

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

July 13, 2015

PLEDGE OF ALLEGIANCE

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

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

NOTICE

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

COMMUNICATIONS TO THE BOARD

1. A. Written:

 B. Oral:

2. ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

CONSENT CALENDAR

Resolution No. 2015-18

Items 3-8

3. MINUTES OF REGULAR BOARD MEETING

 Recommendation: That the minutes of the June 22, 2015 Regular Board meeting and the June 23, 2015 Adjourned Regular Board meeting be approved as presented.

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

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

CONSENT CALENDAR - Continued

Items 3-8

5. 2015 LEGISLATIVE UPDATE

Recommendation: That the Board take a "SUPPORT" position on H.R. 2689.

6. LUMP SUM PAYMENT OPTION FOR EMPLOYER CONTRIBUTIONS FOR FY 2015-16 TO THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM

Recommendation: That the Board approve the lump sum payment for employer contributions to the California Public Employees Retirement System (CALPers) by making a one-time contribution of \$4,926,104 for the District's FY 2015-16 employer contribution.

7. ORANGE PARK ACRES WELL NO. 1 WELLHEAD FACILITIES FINAL ACCEPTANCE

Recommendation: That the Board authorize the General Manager to accept construction of Orange Park Acres Well No. 1 Wellhead Facilities, project 11405 (1250); 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.

8. WATER SUPPLY ASSESSMENT FOR TUSTIN LEGACY SPECIFIC PLAN AMENDMENT

Recommendation: That the Board approve the Water Supply Assessment for the Tustin Legacy Specific Plan Amendment.

ACTION CALENDAR

9. STATEWIDE DROUGHT AND LEVEL TWO WATER SHORTAGE DECLARATION

Recommendation: That the Board adopt a resolution declaring Water Shortage Level Two (Significant Shortage Condition).

Reso. No. 2015-

10. NEWPORT BAY WATERSHED TOXICS TOTAL MAXIMUM DAILY LOAD PROGRAM COOPERATIVE AGREEMENT D11-066 AMENDMENT NO. 1

Recommendation: That the Board authorize the General Manager to execute Amendment No. 1 to Agreement No. D11-066 to fund nutrient, fecal coliform and toxics Total Maximum Daily Load programs in the Newport Bay Watershed subject to non-substantive changes.

ACTION CALENDAR - Continued

11. UPDATE TO IRWD GROUNDWATER MANAGEMENT POLICY PRINCIPLES

Recommendation: That the Board adopt the updated IRWD Groundwater Management Policy Principles, as revised, based on input from the Board, and authorize staff to engage in discussions with the authors of groundwater adjudication-related legislation to protect IRWD's interests consistent with the updated policy principles.

OTHER BUSINESS

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

12. A. General Manager's Report

B. Directors' Comments

C. Closed Session conference with legal counsel relative to existing litigation - Government Code Section 54956.9(d)(1) -State of California, et al., ex rel. Hendrix v. J-M Manufacturing Company, Inc., et al.;

Closed Session conference with legal counsel relative to anticipated litigation pursuant to Government Code Section 54956.9(d)(4) (one potential case);

Closed Session conference with Labor Negotiators - Government Code Section 54957.6: Agency Designated Representatives: Paul Cook and Jenny Roney
Employees Organization: Irvine Ranch Water District Employees Association; and

Closed Session conference with Real Property Negotiator relative to Government Code Section 54956.8:

Property: OCSD Service Area 7 Sewer Infrastructure

Agency Negotiator: Paul Cook, General Manager

Purpose of Negotiations: Proposed Acquisition of Property – Price and Terms



D. Open Session

E. Adjourn

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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.

