AND FINANCE.

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<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effect</b>	<b>Status</b>
<b><u>SB 36</u> Rubio (D)</b>	Safe, Clean, and Reliable Drinking Water Supply Act		Declares the intent of the Legislature to amend the Safe, Clean, and Reliable Drinking Water Supply Act of 2012 for the purpose of reducing the amount of the bond.	01/10/2013 - To SENATE Committee on RULES.
<b><u>SB 40</u> Pavley (D)</b>	Safe, Clean, and Reliable Drinking Water Supply Act		Changes the name of the Safe, Clean, and Reliable Drinking Water Supply Act of 2012 to the Safe, Clean, and Reliable Drinking Water Supply Act of 2014. Declares the intent of the Legislature to amend the act for the purpose of reducing and potentially refocusing the bond.	01/31/2013 - Re-referred to SENATE Committees on NATURAL RESOURCES AND WATER and RULES.
<b><u>SB 42</u> Wolk (D)</b>	Clean, Secure Water Supply and Delta Recovery Act		Enacts the Clean, Secure Water Supply and Delta Recovery Act of 2014. Authorizes the issuance of general obligation bonds for the Sacramento-San Joaquin Delta Recovery.	01/10/2013 - To SENATE Committee on NATURAL RESOURCES AND WATER.
<b><u>SB 117</u> Rubio (D)</b>	Drinking Water: State Water Resources Control Board		Transfers the various duties and responsibilities imposed on the State Department of Public Health by the State Safe Drinking Water Act to the State Water Resources Control Board. Makes conforming changes.	01/31/2013 - To SENATE Committees on HEALTH and ENVIRONMENTAL QUALITY.
<b><u>SB 123</u> Corbett (D)</b>	Environmental and Land-Use Court		Requires a presiding judge of each superior court to establish an environmental and land-use division within the court to process civil proceedings brought pursuant to the California Environmental Quality Act or in specified subject areas, including air quality, biological resources, climate change, hazards and hazardous materials, land use planning, and water quality.	01/31/2013 - To SENATE Committee on JUDICIARY.
<b><u>SB 124</u> Corbett (D)</b>	Public Contracts: Bid Preferences: Clean Energy		Requires state agencies and the Trustees of the California State University that accept bids or proposals for a contract for the purchase or installation of a clean energy device, technology, or system, to provide a preference to a	01/31/2013 - To SENATE Committees on ENERGY, UTILITIES AND

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<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effect</b>	<b>Status</b>
			bidder that certifies that all of the parts of the clean energy device, technology, or system to be installed have been manufactured or assembled in the state, in accordance with specified criteria.	COMMUNICATIONS and GOVERNMENTAL ORGANIZATION.
<b>SB 176</b> Galgiani (D)	Administrative Procedures		Requires, in order to increase public participation and improve the quality of regulations, state agencies, boards, and commissions to publish a notice prior to any meeting date or report, provided the meeting or report is seeking public input.	02/14/2013 - To SENATE Committee on GOVERNMENTAL ORGANIZATION.
<b>SB 182</b> Governance and Finance Cmt	Validations		Enacts the Second State Validating Act of 2013, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.	02/14/2013 - To SENATE Committee on GOVERNANCE AND FINANCE.
<b>SB 183</b> Governance and Finance Cmt	Validations		Enacts the Third State Validating Act of 2013, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.	02/14/2013 - To SENATE Committee on GOVERNANCE AND FINANCE.
<b>SB 184</b> Governance and Finance Cmt	Local Government: Omnibus Bill		Includes within the definition of family member under the Public Cemetery District Law a person's domestic partner, and defines the term domestic partner. Revises the definition of abuse of office to include bribery of a member of the Legislature in existing law that requires employment contracts between a local agency and an officer or employee to include a provision that would reimburse the agency for that officer's salary if that officer is convicted of an abuse of his or her office or position.	02/14/2013 - To SENATE Committee on GOVERNANCE AND FINANCE.
<b>SB 193</b> Monning	Hazard Evaluation System and Information Service		Relates to the repository of current data on toxic materials and harmful physical agents in use in places of employment. Requires, upon request from	02/21/2013 - To SENATE Committee on JUDICIARY.

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<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effect</b>	<b>Status</b>
(D)			the repository, chemical manufacturers, suppliers, distributors, importers, and their agents to provide to the repository the names and addresses of their customers who have purchased specified chemicals or commercial products containing those chemicals. Provides for confidentiality of records.	
<b>SB 338</b> Hill (D)	Local Agency Meetings: Teleconferencing		Requires if the legislative body of a local agency elects to use teleconferencing and a teleconference location is located outside the boundaries of the local agency, that the agenda be posted at that location at least 24 hours in advance of the meeting rather than 72 hours.	02/20/2013 - INTRODUCED.
<b>SB 390</b> Wright (D)	Employee Wage Withholdings: Failure to Remit		Makes it a crime for an employer to fail to remit withholdings from an employee's wages that were made pursuant to state, local, or federal law.	02/20/2013 - INTRODUCED.
<b>SB 395</b> Jackson (D)	Hazardous Substances: Produced Water		Amends the hazardous waste control law. Defines produced water and requires its regulation as a hazardous substance during the extraction of oil and gas, including hydraulic fracturing operations.	02/20/2013 - INTRODUCED.
<b>SB 407</b> Hill (D)	Local Government: Officers and Employees: Contracts		Includes within the definition of local agency executive any person who is a deputy or assistant chief executive officer, and any person whose position is held by an employment contract between that person and the local agency. Requires an officer or employee of a local agency, who is convicted of a crime involving an abuse of office, to fully reimburse certain payments that are made by the local agency.	02/20/2013 - INTRODUCED.
<b>SB 424</b> Emmerson (R)	Vehicles: Windshields: Obstructions		Exempts from the prohibition against placing an object that obstructs or reduces the driver's clear view in or upon a vehicle owned by a government agency if those objects or materials do not interfere with the driver's clear view of approaching traffic.	02/21/2013 - INTRODUCED.

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<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effect</b>	<b>Status</b>
<b>SB 425</b> DeSaulnier (D)	Public Works: the Public Works Peer Review Act of 2013		Requires a state agency or department or a regional agency, principally tasked with administering the planning and development of a public works project to establish a specified peer review group, to provide it with expert advice on the scientific and technical aspects of the project if the public works is a megaproject.	02/21/2013 - INTRODUCED.
<b>SB 436</b> Jackson (D)	California Environmental Quality Act: Notice		Relates to the California Environmental Quality Act. Requires a lead agency to conduct at least one public scoping meeting for the specified projects and to provide notice to the specified entities of at least one public scoping meeting.	02/21/2013 - INTRODUCED.
<b>SB 462</b> Monning (D)	Employment: Compensation		Amends existing law which requires a court in any action brought for the nonpayment of wages, fringe benefits, or health and welfare or pension fund contributions, to award reasonable attorney's fees and costs to the prevailing party. Makes the award where the prevailing party is not an employee contingent on a finding that the employee brought the court action in bad faith.	02/21/2013 - INTRODUCED.
<b>SB 617</b> Evans (D)	California Environmental Quality Act		Amends various provisions of the California Environmental Quality Act (CEQA).	02/22/2013 - INTRODUCED.
<b>SB 620</b> Wright (D)	Water Replenishment Districts		Amends the Water Replenishment District Act. Permits a district to establish an annual reserve fund. Requires the board of directors of a water replenishment district to declare whether funds are to be raised to purchase water for replenishment and whether the funds are to be raised either by a water charge, a general assessment, or a replenishment assessment. Provides that a producer is liable to the district for a penalty for unpaid assessment.	02/22/2013 - INTRODUCED.

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<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effect</b>	<b>Status</b>
<b><u>SB 628</u></b> Beall (D)	Infrastructure Financing		Eliminates the requirement of voter approval for the adoption of an infrastructure financing plan, the creation of an infrastructure financing district, and the issuance of bonds with respect to a transit priority project. Requires a specified percentage of the revenue for increasing, improving, and preserving the supply of lower and moderate-income housing. Provides that income level for continued occupancy. Relates to the approval of such district and its ability to issue bonds.	02/22/2013 - INTRODUCED.
<b><u>SB 633</u></b> Pavley (D)	CEQA: Environmental Impact Reports		Amends the California Environmental Quality Act that requires the submission of a subsequent or supplemental environmental impact report when new information which was not known and could not have been known at the time of the original report was certified as complete, becomes available. Requires the new information that becomes available was not known and could not have been known by the lead agency or any responsible agency at the time the report was certified as complete.	02/22/2013 - INTRODUCED.
<b><u>SB 636</u></b> Hill (D)	Redevelopment Property Tax Trust		Modifies the provision of law relating to the allocation of remaining local property tax revenues in the the Redevelopment Property Tax Trust Fund by deleting language requiring that the provision be construed in such a manner so as to not increase any allocations of excess, additional, or remaining Educational Revenue Augmentation Fund funds that would otherwise have been allocated to cities, counties, cities and counties, or special districts pursuant to existing law.	02/22/2013 - INTRODUCED.
<b><u>SB 673</u></b> DeSaulnier (D)	Land Use: Development Project Review		Requires a city, county, or city and county, including a charter city or charter city and county, prior to approving or disapproving a proposed development project to cause a cost benefit analysis to be prepared, which would be paid for by the project applicant.	02/22/2013 - INTRODUCED.

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<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effect</b>	<b>Status</b>
<b><u>SB 731</u> Steinberg (D)</b>	Environment: California Environmental Quality Act		State the intent of the Legislature to enact legislation revising the California Environmental Quality Act to, among other things, provide greater certainty for smart infill development. States the intent of the Legislature to provide funds annually to the Strategic Growth Council for the purposes of providing planning incentive grants to local and regional agencies to update and implement general plans.	02/22/2013 - INTRODUCED.
<b><u>SB 735</u> Wolk (D)</b>	Sacramento-San Joaquin Delta Reform Act		Amends the Sacramento-San Joaquin Delta Reform Act of 2009 to exclude from the definition of covered action the approval or implementation of a project as part of a larger conservation plan submitted pursuant to the Federal Endangered Species Act, a natural community conservation plan submitted pursuant to the Natural Community Conservation Planning Act, or certain permits related to the taking, importation, exportation, or sale of endangered species.	02/22/2013 - INTRODUCED.
<b><u>SB 750</u> Wolk (D)</b>	Building Standards		Requires a water purveyor that provides water service to a newly constructed multiunit residential structure or newly constructed mixed-use residential and commercial structure that submits an application for a water connection to require the installation of either a water meter or a submeter to measure water supplied to each individual dwelling unit.	02/22/2013 - INTRODUCED.
<b><u>SB 761</u> DeSaulnier (D)</b>	Family Temporary Disability Insurance		Provides that it is unlawful for an employer or agent of an employer to discharge or in any other manner to discriminate against an individual because he or she has applied for, used, or indicated an intent to apply for or use, family temporary disability insurance benefits.	02/22/2013 - INTRODUCED.
<b><u>SB 770</u> Jackson (D)</b>	Unemployment Compensation: Disability Benefits		Relates to family temporary disability leave. Expands the scope of the family temporary disability program to include time off to care for a seriously ill grandparent, grandchild, sibling, or parent-in-law.	02/22/2013 - INTRODUCED.

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<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effect</b>	<b>Status</b>
<u><b>SB 772</b></u> Emmerson (R)	Drinking Water		Requires the Department of Health, or a local health agency, annually to provide the address and telephone number for each public water system and state small water system to the Public Utilities Commission and to a local agency formation commission. Relates to requests of information from entities that provide drinking water and the review of retail water suppliers in a county.	02/22/2013 - INTRODUCED.
<u><b>SB 797</b></u> Anderson (R)	Property Taxation: Exemption: Parking		Makes technical, nonsubstantive changes to existing property tax law which exempts from tax any real property that is reasonably and necessarily required for the parking of automobiles by persons engaged in religious activities.	02/22/2013 - INTRODUCED.
<u><b>SCA 10</b></u> Wolk (D)	Legislative Procedure		Authorizes a committee to hear or act on a bill if the bill, in the form to be considered by the committee, has been in print and published on the Internet for at least 15 days. Prohibits either house of the Legislature from passing a bill until the bill, in the form to be voted on, has been made available to the public, in print and published on the Internet, for at least 72 hours preceding the vote.	01/31/2013 - To SENATE Committee on RULES.

# EXHIBIT "B"

CALIFORNIA LEGISLATURE—2013-14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 803**

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**Introduced by Assembly Member Hueso**

February 21, 2013

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An act to amend Section 5411.5 of, and to add Article 7.1 (commencing with Section 116600) to Chapter 4 of Part 12 of Division 104 of, the Health and Safety Code, and to add Section 13263.7 to, and to add Article 4.1 (commencing with Section 13529.5) to Chapter 7 of Division 7 of, the Water Code, relating to recycled water.

LEGISLATIVE COUNSEL'S DIGEST

AB 803, as introduced, Hueso. Water Recycling Act of 2013.

(1) Existing law requires the State Department of Public Health to establish uniform statewide recycling criteria for each varying type of use of recycled water where the use involves the protection of public health. Existing regulations prescribe various requirements and prohibitions relating to recycled water.

This bill, the Water Recycling Act of 2013, would codify some of these regulations to, among other things, (1) define various terms for the purpose of water recycling criteria, (2) require the use of certain quality recycled water for specified uses with prescribed prohibitions, and (3) modify prohibitions and requirements for dual-plumbed recycled water systems.

(2) Existing law, the California Safe Drinking Water Act, provides for the operation of public water systems, and imposes on the department various responsibilities and duties. Existing law authorizes the department to enact regulations and the department has enacted regulations relating to the protection of public water systems from unapproved water, including recycled water.

This bill would codify some of these regulations to, among other things, (1) define various terms, (2) specify plumbing requirements, (3) prescribe certain protection to prevent backflow into the public water supply, and (4) specify when a changeover device may be used.

(3) Existing law requires any person who, without regard to intent or negligence, causes or permits any sewage or other waste, or the effluent of treated sewage or other waste to be discharged in or on any waters of the state, or discharged in or on any waters of the state to immediately notify the local health officer or the director of environmental health of the discharge, as prescribed.

This bill would provide that this notification requirement does not apply to an unauthorized discharge of effluent of treated sewage defined as recycled water, as defined.

(4) Existing law establishes the State Water Resources Control Board and the California regional water quality control boards as the principal state agencies with authority over matters relating to water quality.

This bill would authorize compliance with effluent limitations and any other permit or waste discharge requirements for the release or discharge of advanced treated purified water, as defined, into a conveyance facility at the point where the advanced treated purified water enters the conveyance facility but prior to commingling with any raw water or other water source.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. This act shall be known and may be cited as the
- 2 Water Recycling Act of 2013.
- 3 SEC. 2. Section 5411.5 of the Health and Safety Code is
- 4 amended to read:
- 5 5411.5. (a) Any person who, without regard to intent or
- 6 negligence, causes or permits any sewage or other waste, or the
- 7 effluent of treated sewage or other waste to be discharged in or on
- 8 any waters of the state, or discharged in or deposited where it is,
- 9 or probably will be, discharged in or on any waters of the state, as
- 10 soon as that person has knowledge of the discharge, shall
- 11 immediately notify the local health officer or the director of
- 12 environmental health of the discharge.

1 (b) Any person who fails to provide the notice required by this  
2 section is guilty of a misdemeanor and shall be punished by a fine  
3 of not less than five hundred dollars (\$500) nor more than one  
4 thousand dollars (\$1,000), or imprisonment for less than one year,  
5 or both the fine and imprisonment.

6 (c) The notification required by this section shall not apply to  
7 a discharge authorized by law and in compliance with waste  
8 discharge requirements or other requirements established by the  
9 appropriate regional water quality control board or the State Water  
10 Resources Control Board.

11 (d) *The notification required by this section shall not apply to*  
12 *an unauthorized discharge of effluent of treated sewage defined*  
13 *as recycled water pursuant to Section 13050 or 13529.2 of the*  
14 *Water Code.*

15 SEC. 3. Article 7.1 (commencing with Section 116600) is  
16 added to Chapter 4 of Part 12 of Division 104 of the Health and  
17 Safety Code, to read:

18

19

Article 7.1. Protection of Water System

20

21 116600. The following terms have the following meanings:

22 (a) "Air-gap separation" or "AG" means a physical separation  
23 between the free-flowing discharge end of a water supply pipeline  
24 and an open or nonpressurized vessel. A plumbing gap separation  
25 is not an air-gap separation.

26 (b) "Approved water supply" means a water supply whose  
27 potability is regulated by a state or local health agency.

28 (c) "Auxiliary water supply" means any water supply other than  
29 that received from a public water system including recycled water  
30 as defined in Section 13050 of the Water Code.

31 (d) "Changeover device" means a fitting or assembly that is  
32 used to change a supply of water from one source to another such  
33 that nonpotable and potable supplies cannot be connected at the  
34 same time.

35 (e) "Cross connection" means a physical connection between  
36 a potable water system used to supply water for drinking purposes  
37 and any source or system containing unapproved water or a  
38 substance that is not or cannot be approved as safe, wholesome,  
39 and potable. A plumbing gap separation is not a cross connection

1 if it complies with the conditions of use described in Section  
2 116603.

3 (f) "Double check valve assembly" or "DC" means an assembly  
4 of at least two independently acting check valves including tightly  
5 closing shut-off valves on each side of the check valve assembly  
6 and test cocks available for testing the watertightness of each check  
7 valve.

8 (g) "Health agency" means the State Department of Public  
9 Health or the local health officer with respect to a small water  
10 system.

11 (h) "Plumbing gap separation" is a physical separation of a  
12 water conveyance system such as a pipe. An example of a plumbing  
13 gap separation is removal of a spool or length of pipe. An air-gap  
14 separation is not a plumbing gap separation.

15 (i) "Recycled water" is a wastewater which as a result of  
16 treatment is suitable for beneficial uses.

17 (j) "Reduced pressure principle backflow prevention device"  
18 or "RP" means a backflow preventer incorporating not less than  
19 two check valves, an automatically operated differential relief  
20 valve located between the two check valves, a tightly closing  
21 shut-off valve on each side of the check valve assembly, and  
22 equipped with necessary test cocks for testing.

23 (k) "User connection" means the point of connection of a user's  
24 piping to the water supplier's facilities.

25 (l) "User supervisor" means the person responsible for the  
26 avoidance of cross connections during the installation, operation,  
27 and maintenance of the water user's pipelines and equipment.

28 (m) "Water supplier" means the person who owns or operates  
29 or owns and operates the public water system.

30 (n) "Water user" means the person who owns or operates the  
31 public water system.

32 116601. (a) An approved air gap shall be at least double  
33 diameter of the supply pipe measured vertically above the overflow  
34 rim of the vessel but at no time less than one inch. An approved  
35 plumbing gap is a minimum of 12 inches and is installed and  
36 maintained in compliance with Section 116603.

37 (b) A reduced pressure principle backflow assembly is required  
38 on a changeover device to protect the alternative supply of water.

39 116602. The type of protection that shall be provided to prevent  
40 backflow into the public water supply shall be commensurate with

1 the degree of hazard that exists on the consumer's premises. The  
 2 type of protective device that may be required (listed in an  
 3 increasing level of protection) includes: Double Check Valve  
 4 Assembly-(DC), Reduced Pressure Principle Backflow Prevention  
 5 Device-(RP), and an Air-gap Separation-(AG). The water user  
 6 may choose a higher level of protection than required by the water  
 7 supplier. The minimum types of backflow protection required to  
 8 protect the public water supply, at the water user's connection to  
 9 premises with various degrees of hazard are given in Table 1.  
 10 Situations which are not covered in Table 1 shall be evaluated on  
 11 a case-by-case basis and the appropriate backflow protection shall  
 12 be determined by the water supplier or health agency.

13  
 14 TABLE 1  
 15 TYPE OF BACKFLOW PROTECTION REQUIRED

<i>Degree of Hazard</i>	<i>Minimum type of Backflow Prevention</i>
(a) Sewage and Hazardous Substances	
(1) Premises where there are waste water pumping and/or treatment plants and there is no interconnection with the potable water system. This does not include a single-family residence that has a sewage lift pump. A RP may be provided in lieu of an AG if approved by the health agency and water supplier.	AG
(2) Premises where hazardous substances are handled in any manner in which the substances may enter the potable water system. This does not include a single-family residence that has a sewage lift pump. A RP may be provided in lieu of an AG if approved by the health agency and water supplier.	AG
(3) Premises where there are irrigation systems into which fertilizers, herbicides, or pesticides are, or can be, injected.	RP
(b) Auxiliary Water Supplies	
(1) Premises where there is an unapproved auxiliary water supply which is interconnected with the public water system. A RP or DC may be provided in lieu of an AG if approved by the health agency and water supplier.	AG
(2) remises where there is an unapproved auxiliary water supply and there are no interconnections with the public water	RP

- 1 system. A DC may be provided in lieu of a RP if approved by
- 2 the health agency and water supplier.
- 3 (c) Recycled Water
- 4 (1) Premises where the public water system is used to AG
- 5 supplement the recycled water supply.
- 6 (2) Nonresidential premises where recycled water is used, RP
- 7 other than as allowed in paragraph (3), and there is no
- 8 interconnection with the potable water system.
- 9 (3) Residences using recycled water for landscape irrigation DC
- 10 as part of an approved dual plumbed use area established
- 11 pursuant to sections 60313 through 60316 unless the recycled
- 12 water supplier obtains approval of the local public water
- 13 supplier, or the Department if the water supplier is also the
- 14 supplier of the recycled water, to utilize an alternative backflow
- 15 protection plan that includes an annual inspection and annual
- 16 shutdown test of the recycled water and potable water systems
- 17 pursuant to subsection 60316(a).
- 18 (d) Fire Protection Systems
- 19 (1) Premises where the fire system is directly supplied from DC
- 20 the public water system and there is an unapproved auxiliary
- 21 water supply on or to the premises (not interconnected).
- 22 (2) Premises where the fire system is supplied from the public AG
- 23 water system and interconnected with an unapproved auxiliary
- 24 water supply. A RP may be provided in lieu of an AG if
- 25 approved by the health agency and water supplier.
- 26 (3) Premises where the fire system is supplied from the public DC
- 27 water system and where either elevated storage tanks or fire
- 28 pumps which take suction from private reservoirs or tanks are
- 29 used.
- 30 (4) Buildings where the fire system is supplied from the public DC
- 31 water system and where recycled water is used in a separate
- 32 piping system within the same building.
- 33 (e) Dockside Watering Points and Marine Facilities
- 34 (1) Pier hydrants for supplying water to vessels for any RP
- 35 purpose.
- 36 (2) Premises where there are marine facilities. RP
- 37 (f) Premises where entry is restricted so that inspections for RP
- 38 cross connections cannot be made with sufficient frequency
- 39 or at sufficiently short notice to assure that they do not exist.

1 (g) Premises where there is a repeated history of cross RP  
2 connections being established or reestablished.

3

4 116603. A changeover device may be used under all of the  
5 following conditions:

6 (a) In emergency situations.

7 (b) When the alternative water supply is locked and under the  
8 control of the permitted water agency such that the permitted water  
9 agency must take action to make the alternative supply of water  
10 available.

11 (c) If potable water is the alternative supply and is to be supplied  
12 to a nonpotable system using a changeover device, the permitted  
13 water agency shall approve and supervise the conversion.

14 (d) The reduced pressure principle backflow assembly that is  
15 required on the alternative water supply shall be located as close  
16 to the supply as practicable.

17 (e) The permitted water agency shall notify the department of  
18 the installation of the changeover device within 24 hours of its  
19 occurrence. The notification shall include when the changeover  
20 device shall be removed.

21 116604. (a) (1) The Legislature finds and declares that  
22 Sections 7583, 7604, and 7605 of Title 17 of the California Code  
23 of Regulations are inconsistent with Sections 116600 to 116603,  
24 inclusive.

25 (2) The department shall not apply the regulations specified in  
26 paragraph (1) and shall repeal them.

27 (b) The department shall apply Sections 116600 to 116603,  
28 inclusive, unless the department makes a finding that the adoption  
29 of different water system protection provisions is required by  
30 circumstances that are changed from those prevailing on January  
31 1, 2014.

32 (c) If the department makes the finding described in subdivision  
33 (b), the department shall adopt new regulations for the purposes  
34 of Chapter 4 (commencing with Section 116270) of Part 12 of  
35 Division 104 in accordance with the Administrative Procedure Act  
36 (Chapter 3.5 (commencing with Section 11340) of Part 1 of  
37 Division 3 of Title 2 of the Government Code). Regulations  
38 adopted pursuant to this subdivision shall prevail over the  
39 provisions in Sections 116600 to 116603, inclusive.

40 SEC. 4. Section 13263.7 is added to the Water Code, to read:

1 13263.7. (a) Compliance with effluent limitations and any  
2 other permit or waste discharge requirements, as appropriate, for  
3 the release or discharge of advanced treated purified water into a  
4 conveyance facility may be determined at the point where the  
5 advanced treated purified water enters the conveyance facility but  
6 prior to commingling with any raw water or other water source.

7 (b) For purposes of this section:

8 (1) "Advanced treated purified water" means water of  
9 wastewater origin treated with a treatment method at least as  
10 effective as membrane filtration, reverse osmosis, advanced  
11 oxidation, disinfection, and engineered reliability features or other  
12 suitable treatment as approved by the State Department of Public  
13 Health.

14 (2) "Raw water" means surface water or groundwater in its  
15 naturally occurring state prior to treatment.

16 SEC. 5. Article 4.1 (commencing with Section 13529.5) is  
17 added to Chapter 7 of Division 7 of the Water Code, to read:

18

#### 19 Article 4.1. Water Recycling Criteria

20

21 13529.5. The following terms have the following meanings:

22 (a) "Coagulated wastewater" means oxidized wastewater in  
23 which colloidal and finely divided suspended matter have been  
24 destabilized and agglomerated upstream from a filter by the  
25 addition of suitable floc-forming chemicals or by biological  
26 process.

27 (b) "Conventional treatment" means a treatment chain that  
28 utilizes a sedimentation unit process and filtration process and  
29 produces an effluent that meets the definition for disinfected  
30 tertiary recycled water.

31 (c) "Dry weather period" means a period of little or no rainfall.

32 (d) "Dual plumbed system" or "dual plumbed" means a system  
33 that utilizes separate piping systems for recycled water and potable  
34 water within a facility and where the recycled water is used for  
35 either of the following purposes:

36 (1) To serve plumbing outlets, excluding fire suppression  
37 systems, within a building.

38 (2) Outdoor landscape irrigation at individual residences where  
39 the water systems, including the irrigation systems, are under the

1 control and supervision of the owner or tenant and not a  
2 homeowners' association or equal.

3 (e) "Filtered wastewater" means an oxidized wastewater that  
4 meets both of the following criteria:

5 (1) Has been through natural undisturbed soils or a bed of filter  
6 media so that the turbidity of the filtered wastewater does not  
7 exceed any of the following:

8 (A) An average of 2 NTU within a 24-hour period.

9 (B) Five NTU more than 5 percent of the time within a 24-hour  
10 period.

11 (C) Ten NTU at any time.

12 (2) Has been passed through a microfiltration, ultrafiltration,  
13 nanofiltration, or reverse osmosis membrane so that the turbidity  
14 of the filtered wastewater does not exceed either of the following:

15 (A) Two-tenths NTU more than 5 percent of the time within a  
16 24-hour period.

17 (B) One-half NTU at any time.

18 (f) "NTU" means nephelometric turbidity unit.

19 (g) "Peak dry weather design flow" means the arithmetic mean  
20 of the maximum peak flow rates sustained over three hours during  
21 the maximum 24-hour dry weather period.

22 (h) "Regulatory agency" means the State Department of Public  
23 Health or a regional water quality control board that has jurisdiction  
24 over the recycling plant and use areas.

25 13529.55. (a) Recycled water used for the irrigation of the  
26 following shall be a disinfected tertiary recycled water, except that  
27 for filtration pursuant to paragraph (1) of subdivision (e) of Section  
28 13529.5 coagulation need not be used as part of the treatment  
29 process provided that the filter effluent turbidity does not exceed  
30 2 NTU, the turbidity of the influent to the filters is continuously  
31 measured, the influent turbidity does not exceed 5 NTU for more  
32 than 15 minutes and never exceeds 10 NTU, and that there is the  
33 capability to automatically activate chemical addition or divert the  
34 wastewater should the filter influent turbidity exceed 5 NTU for  
35 more than 15 minutes:

36 (1) Food crops, including all edible root crops, where the  
37 recycled water comes into contact with the edible portion of the  
38 crop.

39 (2) Parks and playgrounds.

40 (3) School yards.

- 1 (4) Residential landscaping.
- 2 (5) Unrestricted access golf courses.
- 3 (6) Any other irrigation use not specified in this section and not
- 4 prohibited by other sections of the California Code of Regulations.
- 5 (b) Recycled water used for the irrigation of food crops where
- 6 the edible portion is produced above ground and not contacted by
- 7 the recycled water shall be at least disinfected secondary-2.2
- 8 recycled water.
- 9 (c) Recycled water used for the irrigation of the following shall
- 10 be at least disinfected secondary-23 recycled water:
- 11 (1) Cemeteries.
- 12 (2) Freeway landscaping.
- 13 (3) Restricted access golf courses.
- 14 (4) Ornamental nursery stock and sod farms where access by
- 15 the general public is not restricted.
- 16 (5) Pasture for animals producing milk for human consumption.
- 17 (6) Any nonedible vegetation where access is controlled so that
- 18 the irrigated area cannot be used as if it were part of a park,
- 19 playground, or schoolyard.
- 20 (d) Recycled wastewater used for the irrigation of the following
- 21 shall be at least undisinfected secondary recycled water:
- 22 (1) Orchards where the recycled water does not come into
- 23 contact with the edible portion of the crop.
- 24 (2) Vineyards where the recycled water does not come into
- 25 contact with the edible portion of the crop.
- 26 (3) Nonfood-bearing trees. This category shall include a
- 27 Christmas tree farm provided no irrigation with recycled water
- 28 occurs for a period of 14 days prior to harvesting or allowing access
- 29 by the general public.
- 30 (4) Fodder and fiber crops and pasture for animals not producing
- 31 milk for human consumption.
- 32 (5) Seed crops not eaten by humans.
- 33 (6) Food crops that must undergo commercial
- 34 pathogen-destroying processing before being consumed by humans.
- 35 (7) Ornamental nursery stock and sod farms provided no
- 36 irrigation with recycled water occurs for a period of 14 days prior
- 37 to harvesting, retail sale, or allowing access by the general public.
- 38 (e) No recycled water used for irrigation, or soil that has been
- 39 irrigated with recycled water, shall come into contact with the

1 edible portion of food crops eaten raw by humans unless the  
2 recycled water complies with subdivision (a).

3 13529.6. (a) Recycled water used for the following shall be  
4 disinfected tertiary recycled water, except that for filtration being  
5 provided pursuant to paragraph (1) of subdivision (e) of Section  
6 13529.5 coagulation need not be used as part of the treatment  
7 process provided that the filter effluent turbidity does not exceed  
8 2 NTU, the turbidity of the influent to the filters is continuously  
9 measured, the influent turbidity does not exceed 5 NTU for more  
10 than 15 minutes and never exceeds 10 NTU, and that there is the  
11 capability to automatically activate chemical addition or divert the  
12 wastewater should the filter influent turbidity exceed 5 NTU for  
13 more than 15 minutes:

- 14 (1) Flushing toilets and urinals.
- 15 (2) Priming drain traps.
- 16 (3) Industrial process water that may come into contact with  
17 workers.
- 18 (4) Structural firefighting.
- 19 (5) Decorative fountains.
- 20 (6) Commercial laundries.
- 21 (7) Consolidation of backfill around potable water pipelines.
- 22 (8) Artificial snow making for commercial outdoor use.
- 23 (9) Vehicle washing, including hand washes if the recycled  
24 water is not heated, where the general public is excluded from the  
25 washing process.

26 (b) Recycled water used for the following uses shall be at least  
27 disinfected secondary-23 recycled water:

- 28 (1) Industrial boiler feed.
- 29 (2) Nonstructural firefighting.
- 30 (3) Backfill consolidation around nonpotable piping.
- 31 (4) Soil compaction.
- 32 (5) Mixing concrete.
- 33 (6) Dust control on roads and streets.
- 34 (7) Cleaning roads, sidewalks, and outdoor work areas.
- 35 (8) Industrial process water that will not come into contact with  
36 workers.

37 (c) Recycled water used for flushing sanitary sewers shall be at  
38 least undisinfected secondary recycled water.

1 13529.65. (a) No irrigation with disinfected tertiary recycled  
2 water shall take place within 50 feet of any domestic water supply  
3 well unless all of the following conditions have been met:

4 (1) A geological investigation demonstrates that an aquitard  
5 exists at the well between the uppermost aquifer being drawn from  
6 and the ground surface.

7 (2) The well contains an annular seal that extends from the  
8 surface into the aquitard.

9 (3) The well is housed to prevent any recycled water spray from  
10 coming into contact with the wellhead facilities.

11 (4) The ground surface immediately around the wellhead is  
12 contoured to allow surface water to drain away from the well.

13 (5) The owner of the well approves of the elimination of the  
14 buffer zone requirement.

15 (b) No impoundment of disinfected tertiary recycled water shall  
16 occur within 100 feet of any domestic water supply well.

17 (c) No irrigation with, or impoundment of, disinfected  
18 secondary-2.2 or disinfected secondary-23 recycled water shall  
19 take place within 100 feet of any domestic water supply well.

20 (d) No irrigation with, or impoundment of, undisinfected  
21 secondary recycled water shall take place within 150 feet of any  
22 domestic water supply well.

23 (e) Any use of recycled water shall comply with the following:

24 (1) Any irrigation runoff shall be confined to the recycled water  
25 use area, unless the runoff does not pose a public health threat and  
26 is authorized by the regulatory agency.

27 (2) Spray, mist, or runoff shall not enter dwellings or food  
28 handling facilities.

29 (3) Drinking water fountains shall be protected against contact  
30 with recycled water spray, mist, or runoff.

31 (f) No spray irrigation of any recycled water, other than  
32 disinfected tertiary recycled water, shall take place within 100 feet  
33 of a residence or a place where public exposure could be similar  
34 to that of a park, playground, or schoolyard.

35 (g) All use areas where recycled water is used that are accessible  
36 to the public shall be posted with signs that are visible to the public,  
37 in a size no less than four inches high by eight inches wide, that  
38 include the following wording: "RECYCLED WATER - DO NOT  
39 DRINK." Each sign shall display an international symbol similar  
40 to that shown in figure 60310-A. The State Department of Public

1 Health may accept alternative signage and wording, or an  
2 educational program, provided the applicant demonstrates to the  
3 State Department of Public Health that the alternative approach  
4 will assure an equivalent degree of public notification.

5 (h) Except as allowed under Section 116602 of the Health and  
6 Safety Code, no physical connection shall be made or allowed to  
7 exist between any recycled water system and any separate system  
8 conveying potable water.

9 (i) The portions of the recycled water piping system that are in  
10 areas subject to access by the general public shall not include any  
11 hose bibbs except where adequate signage and notification are in  
12 place and regularly inspected to insure the general public has proper  
13 notice. Only quick couplers that differ from those used on the  
14 potable water system shall be used on the portions of the recycled  
15 water piping system in areas subject to public access.



*Water Recycling Criteria*  
*FIGURE 60310 - A*

1 13529.7. (a) No person other than a recycled water agency  
2 shall deliver recycled water to a dual-plumbed facility.

3 (b) No recycled water agency shall deliver recycled water to a  
4 facility using a dual-plumbed system unless the report required  
5 pursuant to Section 13522.5, and that meets the requirements set  
6 forth in Section 13529.75, has been submitted to, and approved  
7 by, the regulatory agency.

8 13529.75. The public water supply shall not be used as a  
9 backup or supplemental source of water for a dual-plumbed  
10 recycled water system unless the connection between the two  
11 systems is protected by either of the following:

12 (a) An air-gap separation that complies with the requirements  
13 of subdivision (a) of Section 7602 and subdivision (a) of Section  
14 7603 of Title 17 of the California Code of Regulations, and the  
15 approval of the public water system has been obtained.

16 (b) A plumbing gap separation that complies with the  
17 requirements of Section 116603 of the Health and Safety Code  
18 and the approval of the public water system has been obtained.

19 13529.8. (a) Prior to the initial operation of the dual-plumbed  
20 recycled water system and annually thereafter, the recycled water  
21 agency shall ensure that the dual-plumbed system within each  
22 facility and use area is inspected for possible cross connections  
23 with the potable water system. The recycled water system shall be  
24 inspected and tested in accordance with the following:

25 (1) An initial cross-connection test before the initial operation  
26 of the recycled water system.

27 (2) An annual visual system inspection.

28 (3) A cross-connection test when there is material reason to  
29 believe that the potable water or recycled water system has been  
30 compromised.

31 (4) A cross-connection test following remediation of a  
32 discovered cross connection.

33 (b) A material reason to believe that the system has been  
34 compromised may be based on, but is not limited to, evidence  
35 gathered either of the following:

36 (1) During a visual inspection performed pursuant to this section.

37 (2) As a result of an inspection performed following complaints  
38 of water quality or flow conditions consistent with a compromised  
39 system.

1 (c) The testing shall be conducted in accordance with the method  
2 described in the report submitted pursuant to Section 60314 of  
3 Title 22 of the California Code of Regulations. The inspections  
4 and the testing shall be performed by a cross-connection control  
5 specialist certified by the California-Nevada section of the  
6 American Water Works Association or an organization with  
7 equivalent certification requirements. A written report documenting  
8 the result of the inspection or testing for the prior year shall be  
9 submitted to the department within 30 days following completion  
10 of the inspection or testing.

11 (d) The recycled water agency shall notify the department of  
12 any incidence of backflow from the dual-plumbed recycled water  
13 system into the potable water system within 24 hours of the  
14 discovery of the incident.

15 (e) Any backflow prevention device installed to protect the  
16 public water system serving the dual-plumbed recycled water  
17 system shall be inspected and maintained in accordance with  
18 Section 116603 of the Health and Safety Code.

19 13529.9. (a) (1) The Legislature finds and declares that  
20 Sections 60301.160, 60301.170, 60301.250, 60301.320, 60301.660,  
21 60301.740, 60304, 60307, 60310, 60313, 60315, and 60316 of  
22 Title 22 of the California Code of Regulations are inconsistent  
23 with Sections 13529.5 to 13529.8, inclusive.

24 (2) The State Department of Public Health shall not apply the  
25 regulations specified in paragraph (1) and shall repeal them.

26 (b) The State Department of Public Health shall apply Sections  
27 13529.5 to 13529.8, inclusive, unless the State Department of  
28 Public Health makes a finding that the adoption of different water  
29 recycling criteria provisions is required by circumstances that are  
30 changed from those prevailing on January 1, 2014.

31 (c) If the State Department of Public Health makes the finding  
32 described in subdivision (b), the State Department of Public Health  
33 shall adopt new regulations for the purposes of Article 4  
34 (commencing with Section 13520) in accordance with the  
35 Administrative Procedure Act (Chapter 3.5 (commencing with  
36 Section 11340) of Part 1 of Division 3 of Title 2 of the Government  
37 Code). Regulations adopted pursuant to this subdivision shall

1 prevail over the provisions in Sections 13529.5 to 13529.8,  
2 inclusive.

O

# EXHIBIT "C"



## Association of California Water Agencies

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February 22, 2013

The Honorable Henry Perea  
California State Assembly  
State Capitol, Room 3120  
Sacramento, CA 95814

Re: **AB 145 (Perea): Proposal to Move the State's Drinking Water Program from the California Department of Public Health to the State Water Resources Control Board**

Position: **Oppose Unless Amended**

Dear Assembly Member Perea:

On behalf of the Association of California Water Agencies (ACWA), I write to respectfully express ACWA's strong concerns with your bill, AB 145. This measure would transfer the State's Drinking Water Program from the California Department of Public Health (CPDH) to the State Water Resources Control Board (SWRCB). ACWA recognizes that your intent is to solve problems that disadvantaged communities in your district have experienced in their efforts to obtain a sustainable supply of safe drinking water. Please know that ACWA and its member agencies are committed to working with you, Governor Brown's Administration, environmental justice organizations and other stakeholders to develop amendments to your bill and solutions that solve the problems and avoid any unintended consequences.

To provide context for ACWA's opposition to AB 145, in its current form, following are some comments and recommendations for your consideration:

### I. OVERVIEW OF ACWA'S CONCERNS

#### A. The Entire Drinking Water Program Is Not Broken – Identify Targeted Solutions that Solve the Problems.

During its oversight hearing in November of 2012, the Assembly Committee on Environmental Safety and Toxic Materials reported that more than two million people in California do not have access to safe drinking water. This is a problem that must be addressed.

ACWA's member agencies that provide safe drinking water to millions of customers across the state are regulated by CPDH and find that the State's Drinking Water Program, including the permitting and inspection functions, generally works well. We suggest that the focus needs to be on targeted solutions that truly address the drinking water problems that disadvantaged communities in unincorporated areas are facing. **ACWA's member agencies are concerned that moving the entire drinking water program could negatively affect the parts of the program that work and not solve the problems that do exist.**

**B. Moving the Entire Drinking Water Program to the SWRCB Would Not Address the Core Problems.**

In its August 2012 report to the Governor's Office, the Governor's Drinking Water Stakeholder Group noted that:

According to the communities and organizations that advocate on their behalf, and according to the 2009 State Water Plan Update [...], two of the most pervasive problems are lack of funds to cover the **cost of operations and maintenance and organizational challenges**. (Emphasis added.)

When a community is working to establish a public water system, the proponents must show that they can meet technical, managerial, and financial (TMF) requirements to ensure the provision of safe drinking water on a long-term basis. Meeting these requirements can create organizational challenges for disadvantaged communities in unincorporated areas, but they are important requirements. Lack of available funds for operations and maintenance and challenges in meeting TMF requirements will not be solved by moving the drinking water program to another agency.

Another impediment facing disadvantaged communities relates to funding eligibility under the Federal Safe Drinking Water Act. In the past, CPDH has had to deny access to Safe Drinking Water Revolving Funds to communities that did not qualify as a legal entity under the program. Your AB 115 would help to solve that problem, and ACWA fully supports that bill. Moving the Drinking Water Program to another agency would not solve this problem.

ACWA members have identified other concerns which I reserve to discuss at some future opportunity.

**II. INITIAL CONCEPTS FOR POTENTIAL SOLUTIONS**

**A. A Targeted Approach Should be Tried First.**

Like you, Governor Brown's Administration is focused on solving these problems. They have convened the Governor's Drinking Water Stakeholder Group to air concerns and barriers and to explore reasonable solutions. We encourage the Administration to confirm that its internal team on this has the needed roles covered (e.g., outreach, legal, SRF funding, etc.) and have this internal "A team" work closely with the stakeholder group and other stakeholders on changes at CPDH and solutions to the core problems explained above in part. ACWA suggests that the "A team" focus on the following issues:

- 1) Which vacancies at CPDH should be filled? (We understand that the lack of adequate staffing for the program contributes to some of the program's shortcomings.)
- 2) Would an ombudsman be helpful?
- 3) Could staff be assigned to assist small water system access to the regulatory system and SRF program?
- 4) What changes are necessary to the Safe Drinking Water State Revolving Fund program to accelerate funding? The Legislative Analyst's December 20, 2012 letter to Assembly Member Luis Alejo may be helpful in this regard. The experience of the SWRCB, in administering the Clean Water SRF program, may be helpful in these discussions.

- 5) What flexibility exists under the Federal Safe Drinking Water Act and what changes in state law would be helpful?
- 6) Are there reasonable solutions that the state can promote to address operation and maintenance challenges and compliance with the TMF requirements?
- 7) What outreach to additional stakeholders would be helpful?

**B. Any Move of the Program Should Keep the Focus on Public Health.**

California's Drinking Water Program is a statewide public health program. CPDH works with local health officials and the water systems that it regulates to make sure that drinking water is safe and to address emergency situations. As discussions on solutions take place, ACWA strongly advocates that the Drinking Water Program must remain a public health program. The SWRCB is skilled in environmental and resource protection (e.g., the regulation of wastewater discharges) – but the SWRCB is **not** a public health agency. In addition, moving the Drinking Water Program to the SWRCB runs the risk of taking the SWRCB's focus away from a very full plate of critical programs and complex issues.

If the Administration A team approach, with changes made at CPDH, does not work, ACWA commits to working with you to explore alternative solutions. Some potential alternatives that could be explored include moving the Safe Drinking Water SRF to the SWRCB (with the two SRF teams working together) and the creation of an Office of Drinking Water at the California Environmental Protection Agency (Cal/EPA). However, we suggest that before approximately three hundred and fifty (350) employees are moved to a different agency when many parts of the existing program are working, it makes sense to try the targeted approach first.

For the reasons discussed above, ACWA must respectfully oppose AB 145 as currently drafted. ACWA would like to partner with you, the Legislature, Governor Brown's Administration, environmental justice organizations and other interested stakeholders to develop approaches and solutions, whether legislative or administrative, that solve the core problems driving your bill. Thank you for considering our concerns and suggestions.

Sincerely,



Cindy Tuck  
Deputy Executive Director, Government Relations

CT: rm

cc: Ms. Nancy McFadden, Office of the Governor  
Ms. Martha Guzman-Aceves, Office of the Governor  
Mr. Cliff Rechtschaffen, Office of the Governor  
Ms. Debbie Davis, Governor's Office of Planning and Research  
Ms. Diana Dooley, California Health and Human Services Agency (CHHSA)  
Mr. Matt Rodriguez, Cal/EPA  
Mr. Gordon Burns, Cal/EPA  
Mr. Michael Wilkening, CHHSA

**The Honorable Henry Perea**  
**February 22, 2013**  
**Page 4**

**Dr. Ronald Chapman, CPDH**  
**Mr. Charlie Hoplin, SWRCB**  
**Mr. Tom Howard, SWRCB**  
**Ms. Donna Campbell, CHSA**  
**Ms. Kristin Stauffacher, Cal/EPA**  
**Ms. Monica Wagoner, CPDH**  
**Mr. Rob Egel, SWRCB**

08  
March 11, 2013 RKM

Prepared by: R. Mori

Submitted by: K. Burton *KLB*

Approved by: Paul Cook *PC*

## ACTION CALENDAR

### WELLS 21 AND 22 DESALTER PROJECT PIPELINES CONTRACT CHANGE ORDER

#### SUMMARY:

The Wells 21 and 22 Pipelines Project is being constructed by Flatiron West, Inc. (Flatiron). This final Contract Change Order (CCO) resolves the extra costs incurred while completing the last phase of the work for installation of the 24-inch product water pipeline and the Santa Fe Channel jack and bore crossing. Staff recommends that the Board approve CCO No. 16 in the amount of \$781,774.78.

#### BACKGROUND:

The components of the Wells 21 and 22 Desalter Project are being constructed through three major construction contracts: 1) the Wells 21 and 22 Design-Build Desalter Plant being constructed by Pascal & Ludwig; 2) the Wellhead Facilities Project being constructed by F. T. Ziebarth, and 3) the Wells 21 and 22 Desalter Pipelines being constructed by Flatiron. Each of these construction projects is receiving 25% matching funds, up to a combined maximum of \$11,700,000, in Title XVI funding through the United States Bureau of Reclamation from the American Recovery and Reinvestment Act (ARRA) of 2009. The original contract for the Wells 21 and 22 Desalter Project Pipelines, awarded in May 2011, was in the amount of \$7,839,221. This project consists of four pipelines: the untreated water pipeline, the well pump-to-waste pipeline, the non-reclaimable waste (brine) line, and the product water pipeline.

#### Pipelines Project Contract Change Order No. 16:

CCO No. 16 addresses resolution of several changed conditions and extra work issues encountered while completing the installation of the 24-inch product water pipeline. A relatively minor credit adjustment to a bid item quantity associated with permit related costs for the OCSB interconnection work is also included. The product water pipeline changes were associated with encountering a variety of existing utilities that were not identified in the plans, a changed trenching condition requiring removal of approximately 5,300 linear feet of cement treated base averaging about 36 inches in trench depth, and added changeable message sign boards at the City of Tustin's direction. The majority of costs presented in this CCO are associated with a conflict between an existing IRWD 36-inch casing and 12-inch water main encountered during the first attempt at boring and jacking the 42-inch product water pipeline casing under the Santa Fe Channel.

The existing 36-inch casing was encountered in the direct path of the new product water pipeline alignment at approximately 50 feet into the first bore attempt at the Santa Fe Channel crossing. This conflict necessitated abandonment of the first bore and a redesigned alignment for the new product water pipeline crossing. The revised design placed the new pipeline alignment approximately 8 feet deeper than the original alignment and utilized the same locations for the jacking and receiving pits in order to avoid additional backfill and re-excavation costs. A

supplemental shoring system was designed and installed around the existing shoring system to support the extra excavation depth. It took over three months to confirm the conflict, redesign the pipeline crossing, abandon the original bore, place supplemental shoring, excavate the additional depth, and resume the boring effort at the new depth. The effort to establish the original shored jacking pit and first 50-feet of casing pipe took about two and a half weeks. This time comparison illustrates the impact of the change and the extended duration, which significantly factor into the added costs.

Two additional changed conditions significantly impacted the revised jack and bore work at the Santa Fe Channel. Increased ground water infiltration and very hard soil conditions (caliche) were encountered at the deeper excavation depth. On multiple occasions, the work encountered unexpected water flowing up through the bottom of the active excavation. The groundwater and caliche soil conditions, coupled with the limited equipment access due to the deep confined area at the bottom of the pits, unexpectedly extended the excavation and boring operation.

The cumulative total cost requested by Flatiron for the change items outlined in CCO No. 16 was \$958,587.65. Of that amount, \$774,935.26 was associated with the Santa Fe Channel work. Staff reviewed the submitted costs and supporting information and engaged in negotiations for corrections and adjustments, which resulted in a substantiated reduced cost total of \$781,774.78. Of that amount, \$657,627.88 was associated with the Santa Fe Channel.

Staff recommends approval of CCO No. 16 in the amount of \$781,774.78. This change order also authorizes an additional 255 calendar days to the contract. The construction work was substantially completed in early October 2012, but the 255 days extended the contract to January 31, 2013 to allow time for the contract close-out process. The proposed CCO No. 16 and the change order summary, attached as Exhibits "A" and "B", respectively, provide a summary breakdown of the additional cost and associated time extension.

#### Project Schedule:

The Wells 21 and 22 Pipelines Project construction completed in early October 2012, with administrative close-out activities continuing through execution of this proposed change order. The United States Bureau of Reclamation (USBR) previously approved staff's request to extend the funding agreement through March 31, 2013.

#### FISCAL IMPACTS:

Project 10286 (1081) is included in the FY 2012-13 Capital Budget. The existing budget and Expenditure Authorization are sufficient to fund CCO No. 16.

ENVIRONMENTAL COMPLIANCE:

This project is subject to the California Environmental Quality Act. In conformance with the California Code of Regulations Title 14, Chapter 3, Section 15004, a Mitigated Negative Declaration was adopted February 8, 2010. To fulfill requirements of the ARRA, the project is also subject to compliance with the National Environmental Policy Act (NEPA). An Environmental Assessment was prepared to achieve NEPA compliance for the project and the USBR has adopted a Categorical Exemption.

COMMITTEE STATUS:

This item was reviewed by the Engineering and Operations Committee on January 17, 2013.

RECOMMENDATION:

THAT THE BOARD APPROVE CONTRACT CHANGE ORDER NO. 16 IN THE AMOUNT OF \$781,774.78 TO FLATIRON WEST, INC. FOR THE WELLS 21 AND 22 DESALTER PROJECT PIPELINES, PROJECT 10286 (1081).

LIST OF EXHIBITS:

Exhibit "A" – Flatiron West, Inc. Contract Change Order No. 16

Exhibit "B" – Wells 21 and 22 Desalter Project Pipelines Construction Change Order Summary

# EXHIBIT "A"

CONTRACT NUMBER

**IRVINE RANCH WATER DISTRICT**  
 15600 Sand Canyon Avenue  
 Irvine, California 92619  
 (949) 453-5300



C.O. No. 16  
 Final  
 Project No. 10286

Wells 21 and 22 Desalter Project Pipelines  
 Project Title

Date: January 2, 2012

THE FOLLOWING CHANGE TO CONTRACT, DRAWINGS AND SPECIFICATIONS IS PROPOSED.	\$ ADDITIONS	\$ DELETIONS	DAYS ±
<b>Product Water Pipeline:</b>			
1. Unidentified Existing Utilities	\$33,358.97		2
2. Unidentified Cement Treated Base	\$80,151.35		7
3. Extra CMS Board Rental	\$12,650.00		0
4. Santa Fe Channel Bore - Standby for Redesign	\$35,051.00		13
5. Santa Fe Channel Bore - Revised Alignment Depth	\$622,576.88		233
<b>OCSD Interconnections:</b>			
6. Adjustment to Bid Item 7 - SCCRA Permit Allowance		\$2,013.42	0
<b>TOTAL</b>	<b>\$783,788.20</b>	<b>\$2,013.42</b>	<b>255</b>

DAYS ±

1. NET AMOUNT THIS CHANGE ORDER	=	\$781,774.78	255
2. ORIGINAL CONTRACT AMOUNT	=	\$7,839,221.76	330
3. TOTAL PREVIOUS CHANGE ORDER(S)	=	\$810,114.14	54
4. TOTAL BEFORE THIS CHANGE ORDER (2+ 3)	=	\$8,649,335.90	384
5. PROPOSED REVISED CONTRACT AMOUNT TO DATE (1+4)	=	\$9,431,110.68	639

We hereby agree to make the above change subject to the terms of this change order for the sum of: \_\_\_\_\_

-----Seven Hundred Eighty One Thousand Seven Hundred Seventy Four and 78/100----- Dollars

1/2/13 Date Flatiron West, Inc. Contractor By

SIGNATURE	DATE	APPROVAL LEVEL REQUIRED
IRWD Engineer or Consulting Engineer 	Date <u>01/08/13</u>	Department Director Approval Required <input type="checkbox"/> General Manager Approval Required <input type="checkbox"/> Committee Approval Required <input type="checkbox"/> Board Approval Required <input checked="" type="checkbox"/>
Principal Engineer 	Date <u>1/8/13</u>	
Director of Engineering and Construction	Date	
General Manager	Date	
		By _____ Date _____
		502281
		Purchase Order No.

**NOTE:** The documents supporting this Change Order, including any drawings and estimates of cost, if required are attached hereto and made a part hereof. This Change Order shall not be considered as such until it has been signed by the Owner and the Contractor. Upon final approval, distribution of copies will be made as required. The parties mutually agree the pricing set forth in this Change Order are complete and fair compensation for the entirety of the work authorized under this Change Order and that no additional compensation is warranted nor shall it be allowed.

**CHANGES:** All workmanship and materials called for by this Order shall be fully in accord with the original Contract Documents insofar as the same may be applied without conflict to the conditions set forth by this Order. The time for completing the contract will not be extended unless expressly provided for in this Change Order.

# EXHIBIT "B"

## Wells 21 and 22 Desalter Project Pipelines PR 10286 (Oracle 1081) Construction Summary

Contractor: Flatiron West, Inc.  
Design Engineer: RBF  
Award Date: 25-Apr-11

		Contract Amount						Contract Days				Original Completion Date:
		Original Contract Amount: \$7,839,221.76						Original Days: 330				3/29/2012
Change Order	Description	Change Order Line Item Amount	Change Order Amount	Previous Change Orders	Cumulative Total of Change Orders	% of Original Contract Amount	Revised Contract Amount	Change Order Days	Previous Change Orders	Cum. Total C.O. days	Revised Total Contract Days	Revised Completion Date
1	Approved by Director of Engineering and Construction Approved on October 6, 2010 1.1 The Contractor agrees to fulfill all necessary requirements, including insurance and construction measures, of the Tustin Redevelopment Agency (RDA) for a "Non-exclusive Construction Access Area" across Parcel 10A per the license agreement	0.00	\$0.00	\$0.00	\$0.00	0.0%	\$7,839,221.76	0	0	0	330	3/29/2012
2	Approved by GM Approved on September 9, 2011 2.1 Additional excavation 2.2 Additional backfill 2.3 Additional fittings 2.4 Mis/unmarked utilities encountered while excavating 2.5 Sewer laterals in conflict with pipeline alignment 2.6 Remove abandoned 2" pipe in trench	7,832.21 19,024.75 4,814.47 2,028.99 2,486.75 4,529.85	\$40,717.02	\$0.00	\$40,717.02	0.5%	\$7,879,938.78	0 0 0 0 0 0	0	0	330	3/29/2012
3	Approved by Director of Engineering and Construction Approved on September 9, 2011 3.1 Additional utility crossings potholed 3.2 Pipe thickness changes per Delta 3 plans	8,421.70 12,876.55	\$21,298.25	\$40,717.02	\$62,015.27	0.8%	\$7,901,237.03	0 0	0	0	330	3/29/2012
4	Approved by GM Approved on November 22, 2011 4.1 Additional excavation 4.2 Additional backfill 4.3 Mis/unmarked utilities encountered while excavating 4.4 Sewer laterals in conflict with 4.5 Cross additional unidentified utilities 4.6 Additional base paving on Mitchell 4.7 West Coast Pipe cost for Delta 3 Changes	1,576.89 3,830.34 8,625.37 749.32 7,018.09 8,247.47 5,121.79	\$35,169.27	\$62,015.27	\$97,184.54	1.24%	\$7,936,406.30	0 0 0 0 0 0 0	0	0	330	3/29/2012
5	Approved by Director of Engineering and Construction Approved on November 21, 2011 5.1 CMS Board Rentals	22,241.00	\$22,241.00	\$97,184.54	\$119,425.54	1.52%	\$7,958,647.30	0	0	0	330	3/29/2012
6	Approved by Director of Engineering and Construction Approved on February 27, 2012 6.1 Additional Calendar Days	0.00	\$0.00	\$119,425.54	\$119,425.54	1.52%	\$7,958,647.30	33 33	0	33	363	4/30/2012

**Wells 21 and 22 Desalter Project Pipelines  
PR 10286 (Oracle 1081)  
Construction Summary**

Contractor: Flatiron West, Inc.  
Design Engineer: RBF  
Award Date: 25-Apr-11

		Contract Amount						Contract Days				Original Completion Date:
		Original Contract Amount: \$7,839,221.76						Original Days: 330				3/29/2012
Change Order	Description	Change Order Line Item Amount	Change Order Amount	Previous Change Orders	Cumulative Total of Change Orders	% of Original Contract Amount	Revised Contract Amount	Change Order Days	Previous Change Orders	Cum. Total C.O. days	Revised Total Contract Days	Revised Completion Date
7	Approved by Board of Directors Approved on March 26, 2012		\$138,320.51	\$119,425.54	\$257,746.05	3.29%	\$8,096,967.81	0	33	33	363	4/30/2012
	7.1 Additional excavation	8,745.15						0				
	7.2 Additional backfill	21,241.11						0				
	7.3 Crossing additional utilities per revision details	7,018.10						0				
	7.4 Mis/unmarked utilities encountered while excavating	31,583.65						0				
	7.5 Manhole conflict with 18" RCP install	2,724.92						0				
	7.6 Remove and replace 12" Tustin AC water line	6,831.27						0				
	7.7 Remove and replace curb and gutter	29,670.00						0				
	7.8 Added West Coast Pipe	30,506.31						0				
8	Approved by Director of Engineering and Construction Approved on April 26, 2012		\$0.00	\$257,746.05	\$257,746.05	3.29%	\$8,096,967.81	21	33	54	384	5/21/2012
	8.1 Additional Calendar Days	0.00						21				
9	Approved by GM Approved May 31, 2012		\$34,191.00	\$257,746.05	\$291,937.05	3.72%	\$8,131,158.81	0	54	54	384	5/21/2012
	9.1 Pothole for Santa Fe Channel Bore	34,191.00						0				
10	Approved by Director of Engineering and Construction Approved on May 31, 2012		\$13,920.35	\$291,937.05	\$305,857.40	3.90%	\$8,145,079.16	0	54	54	384	5/21/2012
	10.1 Added Piping Test Segment	13,920.35						0				
11	Approved by E&O Committee Approved on June 19, 2012		\$92,218.99	\$305,857.40	\$398,076.39	5.08%	\$8,237,298.15	0	54	54	384	5/21/2012
	11.1 Drawing Revisions (Delta 2) for the PW & NRW Pipelines	92,218.99						0				
12	Approved by GM Approved June 13, 2012		\$35,475.90	\$398,076.39	\$433,552.29	5.53%	\$8,272,774.05	0	54	54	384	5/21/2012
	12.1 10" Non-reclaimable Waste Pipeline Unforeseen Conditions	8,153.44						0				
	12.2 Desalter Plant 18" Storm Drain Discharge	27,322.46						0				
13	Approved by Board of Directors Approved August 15, 2012		\$324,053.17	\$433,552.29	\$757,605.46	9.66%	\$8,596,827.22	0	54	54	384	5/21/2012
	13.1 Dewatering Cost (install/rental)	129,452.13										
	13.2 Dewatering Support (Flatiron support for Foothill)	15,457.20										
	13.3 Fueling/Oil Charges for Dewatering System	57,415.36										
	13.4 Groundwater Impacts (Time and Materials)	74,163.61										
	13.5.a Revised Shoring per Updated Geotechnical Report - Plates	48,906.23										
	13.5.b Revised Shoring per Updated Geotechnical Report - Walkers	28,618.16										
	13.5.c Revised Shoring per Updated Geotechnical Report - Excavation	8,644.60										
	13.6 As-bid Dewatering Credit	(38,604.12)						0				
14	Approved by GM Approved September 4, 2012		\$27,548.20	\$757,605.46	\$785,153.66	10.02%	\$8,624,375.42	0	54	54	54	5/21/2012
	14.1 Modified Pipe Lay for Santa Fe Channel Crossing	27,548.20						0				

**Wells 21 and 22 Desalter Project Pipelines  
PR 10286 (Oracle 1081)  
Construction Summary**

Contractor: Flatiron West, Inc.  
Design Engineer: RBF  
Award Date: 25-Apr-11

		Contract Amount						Contract Days				Original Completion Date:
		Original Contract Amount: \$7,839,221.76						Original Days: 330				3/29/2012
Change Order	Description	Change Order Line Item Amount	Change Order Amount	Previous Change Orders	Cumulative Total of Change Orders	% of Original Contract Amount	Revised Contract Amount	Change Order Days	Previous Change Orders	Cum. Total C.O. days	Revised Total Contract Days	Revised Completion Date
15	Approved by Director of Engineering and Construction Approved on October 10, 2012		\$24,960.48	\$785,153.66	\$810,114.14	10.33%	\$8,649,335.90	0	54	54	384	5/21/2012
15.1	Expanded Cap Paving	24,960.48						0				
16	Pending approval by Board of Directors Pending approval		\$781,774.78	\$810,114.14	\$1,591,888.92	20.31%	\$9,431,110.68	255	54	309	693	1/31/2013
16.1	Product Water Pipeline - Unidentified Existing Utilities	33,358.97						2				
16.2	Product Water Pipeline - Unidentified Cement Treated Base	80,151.35						7				
16.3	Extra CMS Board Rental	12,650.00						0				
16.4	Santa Fe Channel Bore - Standby for Redesign	35,051.00						13				
16.5	Santa Fe Channel Bore - Revised Alignment Depth	622,576.88						233				
16.6	Adjustment to OCSD Bid Item 7 - SCCRA Permit Allowance	(2,013.42)						0				

<b>TOTAL CHANGE ORDERS</b>	<b>1,591,888.92</b>	<b>20.31%</b>
<b>REVISED CONTRACT AMOUNT</b>	<b>9,431,110.68</b>	

March 11, 2013

Prepared by: A. Murphy/M. Cortez

Submitted by: K. Burton

Approved by: Paul Cook

## ACTION CALENDAR

### INITIAL DISINFECTION FACILITY CHLORINE INJECTION LINE REPLACEMENT BUDGET ADDITION AND EXPENDITURE AUTHORIZATION

#### SUMMARY:

The Initial Disinfection Facility (IDF) Chlorine Injection Line Replacement project will replace the existing CPVC chlorine injection line with a Hastelloy C276 pipeline. Staff recommends that the Board:

- Authorize the addition of Project 11669 in the amount of \$1,117,300 to the FY 2012-13 Capital Budget; and
- Approve an Expenditure Authorization in the amount of \$83,000 for Project 11669.