July 13, 2015
Prepared and
Submitted by: L. Bonkowski 
Approved by: P. Cook 

CONSENT CALENDAR

MINUTES OF BOARD MEETING

SUMMARY:

Provided are the minutes of the June 22, 2015 Regular Board Meeting and the June 23, 2015 Adjourned Regular Meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE JUNE 22, 2015 REGULAR BOARD MEETING AND THE JUNE 23, 2015 ADJOURNED REGULAR MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

- Exhibit "A" – Minutes of June 22, 2015
- Exhibit "B" – Minutes of June 23, 2015

EXHIBIT "A"

MINUTES OF REGULAR MEETING – JUNE 22, 2015

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 5:00 p.m. by President LaMar on June 22, 2015 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Engineering and Water Quality Burton, Executive Director of Operations Shields, Executive Director of Finance and Administration Clary, Director of Human Resources Roney, Director of Water Resources Sanchez, Director of Treasury and Risk Management Jacobson, Director of Public Affairs Beeman, Legal Counsel Arneson, Secretary Bonkowski, Ms. Christine Compton, Mr. Christopher Smithson, Mr. Alex Aguilar, Mr. Matt Veeh, Ms. Scott Beltran, Ms. Lindsey Stuvick, Mr. Barkev Merserlian, Mr. Jim Reed, and other members of the public and staff.

Written Communications: None.

Oral Communications: In response to Mr. Ron Feng's inquiry relative to Governor Brown's recent mandate on water conservation and what the District was doing to address the drought situation in Sacramento, President La Mar and the Board members provided him with an overview of the District's involvement in these matters.

Items too late to be agendized: None.

PUBLIC HEARING - PROPOSED CHANGES TO THE SCHEDULE OF RATES AND CHARGES EFFECTIVE JULY 1, 2015

General Manager Cook reported that the Fiscal Year (FY) 2015-16 Operating Budget was adopted at the June 8, 2015 Board meeting and at that same meeting the Board adopted a resolution receiving the IRWD Cost of Service Study. Mr. Cook said that the proposed changes to the District's rates and charges were publicly noticed by mail as required under Proposition 218, and protests to the implementation of those rates and charges have been tallied by the District.

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

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

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

President LaMar asked for a staff report on the proposed rates and charges and inquired whether there have been any written communications.

Mr. Christopher Smithson said that as of today, 13 written protest letters were received which represents 0.01% of the total customers, substantially less than the 50% which would have been required to prevent the Board from adopting the current proposed rates and charges. Using a PowerPoint presentation, Mr. Smithson said that the proposed changes were reviewed at three Finance and Personnel Committee meetings and two Board workshops. He said that a review of the IRWD's rates development process confirms strong financial and equity foundation noting that there is a reasonable and defensible cost allocation basis, and that the rates provide a strong conservation and efficiency message which has been evaluated through an independent Cost of Service and Rate Study. Additionally, he said that this study reviewed the policy considerations including the water service charge for low volume users; the cost of service nexus for recycled water; and rate methodology refinement for sewer.

Mr. Smithson said that key drivers in the operating budget are due to the following increases: Orange County Water District (10%); Orange County Sanitation District (26%); Southern California Edison (5%); and increased imported water. He reviewed the proposed rate adjustments and made a comparison from the current to the proposed charges in the various rate areas for water, sewer and recycled service for the three rate areas. He then reviewed comparisons showing the changes in a typical residential customer's rates from the current rate to the proposed rate for FY 2015-16 for the three separate rate areas. He further discussed the mitigation measures staff was implementing to meet State- mandated usage reductions.

President LaMar said that four individuals wished to address the Board regarding the proposed changes to the rates and charges.

Mr. Grant Hoag said that he is a 20-year resident of Irvine and very familiar with the water rate process as his occupation was a financial analyst. He said that based on his experience, the Cost of Service Study portrayed a very good analysis and that its recommendations were appropriate, and gave his whole-hearted support of this document.