#### BACKGROUND:

In 1997, the IDF was constructed as part of the Dyer Road Well Field (DRWF) Disinfection Facilities and Well 16 project. The IDF provides initial disinfection with chlorine gas for water leaving the DRWF before it reaches the Primary Disinfection Facility (PDF) where ammonia and chlorine are injected to produce a chloramine residual. Chlorine gas is mixed with water from Well 16 in the chlorine room of the IDF facility to create a chlorine solution. The solution is then pumped through a 4-inch schedule 80 CPVC pipe within an 8-inch ductile iron containment pipe that runs approximately 900 feet from the IDF to a chlorine injection manhole located near the intersection of Susan Street and Warner Avenue. A location map is included as Exhibit "A".

IDF has been out of service since November 26, 2012 due to a series of leaks and other failures of the existing 4-inch schedule 80 CPVC chlorine solution line as described below.

- On August 8, 2012, a leak was detected in the chlorine injection manhole. The system was shut down, repaired and returned to service only to blow out the repaired section of schedule 80 CPVC pipe. The line was repaired again and operated without leaks for three months.
- On November 26, 2012, a leak was detected at the elbow joint in the leak detection manhole on Susan Street. This leak was repaired and the system was restarted, but the line failed again just downstream of the leak detection manhole inside the containment pipe. Staff has made no further attempt to repair the line since then because of the high potential for another failure and the safety hazards associated with another chlorine solution spill.

The PDF system had a similar problem with multiple leaks and repairs of the chlorine and ammonia injection lines in the past. In 2008, IRWD replaced the existing schedule 80 CPVC 1-inch aqueous ammonia line and 4-inch chlorine solution lines at PDF with stainless steel for the ammonia line and Hastelloy C-276 for the chlorine solution line. Since the CPVC chemical

solution lines were replaced there have been no further leaks on either of the chemical injection lines at PDF.

This project will replace the chlorine solution injection line at IDF with Hastelloy C-276 pipe within the existing 8-inch ductile iron containment pipe, similar to the PDF chemical line replacement project. The DRWF was designed to operate with disinfection at both IDF and PDF, but is currently relying on PDF alone. Replacement of the IDF chlorine injection line is a high priority for optimal operation of the DRWF.

Due to the high priority for the line replacement, staff received a proposal from Tetra Tech, which was the design firm for the PDF chemical line replacement, for the design of the project in order to minimize the design period and to provide a solution which has been field validated. At the February 19, 2013 Engineering and Operations Committee meeting, the Committee authorized the General Manager to execute a professional services agreement in the amount of \$56,000 with Tetra Tech. Staff will also explore the option of pre-purchasing the long lead Hastelloy C276 piping in order to expedite construction. Based on the proposed schedule the final plans will be ready by mid-April 2013 and a recommendation for construction contract award will be made at the June 2013 Board.

**FISCAL IMPACTS:**

Project 11669 (4285) is not included in the FY 2012-13 Capital Budget. Staff requests the addition of Project 11669 (4285) to the FY 2012-13 Capital Budget and approval of an Expenditure Authorization to fund the design phase of the project as shown in the table below and in Exhibit "B".

Project No.	Current Budget	Addition <Reduction>	Total Budget	Existing EA	This EA Request	Total EA Request
11669 (4285)	\$ -0-	\$1,117,300	\$1,117,300	\$ -0-	\$83,000	\$83,000

**ENVIRONMENTAL COMPLIANCE:**

This project is exempt from the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations Title 14, Chapter 3, Article 7, Section 15302, which states that replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced including but not limited to (b): replacement of a commercial structure with a new structure of substantially the same size, purpose and capacity; and (c) replacement of or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity.

**COMMITTEE STATUS:**

This item was reviewed by the Engineering and Operations Committee on February 19, 2013.

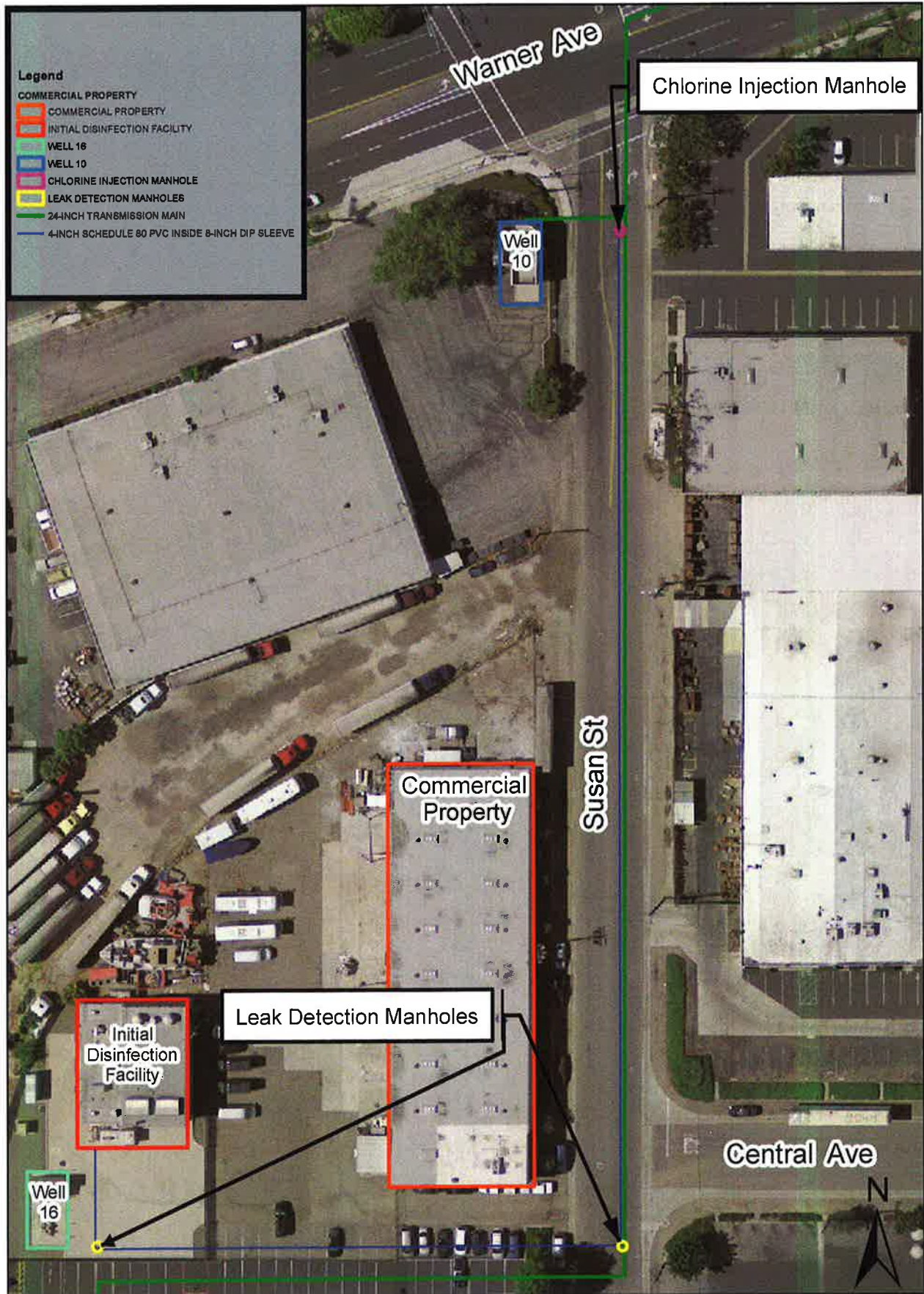
RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE ADDITION OF PROJECT 11669 (4285) IN THE AMOUNT OF \$1,117,300 TO THE FY 2012-13 CAPITAL BUDGET AND APPROVE AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$83,000 FOR THE INITIAL DISINFECTION FACILITY CHLORINE INJECTION LINE REPLACEMENT, PROJECT 11669 (4285).

LIST OF EXHIBITS:

- Exhibit "A" – Location Map
- Exhibit "B" – Expenditure Authorization

# EXHIBIT A: INITIAL DISINFECTION FACILITY LOCATION MAP





March 11, 2013

Prepared by: R. Bennett

Submitted by: P. Weghorst/G. Heiertz

Approved by: Paul Cook

## ACTION CALENDAR

### EOCWD/IRWD JOINT WELL PLANNING REPORT CONSULTANT SELECTION

#### SUMMARY:

Irvine Ranch Water District (IRWD) and East Orange County Water District (EOCWD) are interested in performing a planning level evaluation of the drilling, construction and operation of a joint well project (Joint Well Project). This project would serve current demands within the EOCWD retail service area and future IRWD demands within the sphere of influence of the City of Orange. IRWD staff and EOCWD have evaluated proposals submitted by four consulting teams to prepare a planning report for the Joint Well Project. To initiate the preparation of this report, staff recommends the Board:

- Authorize a budget increase to the FY 2012-13 Capital Budget for Project 11686 (4287) by \$79,700;
- Approve an Expenditure Authorization in the amount of \$79,700 for Project 11686 (4287);
- Authorize the General Manager to execute a Professional Services Agreement with Richard C. Slade & Associates LLC in the amount of \$63,900 to prepare a planning report; and
- Authorize the General Manager to execute a memorandum of understanding with EOCWD, subject to non-substantive changes, that provides for sharing of the costs associated with the preparation of the planning report on an equal basis.

#### BACKGROUND:

IRWD and EOCWD are interested in conducting a planning level study of a potential Joint Well Project. The need for this study was identified by both agencies in spring 2012 prior to IRWD adopting a Final Initial Study/Mitigated Negative Declaration for the Orange Park Acres Well Replacement Project. The proposed Joint Well Project would serve current demands within the EOCWD retail service area and future IRWD demands within the sphere of influence of the City of Orange.

The planning study will consider two potential well sites; one owned by EOCWD and the other owned by IRWD. The planning report will evaluate the following:

- Expected production capacities and water quality from wells that could be constructed and operated at each of the two alternative sites.
- The ability of each of the potential wells to meet peak demand requirements.

- The suitability of each site to accommodate the construction of wellhead and disinfection facilities.
- The ability to establish connections to EOCWD and IRWD distributions systems from each potential well site.
- Conceptual designs and planning level cost estimates for the Joint Well Project facilities.
- Conceptual operating and financing options for the Joint Well Project facilities.
- Comparisons to the cost of purchasing import water from Metropolitan Water District of Southern California.

Consultant Selection:

On August 20, 2012, a Request for Proposals was issued to five consulting firms. Four proposals were received from the following consultant teams: HDR with Wildermuth Environmental Inc., Richard C. Slade with Tetra Tech Inc., Intera with GEI Consultants and Geoscience with AKM Consulting Engineers. The proposals were reviewed and ranked by EOCWD and IRWD staff based on project understanding, technical approach, project team qualifications and experience.

Based on an evaluation of the proposals, staff and EOCWD recommend the project be awarded to the Richard C. Slade (RCS) team. Below are specific factors for recommending the RCS team:

- *Project Understanding:* The RCS proposal demonstrated a clear understanding of the project requirements and the necessary level of detail required for the planning report. The proposal includes an appropriate balance and clear linkage between the well location tasks (capacity, site selection, yield and quality) and the water distribution tasks.
- *Scope of Work:* The scope of work contained an approach that will efficiently determine if a joint well can provide benefits to both EOCWD and IRWD.
- *Project Team Qualifications and Experience:* The project team contains a small focused group with significant regional experience in identifying well sites and analyzing distribution systems. Mr. Richard C. Slade will be principal in charge and technical manager of the groundwater component of the project. Mr. Slade has over 45 years of experience that include more than 700 ground water projects throughout California including construction of Wells 78 and 107 for IRWD. He is supported by Mr. Thomas Epperson who will be responsible for the civil components of the project. Mr. Epperson provides over 30 years of experience that include a well in Orange Park Acres (OPA-3) and both the potable and non-potable components of the Irvine Desalter project. The RCS team has an excellent support staff with pertinent experience committed to the project.

The final consultant selection matrix is attached as Exhibit "A". The RCS team's scope of work is attached as Exhibit "B."

Cost Sharing:

EOCWD and IRWD will share equally the cost of preparing the planning report. Both agencies will provide staff time to collect necessary information and to participate in project meetings as necessary to complete the planning report. IRWD will contribute staff time to retain the consultant and manage the planning study. A memorandum of understanding developed by EOCWD and IRWD, which describes the process for the selection of a consultant to prepare the planning report and the sharing of costs between the two agencies, is attached as Exhibit "C".

FISCAL IMPACTS:

Project 11686 (4287) is not included in the FY 2012-13 Capital Budget. The total cost to prepare the planning report is approximately \$63,900. EOCWD and IRWD have agreed to share this cost evenly; \$31,950 for EOCWD and \$31,950 for IRWD. IRWD will contract for the planning level work and EOCWD will reimburse IRWD for their share of the consultant's costs. A budget increase and Expenditure Authorization that includes the total cost of the planning report plus staff and legal support are requested as shown in the table below and in Exhibit "D":

Project No.	Current Budget	Addition <Reduction>	Total Budget	Existing EA	This EA Request	Total EA Request
11686 (4287)	\$0	\$79,700	\$79,700	\$0	\$79,700	\$79,700

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was reviewed by the Engineering and Operations Committee on February 19, 2013.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE A BUDGET INCREASE TO THE FY 2012-13 CAPITAL BUDGET FOR PROJECT 11686 (4287) BY \$79,700; APPROVE AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$79,700 FOR PROJECT 11686 (4287); AUTHORIZE THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH RICHARD C. SLADE & ASSOCIATES IN THE AMOUNT NOT TO EXCEED \$63,900 TO PREPARE THE EOCWD/IRWD JOINT WELL PLANNING REPORT; AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING WITH EOCWD, SUBJECT TO NON-SUBSTANTIVE CHANGES, THAT PROVIDES FOR THE EQUAL SHARING OF COSTS TO PREPARE THE PLANNING REPORT.

LIST OF EXHIBITS:

Exhibit "A" – Consultant Selection Matrix

Exhibit "B" – Scope of Work

Exhibit "C" – Memorandum of Understanding between East Orange County Water District and  
Irvine Ranch Water District Regarding a Joint Well planning report.

Exhibit "D" – Expenditure Authorization

# EXHIBIT "A"

	Weights	HDR & Wildermuth	Geoscience & AKM	RCS, TT & DDB	INTERA & GEI	
<b>TECHNICAL APPROACH (80%)</b>						
*Project Approach	35%	3	2	1	4	
*Scope of Work	30%	3	1	2	4	
*Overall Understanding	10%	3	2	2	4	
*Man Hour Estimates	25%	1	4	2	3	
<b>Weighted Score (Technical Approach)</b>		2.50	2.20	1.65	3.75	
<b>EXPERIENCE (40%)</b>						
*Principal	Principal Ranking	5%	Jim Cathcart PE / Mark Wildermuth PE 2	Dennis Williams PhD, PG, CHG 3	Richard Slade PG,CEG 1	Clirt Walker PE,BCEE 4
*Project Manager	Project Manager Ranking	25%	Jim Cathcart PE 2	Ruseell Kyle MS,PG,CHG / Zaki Kayiran PE 3	Thomas Epperson, PE 1	David Jordan PE 4
*Project Engineer	Project Engineer Ranking	25%	Ricardo Vilas PE 3	John Loague PE 2	Anthony Hicke PG, CHG 1	Marc Rozman PE / Robert Sengabush PG 3
*Engineer	Engineer Ranking	20%	NA 3	Dianne Pay PE 1	Brandi G Thrasher, PE 2	Susan Fox PE 4
*Technical Support/Consultant	Technical Support/Consultant Ranking	15%	Joe LaCleira PhD / Bill Leever PG, CHG 2	Diane Smith 3	Earl LaPensee PG, CHG 1	Robin Stampbach PE, PhD 3
	*Local Office	10%	1	3	2	4
<b>Weighted Score (Experience)</b>			2.35	2.35	1.30	3.80
<b>COMBINED WEIGHTED SCORE</b>			2.44	2.26	1.61	3.69
<b>COSTS <sup>(1)</sup></b>						
Task 1: Project Management and Startup		\$12,231	\$19,720	\$2,899	\$4,545	
Task 2: Collect Existing Information		\$3,406	\$9,140	\$3,967	\$6,385	
Task 3: Define Required Capacity of Joint Well		\$2,699	\$15,320	\$6,570	\$6,360	
Task 4: Recommend Well Site Location		\$3,475	\$6,200	\$7,267	\$7,820	
Task 5: Estimate Well Production and Water Quality		\$9,226	\$7,600	\$4,819	\$3,910	
Task 6: Identify and Analyze Proposed Conveyance System		\$3,469	\$28,740	\$9,022	\$15,593	
Task 7: Project Schedule and Financing		\$7,604	\$19,180	\$6,373	\$7,123	
Task 8: Modeling of Induced Water Level Drawdowns		\$0	\$0	\$6,867	\$0	
Task 9: Prepare Project Technical Memorandum		\$14,883	\$26,202	\$16,296	\$13,860	
Contingency/Subconsultant Meetings		\$5,609	\$0	\$0	\$0	
	<b>Total Amount</b>	<b>\$61,702</b>	<b>\$132,102</b>	<b>\$63,900</b>	<b>\$65,386</b>	
<b>OPTIONAL ITEMS:</b>						
Groundwater Model		\$0	\$6,110	\$0	\$0	
	<b>Total Cost with Optional Items</b>	<b>\$61,702</b>	<b>\$138,212</b>	<b>\$63,900</b>	<b>\$65,386</b>	
<b>MANHOURS:</b>						
Task 1: Project Management and Startup		57	96	12	26	
Task 2: Collect Existing Information		21	60	21	50	
Task 3: Define Required Capacity of Joint Well		18	88	38	40	
Task 4: Recommend Well Site Location		21	37	40	56	
Task 5: Estimate Well Production and Water Quality		44	44	26	28	
Task 6: Identify and Analyze Proposed Conveyance System		38	203	53	86	
Task 7: Project Schedule and Financing		44	120	40	43	
Task 8: Modeling of Induced Water Level Drawdowns		0	0	40	0	
Task 9: Prepare Project Technical Memorandum		68	181	111	98	
Contingency/Subconsultant Meetings						
	<b>Total Hours</b>	<b>331</b>	<b>829</b>	<b>381</b>	<b>425</b>	
<b>OPTIONAL ITEMS:</b>						
Groundwater Model		0	32	0	0	
	<b>Total Hours with Optional Items</b>	<b>331</b>	<b>861</b>	<b>381</b>	<b>425</b>	
<b>Average Design \$/hour</b>		<b>\$186</b>	<b>\$161</b>	<b>\$168</b>	<b>\$154</b>	
Professional Liability Insurance		YES	YES	YES	YES	
General Liability Insurance		YES	YES	YES	YES	
<b>FORCED RANKINGS:</b> The consultants must be ranked 1 through 4 for each item above						
1 - Excellent						
2 - Very Good						
3 - Good						
4 - Average						

# EXHIBIT "B"

September 10, 2012

Mr. Gregory P. Heiertz, P.E.  
Executive Director of Water Policy  
Irvine Ranch Water District Engineering Department  
15600 Sand Canyon Ave  
Irvine, CA 92618

Re: Technical Proposal for  
Hydrogeologic/Engineering Consulting Services  
Joint Well Project Planning Report for  
East Orange County Water District & Irvine Ranch Water District

RCS Job No. 382-OGE13

Dear Mr. Heiertz:

In response to the recently distributed Irvine Ranch Water District (IRWD) RFP, dated August 20, 2012, Richard C. Slade & Associates LLC, Consulting Groundwater Geologists (RCS), is pleased to present this Technical Proposal for the hydrogeologic and engineering consulting services with regard to the East Orange County Water District (EOCWD) & Irvine Ranch Water District (IRWD) Joint Well Project Planning Report. It is understood that each of these agencies will jointly operate the well for their mutual benefit and that two potential sites for a new well site have already been selected. Hence, our work will be to evaluate the logistical/engineering issues for a new well at each site, compare and contrast cost alternatives for a well at each site, and identify the more feasible (final) site for the siting and construction of the new well. Our professional opinions will be soundly based on our detailed interpretation of local subsurface conditions, groundwater availability, groundwater quality, potential well yields, and certain engineering factors such as equipping of the well, the water transmission requirements and the financing elements associated with each site.

For your project, RCS will serve as the overall project manager and provide all hydrogeologic elements for the project report. For the engineering elements of this project, we are pleased to team with Tetra Tech Inc. (TTI) of Irvine, CA. RCS and TTI have teamed together on numerous similar hydrogeologic/engineering projects in the past involving new municipal-supply water wells throughout Southern California. TTI will be assisted by DDB Engineering Inc. (DDB) with specific application to the financing of the well and associated equipment and piping.

Further, our team of professional groundwater geologists and engineers has provided similar services directly to IRWD on other water well projects and we believe that our team will meet the goals and needs of this current EOCWD/IRWD project. Further, RCS has amassed a considerable database for electric logs (E-logs) of water wells, wildcat oil wells and OCWD groundwater monitoring wells in the well site region over the years based on work for nearby cities such as Tustin, Fullerton, Santa Ana and Orange. Indeed, RCS has previously prepared geologic cross sections in the area of the two currently-proposed well sites, through our detailed

correlation of resistivity signatures on these E-logs. Consequently, we are uniquely aware of the depths to and the thicknesses and continuity of the key aquifer systems in the Irvine-Tustin-Orange region and we will utilize these data and information for your project.

RCS & TTI will commit our individual personnel and resources to help ensure project completion within the time frame and cost estimates as set forth within our Technical Proposal.

Respectfully submitted,  
RICHARD C. SLADE & ASSOCIATES LLC

Richard C. Slade, President and  
Principal Groundwater Geologist

**RECOMMENDED SCOPE OF  
HYDROGEOLOGIC/ENGINEERING CONSULTING SERVICES  
EOCWD/IRWD JOINT WELL PROJECT PLANNING REPORT**

The RCS recommended Scope of Hydrogeologic Services generally follows the outline as provided in the August 20, 2012 RFP, with the exception of RFP Task 8, which has been re-assigned to a new task (Task 9) for our proposal. Our Task 8 is an additional task not included in the RFP, but one that we feel is necessary to perform with regard to at least one of the pre-selected well sites. In addition, we have expanded upon the RFP-provided tasks with the objective of providing a more complete proposal to IRWD.

On this project, RCS will be joined by Tetra Tech Inc (TTI) and DDB Engineering Inc. (DDB) to provide a team with a combined experience that will be readily capable of meeting the goals of this project. TTI will be a subconsultant to RCS, whereas DDB will assist and contract with TTI. For the purposes of this proposal, these three firms will be hereinafter referred to as the Team.

**Task 1 – Project Startup**

Prepare for and attend a project startup (kick-off) meeting with EOCWD and IRWD staff. Key Team staff members will be in attendance and this meeting will serve to establish the objectives and goals of the project. Prior to this meeting, the Team will submit a request for data to IRWD and/or EOCWD for well construction, engineering data and information on the two prospective well sites with the aim of obtaining these data at the time of the meeting. In addition, scheduling of the project and the targeted production goal of the proposed new well will also be discussed and defined with EOCWD/IRWD staff.

Included in this task will be a site visit to each of the prospective well sites to determine logistical and/or engineering issues for the drilling, constructing, and equipping of a new well. This site visit will need to be conducted jointly with EOCWD/IRWD staff and will be pre-arranged by the Team prior to the project startup meeting. Further, an inventory of available data and an itemization of data requirements for the proposed conveyance facilities will be prepared by the Team and maintained throughout the project.

## **Task 2 – Collect Existing Information**

In conjunction with Task 1 above, available pertinent information and data will be obtained from EOCWD/IRWD for the prospective well sites. This could include the following documents, as available:

- Engineering drawings of each well site showing all structures and associated piping.
- Water demand projections
- Driller's logs and/or electric logs (E-logs) for existing wells at and in the vicinity of the two sites.
- Historic groundwater production data and pumping rate data, along with static and pumping water levels, pumping rates, drawdowns and specific capacities in the existing wells at and near the two prospective well sites.
- Available Southern California Edison (SCE) "pump test" data.
- Historic water quality data.
- Other consultant's reports with regard to hydrogeologic conditions and construction of other wells in the vicinity of the two prospective well sites.

RCS, in particular, has a considerable library of geologic/hydrogeologic reports and subsurface data in the area of the two proposed well sites and will utilize this information for the current project. These data, including numerous electric logs, have been acquired during our prior water well projects in the area for the proximal cities of Orange, Tustin, Fullerton and Santa Ana. In addition, and based on our review of the data/information collected from EOCWD/IRWD, RCS will obtain additional data, as necessary, from the following agencies:

- Orange County Water District (OCWD), for additional well construction, water level and water quality data.
- U.S. Geological Survey (USGS) and California Geological Survey (CGS) for any recently completed geologic/hydrogeologic studies and data.
- California Department of Public Health (CDPH). This agency also has water quality data for potable water-supply wells; these data are directly available from the CDPH website and will be downloaded for review and use in the current project. Indeed, RCS often relies on their data because of its ease of use in reviewing and evaluating water quality conditions for wells in the region.

## **Task 3 – Define Required Capacity of Joint Well**

Based on our joint discussions with EOCWD/IRWD staff and after review of current system demands, the Team (primarily TTI) will determine the required capacity of the new wells. The required capacity will be determined primarily by the current and future demands within the EOCWD and IRWD service areas. The team will also provide an analysis of projected water

demands in the applicable portions of the EOCWD and IRWD systems to determine the quantity of additional groundwater that can be utilized on an annual and peak demand basis.

#### **Task 4 – Recommend Well Site Location**

It is understood that EOCWD and IRWD have each identified and pre-selected prospective well sites in the east Orange area. These sites are:

1. 185 North McPherson Rd, owned by EOCWD which has two active wells.
2. 678 North Gravier St, owned by IRWD, which formerly had operating wells.

In each case, it will be necessary to determine the former locations of any wells at the sites, through available engineering drawings that EOCWD or IRWD may have on file.

The recommendation for the new well locations shall be based and prioritized upon the following elements:

- o Hydrogeologic conditions (thickness and lateral continuity of the aquifer systems, based on independent E-Log correlations, the potential well yields and potential water quality characteristics).
- o Logistical considerations, such as site access, location relative to major transportation corridors, available space for placement of well drilling equipment and storage of well construction materials and drill cuttings.
- o The presence of nearby above-ground and below ground utilities, especially storm drains for disposal of well development and testing fluids.
- o Proximity to residences, for noise mitigation measures.
- o The ability of the existing infrastructure (electrical, distribution piping, etc) to support a new well and any potential modifications that may need to be implemented.

#### **Task 5 – Estimate Well Production and Water Quality**

An estimate of the potential production capacity of a new well at either site will be developed along with the anticipated water quality. These elements will be developed from an evaluation of the following data and information:

1. Available E-Logs, The correlation of these logs will be used to determine which recognized Orange County aquifer systems are present beneath each site (e.g. alpha, beta, lambda, omicron, rho, etc). RCS has numerous E-logs from prior studies in the area of wells owned by nearby cities.
2. Historic pumping and water quality data for existing and/or former wells and/or for nearby OCWD groundwater monitoring wells.
3. Review of any available spinner log and depth specific water quality data for other wells in the area.

As noted in the RFP, a groundwater model will not be needed for the project and, thus, the Team will not perform any independent modeling for the project. However, it is anticipated that some minor analytical modeling will need to be conducted in order to determine the amount of theoretical water level drawdown that could be induced in existing wells in the area, by virtue of pumping of a new well constructed at one of the subject sites. Details regarding this analytical modeling are provided in Task 8, below.

**Task 6 – Identify and Analyze Proposed Conveyance System**

The Team (primarily TTI) will identify and analyze conveyance alternatives that will ultimately deliver the well water to either the EOCWD or IRWD distribution system (depending on the site selected). We understand that as described in the RFP, water produced from the joint well will be subsequently transferred as needed between the two distribution systems through new proposed interconnection facilities. The Team will analyze the two distribution systems and recommend the location of interconnection facilities between the EOCWD and IRWD distribution systems to facilitate transfer of groundwater between the agencies. These interconnections will be adequately sized to accommodate the peak flow demands estimated by the team in Task 3.

The Team will also confirm the available capacity of existing distribution system pipelines in addition to performing an initial hydraulic analysis of effects of the project on the existing distribution system. The Team is very familiar with IRWD's potable water distribution model as we have used it on several other projects. A preliminary layout will be prepared for the interconnection facilities and will include an exhibit showing any additional transmission pipelines recommended by the Team to connect the wells to the various portions of the EOCWD and IRWD distribution systems.

**Task 7 – Project Schedule and Financing**

The Team (primarily TTI and DDB) will provide assistance with the preparation of a project schedule, including a phasing plan, for future construction, operation and maintenance of the joint well and interconnection facilities. Along with the schedule, the Team will prepare an engineer's estimate of probable cost for the construction and equipping of a well at each facility, including distribution piping.

Further, the team will consider possible financing alternatives for this project, taking into account any potential grants, subsidies, or low interest loans from Orange County Water District (OCWD), Metropolitan Water District of Southern California (MWD), the State of California, or

elsewhere. The Team has performed this same task for IRWD on several other IRWD projects. Finally, a return on the investment analysis will be performed using the cost of the project including any possible financing alternatives compared to the cost of an alternative water supply (imported MWD water).

#### **Task 8 – Analytical Modeling of Induced Water Level Drawdown**

Because one of the potential well sites has existing wells and because other nearby wells may exist in the area, then the amount of theoretical water level drawdown induced in these existing wells, during the pumping of the new, will be analyzed by RCS. The theoretical water level drawdown calculations will be performed using the analytical computer modeling program Win-flow and will be based on a number of assumptions such as:

- An existing isotropic and homogenous aquifer system(s) with an infinite areal extent.
- Estimated values of transmissivity and storativity or values from actual test data, if available from other geologic/hydrogeologic reports.
- Various operational pumping rates and pumping durations for the new well

Such analytical modeling is deemed by RCS to be necessary, primarily because induced water level drawdown in the existing onsite or offsite wells will undoubtedly increase the pumping head in the existing wells and, thereby, increase pumping costs in these wells. Further, a cost analysis of the additional pumping costs will be provided and will be a factor in the selection of the site for the construction of a new well.

#### **Task 9 – Prepare Project Report**

A project report will be prepared by RCS/TTI outlining our preliminary findings, conclusions and recommendations with regard to siting a new well at either of the two prospective well sites.

This report will address the following elements:

- Anticipated hydrogeologic conditions.
- Historic & current water levels and water quality.
- Feasibility of siting a new well at each of the two well sites.
- A preliminary design of the well at both of the sites and potential well construction costs.
- Anticipated pumping rates and water quality of the final wellblend produced by the well.
- Preliminary engineering design parameters (for pumps, distribution piping, electrical, etc) and potential costs for equipping a well at either site.
- Recommendation for which of the two sites should be chosen for the project.

RCS will provide EOCWD/IRWD each with six (6) copies of a Draft of the report text for review at each stage of the pre-design process (50% and 90% levels) and will attend one project meeting at each of the 50% and 90% design stages. Following receipt of any comments during each of those stages then ten (10) copies of the final report (100% design stage) will be prepared. Also, for the final design stage an electronic copy of the report will be submitted to EOCWD/IRWD staff in Adobe Portable Document Format (PDF), on a CD and transmitted electronically via email.

**ESTIMATED FEES & BUDGET**

**Project Task Costs**

For this project, our estimate for the cost of the team's professional hydrogeologic/engineering services is as follows:

Task 1	Project Start-up	\$2,899
Task 2	Collect Existing Information	\$3,987
Task 3	Define Required Capacity of Joint Well	\$6,570
Task 4	Recommend Well Site Location	\$7,267
Task 5	Estimate Well Production and Water Quality	\$4,619
Task 6	Identify and Analyze Proposed Conveyance System	\$9,022
Task 7	Project Schedule and Financing	\$6,373
Task 8	Modeling of Induced Water Level Drawdowns	\$6,867
Task 9	Prepare Project Report	\$16,296
<b>Project Total Team Fees:</b>		<b><u>\$63,900</u></b>

Our services will be billed on a time-and materials basis with the total estimated cost representing a not-to-exceed (NTE) limit. RCS and TTI are committed to completing the project within the time frame as set forth in the August 2012 RFP. Our estimated fees are realistic, well considered and based on our long-term experience in providing the same types of services required for your project. Our Team is willing to negotiate the final cost for our services in regard to a final agreed-upon scope of work.

**Budget Analysis**

As required by your RFP, the attached Table 1 provide an analysis of the man-hours and costs on this project for RCS, TTI and DDB Staff. Payment will be based on the hours worked and the hourly personnel rates as described in the attached table listing the RCS man-hour breakdown for each of the listed tasks and subtasks.

LISTING OF PROJECT TASKS	PRINCIPAL GROUNDWATER GEOLOGIST/PROJE CT MANAGER		SENIOR GROUNDWATER GEOLOGIST/PROJE CT ENGINEER		STAFF GROUNDWATER GEOLOGIST/STAFF ENGINEER		CLERICAL PERSONNEL		DIRECT COSTS	TOTAL TASK COST
	PERSONNEL CLASSIFICATION RATE									
	\$268		\$178		\$132		\$68			
Task 1 Project Startup	8	\$2,048	3	\$534	1	\$132	0	\$0	\$185	\$2,899
Task 2 Collect Existing Information	8	\$2,048	6	\$1,068	5	\$660	2	\$136	\$75	\$3,987
Task 3 Define Required Capacity of Joint Well	10	\$2,560	11	\$1,958	14	\$1,848	3	\$204	\$0	\$6,570
Task 4 Recommend Well Site Location	8	\$2,048	20	\$3,560	12	\$1,584	0	\$0	\$75	\$7,267
Task 5 Estimate Well Production and Water Quality	8	\$1,536	8	\$1,424	12	\$1,584	0	\$0	\$75	\$4,619
Task 6 Identify and Analyze Proposed Conveyance System	16	\$4,096	9	\$1,602	20	\$2,640	8	\$544	\$140	\$9,022
Task 7 Project Schedule and Financing	6	\$1,536	18	\$2,948	10	\$1,320	8	\$544	\$125	\$6,373
Task 8 Modelling of Induced Water Level Drawdown	4	\$1,024	22	\$3,916	14	\$1,848	0	\$0	\$79	\$6,867
Task 9 Prepares Project Report	7	\$1,792	32	\$5,696	58	\$7,656	14	\$952	\$200	\$16,296
<b>RCB SUBTOTAL COSTS:</b>	<b>73</b>	<b>\$18,688</b>	<b>127</b>	<b>\$22,606</b>	<b>148</b>	<b>\$19,272</b>	<b>35</b>	<b>\$2,360</b>	<b>\$954</b>	<b>\$63,900</b>
<b>TOTAL ESTIMATED PROJECT COST: \$63,900</b>										

## **OTHER ADDITIONAL RFP INFORMATION**

### **TEAM**

For this particular project, Mr. Richard Slade, President and Principal Groundwater Geologist of RCS will serve as the overall Project and Technical Manager. In addition, Mr. Earl LaPensee, the Senior Groundwater Geologist, will be responsible for managing the project and preparing the Project Report. Mr. Anthony Hicke, Project Groundwater Geologist, can also be available to provide assistance to the project, as deemed necessary by RCS. The resumes of the key individuals are presented in the Appendix along with an organizational chart, which illustrates the levels of the Key RCS Staff and their relationship to IRWD.

TTI will be a sub-consultant to RCS and provide the necessary engineering support for the project. Mr. Tom Epperson, will be TTI's project manager on the project. TTI will also be assisted on this project by DDB for the financing elements of the project. DDB is represented by Ms. Brandi Thrasher, Project Engineer with DDB. Their qualifications are presented in the Appendix, as well.

RCS and TTI have previously performed and completed, within the last year, two other successful well construction projects for IRWD, namely, Well No. 78 and Well No. 107 well replacements. RCS company qualifications and a list of similar projects for which RCS has provided field services with regard to the design and construction of water-supply wells are presented in the Appendix.

### **REFERENCES**

Each Member of the Team (RCS, TTI and DDB) has provided services to IRWD on other similar projects. Most recently RCS and TTI provided hydrogeologic and engineering services, respectively, with regard to the siting and construction of IRWD Well Nos. 78 and 107 at and near existing well sites owned by others. For these two projects, Mr. Jacob Moeder was the project manager for IRWD. For additional references, you are welcome to call any of our numerous other references for well siting and construction projects listed on Table A in the RCS Qualifications, in the Appendix.

**SCHEDULE**

RCS and TTI assures IRWD that either firm has the ability to perform the project as proposed and scheduled and will make every effort to complete the project within the limits of the schedule as outlined in the August 2012 RFP.

**JOINT VENTURE**

Neither RCS nor TTI is involved in any joint venture with any other consultant or contractor that would be contracted to IRWD on this project.

**CONFLICT OF INTEREST**

RCS & TTI have no personal or organization conflict of interest with any other parties or with IRWD that may be involved with the project.

**INSURANCE**

RCS currently carries professional liability (errors and omissions) and general liability and property damage each in the amount of \$1,000,000. Proof of these limits will be provided to IRWD when needed. It is understood that EOCWD will be included as an additional insured by the team.

**CONTRACT**

RCS is familiar with IRWD's Agreement for Professional Services provided in the August 2012 RFP. At this time RCS does not take any exceptions to the provisions provided in that agreement.

**APPENDIX  
TEAM QUALIFICATIONS**

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**RCS QUALIFICATIONS  
AND  
REFERENCES**

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## **RCS COMPANY INTRODUCTION AND ORGANIZATION**

### ***Richard C. Slade & Associates LLC Consulting Groundwater Geologists***

Mr. Richard C. Slade has 45 years of hydrogeologic experience in California, the last 29 of which have been as Principal Hydrogeologist and owner of Richard C. Slade & Associates LLC (RCS), Consulting Groundwater Geologists. Mr. Slade maintains licenses as a Professional Geologist and Certified Engineering Geologist in California, as a Registered Professional Hydrogeologist with the American Institute of Hydrology, and as a Registered Geologist in Arizona and Idaho.

The RCS firm has five full-time professional employees including:

- Two project-level (senior) hydrogeologists, Mr. Earl LaPensee and Mr. Anthony Hicke. Both are Professional Geologists and Certified Hydrogeologists in California. Mr. LaPensee has been with RCS since 1989 whereas Mr. Anthony Hicke has been with RCS since 2001.
- Two staff/field-level geologists (Messrs Luis Busso and Chris Wick) to provide as-needed field and office support services on groundwater projects; these degreed geologists have been with RCS for approximately 4 and 6 years, respectively. Chris Wick is also a California Professional Geologist.
- The firm has its local office in Studio City.

One administrative staff person is also employed full-time by RCS to handle important administrative and clerical tasks for the company.

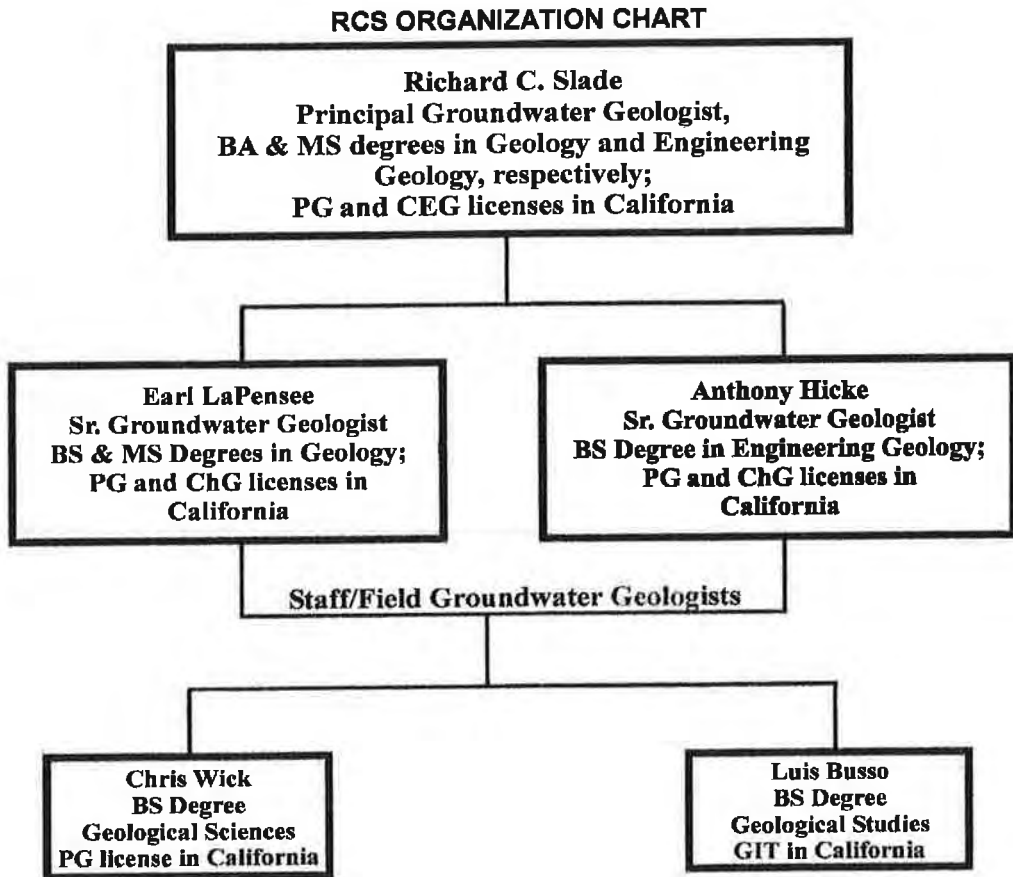
Our specific areas of expertise include:

- groundwater resource development via siting, specifying, and designing of new water wells for both municipal-supply and agricultural-supply;
- conducting analysis and correlations of geophysical electric logs available from water wells, groundwater monitoring wells and wildcat oil wells;
- preparing technical specifications and detailed line item bid sheets for the preliminary design and cost analysis of new water wells, deep groundwater monitoring wells, and deep exploratory boreholes;
- providing experienced geologists to field monitor the drilling, final design, construction and testing of new water wells;
- providing evaluations, cost estimates, technical specifications and field monitoring services for the rehabilitation and/or the permanent destruction of existing wells;
- groundwater basin evaluations and basin management;
- water well feasibility studies;
- conducting pumping tests and providing technical analyses of pumping test data;
- evaluating groundwater contamination;
- assessing groundwater quality;
- providing independent reviews of technical reports prepared by others; and

- providing expert witness services in hydrogeology.

Typical clients have included city water departments, county water agencies, water districts, various engineering firms, law firms, and various wineries and vineyards.

The basic professional organization of the RCS firm is illustrated below.



## **WATER WELL SITING, DESIGN AND CONSTRUCTION BY RCS**

Having sited, specified, designed, and provided field observation services for the construction and testing of more than 200 municipal-supply wells in California over the past 44 years (not including similar services for an additional 200 or more irrigation-supply water wells for vineyards and wineries throughout California), RCS is uniquely qualified to perform all of the hydrogeologic elements required for the new municipal-supply water well. The results of our long-term experience and of our prior work for municipal-supply water wells, as shown in the detailed tasks and subtasks, as presented in our Recommended Scope of Hydrogeologic Services; in the Introduction to our RCS firm and its key professional and licensed geologists who will be working on your project; and in our listing (provided elsewhere on this proposal) of projects involving virtually identical hydrogeologic services for new municipal-supply wells throughout southern California (see attached Table A). Particularly noteworthy about the list of our recent municipal-supply well clients is that it includes widely divergent geographic locations, and hence, different subsurface conditions. Regardless, all the listed projects have been completed in a timely, efficient and professional manner.

RCS is a small firm (five full-time geologists) that is well-known in the industry for doing its "homework" on defining subsurface conditions in order to provide detailed and accurate Preliminary Design Reports (PDRs) for new municipal-supply wells. Such PDRs provide the basis upon which all subsequent well design work (i.e., the Technical Specifications) and the field monitoring of well construction takes place.

One particularly important service that RCS regularly provides and is noted for is correlation of electric logs. Such correlations are possible in stratified geologic media and in using such correlations, RCS can determine the depth and continuity of aquifer systems between those in existing wells in the area and the proposed new well site. It is our long-standing professional opinion that it is the correlation of available electric logs of water wells and oil wells (if available) that provides the key to defining the depths, thicknesses, and continuity of key aquifers beneath the proposed well site. RCS does this on all of its water well siting and design projects: RCS will also provide the same services on your current proposed project.

Further, once the key aquifers are identified, RCS then uses available static water level and pumping water level data, trends in water levels over time, water quality information/data and pumping rate data to define the remaining key parameters for the Preliminary Design Report. Key parameters for your proposed new well include anticipated values for: pilot hole depth; casing type, diameter and depth; cement seal depth; length of perforated interval; and the depth to the uppermost perforations in the new well. Clearly, these preliminary parameters must be well-defined because they are used to prepare the Technical Specifications for well construction, for bidding purposes. Afterwards, when construction operations of the well have commenced, our field geologists then obtain depth-discrete in-situ data from the drilling and down-hole testing of the pilot hole in order to develop the Final design for the well. RCS is keenly aware of the need to promptly but accurately provide this Final well design to the Contractor, using the field generated data. Another concern in the design of a well is whether or not the well will pump sand, which is typical of older, cable-tool type wells and solved by the installation of a casing liner. However, the RCS Final well design criteria will include selection of a screen slot size and an appropriate gravel pack gradation that will preclude the pumping of sand by the new well.

RCS and its geologists are committed to this project. Our estimated fees are realistic, well considered and based on our long-term experience in providing the same types of services required for your project (including the total depth of the pilot borehole that we recommend). We are ready, willing and able to start on the project in an expeditious manner.

### **HYDROGEOLOGIC SERVICES FOR MUNICIPAL-SUPPLY WATER WELLS**

Richard C. Slade and Associates LLC, Consulting Groundwater Geologists, have been retained by numerous water agencies, cities, water districts and private water companies to develop their local groundwater resources. Typical of the types of services provided for these agencies depends on the needs of the client and have included such tasks as:

#### **Hydrogeologic Evaluation and Well Siting**

- Research of published geologic maps and reports;
- evaluate site geology and watershed conditions;
- evaluate surface and subsurface geologic conditions;
- identify groundwater flow directions;
- perform site reconnaissance visits;
- review driller's logs and casing records;
- evaluate and correlate electric logs;
- monitor water levels in wells;
- assess potential water quality problems;
- monitor field water quality parameters in existing wells;
- conduct pumping (aquifer) tests in wells;
- evaluate well interference between pumping wells;
- review down-hole videos of wells;
- evaluate water quality in onsite and in offsite wells;
- locate nearby offsite wells;
- determine feasibility of siting and constructing new water wells;
- prepare reports with conclusions and recommendations regarding feasibility of developing local groundwater supplies.

#### **Prepare Technical Specifications for New Wells**

- identify the location and depth for new onsite wells;
- assess site logistics for well construction;
- determine drilling methodology;
- evaluate conditions for wastewater discharge under NPDES permitting;
- prepare detailed technical specifications and line item estimates of the probable cost for drilling and constructing new wells;
- assist in bidding process.

#### **Field Monitoring Services**

- geologically log drill cuttings from pilot hole;
- evaluate the electric log of the pilot hole;
- select depth zones and monitor aquifer zone isolation testing for water quality in selected aquifers
- monitor construction of new wells and provide final recommendations for placement of well casings, perforations and gravel pack;
- monitor the installation of the recommended casing and gravel pack;

- monitor well development by mechanical and pumping methods;
- monitor water levels; utilizing water level pressure transducers;
- conduct pumping (aquifer) tests;
- identify sampling/laboratory protocol for sampling events;
- determine water quality parameters to test for in the laboratory;
- provide recommendations for pumping rate and depth setting for permanent pump;
- identify down-hole well problems and develop guidelines for rehabilitating existing wells;
- prepare recommendations for rehabilitating existing wells.

**TABLE A****List of RCS Municipal-Supply Water Well Construction Projects for Previous Six Years**

<b>Agency and Well Name/Number</b>	<b>Year Completed</b>	<b>Agency Project Manager</b>	<b>Contact No.</b>
Golden State Water Company Ojai Mutual Well No. 6	In progress	Anthony Dominguez	310.436.6950
City of Santa Monica Well No. 20	In progress	Gil Borboa	310.458.8230
Irvine Ranch Water District Wells 78 & 107	2011	Jacob Moeder	949.452.5554
West Kern Water District Well Nos. NW-1 to NW-5	2011	Troy Turley	661.762.3151
Golden State Water Company Vineyard Well No. 6	2011	Henric Szopinski	805.878.5604
City of Garden Grove Well No. 31	2010	David Entsminger	714.741.5395
Golden State Water Company Highway Well No. 2	2010	Dustin Christensen	909.842.0722
City of Rialto Well No. 3A	2010	Kevin Sin	909.820.2608
City of Compton Well No. 20	2010	Kambiz Shoghi	310.605.6242
Park Water Company Well 19C	2010	Jim Elliott	562.922.0711
City of Lynwood Well No. 22	2010	Jose Molina	310.602.0220
Golden State Water Company Clair Well 5	2010	Todd Waltz	714.535.7711
Los Angeles County Water Works District (10 wells)	2009	Genevieve Osmena	626.300.3395
Indio Water Authority (3 wells)	2009	Anders Wistrom	760.391.4046
Newhall County Water District Pinetree Well No. 5	2009	Riel Johnson	661.259.3610
City of Paramount Well No. 15	2009	Christopher Cash	562.220.2106
Valencia Water Company Well 207	2009	Keith Abercrombie	661.295.6504
Castaic Lake Water Agency, Santa Clarita Water Division (Santa Clara and Valley Center wells)	2009	Bob McDougal	661.259.2737
City of Anaheim Well No. 56	2007	Dan Setty	714.765.4440
Eastern Municipal Water District Wells P1, P2 and P3	2007	Ralph Phraner	951.928.3777
Victor Valley Water District (now Victorville Water) Wells 44, 45 and 47	2007	Reggie Lamson	760.842.3108
City of Tustin Pasadena Avenue Well	2007	Kunal Mittal	714.572.3145
City of Anaheim Well No. 54	2007	Dave Butera	714.765.4217
Valencia Water Company Well T-7	2007	Keith Abercrombie	661.295.6504
Monte Vista Water Company ASR Well No. 33	2006	John Reddick	909.624.0035
Baldy Mesa Water District (now Victorville Water) Well No. 12	2006	Joseph Ogg	760.949.0332
Walnut Park Mutual Water Company Well No. 12	2006	Eddie Viramontes	322.585.7321
Newhall County Water District Castaic Well No. 7	2006	Riel Johnson	661.259.3610
Town of Yountville Well No. 1	2006	Mike Praul	707.944.8851
City of Chino Well Nos. 16 and 17	2006	Gilbert Aldaco	909.464.8368

Each of the above-listed recent municipal well projects included preparation of Preliminary Design Memoranda and Technical Specifications and bidding documents for well construction. This RCS experience is invaluable because the above listed contractors will likely be bidding on the proposed project. Also, as a result of the significant amount of recent well construction experience, RCS is very aware of current costs for the drilling and testing of new municipal-supply wells.

## RCS PROJECT TEAM



**Richard C. Slade**, PG, CEG, will serve as an overall project manager and lead for potential projects with the DWP. Mr. Slade is President and Principal Groundwater Geologist for Richard C. Slade & Associates LLC, Consulting Groundwater Geologist (RCS). RCS was founded by Mr. Slade in 1983 and the company has operated out of offices in the San Fernando Valley since that time. Mr. Slade has 45 years of groundwater experience in Southern California and has lived and/or worked in the San Fernando Valley as a groundwater geologist for his entire professional career. Mr. Slade has a BA and an MS degree in Geology from UCLA and USC, respectively, and maintains a professional license in geology in California. Mr. Slade has either conducted and/or managed/supervised more than 700 groundwater projects in a large number of groundwater basins throughout California, including virtually every recognized groundwater basin in Southern California that has active water wells. In December 2008, RCS was selected by the Superior Court to be the Watermaster for the Upper Los Angeles River Area (ULARA).

**Earl LaPensee**, PG, CHg, has been with RCS since 1989 and is Senior Groundwater Geologist and Project Manager. Since that time, Mr. LaPensee has conducted a large number of diverse groundwater projects including; the siting, design, construction monitoring and aquifer testing of over 300 municipal-supply and irrigation water wells; analyses of aquifer systems in numerous groundwater basins (involving the definition of geologic/hydrogeologic conditions, water level and water quality conditions, groundwater underflow, calculation of groundwater in storage and changes in storage). A primary focus in these projects has been on the characterization of aquifer systems (determination of physical parameters such as transmissivity and storativity) and spatial delineation of natural groundwater chemistry (especially with regard to trace element concentrations) and contaminant chemistry, evaluation of water level trends over time, definition of groundwater flow directions, and the use and correlation of geophysical electric logs from water wells and oil wells to help define aquifer continuity and extent.



**Anthony Hicke**, PG, CHg, began working with RCS in 2001, and is now a Senior Groundwater Geologist and Project Manager with the company. While at RCS, Mr. Hicke has participated in a number of basin-wide groundwater studies, in which tasks have included: review and analysis of geologic references and extensive electronic geologic databases; analysis of long-term water level data and their relation to precipitation data; review and analysis of water quality data; pumping test data analysis; and performing groundwater in storage calculations. Mr. Hicke has also been responsible for providing technical and administrative oversight of well drilling, construction, development, and testing activities on production well and monitoring well projects. In addition to his hydrogeologic work, Mr. Hicke functions as the in-house information technology manager. For previous projects, Mr. Hicke has managed an FTP-based repository for electronic data transfer, and managed multiple large databases of water level data, geologic data, and GIS data. Further, Mr. Hicke has many years' experience with the MapInfo GIS software package, and is skilled at creating maps using GIS software, and facilitating the exchange of GIS data with clients.

## RESUMES OF KEY STAFF

**RICHARD C. SLADE**  
*President &*  
*Principal Groundwater*  
*Geologist*

### EDUCATION:

University of Southern  
California, Los Angeles  
M. S., Geology, 1966

University of California  
Los Angeles  
B.A., Geology, 1974

### REGISTRATIONS:

Certified Engineering  
Geologist and Professional  
Geologist, California

Registered Professional  
Hydrogeologist, American  
Institute of Hydrology (AIH)

Professional Geologist  
Arizona and Idaho

### PROFESSIONAL AFFILIATIONS:

National Groundwater  
Association, Association of  
Groundwater Scientists and  
Engineers

American Institute of  
Hydrology (AIH)

American Water Works  
Association

California Groundwater  
Association

Groundwater Resources  
Association of California

Richard C. Slade, a Registered Geologist and Certified Engineering Geologist in California, has B.A. and M.S. degrees in Geology and Engineering Geology, respectively, and has more than 43 years of experience in groundwater projects in Southern California. Mr. Slade will function as the Principal Groundwater Geologist for the project and will personally oversee all field and office work associated with well site selection and development, including preparation of technical specifications for well construction and all activities involved in the actual well construction. Mr. Slade has provided these identical services on over 150 municipal-supply water wells in his career.

Major fields of hydrogeologic emphasis for Mr. Slade include groundwater resource development (basin-wide studies, and water well design and construction), and groundwater contamination investigations (landfills, volatile organics, gasoline, etc.). Principal projects have involved groundwater resource development, basin evaluation, aquifer test analyses, assessment of water quality problems and groundwater degradation, design of water wells for municipal supply, monitoring of all phases of water well construction, locating and designing groundwater monitoring networks, and providing expert witness testimony for groundwater litigation.

Hydrogeologic studies have also involved evaluation of hazardous wastes such as acid mine drainage from inactive and proposed open pit mines, leachate from sanitary landfills, and groundwater degradation resulting from leaking underground storage tanks containing various chemicals and organic compounds. Numerous groundwater studies and monitoring projects have involved volatile organics (TCE, PCE, etc.) and subsurface gasoline spills.

### SUMMARY OF RELATED EXPERIENCE:

RICHARD C. SLADE & ASSOCIATES LLC, CONSULTING GROUNDWATER GEOLOGISTS. Independent consulting practice established in 1983 to provide technical, professional, and direct personal services to the groundwater industry. Hydrogeologic projects have included assessment of groundwater contamination from gasoline spills, volatile organics, and leachate from sanitary landfills; groundwater resource development; locating and designing water wells; assessing potential degradation resulting from existing sanitary landfills and from proposed open pit mines;

conducting water level and water quality monitoring from monitoring networks; defining aquifer characteristics from long-term aquifer tests in active wells; observation and monitoring of water well construction; providing expert witness testimony for hydrogeologic litigation; and providing hydrogeologic elements and mitigation measures for environmental assessments. Related project experience in the region includes:

GEOTECHNICAL CONSULTANTS, INC., 1970-1983. Joined the firm in 1970 as an engineering geologist and hydrogeologist. Advanced to Associate in 1975. Participated in and supervised geotechnical and hydrogeologic projects of various complexities, from the feasibility level through final design.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA, Los Angeles, 1967-1970. Performed hydrologic and hydrogeologic studies along pipeline and tunnel routes for State Water Project, conducted field mapping and exploration along tunnel routes, conducted and supervised aquifer tests for calculations of dewatering parameters for tunnel routes and dam sites.

Important Note:

In December 2008, based on the recommendation of the Administrative Committee (the water managers for the cities of Burbank, Glendale, Los Angeles and San Fernando, and the Crescenta Valley Water District), the Superior Court of Los Angeles County selected Mr. Slade as the new Watermaster for the entire Upper Los Angeles River Area (ULARA). Mr. Slade represents only the third Watermaster of ULARA since the date of the original adjudication of the region in January 1979.

**EARL F. LAPENSEE**  
*Senior Groundwater  
Geologist &  
Project Manager*

**EDUCATION:**

University of California,  
Riverside,  
M. S., Geological Sciences,  
1986

Trace-element  
geochemistry specialty

University of California,  
Los Angeles.  
B. S., Geology, 1983

**REGISTRATIONS:**

Certified Hydrogeologist  
and Professional Geologist,  
California, 1989

Registered Professional  
Hydrogeologist, American  
Institute of Hydrology (AIH)

California Community  
College Instructor  
Credential, June 1986.

**PROFESSIONAL  
AFFILIATIONS:**

National Groundwater  
Association, Association of  
Groundwater Scientists and  
Engineers  
American Institute of  
Hydrology (AIH)

Groundwater Geology (Hydrogeology) is the main emphasis in Mr. LaPensee's professional career. Major projects include the hydrologic and hydrogeologic assessment and analysis of groundwater basins in southern and northern California and the exploration for and development of groundwater in those basins. Currently, Mr. LaPensee's focus has been on projects involving the exploration and development of groundwater in southern California groundwater basins and has included the siting and technical oversight of construction of municipal-supply water wells. In addition, Mr. LaPensee has also provided technical oversight in the siting, design and testing of injection/extraction wells and groundwater monitoring wells, for hazardous waste sites.

To perform exploration and development of groundwater basins and hazardous waste sites, Mr. LaPensee relies on a number of information/data sources in evaluation of groundwater conditions which include: geologic, water-level, and water-quality data; driller's logs of wells; surface geophysical surveying (when deemed appropriate); downhole geophysical surveys (electric logs); electric log correlation of aquifer systems and downhole flow meter surveys. He uses these data and information to: select suitable well sites and test drilling methods; determine depths of well drilling; outline types of testing to be performed in test hole drilling; select suitable types of well casing and other well construction materials; outline appropriate mechanical, chemical, and pumping development methods; define aquifer testing protocol; formulate groundwater sampling methods using accepted protocol for such contaminants as hydrocarbons, metals, and volatile organic compounds (VOCs), and; estimate key aquifer parameters and production capabilities based on the resulting drilling and testing data.