Mr. Randy Herman said that he attended last year's meeting and that he still believes the structure is unfair relative to the fixed charges on his bill since he only uses 3 ccfs a month or 2,224 gallons of water versus other residents as an example use 15 ccfs a month, which he said was a huge discrepancy. Director Reinhart responded to Mr. Herman explaining that the infrastructure was in place for services which need to be shared among the user in a fair and equitable manner. Director Swan said that at his suggestion last year, the low volume user charges were reviewed and rate changes have been implemented in this year's rates for these low volume users.

In response to Mr. Philip MacDonald's inquiry if the El Nino conditions develop this year, will the Board have a mechanism to relook at rates, Director Swan said that it will be dependent on the Governor's mandate, and if the Governor relaxes his mandate, then the District could revisit the rates. President LaMar said that the District annually reviews rate allocations to be fair and equitable to its customers.

Mr. Larry Fortmuller said that in recent notifications from the District, it appears that watering turf uses the most water. In response to his inquiry of how many customers use drip irrigation, President LaMar said that the District does not have a mechanism in place to determine this information.

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

Director Withers thanked the residents in the audience and those who spoke as well as those who attended this Public Hearing. He said that the rates are complex and the Board tries to implement them in a thoughtful manner and implement creative solutions.

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

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

RESOLUTION NO. 2015-17

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH
WATER DISTRICT, ORANGE COUNTY, CALIFORNIA
RESCINDING RESOLUTION NO. 2014-50 AND ADOPTING
CHANGES TO THE SCHEDULE OF RATES AND CHARGES AS
SET FORTH IN EXHIBIT "B" TO THE RULES AND
REGULATIONS OF IRVINE RANCH WATER DISTRICT
FOR WATER, SEWER AND RECYCLED WATER SERVICE

CONSENT CALENDAR

Director Reinhart asked that item No. 5 be moved to the Action Calendar for discussion. There being objection, this item was moved accordingly. On MOTION by Withers, seconded and unanimously carried, CONSENT CALENDAR ITEMS 4, 6, 7, and 8 WERE APPROVED AS FOLLOWS:

4. MINUTES OF BOARD MEETING

Recommendation: That the minutes of the June 8, 2015 Regular Board Meeting be approved as presented.

6. MAY 2015 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Monthly Interest Rate Swap Summary for May 2015, and Disclosure Report of

Reimbursements to Board members and staff; approve the May 2015 Summary of Payroll ACH Payments in the total amount of \$2,215,506 and approve the May 2015 Accounts Payable Disbursement Summary of Warrants 358200 through 358855, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$20,799,540.

7. FY 2015-16 OPERATING BUDGET VENDOR EXPENDITURE COMMITMENTS GREATER THAN \$100,000

Recommendation: That the Board approve the list of vendor commitments greater than \$100,000 based on approved FY 2015-16 Operating Budget expenditures, and recommend Board approval of the same.

8. EAST ORANGE COUNTY WATER DISTRICT INTERCONNECTION REHABILITATION FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the East Orange County Water District Interconnection Rehabilitation, project 11799 (5401); 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.

ACTION CALENDAR

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

Director Reinhart noted a June 25, 2015 SCWC Stormwater workshop that was approved at the June 8, 2015 Board meeting that he will not be able to attend. There being no further changes, on MOTION by Reinhart, seconded and unanimously carried, THE BOARD RATIFIED/APPROVED THE MEETINGS AND EVENTS FOR STEVEN LAMAR, MARY AILEEN MATHEIS, DOUGLAS REINHART, PEER SWAN, AND JOHN WITHERS AS DESCRIBED.

METER READING SERVICES CONTRACT AWARD

On MOTION by Swan, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A FIVE-YEAR CONTRACT FOR METER READING SERVICES WITH ALEXANDER'S CONTRACT SERVICES EFFECTIVE JULY 1, 2015 TOTALING APPROXIMATELY \$6,534,000 OVER THE FIVE YEARS.

MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES CONTRACT CHANGE ORDER

On MOTION by Reinhart, seconded and unanimously carried, THE BOARD APPROVED CONTRACT CHANGE ORDER NO. 29 IN THE AMOUNT OF \$225,971.77 FOR FOUL AIR PIPE SUPPORTS AND A SECONDARY CIRCUIT BREAKER WITH FILANC/BALFOUR-BEATTY FOR THE MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES, PROJECT 21146 (4286).

GENERAL MANAGER'S REPORT

General Manager Cook reported that the District just received a five-year National Pollutant Discharge Elimination System permit from the Regional Water Quality Control Board for discharges from the MWRP and LAWRP, and thanked staff for all of their efforts. Director Withers noted that many key individuals at the Regional Board will be retiring soon so staff will see a lot of changes in the near future.

Mr. Cook reminded the Board of tomorrow's tour of the District's Baker Water Treatment Plant.

Mr. Cook reported on last week's employee recognition event and noted that 16 service awards were presented; 32 employees were promoted; and 38 employees were hired.

DIRECTORS' COMMENTS

Director Withers reported that he had been recently appointed Chair of the Orange County Sanitation District's Engineering and Operations Committee and noted that its community outreach last week went very well.

Director Swan reported that he and Director Matheis attended a meeting with Woodbridge Homeowners Association relative to its inquiry to use recycled water in its decorative lakes. He further said he attended a WACO Planning meeting, an OCWD Board meeting, and various OCWD Committee meetings and desalination meetings.

Director Reinhart reported that he attended a MWDOC Board meeting, and that he and Director Matheis attended a LAFCO community meeting.

Director Matheis reported that she attended a recent Shadetree Partnership Board meeting and a monthly event, and was pleased with its Board members' involvement at these events. She also complimented General Manager Tom Bonkowski and Secretary Leslie Bonkowski on their efforts. She further reported that she attended the City of Tustin's State of the City Address, a Discovery Science Cube Grand Opening expansion event, an Association of California Cities Orange County Infrastructure Summit, and a California Water Law conference in San Francisco.

Director LaMar reported on a two-day Federal Government Advocacy trip to Washington, D.C., an Association of California Cities Orange County Infrastructure Summit, an IRWD resident tour with approximately 40 attendees, a South Orange County Agencies' meeting and a Natural Communities Coalition quarterly meeting where members visited a research project.

IRWD's consultant Mr. Jim Reed reported on meetings he attended on behalf of the District including a WACO meeting, a Santiago Aqueduct Commission meeting, and a City of Lake Forest Council meeting.

ADJOURNMENT

President LaMar adjourned the meeting to Tuesday, June 23, 2015 at 10:00 a.m. to tour the District's Baker Treatment Plant, 21082 Wisteria in Lake Forest, CA.

APPROVED and SIGNED this 13th day of July, 2015.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson,
Wiles & Giannone

EXHIBIT "B"

MINUTES OF ADJOURNED REGULAR MEETING – JUNE 23, 2015

The adjourned regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 10:00 a.m. by President LaMar on June 23, 2015 in the District's Baker Treatment Plant, 21082 Wisteria, Lake Forest, California.

Directors Present: Matheis, Reinhart, LaMar and Swan.

Directors Absent: Withers.

Also Present: IRWD's Executive Director of Engineering and Water Quality Kevin Burton, Executive Director of Operations Patrick Shields, Executive Director of Finance and Administration Cheryl Clary, Director of Public Affairs Beth Beeman, Principle Engineer Richard Mori, Mr. Scott Toland, Ms. Cheryl Kelly, Ms. Dawn Jordan, and Mr. Matt Veeh.

Trabuco Canyon Water District's Directors Ed Mandich, Mike Safronski, Steven Dopudja, and its Engineer Lori Laughlin.

Moulton Niguel Water District's Directors Donald Froelich, Duane Cave, Scott Colton, Richard Fiore and Director of Engineering and Operations Marc Serna, and Executive Assistant/Board Secretary Paige Guick.