**SUMMARY OF RELATED EXPERIENCE:**

RICHARD C. SLADE & ASSOCIATES LLC, CONSULTING  
GROUNDWATER GEOLOGISTS, August 1989 to present.  
Employment position is of Senior Groundwater Geologist with major responsibilities as a project management directed towards groundwater evaluation, exploration, and development projects. The areas of responsibilities in these projects encompass: preparation of proposals and cost estimates for various types of hydrogeologic projects; preparation of technical specifications for new well projects and well rehabilitation; providing technical and administrative oversight of well drilling and rehabilitation, construction, development, and testing activities on well projects, and; the

preparation and completion of final project reports. Mr. LaPensee has served as a project manager for RCS on the following local projects for IRWD:

APPLIED GEOSYSTEMS, 1988 to 1989, Project Geologist. Responsibilities encompassed the overview and management of commercial hazardous waste site investigations, including the installation of vadose-zone and groundwater monitoring wells, aquifer testing, and computer data manipulation and modeling of aquifer test data.

ECOLOGY AND ENVIRONMENT, 1987 to 1988. Associate Geologist. Responsibilities encompassed the assessment and investigation of Federal and California Superfund sites (soil and groundwater), including the installation of groundwater monitoring wells, aquifer testing, geophysical surveying (utilizing ground penetrating radar, electromagnetic, and resistivity methods), and computer data manipulation and modeling of geophysical data.

McKESSON ENVIRONMENTAL SERVICES, 1986 to 1987. Staff Hydrogeologist. Responsibilities encompassed site assessment and investigation (soil and groundwater) of commercial and industrial hazardous waste sites. This included the installation of vadose-zone and groundwater monitoring wells, aquifer testing, and computer data manipulation and modeling of geophysical data.

**ANTHONY HICKE**  
Senior Groundwater  
Geologist &  
Project Manager

**EDUCATION:**

California State University,  
Los Angeles.  
In-progress M.S.,  
Hydrogeology, expected  
graduation 2014.

University of California,  
Los Angeles.  
B.S., Geology (Engineering  
Geology), 2000

**REGISTRATIONS:**

Certified Hydrogeologist  
and Professional Geologist,  
California

Major areas of groundwater work for Mr. Hicke while an employee at Richard C. Slade & Associates, LLC, have included the creation, management and utilization of large electronic databases of subsurface geologic data for use in preparing Hydrogeologic Evaluations of California Groundwater basins. Mr. Hicke has many years' experience using the Mapinfo GIS software package to create maps from these data sets, for use in the Hydrogeologic Evaluations. Mr. Hicke also provides technical and administrative oversight during well construction and aquifer testing projects.

**SUMMARY OF RELATED EXPERIENCE:**

RICHARD C. SLADE & ASSOCIATES LLC, CONSULTING GROUNDWATER GEOLOGISTS, October 2001 to present. Duties include: providing technical and administrative oversight of well drilling during multi-well design and construction projects in the Central Valley and High Desert areas of California; planning and administration of long term aquifer tests, including the utilization of pressure transducers in a variety of hydrogeologic settings; field monitoring of all elements of the drilling and construction of municipal-supply and irrigation-supply water wells; geologic logging of numerous boreholes in the High Desert areas of southern California, including the pilot boreholes for both production and monitoring wells; field monitoring of water quality and water level data during construction and testing of new water wells; preparation of hydrogeologic feasibility reports for sites throughout California; conducting well canvasses using GPS methods; computer analyses of data and considerable computer work on map and data presentation using a Geographic Information System (GIS). Other significant responsibilities include: collection and computerized analyses of basic groundwater data; computerized mapping and graphics work; and troubleshooting problems with computers and/or with field water level/water quality monitoring equipment.

RALPH STONE AND COMPANY, INC., April 2000 to October 2001. Employment position was as a Staff Geologist with responsibilities that included organization of site investigations, geologic logging of boreholes, data collection, preparing maps and cross sections, and lab testing of soil. Prior work includes numerous seismic hazard (seismically induced landslide and liquefaction) analyses for homes in the Santa Monica Mountains, as well as the cities of Los Angeles, Beverly Hills, Culver City, Malibu, and Santa Monica.

**TTI /DDB  
QUALIFICATIONS**

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Mr. Epperson has over 30 years of professional experience in water, wastewater, and reclaimed water engineering. Mr. Epperson has been responsible for the preparation of water, wastewater, and reclaimed water master plans; project design reports for various water, wastewater, and reclaimed water facilities; and the planning and design of water, wastewater, and reclaimed water pipelines, along with pump stations and reservoirs. He has been responsible for completing the design, bidding, and construction management of over 180 miles of water/reclaimed water/sewer mains, 36 water/reclaimed water pump stations, 15 well-head facilities, 12 sewer lift stations and 25 water/reclaimed water storage reservoirs throughout Southern California.

## EXPERIENCE

**Master Facilities Plan and Building Demolition of the OPA-3 Well Site, Irvine Ranch Water District, Irvine, CA** – Prepared the Master Facilities Plan and Building Demolition Plans for the OPA-3 Well Site. The master plan was broken into two phases: Phase 1 included the demolition of the OPAMWC Headquarters and new well; and Phase 2 included the construction of a second well.

**IRWD Interconnection to South County Agencies, Santa Margarita Water District, Los Flores, CA** – Prepared a PDR that detailed the facilities required to provide potable water to the South County Water Agencies during a planned MWD shutdown. This report also discussed the improvements necessary to create an emergency source of water supply.

**Irvine Desalter Project – Potable Wells 76, 77, 107, and 110, Irvine Ranch Water District, Irvine, CA** – Project Manager for the design and construction services of four potable wells including drilling and equipping of each well.

**Irvine Desalter Project – Non-Potable Wells and Product Pumps, Irvine Ranch Water District, Irvine, CA** – Project Manager for the design and construction services of two non-potable wells, pump station, injection well, and product pumps.

**South County Booster Pump Station, Irvine Ranch Water District, Irvine, CA** – Project Manager for the planning, design and construction services of a new potable water pump station and pump station modification.

**Well No. 27, City of Orange, Orange, CA** – Project Manager for the design of the equipping of Well No. 27, treatment facilities and corresponding piping and site improvements.

**Santiago Hills II Zone 5-6 Booster Pump Station, Irvine Ranch Water District, Irvine, CA** – Project Manager for design of this pump station that will supply the planned new development of Santiago Hills II. The design of the booster pump station will meet the requirements of the interim condition and provide the District with the ability to increase the capacity to 5,000 gpm.

**Tustin Zone 5 Booster Pump Station, Irvine Ranch Water District, Irvine, CA** – Design Engineer for the planning and design for new potable pump station and PRV facility.

### Project Role:

Project Manager

### Education:

B.S., Environmental Engineering,  
University of California, Irvine.  
1978

### Registrations/Certifications:

Professional Engineer,  
California, 1983, No. 36399

### Professional Affiliations:

American Water Works Association

Orange County Water Association

WaterReuse Association

American Society of Civil Engineers

Water Environment Federation

### Office:

Irvine, California

### Years of Experience:

30

### Years with Tetra Tech:

17

Client/Contact	Project	Description
Santa Margarita Water District Dan Ferons 959/459-6590	IRWD Interconnection to South Orange County Agencies	Prepared a Preliminary Design Report that detailed the facilities required to provide potable water to the South Orange County agencies during a planned Metropolitan Water District shutdown. This report also discussed the improvements necessary to create an emergency source of water supply.
Irvine Ranch Water District Steve Malloy 949/453-5570	Irvine Desalter Project Potable and Non-Potable Well Drilling and Equipping, Irvine Ranch Water District	Prepared plans and specifications for the drilling and equipping of design of well drilling for five potable water wells and one non-potable water well. This included wellhead equipping for each well for both aboveground and belowground facilities. Also included in this project is modification to an existing non-potable water well.
Irvine Ranch Water District Jacob Moeder, P.E. 949/453-5554	Master Facility Plan and Building Demolition of the OPA-3 Well Site	Prepared the Master Facility Plan and building Demolition of the OPA-3 Well Site. The master plan was broken into two phases. The first phase included the demolition of the existing headquarters, installing a new well and corresponding wellhead facilities. The second phase included the potential construction of a second well.
Irvine Ranch Water District Steve Malloy 949/453-5570	Santiago Hills II Zone 5-6 Booster Pump Station	Design of the pump station that will supply the planned new development of Santiago Hills II. The design of the pump station would meet the requirements of the interim condition and provide the District with the ability to increase the capacity to serve the future developments within the area.
Irvine Ranch Water District Steve Malloy 949/453-5570	Tustin Zone 5 Booster Pump Station	Performed the planning and design of the new potable water pump station and PRV facility which serves IRWD's Zone 5 service area.
Irvine Ranch Water District Steve Malloy 949/453-5570	Santiago Hills Pump Station	Designed the Santiago Hills Pump Station which serves the Santiago Hills/Silverado service area.
City of Orange Robert Baehner 714/288-2475	Well No. 27	Prepared design plans for equipping of Well 27, a new potable water well (930 feet deep). The project involved building, treatment and wellhead facilities.

**EDUCATION & TRAINING**

B.S., Civil Engineering, University of Kansas, May 1974  
M.S., Environmental Engineering, Stanford University, September 1977

**PROFESSIONAL LICENSES**

Civil Engineer - California, No. C28994, 1978  
Civil Engineer - Arizona, No. 19663, 1986

**PROFESSIONAL ORGANIZATIONS & AFFILIATIONS**

American Academy of Environmental Engineers (Board Certified Environmental Engineer, BCEE)  
American Society of Civil Engineers (Member)  
American Water Works Association (Member)  
Orange County Water Association (Member)  
Society of Women Engineers (Senior Member)  
Water Environment Federation (Member)  
Tau Beta Pi (Honorary Engineering Society – Member)  
Chi Epsilon (Honorary Civil Engineering Society – Member)

**EMPLOYMENT**

DDB Engineering, Inc., Irvine, California, April 1999 – Present  
Black & Veatch, Irvine, California, June 1987 - April 1999  
Culp/Wesner/Culp (acquired by HDR Engineering, Inc. in 1986),  
Santa Ana, California, October 1983 – June 1987  
Lowry & Associates, Irvine, California, September 1977 – October 1983  
Black & Veatch, Kansas City, Missouri, June 1974 – September 1976

**EXPERIENCE**

Ms. Burris has over thirty years of experience with a multitude of water, recycled water, and wastewater-related projects. She has been responsible for planning, design, and construction phase services for water and wastewater treatment and reclamation facilities, pumping stations and pipelines. Her duties have included civil engineering; preparation of design plans and specifications for construction of facilities; review of submittals and related construction phase engineering support; application of technical solutions for alternatives evaluation and problem resolution; regulatory and permitting assistance; preparation of funding applications and grant administration; report and proposal writing; presentations; supervision and coordination of technical and support staff; and project management with responsibility for determination and compliance with project budget and schedule. A description of Ms. Burris' pertinent project experience is presented in the following table.

Client, Project, Location & Date	Position, Duties Performed & Project Description
<b><i>Relevant Grant Funding Assistance Experience</i></b>	
Orange County Sanitation District , Grant Funding Assistance for Multiple Projects Fountain Valley, California 2005-2011	Engineer – Administered grant for the Santa Ana River Interceptor Project from the U.S. Dept. of Agriculture National Resources Conservation Service. Applied for grants under the South Coast Air Quality Management District Carl Moyer Program and US Bureau of Reclamation Water 2025 Program. Reviewed MBE/WBE requirements for U.S. Environmental Protection Agency State and Tribal Assistance Grant Program. Researched other potential grant funding opportunities. Prepared grant applications for various projects for funding opportunities sponsored by South Coast Air Quality Management District, Department of Water Resources (Proposition 84), and Bureau of Reclamation WaterSMART.

Client, Project, Location & Date	Position, Duties Performed & Project Description
Irvine Ranch Water District Grant Funding Applications for Multiple Projects Irvine, California 2003-2010	Engineer – Prepared grant applications for multiple projects under the Proposition 13, Proposition 50, SWRCB Water Recycling Funding Program, Clean Water State Revolving Fund and Safe Drinking Water State Revolving Fund for American Recovery and Reinvestment Act funding, Bureau of Reclamation Title XVI funding and WaterSMART, and MWD Local Resources Program (LRP) and Environmental Protection Agency Climate Showcase: Irvine Desalter Project, Regional Brine Line, South Irvine Brine Line, Harvard Avenue Trunk Sewer Diversion Project, Reservoir Management Systems, Manganese Removal Upgrades, Michelson Water Reclamation Plant Expansion, Wells 21 and 22, Tustin Legacy Well 1, Well 106, Shallow Groundwater, Baker Water Treatment Plant, Photovoltaic Project, Compressed Natural Gas System, and Syphon Reservoir Integration.
Jurupa Community Services District, Grant Funding Assistance Mira Loma, California 2008-2011	Engineer – Identified potential grant funding opportunities for water, sewer and parks projects in the Integrated Regional Water Management Plan, Capital Improvements Program and Master Plans. Prepared Clean Water State Revolving Fund and Safe Drinking Water State Revolving Fund for American Recovery and Reinvestment Act funding for specific projects. Prepared Proposition 84, Economic Development Administration (federal and county), and USBR WaterSMART Water and Energy Efficiency, other grant applications for water (potable and non-potable) and sewer projects.
Orange County Water District & Orange County Sanitation District, Groundwater Replenishment System, Fountain Valley, California 1997-2010	Engineer – Design phase coordination; grant applications (Bureau of Reclamation, US Environmental Protection Agency, Department of Water Resources Proposition 13, Metropolitan Water District of Southern California) and funding administration for a new recycled water facility that will supply up to 72,000 afy (70 mgd) to recharge the groundwater basin and supply the seawater intrusion barrier. Facilities include microfiltration, reverse osmosis, ultraviolet irradiation and advanced oxidation, chemical addition, pumping stations, and pipelines.
Moulton Niguel Water District, Grant Funding Assistance Laguna Niguel, California 2010-2011	Engineer – Prepared pre-disaster mitigation grant application for California Emergency Management Agency/Federal Emergency Management Agency for sewer crossing at creek. Provided grants research and assistance.
Municipal Water District of Orange County, Dana Point Ocean Desalination Project Dana Point, California 2005-2008	Engineer – Prepared a permit management plan, permit applications, and provided grant application assistance under the Proposition 50 ocean desalination projects funding program for the research and development phase of a proposed 25 mgd ocean desalination facility.

**REFERENCES**

Furnished upon request

## EDUCATION & TRAINING

B.S., Civil Engineering, Cleveland State University, May 1999

## PROFESSIONAL LICENSES

Civil Engineer – California, No. 72140, 2008

Civil Engineer - Arizona, No. 41863, 2004

## EMPLOYMENT

DDB Engineering, Inc., Irvine, California, 2005 – Present

Separation Processes, Inc., Carlsbad, California, 2001 – 2005

Greeley and Hansen Engineers, Phoenix, Arizona, 1999 – 2001

## EXPERIENCE

Brandi G. Thrasher is a Project Engineer with 13 years of experience in water- and wastewater- related projects. Her assignments have included planning, design, and permitting/regulatory services for water and wastewater treatment and reclamation facilities. She is responsible for preparation of design plans and specifications for construction of facilities; review of submittals and related construction phase engineering support; regulatory and permitting assistance; preparation of funding applications; report writing; and operations and maintenance manual development. A description of Ms. Thrashers' pertinent project experience is presented in the following table.

Client, Project, Location & Date	Position, Duties Performed & Project Description
<b>Moulton Niguel Water District, 3A Plant Effluent Transmission Main Protection Project</b> Laguna Niguel, California 2012	Project Engineer – Preparing application for the California Emergency Management Agency (Cal EMA) for Hazard Mitigation grant funding for MNWD 3A Plant Effluent Transmission Main Protection Project as part of the Local Hazard Mitigation Plan submitted by Municipal Water District of Orange County.
<b>Irvine Ranch Water District, Michelson Water Recycling Plant Microturbine System Project</b> Irvine, California 2012	Project Engineer – Prepared grant proposals for Michelson Water Recycling Plant Microturbine System Project as part of the Biosolids and Energy Recovery Facilities Project in response to the U.S. Bureau of Reclamation 2012 Water-SMART Water and Energy Efficiency Grants and Southern California Edison Self-Generation Incentive Program (SGIP).
<b>Jurupa Community Services Dist. Non Potable Water System</b> Mira Loma, California 2008-2012	Project Engineer – Identified potential grant funding opportunities for water and sewer projects. Prepared grant proposal for JCSD's Non Potable Water Project in response to the U.S. Bureau of Reclamation 2012 WaterSMART Water and Energy Efficiency Grants
<b>Orange County Sanitation District, Plant 1 Secondary Activated Sludge Project (Job No. P1-102)</b> Fountain Valley, California 2006, 2012	Project Engineer – Prepared design specifications and reviewed design documents for a 60 mgd capacity expansion of the secondary treatment facilities at Plant 1. Prepared encroachment permit applications for Caltrans and local cities. Prepared grant proposal for Plant 1 Secondary Activated Sludge Project (Job No. P1-102) in response to the U.S. Bureau of Reclamation 2012 WaterSMART Water and Energy Efficiency Grants
<b>Municipal Water District of Orange County, Dana Point Ocean Desalination Project</b> Dana Point, California 2005-2008	Project Engineer – Provided grant application assistance under the Proposition 50 ocean desalination projects funding program for the research and development phase of a proposed 25 mgd ocean desalination facility. Also provided permitting assistance for State Lands (lease), Army Corps of Engineers, Regional Water Quality Control Board and California Coastal Commission.

Client, Project, Location & Date	Position, Duties Performed & Project Description
<b>Irvine Ranch Water District, Irvine Desalter Project and South Irvine Brine Line</b> Irvine, California 2005	Project Engineer – Prepared a grant proposal for the Irvine Ranch Water District Irvine Desalter Project and South Irvine Brine Line in response to the California Department of Water Resources 2006 Water Desalination Grant Funding solicitation under Proposition 50.

**REFERENCES**

Furnished upon request

**Clients:**

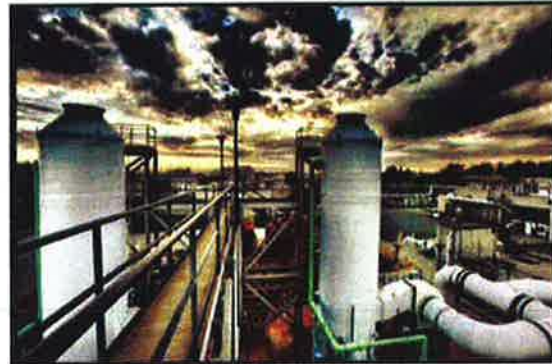
- Irvine Ranch Water District
- Jurupa Community Services District
- Moulton Niguel Water District
- Municipal Water District of Orange County
- Orange County Water District
- Orange County Sanitation District

**DDB Engineering Services:**

- Grant & Loan Funding Applications & Administration

**Key Funding Awards:**

- U.S. Environmental Protection Agency Water Infrastructure Program
- U.S. Bureau of Reclamation WaterSMART Title XVI and Water & Energy Efficiency Programs
- State Water Resources Control Board CALFED Drinking Water Quality Program & Nonpoint Source Pollution Control Program
- Proposition 50 funding under California Department of Public Health and Department of Water Resources
- U.S. Department of Agriculture National Resources Conservation Service and State & Tribal Assistance Grant Programs
- CA Emergency Management Agency Local Hazard Mitigation Program



DDB Engineering, Inc. has secured over \$178 Million in grant funding for public works projects. The table below summarizes the amount of funding awarded to clients for various engineering projects.

Client	Grant Funding	Project
Orange County Water District	Over \$144 Million	<ul style="list-style-type: none"> <li>▪ Groundwater Replenishment System</li> </ul>
Irvine Ranch Water District	Over \$28 Million	<ul style="list-style-type: none"> <li>▪ Irvine Desalter</li> <li>▪ Wells 21 &amp; 22</li> <li>▪ Tustin Legacy Well #1</li> <li>▪ Regional &amp; South Irvine Brine Lines</li> <li>▪ Reservoir Management System</li> </ul>
Municipal Water District of OC	\$1 Million	<ul style="list-style-type: none"> <li>▪ South Orange Coastal Ocean Desalination Project</li> </ul>
Orange County Sanitation District	\$4 Million	<ul style="list-style-type: none"> <li>▪ Sludge Dewatering &amp; Odor Control Project at Plant 1</li> <li>▪ Santa Ana River Interceptor Protection Emergency Watershed Project</li> </ul>
Jurupa Community Services District	Over \$42,000	<ul style="list-style-type: none"> <li>▪ Local Hazard Mitigation Plan</li> </ul>

Project	Grant Program	Sponsoring Agency	Grant or Application Amount (\$ Millions)	Award Amount (\$ Millions)
<i>Orange County Water District</i>				
Groundwater Replenishment System	Water Infrastructure Grant	U.S. Environmental Protection Agency	\$0.50	\$0.50
Groundwater Replenishment System	WaterSMART Title XVI	U.S. Bureau of Reclamation	\$20.00	\$20.00
Groundwater Replenishment System	Proposition 13 - Groundwater Storage Program Construction Grants	California Department of Water Resources	\$30.00	\$30.00
Groundwater Replenishment System	Local Resources Program	Metropolitan Water District	\$3.766 per year for 25 years	\$3.766 per year for 25 years
<i>Irvine Ranch Water District</i>				
Irvine Desalter Project	Proposition 13 - CALFED Drinking Water Quality Program	California State Water Resources Control Board	\$1.00	\$1.20
Regional Brine Line	Proposition 13 - Nonpoint Source Pollution Control Grants	California State Water Resources Control Board	\$1.00	\$1.00
Irvine Desalter Project (via Santa Ana Watershed Project Authority)	Proposition 50 - Water Security and Safe Drinking Water	California Department of Health Services	\$5.20	\$5.20
South Irvine Brine Line (via Santa Ana Watershed Project Authority)	Proposition 50 - Water Security and Safe Drinking Water	California Department of Health Services	\$2.25	\$2.25
Irvine Desalter Project	Proposition 50 - Southern California Projects to Reduce Demand on Colorado River Water	California Department of Health Services	\$3.30	\$3,296
South Irvine Brine Line	Proposition 50	California Department of Health Services	\$1.67	\$1.67
Wells 21 and 22, Tustin Legacy Well #1, Well 106 Projects	Title XVI	U.S. Bureau of Reclamation	\$12.6 (total)	\$12.14 for Wells 1 & 2 & Tustin Legacy

Project	Grant Program	Sponsoring Agency	Grant or Application Amount (\$ Millions)	Award Amount (\$ Millions)
<i>Irvine Ranch Water District (cont.)</i>				
Reservoir Management Systems	Proposition 50	California Department of Health Services	\$1.60	\$1.60
Irvine Desalter Project Manganese Removal Upgrades	Proposition 50	California Department of Health Services	\$1.00	
Various Water/Wastewater Infrastructure Projects	Safe Drinking Water SRF Program under the American Recovery & Reinvestment Act	California Department of Public Health	\$23.0 (total)	
Harvard Avenue Trunk Sewer Flow Diversion System	Proposition 50	California Department of Health Services	\$1.28	
MWRP Phase 2 Expansion Project	Water Recycling Funding Program	State Water Resources Control Board	\$5.00	
Various Water/Wastewater Infrastructure Projects	Clean Water SRF Program under the American Recovery & Reinvestment Act	State Water Resources Control Board	\$33.0 (total)	
Photovoltaic System and Compressed Natural Gas Fueling System	Climate Showcase Communities	U.S. Environmental Protection Agency	\$0.97 (total)	
Syphon Reservoir Integration Project	WaterSMART Program	U.S. Bureau of Reclamation	\$1.00	
<i>Jurupa Community Services District</i>				
Water/Wastewater Infrastructure Projects	General Grant Funding Program Research	-	--	
Various Water/Wastewater Infrastructure Projects	Clean Water SRF Program under the American Recovery & Reinvestment Act	State Water Resources Control Board	\$7.1 (total)	
Various Water/Wastewater Infrastructure Projects	Safe Drinking Water SRF Program under the American Recovery & Reinvestment Act	California Department of Public Health	\$15.2 (total)	

Project	Grant Program	Sponsoring Agency	Grant or Application Amount (\$ Millions)	Award Amount (\$ Millions)
<i>Jurupa Community Services District (cont.)</i>				
Jurupa Rd Sewer Rehabilitation Phase 3 and Groundwater Production Wells	Public Works and Economic Development Facilities Grants Program	U.S. Department of Commerce Economic Development Administration	\$9.2 (total)	
Jurupa Rd. Sewer Rehab. Phase 3 and Groundwater Production Wells	Recovery Act Funding Grants for Public Works & Economic Development Facilities	U.S. Department of Commerce Economic Development Administration	\$9.2 (total)	
Jurupa Rd Sewer Rehabilitation Phase 3 and Groundwater Production Wells	Community Development Block Grant 2010-2011 Program Year	County of Riverside Economic Development Agency	\$6.8 (total)	
High School Well Renovation Project	Proposition 50, Section 75022	California Department of Public Health	\$1.10	
Eastvale Water Recycling Project	Proposition 84 Integrated Regional Water Management Program (IRWMP) via Santa Ana Watershed Project Authority	California Department of Water Resources	\$1.00	
Non-potable Water Distribution and Van Buren Bridge Recycled Water Pipeline	Proposition 84 IRWMP via SAWPA OWOW	California Department of Water Resources	\$1.00	
Non-potable Water Distribution & Indian Hills Wastewater Treatment Plant Rehab.	Proposition 84 IRWMP via SAWPA OWOW	California Department of Water Resources	\$1.00	
Roger B. Teagarden Ion Exchange Treatment Plant Expansion	Proposition 84 IRWMP via SAWPA OWOW	California Department of Water Resources	\$1.00	
Local Hazard Mitigation Plan	Local Hazard Mitigation Program	CA Emergency Management & Federal Emergency Management Agencies	\$0.06	\$0.043
Non-Potable Water System	WaterSMART Program	U.S. Bureau of Reclamation	\$1.00	
<i>Moulton Niguel Water District</i>				
Local Hazard Mitigation Plan	Local Hazard Mitigation Program	CA Emergency Management & Federal Emergency Management Agencies	\$1.425	

Project	Grant Program	Sponsoring Agency	Grant or Application Amount (\$ Millions)	Award Amount (\$ Millions)
<i>Orange County Sanitation District</i>				
Santa Ana River Interceptor Pipeline Protection Emergency Watershed Project	U.S. Department of Agriculture National Resources Conservation Service	U.S. Department of Agriculture National Resources Conservation Service	\$2.20	\$2.20
Sludge Dewatering and Odor Control at Plant No. 1	State and Tribal Assistance Grant	U.S. Environmental Protection Agency	\$1.80	\$1.80
Capital Improvement Program	General Grant Funding Program Research	--	--	
On-Road Heavy Duty Truck Retrofit Program	Carl Moyer Program	South Coast Air Quality Management District	\$0.03	
Cogeneration Cooling Water System Improvements	Water 2025: Preventing Crisis and Conflict in the West	U.S. Bureau of Reclamation	\$0.30	
CGS Engine Exhaust Emission Reduction Pilot	Technology Advancement Program	South Coast Air Quality Management District	\$0.06	
Hydrogen Fueling Station Project	MSRC Clean Transportation Funding Alternative Fuel Infrastructure Funding Opportunities	South Coast Air Quality Management District	\$0.20	
Sludge Dewatering, Odor Control, and Primary Sludge Thickening at Plant No. 1, Project No. P1-101	Proposition 84 IRWMP via SAWPA OWOW	California Department of Water Resources	\$1.00	
Co-generation Facilities Cooling Water System Modifications and Upgrades, Project J-109	Proposition 84 IRWMP via SAWPA OWOW	California Department of Water Resources	\$1.00	
Pharmaceutical Collection Program	Proposition 84 IRWMP via SAWPA OWOW	California Department of Water Resources	\$0.05	
<i>Municipal Water District of Orange County</i>				
Dana Point Ocean Desalination Project Research and Development, Horizontal Well Technology	Proposition 50	California Department of Water Resources	\$1.00	\$1.00

# EXHIBIT "C"

## MEMORANDUM OF UNDERSTANDING BETWEEN EAST ORANGE COUNTY WATER DISTRICT AND IRVINE RANCH WATER DISTRICT REGARDING A JOINT WELL PLANNING REPORT

### Background:

Irvine Ranch Water District ("IRWD") and East Orange County Water District ("EOCWD"), (collectively, the "Parties") have initiated a study to evaluate the feasibility of constructing a new, jointly-operated well ("Joint Well"). Each of the Parties uses both groundwater and imported water supply sources to meet its operating needs and anticipates that it might benefit from an additional groundwater production facility. The Parties are entering into this Memorandum of Understanding ("MOU") to memorialize their mutual understandings concerning the implementation of a study of the Joint Well.

### The Study Project; Scope:

The Parties have an interest in a joint investigation to assess the feasibility of constructing a Joint Well, including an evaluation of which of two possible locations would be preferred from the standpoint of operational, economic and other relevant considerations and what the economic costs/benefits may be from a joint well and associated facilities (the "Study"). The scope of work for the Study will answer the following questions:

- Is there a significant difference in potential well production capacity and/or water quality between the two alternative sites?
- Can one well at either site meet peak capacity requirements?
- Is one site more suitable for the well head facilities, disinfection facilities and connection to EOCWD and IRWD distributions systems?
- What are the estimated costs to build and operate a joint well and associated facilities at both sites?

### Consultant Selection:

A request was issued for proposals from consultants to complete the Study. Requests for proposals for engineering services were submitted by four project teams: HDR with Wildermuth, Richard C. Slade with Tetra Tech Inc., Intera with GEI Consultants and Geoscience Support Services with AKM Consulting Engineers. The Parties reviewed and ranked the proposals, and selected the Richard C. Slade (RCS) team to complete the Study. Representatives of the Parties have negotiated with the RCS team and have agreed upon a final scope and total cost not-to-exceed \$63,900.

### Cost Sharing:

The cost of the Study will be shared on a 50-50 basis between the Parties. The cost to be allocated to each Party is agreed to be as follows:

Party	Percent Participation	Party's Cost
East Orange County Water District	50%	\$31,950
Irvine Ranch Water District	50%	\$31,950
Total		\$63,900

IRWD will also contribute staff time to retain the consultant and manage the Study. Both Parties will provide staff time to collect necessary information and participate in project meetings as necessary to complete the Study.

Modification and Termination:

Any modification or clarification of the scope of the Study shall be subject to prior mutual approval. If the Parties approve any modification of the scope of the Study that increases the total cost set forth above, the Parties will contribute to the additional amount in the same percentages as set forth above unless otherwise mutually agreed. The Parties may mutually elect to terminate this MOU at any time, with each Party being responsible for its percentage share of the cost incurred through the date of the termination.

No Obligation:

Participation in the Study does not obligate either Party to proceed with any Joint Well project. The Parties contemplate that they may, at each Party's option, proceed with a Joint Well project under a further agreement(s) to be developed following the Study.

This MOU may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall be considered one and the same agreement.

Agreed to by:

\_\_\_\_\_  
 Lisa Ohlund  
 General Manager  
 East Orange County Water District  
 Date:

\_\_\_\_\_  
 Paul Cook  
 General Manager  
 Irvine Ranch Water District  
 Date:

# EXHIBIT "D"

## IRVINE RANCH WATER DISTRICT Expenditure Authorization

Project Name: EOCWD - IRWD JOINT WELL PLANNING REPORT

EPMS Project No: 11686 EA No: 1

Oracle Project No: 4287

Project Manager: WEGHORST, PAUL

Project Engineer: BENNETT, RAY

Request Date: February 14, 2013

ID Split: Regional Water Split with LAWD (11/08)

### Improvement District (ID) Allocations

ID No.	Allocation %	Source of Funds
112	3.6	BONDS YET TO BE SOLD**
113	4.4	BONDS YET TO BE SOLD**
115	6.2	CAPITAL FUND
121	12.8	BONDS YET TO BE SOLD**
130	10.0	BONDS YET TO BE SOLD**
135	16.2	PREVIOUSLY SOLD BONDS
140	3.5	BONDS YET TO BE SOLD**
150	26.1	BONDS YET TO BE SOLD**
153	2.9	BONDS YET TO BE SOLD**
154	1.2	BONDS YET TO BE SOLD**
161	6.7	BONDS YET TO BE SOLD**
182	2.5	BONDS YET TO BE SOLD**
184	2.3	BONDS YET TO BE SOLD**
186	.8	BONDS YET TO BE SOLD**
188	.8	BONDS YET TO BE SOLD**
<b>Total</b>	<b>100.0%</b>	

### Summary of Direct Cost Authorizations

Previously Approved EA Requests:	\$0
This Request:	\$79,700
<b>Total EA Requests:</b>	<b>\$79,700</b>
Previously Approved Budget:	\$0
Budget Adjustment Requested this EA:	\$79,700
<b>Updated Budget:</b>	<b>\$79,700</b>
<b>Budget Remaining After This EA</b>	<b>\$0</b>

Comments:

Phase	This EA Request	Previous EA Requests	EA Requests to Date	This Budget Request	Previous Budget	Updated Budget	Start	Finish
ENGINEERING - PLANNING IRWD	6,500	0	6,500	6,500	0	6,500	3/13	12/13
ENGINEERING - PLANNING OUTSIDE	63,900	0	63,900	63,900	0	63,900	3/13	12/13
LEGAL	2,000	0	2,000	2,000	0	2,000	3/13	12/13
Contingency - 10.00% Subtotal	<b>\$7,300</b>	\$0	\$7,300	\$7,300	\$0	\$7,300		
<b>Subtotal (Direct Costs)</b>	<b>\$79,700</b>	<b>\$0</b>	<b>\$79,700</b>	<b>\$79,700</b>	<b>\$0</b>	<b>\$79,700</b>		
Estimated G/A - 180.00% of direct labor*	\$11,700	\$0	\$11,700	\$11,700	\$0	\$11,700		
<b>Total</b>	<b>\$91,400</b>	<b>\$0</b>	<b>\$91,400</b>	<b>\$91,400</b>	<b>\$0</b>	<b>\$91,400</b>		
Direct Labor	\$6,500	\$0	\$6,500	\$6,500	\$0	\$6,500		

\*EA includes estimated G&A. Actual G&A will be applied based on the current ratio of direct labor to general and administrative costs.

EA Originator: \_\_\_\_\_

Department Director: \_\_\_\_\_

Finance: \_\_\_\_\_

Board/General Manager: \_\_\_\_\_

\*\* IRWD hereby declares that it reasonably expects those expenditures marked with two asterisks to be reimbursed with proceeds of future debt to be incurred by IRWD in a maximum principal amount of \$94,000. The above-captioned project is further described in the attached staff report and additional documents, if any, which are hereby incorporated by reference. This declaration of official intent to reimburse costs of the above-captioned project is made under Treasury Regulation Section 1.150-2.

08  
March 11, 2013  
Prepared by: F. Sanchez  
Submitted by: G. Heiertz  
Approved by: Paul Cook

## ACTION CALENDAR

### NEWPORT BAY WATERSHED TMDL PROGRAM FY 2012-13 WORK PLAN AND BUDGET APPROVAL AND COST-SHARE AUTHORIZATION

#### SUMMARY:

The Newport Bay Watershed Committee, which funds ongoing nutrient, fecal coliform and toxics monitoring studies, has submitted a budget to its stakeholders for formal approval. Staff recommends the Board approve the Newport Bay Watershed Fiscal Year 2012-13 Work Plan and Budget in accordance with the terms of the County of Orange Cooperative Agreement D11-066, and authorize payment of IRWD's \$99,898 cost-share.

#### BACKGROUND:

The Newport Bay Watershed Committee was established in 1978 to fund sediment dredging from Newport Bay. This committee was composed of Orange County and cities in the Newport Bay watershed. With the establishment of TMDLs for Newport Bay and its watershed, the Newport Bay Watershed Committee expanded its responsibility to address TMDL requirements. In 1999, IRWD joined the committee to fund ongoing nutrient, fecal coliform and toxics monitoring studies through County of Orange Cooperative Agreement D99-128. In 2012, a new three-year agreement with revised cost-shares, Cooperative Agreement D11-066 was executed. Per the terms of the agreement, a new work plan and budget is submitted each year to the stakeholders for formal approval.

The total proposed budget is \$1,318,977; as a result of a \$320,000 carry-over from FY 2011-12, the total amount to be invoiced is \$998,977. IRWD will be invoiced \$99,898 based on its 10% cost-share. Key tasks included in the work plan are:

- 1) Continued efforts on development of the selenium TMDL, habitat surveys and studies;
- 2) Continuation of the Nutrient Regional Monitoring Program (NRMP);
- 3) Organochlorines (OC) analysis of fish and egg tissues for the OC TMDL; and
- 4) Development of reports for the revision of the Fecal Coliform TMDL.

#### FISCAL IMPACTS:

The total budget for the Fiscal Year 2012-13 is \$1,318,977. A \$320,000 carry-over from Fiscal Year 2011-12 will be applied by the County, so the total amount to be invoiced to stakeholders is \$998,977. IRWD's cost-share, in accordance with Cooperative Agreement D11-066 is 10% or \$99,898. Funding for the Newport Bay Watershed TMDL Program is included in the adopted FY 2012-13 Operating Budget.

ENVIRONMENTAL COMPLIANCE:

No CEQA or NEPA analysis is required for the cooperative agreement or its attendant work plan.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on March 7, 2013.

RECOMMENDATION:

THAT THE BOARD APPROVE THE NEWPORT BAY WATERSHED TMDL PROGRAM FISCAL YEAR 2012-13 WORK PLAN AND BUDGET IN ACCORDANCE WITH THE TERMS OF COUNTY OF ORANGE COOPERATIVE AGREEMENT D11-066, AND AUTHORIZE PAYMENT OF IRWD'S \$99,898 COST-SHARE.

LIST OF EXHIBITS:

Exhibit "A" – 2012-13 Work Plan and Budget for Newport Bay Watershed TMDL Program

February 8, 2013

Fiona Sanchez  
Irvine Ranch Water District  
15600 Sand Canyon Ave.  
Irvine, CA 92618-3102

ENGINEERING & PLANNING

FEB 11 2013

IRVINE RANCH  
WATER DISTRICT

**Subject: Cooperative Agreement D11-066, Fiscal Year 2012-13 Workplan and Budget for Newport Bay Watershed – Nutrient, Fecal Coliform and Toxics TMDL Programs**

Dear Ms. Sanchez:

Please find attached the Fiscal Year 2012-13 workplan and budget for the Newport Bay Watershed – Nutrient, Fecal Coliform and Toxics TMDL Programs. The total budget amount, as discussed in the meeting on February 6, 2013, is \$1,318,977. Subtracting the carry over from Fiscal Year 2011-12 of \$320,000, the final amount expected to be invoiced is \$998,977.

You are asked to formally approve the recommended budget by submitting a signed statement as follows:

*"Irvine Ranch Water District has reviewed the proposed Cooperative Agreement D11-066 workplan and budget for 2012-13. Upon review Irvine Ranch Water District approves the budget of \$1,318,977 as presented."*

If you have any questions, please contact Jian Peng at (714) 955-0651.

Very truly yours,



Chris Crompton  
Manager, Environmental Resources

Attachment: 2012-13 Workplan and Budget

COUNTY OF ORANGE

OC PUBLIC WORKS

**Newport Bay Nutrient, Fecal Coliform and Toxics TMDLs**

**FY 2012-13 WORK PLAN AND BUDGET**

**February 7, 2013**

**For Agreement Parties Approval**

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- 1.0 Introduction
- 2.0 FY 2012-13 Work Plan
  - 2.1 Overview
  - 2.2 Nutrient TMDL
  - 2.3 Fecal Coliform TMDL
  - 2.4 Selenium TMDL
  - 2.5 Toxics TMDL
  - 2.6 Other Tasks
- 3.0 FY 2012-13 Budget Analysis
  - 3.1 Salaries and Employee Benefits
  - 3.2 Services and Supplies
    - 3.2.1 Laboratory Supplies
    - 3.2.2 Professional and Specialized Services
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    - 3.2.4 Other Transport and Travel
- 4.0 FY 2012-13 Cost Shares and Trends

## List of Tables and Figures

- Table 1 FY 2012-13 Projected Work Plan Milestones and Deliverables
- Table 2 Newport Bay Watershed Nutrient, Fecal Coliform and Toxics TMDLs  
FY 2012-13 Budget
- Table 3 FY 2012-13 Cost Shares
- Figure 1 Newport Bay Nutrient, Fecal Coliform and Toxics TMDLs Budget  
Expenditure Trends
- Figure 2 Newport Bay Nutrient, Fecal Coliform and Toxics TMDLs Labor Full Time  
Equivalents (FTEs)

## 1.0 INTRODUCTION

This workplan and budget has been prepared in accordance with the terms of Agreement D11-066 to cooperatively fund the Newport Bay Nutrient, Fecal Coliform and Toxics Total Maximum Daily Loads (TMDLs). The County, in concert with all Agreement Parties, prepares an operating budget for shared costs to provide for the performance of studies, monitoring and development of programs to attain Nutrient, Fecal Coliform and Toxics TMDL reduction targets over a multi-year period. Review and approval of the scope of work and budget is required from ninety percent (90%) of Agreement Parties and 12 of the 13 parties.

Agreement D11-066 was approved by the final signatory on July 18, 2012. Several tasks were budgeted in FY 2011-12 but have not been implemented and will be carried forward into FY 2012-13. These carry-over of tasks will increase the total budget amount, but not individual invoice amounts as funds for these tasks were collected in FY 2011-12.

## 2.0 FY 2012-13 WORK PLAN

### 2.1 Overview

Costs are incurred by the County acting as designated program lead, on behalf of the other Agreement Parties, with specific responsibilities for work coordination and implementation. Work Plan elements for FY 2012-13 have been developed to address program requirements and anticipated Regional Board activities in FY 2012-13. The major TMDL activities will include:

- Continued efforts related to the selenium implementation strategies, including TMDL/compliance strategy development, tissue monitoring, habitat surveys, and special studies;
- Continuation of the Nutrient Regional Monitoring Program (RMP) and support, if applicable, for the revision of nutrient numeric targets and nutrient TMDL;
- Organochlorines (OC) analysis of fish and bird egg tissues for the OC TMDLs/TRIP Program; additional monitoring and implementation activities as required by the OC TMDLs (anticipated to have final adoption by the State in December 2012); and
- Development of required reports for the revision of the Fecal Coliform TMDL.

The major work tasks by TMDL are presented below. A schedule of projected milestones/deliverables is shown in Table 1. Please see Table 2 and Section 3.2.3 for individual task costs.

### 2.2 Nutrient TMDL

- Nutrient RMP

The Nutrient RMP is required by Santa Ana Regional Board Resolution 99-77, and is composed of two components: a routine monitoring component and a special monitoring component. The routine monitoring components track progress in the attainment of the interim and final TMDL targets. The special monitoring includes investigations to better understand the nature of nutrient sources and dynamics in the watershed (see below). In addition, algae samples are collected from Upper Newport

Bay to analyze the extent, magnitude, and duration of algal blooms. Major Nutrient RMP tasks for FY 2012-13 include:

1. Sample collection and laboratory analysis
  2. Evaluation and dissemination of monitoring program data
  3. Preparation of quarterly data assessment reports
- **Special Study: Phosphorus Source Identification in Santa Ana-Delhi Channel**  
The goal of this monitoring effort is to identify the sources of excessive phosphorus in the Newport Bay Watershed, as exemplified by Santa Ana-Delhi Channel, where an unknown source(s) of phosphorus has contributed to exceedances of the phosphorus urban allocation. This information will be particularly important during the proposed evaluation of the Nutrient TMDL targets.

### **2.3 Fecal Coliform TMDL**

- **Fecal Coliform TMDL Basin Plan Amendments**  
In FY 2012-13, a report with recommendations to update the TMDL based on findings in the Source Management Plan will be finalized. Several recommendations will require adoption of Basin Plan Amendments to authorize new implementation provisions for indicator bacteria water quality objectives within the context of TMDLs, as well as changes to the TMDL itself. In order to prepare Basin Plan Amendments and technical staff report language for timely consideration by the Regional Board, significant consultant support is anticipated. The amount of \$200,000 included in the FY 2011-12 budget will be carried forward to supplement the FY 2012-13 tasks.
- **Fecal Coliform TMDL Routine Monitoring**  
The Fecal Coliform TMDL (Section 3.a.ii.a - Routine Monitoring) requires weekly monitoring at 35 Bay and tributary stations from April – March. Historically, Orange County Health Care Agency (OCHCA) has conducted this monitoring as a part of its AB411 program. Beginning in FY 2009-10, OCHCA conducts bacteria monitoring only during the AB411 period (April-September). To comply with the Fecal Coliform TMDL, funding has been included in this budget for monitoring from October – March.
- **Fecal Coliform TMDL Source Monitoring Program**  
The Fecal Coliform TMDL currently assigns waste load allocations and load allocations to four source categories. Of these sources, urban runoff and natural sources appear to be the greatest contributors of fecal coliform to Newport Bay, and are therefore should be considered “high priority” sources. Proposed source monitoring strategies, as outlined in the Fecal Coliform TMDL Revision Report, will focus on these high priority sources.

### **2.4 Selenium TMDL**

- **Strategic TMDL Coordination Consultant Support**  
Multi-year efforts to develop consensus among local stakeholders and regional, state and federal regulators on the revised selenium TMDL and site-specific objectives have been reinitiated. Consultant assistance has been called upon to provide regulatory strategy development and stakeholder meeting facilitation in the collaborative effort to craft an alternative compliance strategy and set achievable site-specific selenium

objectives, as outlined below.

- Consultant Support for Unresolved Selenium TMDL Technical Issues

Successful negotiation of changes to the revised selenium TMDL or a non-TMDL alternative compliance strategy, and site-specific objectives will require changes to the TMDL Technical Staff Report, Basin Plan Amendment language and compliance strategy. Continued consultant support will be necessary to revise these documents in a timely manner.

- Fish Tissue SSO Technical Investigations

Technical studies to further support or define alternative fish tissue site specific objectives are ongoing and expected to continue in FY 2012-13. Technical investigations will include fish population studies, habitat surveys and documentation and selenium exposure studies for smaller species such as minnow or red shiner.

- Feasibility Study for the Non-stormwater Diversion of the Santa Ana-Delhi Channel

This effort will include an investigation of feasible diversion locations and flow and concentration data collection in tributaries to Santa Ana-Delhi Channel.

- Selenium Regional Monitoring Program (Se RMP)

TSO R8-2009-0069 requires the submittal of a Regional Monitoring Program for selenium by January 1, 2011 and implementation of the plan within 90 days of Regional Board approval. Since the Selenium RMP was never formally approved by the Regional Board, selenium-related monitoring has been carried out in the form of special studies as listed below:

- Watershed tissue monitoring and habitat survey - Tissue monitoring will be continued in FY 2012-13 and organochlorines have been added to the target analytes to assist the effort on OC TMDL. A habitat survey will be added starting FY 2012-13 to provide habitat information critical to both selenium and OC TMDLs.
- Swamp of the Frogs groundwater surface water balance study - During FY 2011-12, the Funding Partners retained consultant firm Daniel B. Stephens & Associates (DBSA) for a comprehensive study of groundwater and surface water balance for the Newport Bay watershed with an emphasis on the Swamp of the Frogs, which is the main source of selenium in the watershed. The work has been mostly completed and a draft final report has been prepared. Limited budget is needed for final report revisions for FY 2012-13 to address some significant comments and to incorporate some new data that has become available.
- Big Canyon Wash groundwater surface water balance - this effort will be in addition to the project in FY 2011-12 and will accommodate additional tasks. The water balance will assist the City of Newport Beach in identifying the optimal management measures for selenium in the Big Canyon watershed.
- Lower Peters Canyon Wash selenium and flow mass balance study and lower San Diego Creek selenium biogeochemical studies. Regional Board staff have

identified these special studies as critical tasks and they will be carried out by County staff.

## 2.5 Toxics TMDL

- OC TMDLs/Toxicity Reduction and Investigation Program (TRIP)

The TRIP was developed in response to Regional Board initial approval of the OC TMDL. The OC TMDL provides an option for a Working Group to develop a comprehensive Work Plan to evaluate the scientific basis for the OC TMDLs, to prioritize TMDL implementation tasks, to integrate implementation with other TMDLs and/or permit requirements, and to investigate unknown sources of toxicity in the watershed. Due to ongoing delays in final approval of the OC TMDL, work in FY 2012-13 will be limited to the following activities:

- OC Analysis of Fish/Bird Tissue (collected for Selenium RMP) and fluvial sediment analysis

Additional information is needed to assess the potential impacts of OCs on biota. In FY 2012-13, the Selenium RMP will include collection of bird egg and fish tissue samples from the freshwater drainage sites in the watershed, including the off-channel wetlands. Based on previous tissue collection efforts, up to 50 biota samples are anticipated. Tissue samples will be analyzed for OC compounds in addition to selenium. Fluvial sediment monitoring will help quantify the amount of OC compounds being transported during storm events and assist in identifying source areas of concern.

- TRIP/OC TMDL Work Plan Development

Development of a work plan for the TRIP/OC TMDL based upon the recommendations from the April 2009 Independent Advisory Panel has restarted while Regional Board staff addresses issues with the OC TMDL implementation plan timeline. Regional Board and State Board have approved the OC TMDL and final approval by Office of Administrative Law (OAL) and United States Environmental Protection Agency (USEPA) is expected in late 2012 or early 2013. The TRIP work plan will be completed in the same time frame.

## 2.6 Other Tasks

- Long Term Funding Source Investigation

Agreement Parties have expressed concerns about the ability of general funds to continue to support funding requirements for TMDLs and other water quality regulations.

In the 5 Year Financial Forecast the Long Term Funding Source Investigation was anticipated to span 3 fiscal years (FY 2012-13 through FY 2014-15). \$70,000 is budgeted for this task with all funding carried forward from FY 2011-12. \$50,000 will also be provided from the NPDES budget in order to provide a countywide funding context.

## 3.0 FY 2012-13 BUDGET ANALYSIS

For a detailed summary of the total costs, see **Table 2**. The total anticipated budget is:

*FY 2012-13 Budget*                      **\$1,318,977**

**3.1 Salaries and Employee Benefits**

The total number of County personnel required to implement the FY 2012-13 Work Plan, including water quality monitoring programs, is **3.11** Full Time Equivalents (FTE) at a cost of **\$444,497**. The lower labor cost reflects the utilization of lower level staff compared to FY 2011-12. The labor task categories and level of effort are described below:

Labor Task Description	Budget	FTE
Financial management: budgeting, funding agreement preparation and processing, contract administration and processing	\$36,196	0.16
Meeting organization, management and presentations	\$53,863	0.32
Development and implementation of recommended TMDL strategies, advocacy, and coordination with Regional Board	\$112,905	0.50
Preparation of monitoring reports to Regional Board	\$143,821	1.02
Field monitoring, data analysis and QA/QC	\$97,712	1.11
<b>Total</b>	<b>\$444,497</b>	<b>3.11</b>

**3.2 Services and Supplies**

The total cost of services and supplies required for implementation of the Newport Bay TMDLs FY 2012-13 Work Plan is **\$934,480** (Accounts 1500, 1809, 1900, 2150 and 2700).

**3.2.1 Laboratory Supplies (Account 1500)**

This item includes the costs of necessary laboratory and sampling equipment parts, supplies and reagents for the implementation of the Nutrient RMP and other required monitoring.

*FY 2012-13 Budget*                      **\$1,000**

**3.2.2 Small Tools/Instruments (Account 1809)**

This item includes the purchase of a specialized fluvial sediment sampler to collect samples for the OC TMDL.

*FY 2012-13 Budget*                      **\$4,000**

**3.2.3 Professional and Specialized Services (Account 1900)**

This item includes consultant services related to implementation of the Newport Bay TMDL FY 2012-13 Work Plan. County staff time is not included in this category. The professional and specialized services include providing laboratory analytical services, conducting special study projects, and preparing TMDL/planning documents.



**Table 1**

**FY 2012-13 Projected Work Plan Milestones and Deliverables**

<b>Monitoring and Reporting</b>	<b>Date</b>
Watershed Nutrient Monitoring (Nutrient RMP)	Weekly
Upper Newport Bay Algae Monitoring (Nutrient RMP)	Monthly
Nutrient TMDL Quarterly Data Report	July 15, 2012
Fecal Coliform TMDL Annual Report	Sept. 1, 2012
Nutrient TMDL Quarterly Data Report	Oct. 15, 2012
Nutrient TMDL Quarterly Data Report	Jan. 15, 2013
Nutrient TMDL Quarterly Data Report	April 15, 2013
Selenium RMP/OC TMDL Tissue Monitoring	April-June 2013

Newport Bay Nutrient, Fecal Coliform and Toxics TMDLs  
 FY 2012-13 Work Plan and Budget for Agreement Parties Approval  
 Feb 7, 2013

**Table 2**  
**FY 2012-13 Budget Details**

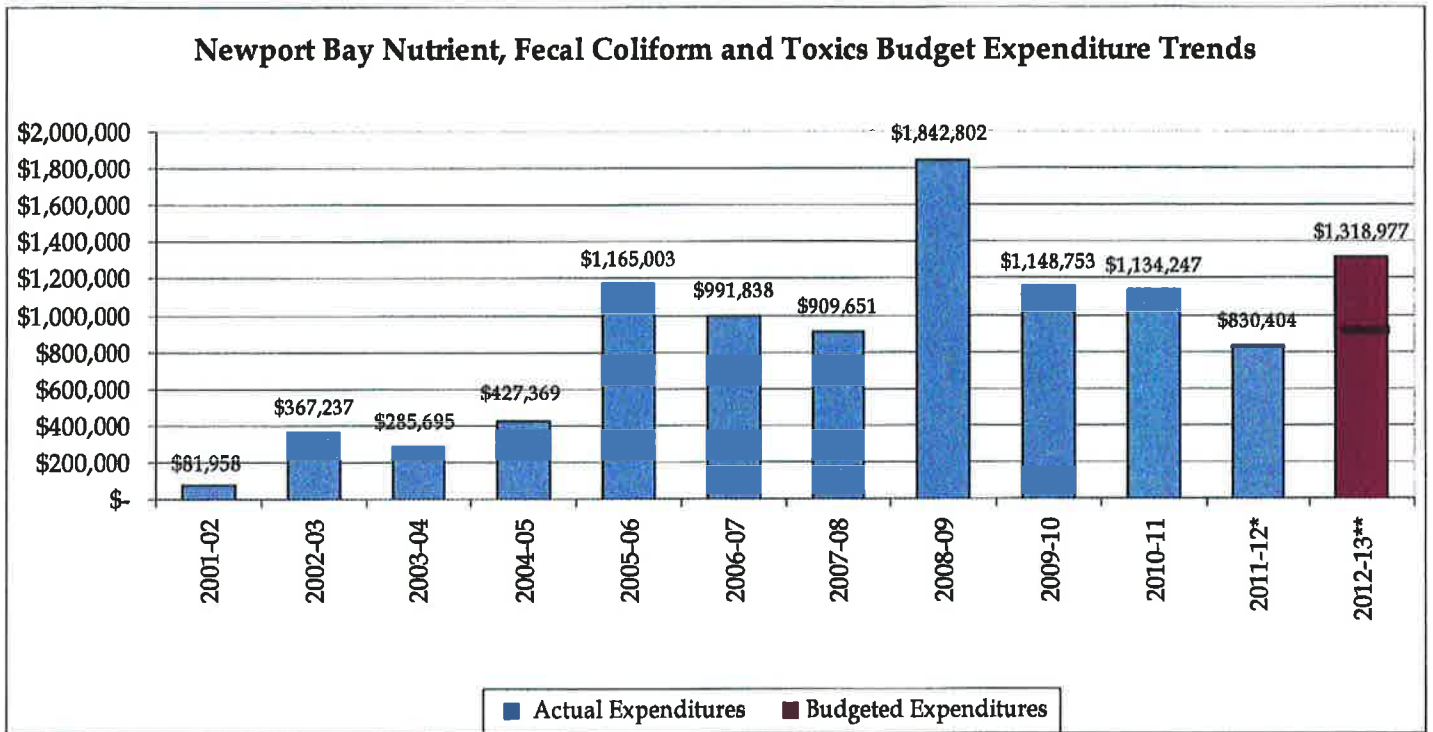
<b>Budget Line Item</b>	<b>FY2012-13 Proposed Budget</b>	<b>FY2011-12 Total Budget</b>	<b>Identified FY 2011-12 Carryover</b>
Salaries /Employee Benefits – Account 0100	\$444,497	\$535,241	
<i>Financial Management: Budgeting, funding agreement preparation and processing, consultant contract administration and processing (0.16FTE)</i>	\$36,196		
<i>Meeting organization, management and presentations (0.32FTE)</i>	\$53,863		
<i>Development of recommended TMDL strategy, advocacy, and responses to RWQCB (0.50FTE)</i>	\$112,905		
<i>Preparation of monitoring reports to Regional Board (1.02 FTE)</i>	\$143,821		
<i>Field Monitoring, Data Analysis and QA/QC (1.11 FTE)</i>	\$97,712		
Laboratory Supplies – Account 1500	\$1,000	\$1,000	
Small Tools/Instruments (specialized OC sampler) - Account 1809	\$4,000	\$4,000	
Professional Services – Account 1900	\$923,600	\$880,090	
<i>Nutrient RMP Analytical Costs</i>	\$51,300		
<i>Nutrient TMDL Revision: Review/rebut Regional Board TMDL Revision</i>	\$50,000		\$50,000
<i>Fecal Coliform TMDL Revision: Basin Plan Amendment</i>	\$200,000		\$200,000
<i>Fecal Coliform TMDL Routine Monitoring Nov-March</i>	\$69,300		
<i>Fecal Coliform TMDL Source Monitoring Program</i>	\$25,000		
<i>Groundwater/Surface water Model - additional tasks</i>	\$10,000		
<i>Big Canyon Wash - additional tasks</i>	\$40,000		
<i>Selenium TSO/TMDL - OC TMDL Tissue Monitoring (including Final Plan Development) and habitat survey</i>	\$95,000		
<i>Se SSO Development (address RB Comments)</i>	\$30,000		
<i>Selenium TMDL alternative compliance strategy</i>	\$200,000		
<i>OC TMDL Analysis of Fish/Bird Tissue + fluvial sediment analysis</i>	\$23,000		
<i>Long-term Funding Source Studies</i>	\$70,000		\$70,000
Equipment Usage – Account 2150	\$5,100	\$6,400	
Other Transport and Travel - Account 2700	\$780	\$780	
<b>Budget Total</b>	<b>\$1,318,977</b>	<b>\$1,427,511</b>	<b>\$320,000</b>
<b>Budget Total minus identified FY 2011-2012 Carryover</b>		<b>\$998,977</b>	

Newport Bay Nutrient, Fecal Coliform and Toxics TMDLs  
 FY 2012-13 Work Plan and Budget for Agreement Parties Approval  
 Feb 7, 2013

**Table 3**  
**FY 2012-13 Cost Shares Based on D11-066**

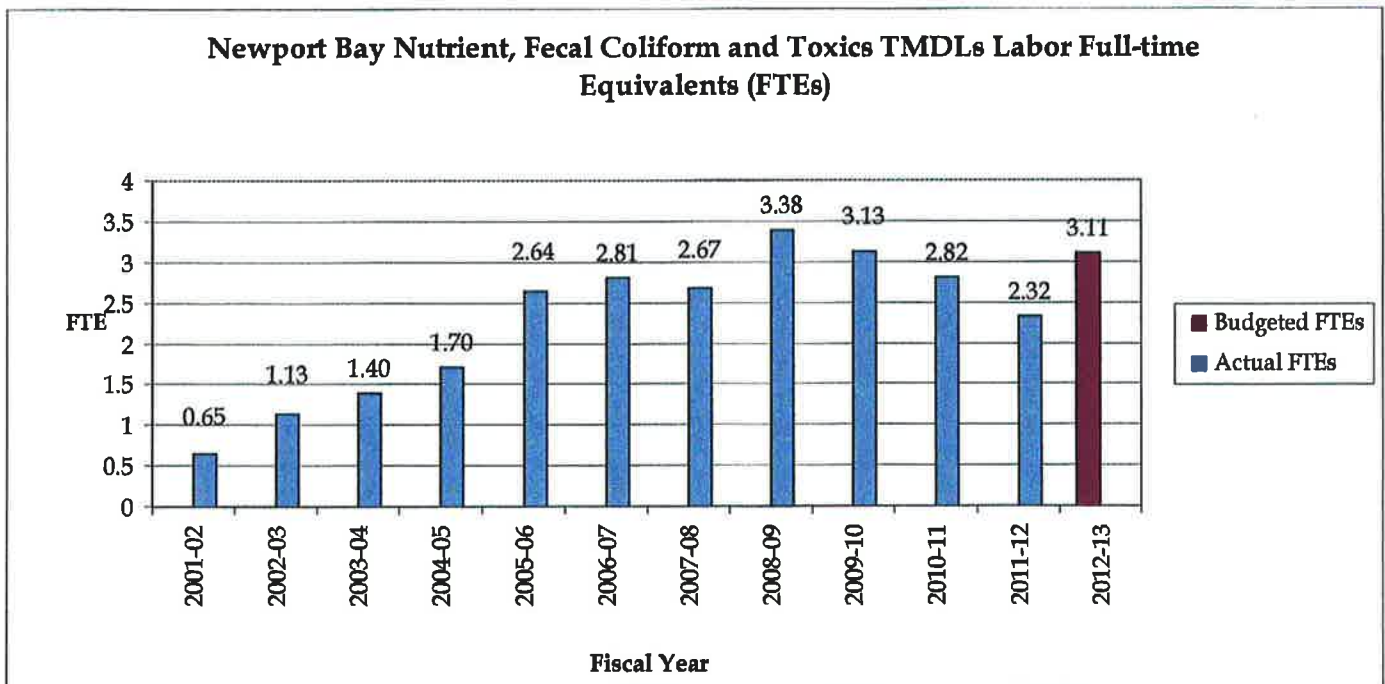
<b>Party</b>	<b>FY 2012-2013 Cost Share Percentage</b>	<b>FY 2012-2013 Cost Share Budget Total Budget</b>	<b>FY 2012-2013 Cost Share Budget Minus Identified Carryover</b>
Costa Mesa	4.28	\$56,473	\$42,772
County of Orange	7.05	\$79,895	\$60,512
Irvine	26.46	\$349,042	\$264,360
Laguna Hills	0.59	\$7,767	\$5,883
Laguna Woods	0.96	\$12,691	\$9,612
Lake Forest	5.19	\$68,429	\$51,827
Newport Beach	7.55	\$99,518	\$75,374
Orange	0.94	\$12,408	\$9,398
Santa Ana	10.77	\$142,039	\$107,578
Tustin	6.06	\$93,043	\$70,469
OCFCD	10.00	\$131,898	\$99,898
IRWD	10.00	\$131,898	\$99,898
Irvine Company	10.00	\$131,898	\$99,898
Lennar	0.15	\$1,978	\$1,498
<b>Total</b>	<b>100.00%</b>	<b>\$1,318,977</b>	<b>\$998,977</b>

Figure 1



\* FY 2011-12 expenditure is being adjusted to account for open encumbrances and a tissue monitoring task paid by County funds. The number is approximate. \*\*FY 2012-13 budgeted amount minus identified carryover funds value of \$320,000 is \$998,977 (indicated by bold line)

Figure 2



\*FTE based on 2040 annual hours

March 11, 2013  
Prepared and  
Submitted by: G. Heiertz  
Approved by: Paul Cook



## ACTION CALENDAR

### POSEIDON RESOURCES LETTER OF INTENT

#### SUMMARY:

Poseidon Resources is proposing to build and operate a 50-million gallon per day (MGD) seawater desalination project in Huntington Beach. IRWD is one of the original 11 water agencies that entered into a Memorandum of Understanding (MOU) with Poseidon to negotiate terms and conditions for the purchase of water from this proposed facility. Based on these negotiations, Poseidon has developed a draft term sheet as the basis for final negotiations. Poseidon is now requesting that IRWD execute an updated Letter of Intent (LOI) specifying the quantity of desalinated water that IRWD intends to purchase from the project. The current non-binding LOI issued by IRWD expressed an interest in purchasing up to 6,000 acre-feet of desalinated water subject to several conditions including the cost of water. Staff recommends that the Board revoke the current non-binding LOI to purchase water from the project based on the cost of the water and that IRWD should continue to negotiate with Poseidon Resources on water quality and other issues related to the proposed ocean desalination project that could impact IRWD. Staff also recommends that the Board adopt updated policy principles for ocean desalination projects.