El Toro Water District's Director of Operations/Engineering Dennis Cafferty.

Written and Oral Communications: None.

PRESENTATION – TOUR OF BAKER WATER TREATMENT PLANT

The Board of Directors and staff will, along with its project partners, toured IRWD's Baker Treatment Facility.

ADJOURNMENT

Following the tour, President LaMar adjourned the meeting

APPROVED and SIGNED this 13th day of July, 2015.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT


APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson,
Wiles & Giannone

July 13, 2015

Prepared and

Submitted by: N. Savedra

Approved by: P. Cook 

CONSENT CALENDAR

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

SUMMARY:

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

Events/Meetings

Steven LaMar

6/30/15	IRWD Briefing & Tour for Sabiha Khan of Senator Dianne Feinstein's Office
7/01/15	Meeting with Mesa Water District General Manager and Board Members
7/06/15	Meeting with Orange County Board Supervisor Lisa Bartlett
7/07/15	Federal Drought Brainstorming Session at MWD
7/10/15	IRWD Briefing and Tour w/Lake Forest Mayor Pro Tem Andrew Hamilton
7/20-22/15	ACWA Headwater Work Group Tour, Auburn, CA
7/24/15	SCWC Quarterly Meeting

Mary Aileen Matheis

7/10/15	TCWD Dedication Ceremony of Shadow Rock Detention Basin Project
7/29/15	MWDOC Water Policy Forum

Douglas Reinhart

7/01/15	Meeting with Mesa Water District General Manager and Board Members
7/29/15	MWDOC Water Policy Forum

Peer Swan

7/29/15	MWDOC Water Policy Forum
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John Withers

6/19/15	Irvine's State of the City Address
7/10/15	TCWD Dedication Ceremony of Shadow Rock Detention Basin Project
7/24/15	SCWC Quarterly Meeting
7/29/15	MWDOC Water Policy Forum

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.

Board Mtgs Events.doc

July 13, 2015

Prepared by: C. Compton 

Submitted by: P. Weghorst 

Approved by: Paul Cook 

CONSENT CALENDAR

2015 LEGISLATIVE UPDATE

SUMMARY:

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

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

- *H.R. 2689 — Scope of Eligible Water Resources Projects: “SUPPORT”.*

BACKGROUND:

With the State budget adopted, the July 17 policy committee deadline is quickly approaching and the California Legislature is looking forward to its summer recess. The Legislature will be on recess from July 17 to August 17. When the Legislature returns, the fiscal committee deadline will be immediately around the corner. Fiscal committees have until August 28 to meet and report bills to the floor. The last day for each house to pass bills in this legislative session is September 11, which is the day the Interim Study Recess begins.

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

State Budget Update:

May Revenue Numbers:

On June 10, 2015, State Controller Betty Yee released her monthly report on the State’s finances. She announced that the State took in \$317.9 million less than projections in the Fiscal Year 2014-15 adopted budget during the month of May. Despite May’s receipts, revenue receipts for the year through May 31 have come in \$5.8 billion, or 6.2 percent, higher than projected in the adopted Fiscal Year 2014-15 budget. The State’s General Fund outstanding loan balance was \$6.1 billion or \$7.8 billion less than estimated in the Fiscal Year 2014-15 budget.

Fiscal Year 2015-16 State Budget

Following the Legislature’s passage of a budget bill on June 15 to meet the constitutional deadline for passing a budget, Governor Jerry Brown and legislative leadership continued negotiating the Fiscal Year 2015-16 budget. On June 16, Governor Brown, Senate President pro Tempore Kevin de León and Assembly Speaker Toni Atkins announced a budget agreement on the Fiscal Year 2015-16 budget.