#### BACKGROUND:

Poseidon Resources is proposing to build and operate a 50 MGD (56,000 AFY) seawater desalination plant in Huntington Beach. The desalination facility will be located at the AES Power Plant along Pacific Coast Highway at Newland Street. The proposed project will use reverse osmosis technology to treat the ocean water and will take advantage of the existing ocean intake and outlet pipes at the AES Power Plant.

Poseidon is proposing to convey the water produced by its facility through one or both of two transmission systems. The Regional North Delivery System requires approximately 10 miles of large diameter new or replacement large diameter pipeline from the desalination plant to the existing West Orange County Water Board Feeder #1. The Regional North Delivery System could not convey the entire 50 MGD by itself. The Regional South Delivery System would connect the desalination plant with OC-44 on the existing East Orange County Feeder #2 to convey water to the south county agencies. The Regional South Delivery System has been sized to convey the entire 50 MGD if necessary. To achieve this, a 48-inch diameter pipeline would need to be constructed from the Poseidon plant to the OC 44 pipeline, which is approximately eight miles away. Poseidon also expects to reconstruct or rehabilitate portions of the existing OC-44 pipeline. In addition, the South Delivery System would require new pump stations at OC-44 and at Coastal Junction in Irvine. If constructed, IRWD would receive treated water from the Poseidon plant through the Regional South Delivery System.

Poseidon estimates that as much as 50% of the desalinated water in the South Delivery System would be used in IRWD's potable water distribution system regardless of whether IRWD

participates in the project. Because the potential effects this water could have on the water quality of both the potable and the recycled water systems operated by IRWD, staff has set a number of water quality conditions on the desalinated water – specifically, that the water produced by the Poseidon plant would be of equal to or better quality than water IRWD received from MWD. Poseidon has agreed in concept to these water quality conditions.

The Environmental Impact Report (EIR) for the proposed facility was certified by the City of Huntington Beach in September 2005 and included the water quality stipulations made by IRWD. The Huntington Beach Conditional Use Permit and Coastal Development Permit, along with the NPDES discharge permit from the Regional Water Quality Control Board, were issued in 2006. A subsequent EIR for the project was certified by the City in 2010. Poseidon is in the process of completing permits from the California Coastal Commission.

#### Water Purchase Negotiations:

In early 2008, Poseidon approached a number of Orange County water agencies to begin negotiations for the purchase of the desalinated water from the proposed Huntington Beach plant. In May 2008, 11 agencies, including IRWD, entered into a Memorandum of Understanding (MOU) regarding the review and potential purchase of water from this facility. A number of other agencies have been added to the MOU since it was initially executed. The MOU obligated Poseidon and the Participating Agencies to negotiate in good faith for the purchase of water from the Huntington Beach desalination plant. This MOU expired June 30, 2011.

IRWD issued a “Letter of Intent Regarding Potential Water Purchase Agreement”, attached as Exhibit “A”, to Poseidon on July 9, 2009 expressing conditional interest in purchasing up to 6,000 acre-feet per year of desalinated water. The conditions included, among others, that the price of water be below the Metropolitan Water District of Southern California (MWD) Tier 1 rate and that the project meet IRWD water quality requirements.

A draft term sheet for the proposed water purchase agreement (referred to by Poseidon as a “Water Reliability Agreement”) outlining the parameters for negotiating the potential purchase of desalinated water from Poseidon Resources’ Huntington Beach Seawater Desalination Project was presented to the local retail water agencies for review and consideration on January 24, 2013. The draft term sheet is attached as Exhibit “B”.

Poseidon Resources estimates the cost of water delivered through the South Delivery System to be approximately \$1,812 per acre-foot including conveyance costs. This estimated cost includes engineering, procurement and design, construction, startup, conveyance and operation costs. The estimate does not include any financial subsidy from MWD. This cost is more than twice the current MWD Tier 1 price, which exceeds the pricing condition included in the current IRWD LOI.

The participating agencies have been requested to provide an updated non-binding LOI to Poseidon. A template for the LOI provided by Poseidon is attached as Exhibit “C”. The non-binding LOI must include an annual amount in acre-feet of ocean desalinated water that the agency intends to purchase, and is to be approved by the agency’s board or council. The LOI states the agency’s intent to participate in negotiations with Poseidon for a Water Reliability

Agreement. The sum of the annual ocean desalination potential purchases from the LOIs to be signed by the participating agencies would confirm or revise the total potential demand by the participants for desalinated water. Poseidon has requested that the agencies provide the updated LOIs by the end of May 2013.

#### Ocean Desalination Policy Position Paper:

In June of 2005, the IRWD Board of Directors discussed and adopted a set of policy principles regarding the use of seawater desalination for potable water supply. While many of these policy principles appear to have held up well over the years, staff is proposing a number of revisions to the District's policy position on ocean desalination, taking into account the changes in conditions that have occurred. This revised policy position paper is attached as Exhibit "D". Staff recommends that the IRWD Board adopt the revised policy position.

#### FISCAL IMPACTS:

Purchase of desalinated ocean water from Poseidon would increase the cost of water from other than local supplies from the current Tier 1 rate of \$847 per acre-foot to approximately \$1,812 per acre-foot. If 6,000 acre-feet per year were to be purchased from Poseidon in lieu of MWD water, IRWD's annual cost of water would increase by \$5,790,000, increasing the District's total water purchase budget (imported water purchases plus OCWD Replenishment Assessment payments) by over 20%.

Current water purchase projections for FY 2013-14 call for approximately 9,500 acre feet to be purchased from MWD for the potable system with about 7,000 acre feet serving the Los Alisos rate area because they are not included in the OCWD ground water basin. For example, based on the IRWD's current practice for setting its customers' rates, serving this water to the Los Alisos rate area would increase the current projected FY2013/2014 commodity rate of \$2.16 per ccf to \$3.53 per ccf (approximately 63%); the Irvine Ranch Water District rate area projected FY2013/2014 commodity rate would increase from \$1.26 per ccf to \$1.36 per ccf (approximately 8%).

#### ENVIRONMENTAL COMPLIANCE:

An EIR for the Poseidon Desalination Plant was certified by the City of Huntington Beach in 2005. A subsequent EIR for the project was certified by the City in 2010.

#### COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on March 7, 2013.

RECOMMENDATION:

THAT THE BOARD REVOKE THE CURRENT NON-BINDING LETTER OF INTENT TO PURCHASE WATER FROM THE PROJECT AND THAT THE DISTRICT CONTINUES TO NEGOTIATE WITH POSEIDON RESOURCES ON WATER QUALITY AND OTHER ISSUES RELATED TO THE PROPOSED OCEAN DESALINATION PROJECT AND THAT THE BOARD ADOPT THE REVISED POLICY POSITION ON DESALINATION.

LIST OF EXHIBITS:

- Exhibit "A" – IRWD Letter of Intent Regarding Potential Water Purchase Agreement dated July 9, 2009
- Exhibit "B" – Draft Term Sheet, Proposed Water Reliability Agreement
- Exhibit "C" – Draft Letter of Intent Regarding Huntington Beach Desalination Facility Water Reliability Agreement
- Exhibit "D" – Draft of the Updated IRWD Policy Position Paper on Ocean Desalination



**IRVINE RANCH WATER DISTRICT**

15600 Sand Canyon Avenue • P.O. Box 57000 • Irvine, California 92619-7000 • (949) 453-5300 • www.irwd.com

July 9, 2009

Mr. Andrew Kingman  
Chief Executive Officer  
Poseidon Resources  
3780 Kilroy Airport Way  
Suite 200  
Long Beach, CA 90806

**Subject: Letter of Intent Regarding Potential Water Purchase Agreement**

Dear Mr. Kingman:

The purpose of this letter (the "Letter of Intent") is to indicate the interest of Irvine Ranch Water District ("IRWD") in the potential purchase of up to 6,000 acre-feet per year of desalinated water from a seawater desalination plant to be built by Poseidon Resources ("Poseidon") at its site in the City of Huntington Beach, and to set forth certain conditions for such purchase between IRWD and Poseidon.

IRWD, along with several other Orange County retail water agencies, have entered into a Memorandum of Understanding with Poseidon to review the potential for purchasing desalinated water from the Huntington Beach Project ("Project"). IRWD has, and continues to be, interested in pursuing good faith negotiations to reach agreement on the terms to be set forth in a definitive water purchase agreement (the "Water Purchase Agreement"), based on and subject to the following key minimum conditions:

1. The cost of water from the Project, including all conveyance and delivery capital and operating costs, must be provided by Poseidon at or below IRWD's equivalent cost for obtaining Tier 1 water from the Metropolitan Water District of Southern California (MWD) through the Municipal Water District of Orange County (MWDOC).
2. The Project water must meet current and future water quality standards and have no adverse effect on IRWD's potable or recycled water production or delivery systems, the on-site potable or recycled water delivery systems of IRWD's customers, or the intended end uses of water served from the potable or recycled system by IRWD's customers.
3. The Water Purchase Agreement, to the extent permissible by law, must protect IRWD and its customers from any financial or legal liability in the event of a failure of the Project to deliver water, or material default, bankruptcy, insolvency, reorganization or similar proceeding relating to Poseidon and/or its associated Limited Liability Corporations (LLCs).

EXHIBIT "A"

Mr. Andrew Kingman  
Poseidon Resources  
July 9, 2009  
Page 2

4. In the Water Purchase Agreement, Poseidon must agree that a reasonable share of any future reduction in Project water production costs will be passed through to IRWD or reflected in IRWD's purchase price for the Project water. This must include periodic disclosures of financial information necessary to ascertain actual Project water production cost during the term of the agreement.
5. The Project water will have no adverse effect on IRWD's ability to pump groundwater or purchase MWD imported water in the future.

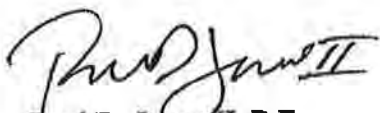
In addition, before IRWD would be willing to enter into a Water Purchase Agreement with Poseidon, IRWD will require certain information to evaluate and satisfy itself as to the Water Purchase Agreement pricing structure and other financial terms, as well as Poseidon's ability to execute and perform under the proposed Water Purchase Agreement. This information shall include, but not be limited to, a detailed financial *pro forma* for the Project (showing financing, all projected costs, profit, site lease agreements, energy contracts, etc.) and audited financial statements for Poseidon and its associated LLCs.

Except for the obligation to negotiate in good faith, nothing contained in this Letter of Intent shall be deemed or construed to be an agreement, commitment or obligation of either party to conclude negotiations or execute a Water Purchase Agreement, or to create any other obligation or any right on the part of either Party. This Letter of Intent shall be governed by and construed in accordance with the laws of the State of California without reference to the principles of conflicts of laws.

IRWD recognizes the regional supply reliability benefits that seawater desalination projects offer to IRWD and other southern California water agencies. To this extent, and with the understanding that this letter does not in any way commit IRWD to purchasing water from the project, IRWD will cooperate as it deems appropriate with Poseidon in its efforts to obtain all necessary regulatory approvals and permits to enable the timely construction of the Project.

Sincerely,

Irvine Ranch Water District



Paul D. Jones II, P.E.  
General Manager

cc: Irvine Ranch Water District Board of Directors  
Kevin Hunt, MWDOC

**EXHIBIT "B"**

**Term Sheet**

**Proposed Water Reliability Agreement**

**Huntington Beach Seawater Desalination Project**

**[Municipal Water District of Orange County and/or Orange  
County Water District and/or Participating Retail Agencies]  
and**

**Poseidon Resources (Surfside) LLC**

**January, 2013**

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## TERMINOLOGY

<b>Subject</b>	<b>Meaning</b>
1. Parties	<p>Seller Poseidon Resources (Surfside) LLC ("Seller"). Seller is a special purpose project company established and controlled by Poseidon Water, LLC.</p> <p>[TBD] ("Buyer(s)").</p> <p>Together, the "Parties."</p>
2. Project	<p>A reverse osmosis seawater desalination plant, including the seawater intake, concentrate disposal facilities, product water pump station ("Product Water Pump Station"), and appurtenant facilities to be located on a site adjacent to the AES Huntington Beach Generating Station ("Plant"), capable of delivering a baseload of 56,000 acre-feet/year of desalinated water ("Product Water") to the boundary of the Project site at Newland Street ("Delivery Point") consistent with the Subsequent Environmental Impact Report (SEIR).</p>
3. Delivery Point, Product Water Booster Pump Stations and Delivery System	<p>The Delivery Point is defined as the boundary line of the Project site at Newland Street. The on-site Product Water Pump Station will be adequate to transport and deliver Product Water at the quantity and pressure required by the Contract. The Delivery System shall be defined as offsite facilities (i.e., pipeline and booster pumps) to deliver the Product Water from the Project's Delivery Point to Buyer(s). The Delivery System will be adequate to transport and deliver Product Water at all times in the quantities required by the Contract.</p> <p>The Delivery System as currently considered will be financed and constructed by Seller and owned and operated by the Buyer(s). Two different Delivery System options (i.e., pipeline routes and supporting facilities) have been studied and are currently being considered by the Seller and Buyer(s). The two delivery system options are herein defined as the "Regional South Delivery System" and the "Regional North Delivery System".</p> <p>Regional South Delivery System is defined as approximately ten (10) miles of a new 54-inch diameter pipeline located from the Plant to the existing OC-44 pipeline at Del Mar and Elden Avenue in the city of Costa Mesa.</p>

<b>Subject</b>	<b>Meaning</b>
	<p>Figure 1 provides a general illustration of the Regional South Delivery System pipeline alignment.</p> <p>The Regional North Delivery System is defined as approximately ten [10] miles of new 54, 48, 42, and 36 inch diameter pipeline located from the Plant to the existing West Orange County Water Board Feeder #1 (WOCBF #1/OC-9) in the city of Huntington Beach, and from the Plant connecting to the existing OC-44 pipeline at Harbor Boulevard and Fair Drive in the city of Costa Mesa</p> <p>Figure 2 provides a general illustration of the Regional North Delivery System pipeline alignment.</p> <p>Both the Regional South and Regional North Delivery System options will also include two off-site booster pump stations. One will be approximately located at the junction of the OC-44 and the East Orange County Feeder #2 (EOCF#2), in the city of Newport Beach and the second will be approximately located at Coastal Junction, in the city of Irvine.</p> <p>The financing of any Delivery System will be structured so that (i) Seller will be obligated to repay the financing in the event that the Delivery System and the Plant are not completed by the deadlines set forth herein and (ii) once the Project is in operation the Seller will make the debt service payments on the Delivery System financing to the extent the Plant does not produce the required amount of Product Water.</p>
4. Water Reliability Agreement	A contract ("Contract") between the Seller and the Buyer(s) under which the Seller shall construct the Project and the Delivery System and operate the Project and deliver water to the Delivery Point and the Buyer(s) shall operate the Delivery System and purchase Product Water under terms set forth in the Agreement.
5. Contract Date	The date on which the Contract is executed and delivered by the Parties.
6. EPC Contractor; EPC Contract	A proposed contract between Seller and the Project's engineering, procurement and construction contractor and with its principal process subcontractor (the "EPC

<b>Subject</b>	<b>Meaning</b>
	Contractor") for the design, construction and startup of the Plant and the Delivery System (the "EPC Contract"). The EPC Contractor will be selected by Seller from a pre-qualified list approved by the Buyer(s).
7. Operations Agreement	A proposed contract between Seller and the Operating Contractor for the operation, maintenance, repair and equipment replacement of the Plant. The Operating Contractor will be selected by Seller from a pre-qualified list approved by the Buyer(s).
8. MWD	Metropolitan Water District of Southern California.
9. MWD Agreement	The MWD Seawater Desalination Program Agreement between the Buyer(s) and MWD.
10. SEIR	The Subsequent Environmental Impact Report for the Project certified by the city of Huntington Beach in September, 2010.

## NEGOTIATION AND APPROVAL PROCESS

<b>Subject</b>	<b>Understanding</b>
1. Purpose	<p>The purpose of this Term Sheet is to set forth the basis for negotiations toward a possible Contract between the Parties. The proposed terms and conditions set forth herein do not bind either Party in any manner, and in particular do not commit the Buyer(s) to purchase Product Water. It is a summary only and is not comprehensive or definitive.</p> <p>The Parties understand that substantive terms and detailed provisions not noted or fully developed in this Term Sheet are expected to be included in any final Contract.</p>
2. Schedule	<p style="text-align: center;">A. Schedule Milestones for Project</p> <p>Seller anticipates:</p> <ul style="list-style-type: none"> <li>• that the Contract will be executed by the Parties no later than January 1, 2014;</li> <li>• that it shall obtain full construction financing no later than June 30, 2014 (the "Construction Finance Deadline");</li> <li>• that the Commercial Operation Date will be the earlier of (1) December 31, 2017, or (2) the date that is 40 months following the actual date of financial close, as such date may be extended due to Uncontrollable Circumstances (the "Scheduled Commercial Operation Date").</li> </ul> <p style="text-align: center;">B. Schedule Extensions</p> <p>The Contract shall provide for extensions of such dates due to the occurrence of Uncontrollable Circumstances or Changes-in-Law and, in the absence of Uncontrollable Circumstances or Changes-in-Law, as mutually agreed to by the Parties.</p> <p style="text-align: center;">C. Failure to Meet Deadlines</p> <p>In the event that, after extensions that may be provided for in the Contract, Seller has not been able to meet the Construction Finance Deadline, Buyer(s) may terminate the Contract. If the Scheduled Commercial Operation Date is not met, and/or if Seller has notified Buyer(s) of its intent to abandon the Project, the Buyer(s) may terminate the Contract and shall have the right, but not the obligation, to purchase the Project from Seller on terms and conditions that will be set forth in the Contract.</p>
3. Contract Negotiations	<p>The Parties acknowledge that either Party may suspend, terminate or renew negotiations at any time and for any reason</p>

<b>Subject</b>	<b>Understanding</b>
	without consequence.
4. Buyer(s) Due Diligence	<p>During the negotiating periods and ending prior to the execution of the Contract, the Buyer(s) intend to conduct a complete due diligence examination of Seller and the Project. Seller intends to fully cooperate with the examination, and provide all documents and information requested by the Buyer(s) in connection therewith. Due diligence will address, among other things, (1) Seller's investors, ownership structure, management, financial condition and contingent liabilities; (2) any existing agreements, commitments, understandings, rights and claims of any other Party pertaining to Seller and the Project; (3) Plant design specifications, (4) the proposed EPC Agreement and EPC Contractor; (5) the proposed Operations Agreement and Operating Contractor; (6) legal entitlements; (7) litigation; (8) development equity, construction and term equity and debt arrangements, participation and terms; (9) financial projections for the Project; (10) all procurements, negotiations and discussions Seller has engaged in for contractors and subcontractors for the Project; (11) and any and all land leases for property or appurtenant facilities including, but not limited to, the site lease with AES and land lease with the State Lands Commission.</p>
5. No Buyer(s) Responsibility for the Project	<p>Seller understands and acknowledges Buyer(s) do not assume any responsibility for the Project whatsoever. Any Contract resulting from the negotiations will be a contract solely for the purchase of Product Water. Seller has planned and developed and will implement the Project completely at its own risk. Seller will be solely responsible for the efficacy of the Project and its permitting, financing, design, construction, commissioning and capability of successfully passing acceptance tests producing Product Water to the standards of the Contract. No due diligence performed by the Buyer(s) shall constitute any transfer of liability to the Buyer(s) for the Project or its performance.</p>

**TERMS AND CONDITIONS OF  
THE PROPOSED WATER PURCHASE CONTRACT**

<b>Subject</b>	<b>Proposed Term/Condition</b>
<p>1. Term</p>	<p><u>A. Initial Term</u> The initial term ("Initial Term") of the Contract shall begin upon the execution of the Contract and shall terminate 30 years from the Commercial Operation Date.</p> <p><u>B. Renewal</u> The Contract may be renewed at the sole option of Buyer(s) for two additional 15-year terms ("Renewal Terms"). Buyer(s) shall notify Seller no later than 3 years prior to the expiration of the Initial Term (or, as the case may be, a Renewal Term) of its intentions regarding renewal. With the exception of Product Water Quantity, Product Water Quality and Water Purchase Price (each of which shall be subject to negotiation), the terms and conditions of the Initial Term will carry forward into any Renewal Terms, provided however that Product Water Quantity, Product Water Quality and Water Purchase Price negotiations shall be concluded no later than 18 months prior to the expiration date, and, if not, the Contract shall expire at the end of the Initial Term or Renewal Term, as applicable.</p> <p><u>C. Responsibility for Plant Upon Expiration of Term.</u> Buyer(s) shall have no responsibility for any costs or the obligations with respect to decommissioning the Plant at the end of the Initial Term or Renewal Term, as applicable.</p>
<p>2. Roles of the Parties</p>	<p><u>A. Seller</u> Seller shall design, permit, construct, start-up and acceptance test the Project and the Delivery System all in conformity to applicable law, prudent industry practices and the requirements of the Contract. Seller shall finance the Project and cooperate with Buyer(s) in the financing of the Delivery System. Upon the commencement of the commercial operation of the Project ("Commercial Operation Date"), Seller shall operate and maintain the Project in accordance with prudent industry practices and applicable laws and regulations sufficient to meet the reliability, Product Water Quality, permitting and regulatory requirements of the Contract.</p>

Subject	Proposed Term/Condition
	<p><u>B. Buyer(s)</u> Buyer(s) shall cooperate with Seller during the period of Project, as necessary and appropriate, with respect to activities such as permitting, financing and public information, but shall have no responsibility or liability regarding such activities of Seller.</p> <p>Buyer(s) shall finance and operate the Delivery System.</p> <p>Upon the achievement of the Commercial Operation Date, Buyer(s) shall purchase Product Water as provided for under the Contract and accept delivery of the Product Water at the Delivery Point and operate and maintain the Delivery System.</p>
3. Financing Period	<p><u>A. Construction Finance Deadline</u> In the event a Contract is successfully negotiated and executed, Seller shall achieve financial close (with all construction financing in place for the Project and the Delivery System) by the Construction Finance Deadline.</p> <p><u>B. Failure to Achieve Financial Close by the Construction Finance Deadline</u> If Seller fails to achieve financial close for the Project by the Construction Finance Deadline, the Buyer(s) may terminate the Water Purchase Contract.</p> <p><u>C. Achievement of Financial Close</u> If Seller succeeds in achieving financial close before the Construction Finance Deadline Seller will proceed to construct the Project and the Delivery System.</p>
4. Financing Plan	<p><u>A. Seller Responsibilities</u> Seller will be solely responsible for the financing of the Project. Seller will keep the Buyer(s) regularly informed of its progress in executing the plan of financing.</p> <p><u>B. Amount of Financing</u> Seller may not issue additional Project debt without the approval of the Buyer(s), except (1) debt for Project completion, (2) refinancing debt, (3) debt necessary to pay capital costs resulting from uninsured force majeure events and Changes in Laws, and (4) debt for other purposes to be negotiated.</p>

<b>Subject</b>	<b>Proposed Term/Condition</b>
	<p><u>C. Capital Amortization Period</u>  Unless mutually agreed by the Parties, the amortization term of any Project debt financing or refinancing undertaken will not exceed the term of the Contract.</p> <p>D. Buyer Responsibilities  The Delivery System will be constructed by Seller and owned and operated by the Buyer(s). The construction of the Delivery System will be financed by the Buyer(s). The financing will be structured so that (i) Seller will be obligated to repay the financing in the event that the Delivery System and the Plant are not completed by the deadlines set forth herein and (ii) once the Project is in operation the Seller will make the debt service payments on the Delivery System financing to the extent the Plant does not produce the required amount of Product Water.</p>
<p>5. Design and Construction of the Plant and Delivery System</p>	<p><u>A. Construction Period Design Reviews for the Plant and the Delivery System</u>  During the Construction Period, the Buyer(s) will have the right, but not the obligation, to periodically review the design of the Plant and the Delivery System for compliance with the EPC Agreement and design specifications as set forth in the Contract. The Buyer(s) will not have approval authority over the design of the Plant, except as such may relate to compliance with the requirements of the Contract. Seller will agree to consider and respond to material comments or concerns made by the Buyer(s). The Buyer(s) will have the right to provide design specifications for the Delivery System.</p> <p><u>B. Construction Period Reporting and Review for the Project</u>  Seller will attend monthly progress meetings with the Buyer(s) and will provide the Buyer(s) access to information regarding the Project and the Delivery System. Seller will consider and respond to material comments or concerns made by the Buyer(s). The Buyer(s) will have the right to observe and inspect construction of the Project and the Delivery System at any reasonable time. The Contract will detail the Buyer(s) inspection rights and requirements, and Seller's obligations during the construction of the Project and the Delivery System. The</p>

<b>Subject</b>	<b>Proposed Term/Condition</b>
	<p>Buyer(s) shall have the right to review information regarding the construction of the Project and the Delivery System to the extent reasonably necessary to confirm Seller's compliance with the requirements of the Contract.</p> <p><u>C. Start-Up and Acceptance Testing of the Plant and Delivery System</u>  The Contract will set forth acceptance test standards and procedures designed to assure the Buyer(s) that the Plant and the Delivery System will be capable, on a long term basis, of meeting the requirements of the Contract. The Buyer(s) will have the right to review and comment on the acceptance test protocol to be developed in accordance with the requirements of the Contract, and to observe Plant and the Delivery System start-up and acceptance testing.</p> <p><u>D. Modifications Due to Changes in Law During the Construction Period</u>  In the event that capital improvements or modifications are required due to a Change in Law occurring during the Construction Period, Seller will inform the Buyer(s) of such need and of the schedule for and an estimated cost of addressing such need. Seller will mitigate the effects of the Change in Law, and minimize the delay in design or construction and minimize the cost of such capital improvements or modifications. The Buyer(s) will be responsible for such costs, but only if: (1) the Commercial Operation Date is achieved; and (2) such Change in Law is not imposed as the result of the acts or omissions of Seller.</p>
6. Scheduled Commercial Operation Date	<p>If Seller fails to achieve the Commercial Operation Date by the Scheduled Commercial Operation Date, and/or if Seller has notified Buyer(s) of its intent to abandon the Project, the Buyer(s) may terminate the Contract and shall have the right, but not the obligation, to purchase the Project from Seller terms and conditions that will be set forth in the Contract.</p>
7. Operation and Maintenance	<p><u>A. Seller's Obligation to Operate the Plant</u>  Upon the achievement of the Commercial Operation Date, Seller will operate, maintain, repair and replace the Plant in accordance with the terms of the Contract, prudent industry practices and applicable laws and regulations</p>

Subject	Proposed Term/Condition
	<p>sufficient to meet the contractual performance and regulatory requirements.</p> <p><u>B. Operation and Maintenance of the Delivery System</u> The Delivery System will be operated and maintained by Buyer(s).</p> <p><u>C. Operator</u> Seller will, prior to the Contract Date, contract for the operation, maintenance, repair and equipment replacement of the Plant with the Operating Contractor. The Operating Contractor will not be replaced without the Buyer(s) approval, which shall not be unreasonably withheld. Seller will deliver a copy of the proposed Operations Agreement to the Buyer(s) for review and comment prior to execution.</p> <p><u>D. Operations and Maintenance Manual</u> Two months prior to the Commercial Operation Date, Seller will provide the Buyer(s) with a draft copy of the Plant's operation and maintenance manual for review and comment.</p> <p><u>E. Life-Cycle Maintenance</u> The Contract will contain all necessary assurances that the Plant will be properly maintained, repaired and replaced over the term of the Contract. These will include a requirement to have a CMMS system and use it to perform ordinary and capital maintenance, and periodic maintenance inspections.</p> <p><u>F. Restoration of the Plant</u> In the event of damage to the Plant, Seller will be obligated to repair or replace damaged components to enable the restoration of full operations and the full performance of its obligations under the Contract, whether through the application of insurance proceeds or Seller's own capital. In order to provide for the circumstance under which Seller is not able to restore the Plant, Seller agrees that the Project's financing documentation will enable the Buyer(s), at the Buyer(s) sole option, to purchase the Plant for an amount equal to Seller's outstanding indebtedness, net of available insurance proceeds.</p>

Subject	Proposed Term/Condition
	<p><u>G. Buyer(s) Right to Monitor</u>  The Buyer(s) will have the right to monitor the operation and maintenance of the Plant in order to confirm compliance with the requirements of the Contract. The Buyer(s) will have the right to conduct periodic inspections of the Plant, and will notify Seller of any operations and maintenance deficiencies found for rectification by Seller. The Buyer(s) will have the right to engage consultants and advisors for inspections to review Seller performance and performance reports and to provide recommendations to the Seller.</p>
8. Plant Expansions	<p>The Buyer(s) shall have the first right to propose to purchase any additional Product Water, subject to mutual agreement between Seller and the Buyer(s) as to terms and conditions.</p>
9. Water Quantity	<p><u>A. Water Quantity Commitments</u>  Seller will agree to produce and deliver, and the Buyer(s) will agree to take (on a "take-if-delivered" basis), <b>[56,000]</b> acre-feet per year of Product Water (the "Committed Amount"). The aggregate of the individual commitments of each of the Buyer(s) shall equal the Committed Amount. For the actual quantity of Product Water taken, the Buyer(s) will pay a per-acre foot unit charge as set forth in Item 14.</p> <p><u>B. Payment for Available Water that is Not Taken</u>  In the event that the Buyer(s) do not take the Product Water required to be taken under Item 9A, the Buyer(s) will nonetheless pay Seller a per-acre foot charge to be set forth in the Contract, based on the Delivery Schedule.</p> <p><u>C. Delivery Schedule</u>  The schedule for periodic deliveries of Product Water (daily, monthly, quarterly) will be mutually agreed to by the Parties on an annual basis.</p> <p><u>D. Operating Committee</u>  Seller, the Operating Contractor, and the Buyer(s) will establish an Operating Committee to address daily flow changes and operations and other items to be set forth in the Contract.</p>

Subject	Proposed Term/Condition
	<p><u>E. Water Ownership</u> The Buyer(s) will own all Product Water received and accepted at the Delivery Point.</p> <p><u>F. Product Water Pressure and Hydraulic Transients Guarantee</u> Seller will guarantee Product Water pressure, and will operate the Product Water Pump Station within agreed upon protocols so to minimize hydraulic transients in the Buyer(s) Delivery System.</p> <p><u>G. Distribution System Emergencies</u> In the event of emergencies in its distribution system (a "Distribution System Emergency"), the Buyer(s) may demand a curtailment of Plant operation and Product Water deliveries, excusing the impacted Buyer(s) from its purchase obligation for the duration of the emergency.</p> <p><u>H. Product Water Not Delivered Due to Uncontrollable Circumstances/Distribution System Emergency</u> Product Water which Seller would have delivered to the Buyer(s) but which Seller is unable to deliver due to an Uncontrollable Circumstance or a Distribution System Emergency shall be delivered by Seller and purchased by the Buyer(s) from any excess Product Water on a negotiated basis, or during an extension of the term of the Water Purchase Contract not to exceed three years.</p> <p><u>I. Respective Cost Obligations of the Parties</u> Seller will be responsible for all costs incurred in producing and delivering Product Water to the Delivery Point, and the Buyer(s) will be responsible for all costs incurred in receiving and distributing Product Water after the Delivery Point.</p>
10.Product Water Quality	<p><u>A. Product Water Quality Requirements Generally</u> Product Water delivered by Seller will meet all legal potable water quality requirements and not exceed regulatory or maximum contaminant levels established by the state, federal, and local agencies. A detailed set of water quality specifications will be incorporated in the Contract per Attachment A to this Term Sheet.</p>

<b>Subject</b>	<b>Proposed Term/Condition</b>
	<p><u>B. Third Party Claims Regarding Product Water Quality</u>  Seller will be solely liable for any fines, penalties or damages that may be incurred by either Party due to Seller's failure to meet water quality requirements. Seller will indemnify the Buyer(s) against any fines, penalties or damages (including third party tort claims) that may be incurred by the Buyer(s) due to the delivery of Product Water that does not meet the Product Water quality requirements.</p> <p><u>C. Limitation on the Buyer(s) Obligation to Accept Product Water</u>  The Buyer(s) will not be obligated to accept or pay for Product Water that does not meet the Product Water quality requirements.</p>
<p>11. Performance Liquidated Damages</p>	<p><u>A. Product Water Quantity Failures</u>  The Contract will specify liquidated damages for failure to deliver 85 percent of Product Water quantities specified in the Contract during any Contract Year (any period running from July 1 to the following June 30 during the term of the Contract) after the first full year of operation. Seller will be afforded a reasonable opportunity to make up delivery failures prior to the imposition of liquidated damages.</p> <p><u>B. Product Water Quality Failures</u>  The Contract will specify liquidated damages for Product Water quality non-compliance.</p>
<p>12. Raw Water Risks</p>	<p>The Contract will set forth the assumed raw water quality parameters upon which Seller's performance guarantees are based. If (1) actual raw water quality parameters are outside those assumed, or (2) specific negotiated events occur affecting raw water quality (such as pollution events), Seller will be entitled to relief from its water quantity production guarantee.</p>
<p>13. AES</p>	<p>Seller shall bear all risks relating to AES and AES's generating plant and property, except (1) the occurrence of force majeure events damaging or destroying the raw water intake, outfall and any other AES facilities necessary for the conveyance of raw water to the Plant and the discharge from the Plant or other events effecting the construction and operations of the Project, and (2) other reasonable</p>

Subject	Proposed Term/Condition
	<p>exceptions negotiated by the Parties in which event Seller shall be entitled to relief from its water quantity production guarantee. Such AES risks include AES sale, merger or bankruptcy; AES lease breach, default and termination; changes in law, permit modifications or denials, or regulatory orders affecting AES.</p>
<p>14. Water Purchase Price</p>	<p><u>A. Buyer(s) Obligation to Pay for Product Water</u>  The Buyer(s) will only pay for Product Water that meets the Product Water quality requirements and is actually delivered or ready to be delivered to the Delivery Point.</p> <p><u>B. Water Purchase Price</u>  The price payable by the Buyer(s) for Product Water shall consist of (1) the negotiated Unit Price per acre-foot, multiplied by (2) the number of acre-feet of Product Water purchased by the Buyer(s). Any extraordinary items (such as costs payable by the Buyer(s) associated with Changes in Law and amounts payable by Seller for non-compliance with the MWD Agreement, liquidated damages or indemnity payments) shall be paid or credited as a separate element of the Water Purchase Price, or shall be reflected in a revised Unit Price, as appropriate.</p> <p><u>C. Unit Price</u>  The negotiation of the Unit Price (to be finalized prior to execution of the Contract) will be determined in accordance with the following principles:</p> <ol style="list-style-type: none"> <li>1. The Unit Price will be based on the capital and operating costs of the Project (as opposed to the "avoided cost" of water).</li> <li>2. Seller will provide full transparency to the Buyer(s) with respect to capital costs, operating costs, and financial returns to Seller.</li> <li>3. The Unit Price will support the financing, construction and operation of a high-quality desalination facility that operates in a highly reliable manner.</li> <li>4. The Unit Price will provide financial incentive to Seller for efficient plant operations. Operational</li> </ol>

Subject	Proposed Term/Condition
	<p>improvements and energy consumption savings during the Term will be for the benefit of the Seller. The Buyer(s) will reserve the right to provide wholesale power to the Project.</p> <p>5. The Unit Pricing structure will determine how actual debt service costs, and future refinancing savings will be reflected in the Unit Price.</p> <p>6. The Unit Price will not be finalized until the underlying capital and operational costs of the Project have been established through binding contracts, and these contracts and the financing costs and draft financing documents have been received, reviewed and accepted as reasonable by the Buyer(s).</p> <p>7. Charges:</p> <ul style="list-style-type: none"> <li>a. Capital Charge. The Capital Charge for each Contract Year shall be a per-Acre-Foot amount set to cover annual debt service and provide a return to equity.</li> <li>b. Operating Charges. <ul style="list-style-type: none"> <li>i. Fixed Operating Charge. The Fixed Operating Charge shall be a per-Acre Foot amount index linked. It will be set to cover operating expenses that do not vary with water production.</li> <li>ii. Variable Operating Charge. The Variable Operating Charge shall be a per-Acre Foot amount index linked. It will be set to cover operating expenses that vary with water production.</li> </ul> </li> <li>c. Electricity Charges. <ul style="list-style-type: none"> <li>i. Fixed Electricity Charge. The Fixed Electricity Charge shall be a per-Acre Foot amount index linked. It will be set to cover electricity costs that do not vary with water production. It will be</li> </ul> </li> </ul>

Subject	Proposed Term/Condition
	<p>based on the electricity consumption guaranteed by the Operating Contractor.</p> <p>ii. Variable Electricity Charge. The Variable Electricity Charge shall be a per-Acre Foot amount index linked. It will be set to cover electricity costs that vary with water production. It will be based on the electricity consumption guaranteed by the Operating Contractor.</p> <p>The Unit Price associated with the Plant and determined in accordance with the foregoing principles is estimated to be \$1,424AF [January 2013 dollars]. This estimate is based on a number of key assumptions including the following: a financing structure with 82% debt and 18% equity on the total capital budget (Plant + Delivery System); the current estimated Plant EPC Contract costs and design, construction and startup period costs; an interest rate of 5.15% on the Plant bonds; SoCal Edison electricity rates applicable as of January 2013; \$250 per acre foot financial incentive under the MWD Agreement; and estimated other costs (e.g. financing, mitigation, reserves, contingency, operations and maintenance, etc.). Unit Price associated with the Delivery System would vary depending on the option selected. The Regional South Delivery System is estimated to be \$138/AF, assuming a debt rate of 4.90% and an EPC cost of \$101,200,000. The Regional North Delivery System is estimated to be \$94/AF, assuming a debt rate of 4.90% and an EPC cost of \$66,900,000. Electricity, operations and maintenance costs related to the Delivery System have not been included in the above Unit Cost estimates, as the financing approach assumes that the Delivery System will be owned and operated by the Buyer(s). The Unit Prices above are estimates subject to change.</p> <p><u>D. Plant Site Conditions Risk</u>  Seller shall bear all price risk associated with any differing site conditions and regulated site conditions (such as hazardous substances and cultural resources).</p>

<b>Subject</b>	<b>Proposed Term/Condition</b>
	<p><u>E. Grants and Subsidies Benefit Buyer(s)</u> Any subsidy, grant or contribution received directly or indirectly by the Buyer(s) or Seller from the MWD or any other local, regional, state or federal governmental agency will be for the full benefit of the Buyer(s). The Parties will also consider alternative approaches regarding federal, state, regional and local financial support to help reduce the cost of the Product Water.</p> <p><u>F. Notification of Annual Price Adjustments</u> For budgetary purposes, Seller will notify the Buyer(s) no later than a date to be specified in the Contract prior to the start of the next succeeding Contract Year of the Water Purchase Price that will be in effect for the coming Contract Year based on the specified index adjustments.</p> <p><u>G. Additional Sales of Product Water</u> In the event that Seller sells Product Water to third parties (excluding Buyer(s)) for a per acre foot price that is less than the Unit Price but is otherwise on substantially the same terms and conditions as contained in the Contract, the Unit Price for the Buyers shall be lowered to such lesser price during the period in which Seller makes such sales of Product Water to third parties. Any sales to the City of Huntington Beach as described in the Amended and Restated Owner's Participation Agreement dated September 2010 are excluded from this provision on Additional Sales of Product Water</p>
15.No Payment Obligation Before Commercial Operation Date; Exception	<p><u>A. General</u> The Buyer(s) will have no obligation to purchase Product Water or make any payment whatsoever to Seller prior to the Commercial Operation Date. If that date does not occur, the Buyer(s) will not have any payment obligations. If Change in Law costs are incurred prior to the Commercial Operation Date, the Buyer(s) will be obligated to pay such costs only as an increase in the Water Purchase Price payable after the Commercial Operation Date, on a negotiated, amortized basis.</p> <p><u>B. Exception</u> Following approval by the State Department of Public Health of the introduction of Product Water into the</p>

<b>Subject</b>	<b>Proposed Term/Condition</b>
	Buyer(s) distribution system and prior to the Commercial Operation Date, the Buyer(s) will purchase Product Water meeting quality standards. The price of the water will be equal to the Unit Price minus the debt service portion of the Capital Charge described in Section 14.C.7.a and the duration of this commitment will be negotiated.
16.Site Access	<p><u>A. Plant Tours</u> Seller will make the Plant available for Buyer(s) tours after start of commercial operations, subject to reasonable notice by the Buyer(s).</p> <p><u>B. Site Access</u> Buyer(s) staff, consultants and contractors will be provided access to the site and all facilities owned or leased by Seller during the construction period and after the start of commercial operations, subject to reasonable notice by the Buyer(s).</p>
17.Insurance	<p><u>A. Seller Insurance Obligations</u> Seller will obtain and maintain, in amounts to be agreed upon with the Buyer(s), insurance as follows: commercial general liability insurance; builder's risk (including earthquake coverage with an agreed sublimit) and property and casualty insurance that will provide for the full replacement value of the Project; motor vehicle insurance; workers compensation; business interruption insurance in an amount sufficient to cover a minimum of one year of fixed operating and financing costs and, as appropriate, pollution liability insurance.</p> <p><u>B. Insurance Costs and Risks</u> Seller will bear all costs associated with any insurance deductibles, and replacement cost exceedences associated with builders' risk and property insurance coverage. Seller will also bear the risk of any insurance unavailability.</p> <p><u>C. The Buyer(s) Right to Obtain Insurance</u> The Buyer(s) may purchase such insurance on behalf of Seller, if Seller fails to do so, and will be reimbursed by Seller for any costs so incurred.</p>
18.Uncontrollable Circumstances/	<p><u>A. Defined</u> Uncontrollable Circumstances are force majeure and other</p>

<b>Subject</b>	<b>Proposed Term/Condition</b>
Performance Relief	<p>events beyond Seller's reasonable control (after exercising diligence to prevent the occurrence and to mitigate the effect of the occurrence) that materially and adversely affects Seller. Inclusions and exclusions will be negotiated. Changes in Law are handled separately from Uncontrollable Circumstances.</p> <p><u>B. Seller Performance Relief</u> An Uncontrollable Circumstance will entitle Seller to schedule and water quantity guarantee relief, to the extent that they are adversely affected by Uncontrollable Circumstances.</p> <p><u>C. No Seller Price or Water Quality Relief</u> Unless otherwise stated in the Contract, an Uncontrollable Circumstance will not entitle Seller to any price relief or any water quality guarantee relief.</p> <p><u>D. Mitigation and Restoration</u> In the event of an Uncontrollable Circumstance, Seller will use commercially reasonable efforts to respond to the event and to mitigate its effects and, as soon as is practicable, to restore conditions to the level at which it can fully perform its obligations under the Contract.</p> <p><u>E. Buyer(s) Performance Relief</u> The Buyer(s) will be entitled to relief from its obligation to take and purchase Product Water to the extent its ability to receive delivery of Product Water is adversely affected by a Distribution System Emergency. The Buyer(s) will purchase "make-up" Product Water following any such occurrence as described in Item 9H.</p>
19.Changes in Law	<p><u>A. Defined</u> A Change in Law is the enactment of a new law, or an amendment to an existing law, after the Contract date that materially delays completion of the Project or increases the cost of producing Product Water, because of new or different equipment, construction, or processes required to comply with the new or amended law. "Law" includes any federal, state or local laws, statutes, codes and regulations; and all governmental approvals, such as licenses, permits, consents and entitlements.</p>

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	<p><u>B. General Exclusions</u>  Changes in Law do not include: (1) any law enacted or adopted on or before the Contract date to take effect after the Contract date; (2) any change in tax law (other than changes which have a discriminatory effect on Seller); (3) any increases in fines or penalties for violation of applicable law; (4) any increase in the severity of enforcement actions typically taken by a regulatory agency; (5) any change in law that does not require greater stringency than the Contract itself requires; and (6) changes in permits (except as a result of a change in law after the Contract Date), approval, entitlements in consequence of enforcement, lapse, or invalidation of an existing permit.</p> <p><u>C. Changes in Law Affecting AES's Facility</u>  If a Change in Law occurs that requires the Plant's raw water intake system, wastewater discharge system and related pumping facilities to be modified and operated on a "stand-alone" basis, separate from AES facility operations, the Water Purchase Price will be increased to reflect the capital and operating costs necessary to respond to the change in law up to maximum amounts to be set forth in the Contract.</p> <p><u>D. Changes in Law Affecting AES's Seawater Intake Structure</u>  Other than that provided in paragraph C above, a Change in Law will not include any change in law pertaining to the operation by AES of its existing seawater intake structure, including any requirement under Section 316(b) of the federal Clean Water Act or similar regulation.</p> <p><u>E. Changes in Law Affecting AES Discharge Facility Operations</u>  Other than that provided in paragraph C above, a Change in Law also will not include any change in law pertaining to the operation by AES of its discharge facilities under its NPDES permit, similar permit or any provision of the federal Clean Water Act or California Porter- Cologne Act.</p> <p><u>F. Compliance With Environmental Mitigation Measures</u>  Seller will bear the risk of complying with all</p>

Subject	Proposed Term/Condition
	<p>environmental mitigation measures required by or in connection with the SEIR and governmental approvals for the Project, excluding measures required due to a Change in Law.</p> <p><u>G. Construction Government Approval Risk</u>  Seller will be responsible for obtaining and maintaining all governmental approvals required for the Project during construction and acceptance testing (including the California Department of Public Health's drinking water permit) through the Commercial Operation Date. Other than schedule relief, Seller will bear the risk of the denial, delay in issuance of, or imposition of any term or condition in connection with any such governmental approval and of compliance with all such governmental approvals. The occurrence of any such risk will not be Change in Law unless it is caused by the enactment of a statute or the promulgation of regulations of general applicability.</p> <p><u>H. Operating Governmental Approvals</u>  Seller will also be responsible for obtaining and maintaining all governmental approvals required during the operating period, through the end of the Contract term. Other than schedule relief, Seller will bear the risk of the denial, delay in issuance of or imposition of any term or condition in connection with any such governmental approval.</p> <p><u>I. Relief</u>  Seller will be entitled to both performance relief (excluding, however, water quality guarantee relief) and price relief (including increases in the Water Purchase Price to reflect mitigated cost increases) associated with responses to Changes in Law. Seller will be responsible for an initial amount (index linked and to be negotiated and included in the Contract) of such costs in each Contract Year. Seller will use all commercially reasonable efforts to implement responses to Changes in Law at the lowest cost practicable.</p> <p><u>J. Water Purchase Price Increase Limitation</u>  There will be a maximum Water Purchase Price increase limitation that will cap the Buyer(s) exposure to Change in Law costs to 10 % of the Unit Price in any Contract Year</p>

<b>Subject</b>	<b>Proposed Term/Condition</b>
	<p>and 30 % of the Unit Price in the aggregate over the Initial Term.</p> <p><u>K. Seller Actions</u> No relief of any kind will be permitted for Changes in Law which are imposed as the result of the acts or omissions of Seller.</p>
20. Events of Default and Termination	<p><u>A. Events of Default</u> The Contract will include negotiated events of default.</p> <p><u>B. Remedies</u> Upon the occurrence of an event of default, the non-defaulting Party may pursue any remedies available at law or in equity.</p> <p><u>C. Buyer(s) Step-In Rights</u> The Buyer(s) will have the right to step in and cure defaults that are not cured by Seller or Seller's debt holders.</p>
21. Record Keeping, Reporting	<p><u>A. Seller Maintenance and Retention of Records</u> Seller will maintain records pertaining to its performance under the Contract. The Buyer(s) will have the right to inspect such records during regular business hours (including audit rights for up to five years after each year of the Contract, or as provided for under applicable law, whichever is longer), to verify performance, quantity, quality, delivery of Product Water to the Delivery Point and price. Seller will establish and maintain accounting records of all costs in conformance with the MWD Agreement between the Buyer(s) and MWD. MWD and the Buyer(s) will have the right to audit in accordance with the MWD Agreement.</p> <p><u>B. Seller Reporting Requirements</u> Seller will provide monthly and annual reports to the Buyer(s) regarding Plant performance, including: Product Water quantities produced; Product Water quality (subject to additional water quality reporting requirements); maintenance and capital repairs and replacements performed; any operating problems encountered and</p>

<b>Subject</b>	<b>Proposed Term/Condition</b>
	<p>corrective measures taken; regulatory and Contract compliance.</p> <p><u>C. Measurement Devices Inspection</u>  The Buyer(s) will have the right to inspect Seller's measurement devices periodically during regular business hours to verify that calibration is accurate. The Buyer(s) will also have the right to conduct independent verification of calibration. If Seller's measurement devices are found to be in need of recalibration, Seller will pay for and undertake such recalibration, and will also reimburse the Buyer(s) for all costs associated with the Buyer(s) inspection and testing.</p>
<p>22. Buyer(s) Plant Purchase Options</p>	<p><u>A. The Buyer(s) Purchase Option Upon Seller Event of Default</u>  Upon a material uncured Seller default ("Seller Event of Default"), the Buyer(s) may terminate the Contract and may, but will not be obligated to, purchase the Plant for a negotiated purchase. Seller's Plant financing, lease and other agreements and arrangements will accommodate this purchase option.</p> <p><u>B. Fair Market Plant Purchase Option During the Term</u>  The Buyer(s) will have the right to purchase the Plant at five year intervals commencing on the tenth anniversary of the Commercial Operation Date. The purchase price will be for the fair market value of the project at the time of the exercise of the option. If there are multiple Buyers this purchase option may only be exercised collectively by all the Buyers acting together.</p>

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23. Security for Performance by Project Contractors	<p><u>A. Construction Bond</u> Seller will obtain and maintain or will cause the EPC contractor to obtain and maintain performance and payment bonds in an amount sufficient to obtain non-recourse financing (or as otherwise agreed to by the Parties) for the construction of the Project.</p> <p><u>B. Operations Bond</u> Seller will obtain and maintain or will cause the Operations Contractor to obtain and maintain an operations performance bond in an amount sufficient to obtain non-recourse financing (or as otherwise agreed to by the Parties) for the operation and maintenance of the Plant.</p>
24. Security for Performance by Seller	At a date no later than the Construction Financing Deadline, and for the Initial Term and any Renewal Term(s), Seller shall provide to Buyer(s) an annually renewable letter of credit in the amount of \$5 million, which amount shall escalate annually with the CPI up to a maximum of \$8.5 million or as the Parties negotiate in the Contract, as security for its obligations to Buyer(s) under the Contract.
25. General Indemnity	The Parties will indemnify the other Party for claims arising from misrepresentation, negligence or breach of the Contract.
26. Litigation Risk Indemnity	Seller will also indemnify the Buyer(s) against third party litigation of the kind typically initiated by opponents of projects similar to the Project seeking to prevent project construction and operation (such as litigation) involving environmental reviews, permits, and legal entitlements, other than third party lawsuits challenging the Buyer(s) power or authorization to enter into the Contract, or resulting from a Buyer(s) breach of the Contract.
27. Representations and Warranties	The Contract will include customary representations and warranties regarding: legal standing in California; legal authority to enter into the Contract; absence of material adverse litigation or legal conditions; no conflict with other agreements or commitments; proper approvals of Contract. Seller will make representations and warranties as to

<b>Subject</b>	<b>Proposed Term/Condition</b>
	CEQA compliance.
28. Tax Risks	Except as described elsewhere in this Term Sheet, Seller will bear all tax risks. This includes all existing taxes payable with respect to construction, operation, maintenance, management, services on water purchases; income, sales, possessory interest, excise and value added taxes; tax law changes; new taxes; and adverse tax law determinations pertaining to tax accounting treatment, tax credit depreciation, amortization or otherwise. A tax is a governmental imposition of any kind, and includes fees and charges.
29. Liability Limitations	The Contract will contain no stated dollar limitation on damages for non-performance. Special, consequential and punitive damages will be mutually waived.
30. Dispute Resolution	The Parties will agree to attempt to resolve disputes, first, through negotiation and non-binding mediation and, if negotiations and mediation are unsuccessful, then to pursue other remedies available in law or in equity.
31. Assignment	Neither Party will assign the Contract without the prior written approval of the other Party, which approval may not be unreasonably withheld. Notwithstanding the foregoing, Seller will have the right to collaterally assign the Contract to its lenders, and the Buyer(s) will reasonably consent to such assignment.
32. Seller's Contractors and Subcontractors	The Contract will specify minimum financial, technical and experience qualifications, standards and requirements for any Seller contractors and material subcontractors, and for any party it may engage to replace or substitute for such contractor or subcontractors. Seller will provide adequate information to the Buyer(s) regarding the qualifications of any proposed initial or substitute contractor or contractor. Notwithstanding the above, Seller may not replace or substitute the EPC Contractor or the Operations Contractor without the Buyer(s) approval, which will not be unreasonably withheld.
33. Governing Law	California

# EXHIBIT "C"

[Agency letterhead]

[Date]

Mr. Scott Maloni  
Vice President  
Poseidon Resources (Surfside) LLC  
5780 Fleet Street, Suite 140  
Carlsbad, CA 92008

***Re: Letter of Intent Regarding Huntington Beach Seawater Desalination Facility Water Reliability Agreement***

Dear Mr. Maloni:

The purpose of this letter (the "Letter of Intent") is to set forth certain non-binding commitments between the \_\_\_\_\_ ("\_\_\_\_\_") and Poseidon Resources (Surfside) LLC ("Poseidon") relating to an intent to purchase \_\_\_\_\_ acre feet per year of desalinated water from a seawater desalination plant to be built by Poseidon at its site in the City of Huntington Beach (the "Project").

1. Water Reliability Agreement. \_\_\_\_\_ agrees to begin good faith negotiations with Poseidon of a long term water reliability agreement (the "Water Reliability Agreement") with the proposed terms and conditions described in Exhibit A hereto (the "January 2013 Term Sheet") to be used as parameters for negotiations.

2. No Liability. Except for the obligation to negotiate in good faith and for Section 3 below, the provisions of this Letter of Intent are non-binding and do not constitute and will not give rise to any legally binding obligation on the part of the parties hereto. Nothing contained in this Letter of Intent (including the January 2013 Term Sheet) shall be deemed or construed to be an agreement or obligation of either party to conclude negotiations by the execution of the Water Reliability Agreement. The provisions of this Letter of Intent (including the January 2013 Term Sheet) do not create any rights on the part of either party.

3. Costs. Each of the parties shall be responsible for its own costs and expenses relating to the review, negotiation and documentation and of a Water Reliability Agreement except as may otherwise be agreed upon by the parties.

4. Permitting. Poseidon and \_\_\_\_\_ each currently have an interest in the timely development of the Project. \_\_\_\_\_ will cooperate with Poseidon as appropriate in Poseidon's efforts to obtain all necessary regulatory approvals and permits to enable the timely construction of the Project.

5. Representations. Each party represents that this Letter of Intent is duly authorized. \_\_\_\_\_ represents that its [Board of Directors or City Council] has approved of the terms of this Letter of Intent (including the January 2013 Term Sheet) and has authorized \_\_\_\_\_ to negotiate the Water Reliability Agreement with Poseidon.

6. Governing Law. This Letter of Intent shall be governed by and construed in accordance with the laws of the State of California without reference to its conflicts of laws principles.

7. Counterparts. This Letter of Intent may be executed in one or more counterparts, each of which, when executed and delivered, shall be an original, but all of which together shall constitute but one and the same instrument.

If this Letter of Intent properly reflects our understanding, please indicate by signing in the space provided below and returning a copy to the undersigned.

Sincerely,

\_\_\_\_\_ [Water District or City]

By: \_\_\_\_\_  
[Name and Title]

AGREED AND ACCEPTED:  
Poseidon Resources (Surfside) LLC

By: \_\_\_\_\_

Scott Maloni  
Vice President

DRAFT

# EXHIBIT "D"

## IRVINE RANCH WATER DISTRICT POLICY POSITION DESALINATION

Revised: ~~June 3, 2005~~ March 11, 2013

### Issue Summary:

Locally available water sources with otherwise unacceptably high levels of salts or minerals may provide an alternative supply of water once treated to acceptable standards. Desalination projects should be implemented when costs for treatment and distribution are competitive with existing supplies or for developing other supplies or alternative supplies under development. Funding should be recovered on a beneficiary pays basis. Efforts to develop desalination projects, technologies, and outside funding sources should move forward.

### Background:

Desalination is the process of converting water with high salts and mineral concentrations into water usable for drinking water or irrigation. The process typically involves treatment with membrane systems (such as reverse osmosis), ion exchange, or thermal distillation. Using current technology, desalination could provide southern California with a supplemental supply of high quality drinking water that is reliable, though expensive. This water supply would be locally available, and not as vulnerable to hydrological and other uncertainties. Developing desalination facilities would diversify the region's water supply portfolio leading to greater overall reliability. Metropolitan Water District (MWD) recognizes desalination in its Integrated Resources Plan as a key future water supply component for the region.

Without substantial outside subsidies, desalination is generally not cost effective at this time. Much less expensive water supply options are available including water transfers, treatment of impaired groundwater, and wastewater recycling. However, due to technological improvements that reduce the cost of reverse osmosis membranes and the amount of energy used by the membrane process, the cost of desalinated ocean water is steadily declining. In addition, siting these facilities at certain power plants that ~~use seawater for cooling~~ have sea water intake and discharge facilities can reduce the cost of permitting, building, and operating desalination plants. This is why the water industry, including IRWD, should support development of desalination technologies, regulatory streamlining, and public acceptance.

~~In October 2003, an Ocean Water Desalination Program concept paper was prepared by Orange County Water District (OCWD) and Municipal Water District of Orange County (MWDOC). This paper discussed the potential for developing Poseidon Resources Corporation, a private company, is proposing to develop an ocean water desalination facility in Huntington Beach. The project concept developed in this paper advanced by Poseidon envisioned envisions development of a 50-50 MGD ocean water desalination plant at the AES power plant in Huntington Beach. This site is also the basis of current planning efforts by Poseidon Resources Corporation is soliciting interest from local water agencies for firm commitments to purchase desalinated water from the Huntington Beach Plant. The Municipal Water District of Orange County (MWDOC) is also investigating the feasibility of developing an ocean water desalination project at in two other sites: Dana Point and the San Onofre Nuclear Generating Station.~~

A key issue in Orange County affecting the implementation and acceptance of ocean desalination by MWDOC or others is cost recovery. Currently, MWDOC ~~and OCWD have~~ has committed, and ~~in MWDOC's case are continuing~~ continues to commit, considerable financial resources in ocean desalination planning and project development. ~~These costs are being uniformly recovered through MWDOC's and OCWD's rates and charges.~~ Clearly, some retail agencies may receive greater benefit from ocean desalination than others. Moreover, some agencies may have other more cost effective supply options and may not want to have any participation in a desalinated supply. As such, an acceptable financial participation mechanism, such as a voluntary Joint Powers Authority (JPA), needs to be established to appropriately recover and allocate past and future costs. This will not only resolve cost recovery issues related to these projects, but will build focused support at the retail level for implementation of desalination projects.

Policy Principles:

- IRWD supports the development of desalination technologies, regulatory streamlining, public acceptance and the pursuit of regional (MWD), state, and federal funding programs to ensure the future feasibility of this future water supply.
- Based upon the diversity and reliability of IRWD's existing and planned water supplies and IRWD's current and projected cost of water, the IRWD may consider participation in ocean desalination projects when economics become more favorable and delivered costs to IRWD's system become comparable to alternative supplies then available to IRWD.
- ~~MWDOC and/or OCWD should seek to develop desalination program(s) through a framework of willing retail water agency participant beneficiaries. This approach will clarify cost recovery arrangements and build focused support for implementation.~~
- ~~MWDOC and/or OCWD should recover past and future costs attributable to ocean desalination through the participating agencies, rather than through overall rates and charges.~~
- Projects utilizing ocean desalination for a new water supply should be funded exclusively by the retail water agencies that specifically benefit from, and voluntarily participate in, the projects.
- Participating retail agencies, ~~MWDOC and/or OCWD~~ should continue efforts to evaluate a desalination projects at ~~all feasible sites including~~ the Huntington Beach ~~and San Onofre power plants, and the Dana Point site.~~
- Desalination product water must meet all applicable drinking water standards, and must not create water quality impacts that impair the production of recycled water.