To enact that agreement, the Legislature passed a second budget bill modifying the originally-approved Fiscal Year 2015-16 budget on June 19. The modified budget relies on the Governor’s May 2015 revenues estimates, budget reserve projections, and debt payment requirements. The budget authorizes \$115.37 billion in General Fund expenditures, approves the use of \$2.43 billion in prior year balances, projects \$115.03 billion in General Fund revenues and directs an additional \$1.854 billion into the Rainy Day Fund bringing the fund total to \$3.5 billion. The Fiscal Year 2015-16 budget is 3.3 percent larger than the Fiscal Year 2014-15 approved budget.

The approved budget also implements the first-ever California Earned Income Tax Credit and pays down billions in debt including completely paying off school deferrals (\$1 billion) and debts owed to local governments since 2004 (\$765 million). The budget also retires \$15 billion in Economic Recovery Bonds used to cover budget deficits over the last 13 years, as well as \$3.8 billion in mandate debt owed to K-14 schools.

Of interest to IRWD, the budget does not include the appropriation of additional Cap-and-Trade revenues to support new programs or projects. It only includes appropriation of 60 percent, or \$1.2 billion, of the projected Fiscal Year 2015-16 Cap-and-Trade revenues— those revenues which are continuously appropriated to high-speed rail (25 percent), affordable housing and sustainable communities (20 percent), transit and intercity rail capital (10 percent) and low carbon transit operations (5 percent). The Governor and legislative leadership reported that they would take action to allocate the additional Fiscal Year 2015-16 Cap-and-Trade revenue in separate legislation.

The adopted budget also appropriates Proposition 1 funding and drought-response funding, and makes a number of water policy changes. More information on each of these areas is included below.

Proposition 1 and Drought-Related Funding:

The budget contained \$1.8 billion for drought-related activities, which is less than the \$2.175 billion contained in the Governor’s May Revise. A summary of the funding is provided below:

*Fiscal Year 2015-2016 Drought Response Funding
(Dollars in Millions)*

Investment Category	Department	Program	Amount	Fund Source
Protecting and Expanding Local Water Supplies	State Water Resources Control Board	Groundwater Contamination	\$ 783	Proposition 1
	State Water Resources Control Board	Water Recycling	\$ 211	Proposition 1
	State Water Resources Control Board	Safe Drinking Water in Disadvantaged Communities	\$ 175	Proposition 1
	State Water Resources Control Board	Wastewater Treatment Projects	\$ 158	Proposition 1
	State Water Resources Control Board	Stormwater Management	\$ 101	Proposition 1
	Department of Water Resources	Groundwater Sustainability	\$ 60	Proposition 1
	Department of Water Resources	Desalination Projects	\$ 50	Proposition 1
Water Conservation	Department of Water Resources/Energy Commission	Urban Water Conservation	\$ 56	Proposition 1
	Department of Water Resources/Department of Food and Agriculture	Agricultural Water Conservation	\$ 42	Proposition 1

	Department of Water Resources	Save Our Water Campaign	\$ 4	General Fund
	Department of General Services	Water Conservation at State Facilities	\$ 15	General Fund/ Special Funds
Emergency Response	Department of Forestry and Fire Protection	Enhanced Fire Protection	\$ 62	General Fund/ Special Funds
	Department of Water Resources	Removal of Emergency Rock Barriers	\$ 22	General Fund/ Special Funds
	Office of Emergency Services	California Disaster Assistance	\$ 22	General Fund
	Department of Community Services and Development	Farmworker Assistance	\$ 8	General Fund
	Department of Housing and Community Development	Rental Relocation Assistance	\$ 6	General Fund
	State Water Resources Control Board	Executive Order Implementation	\$ 1	General Fund
TOTAL			\$ 1,776	

The budget also contains an additional \$215 million in Proposition 1 funding for non-drought related activities. \$178 million is allocated for watershed protection and restoration projects administered by state conservancies, the Wildlife Conservation Board and the Department of Fish and Wildlife. \$33 million is allocated for the Integrated Regional Water Management project and \$3 million for the California Water Commission for storage-related activities.

Water Policy Changes Adopted with the Fiscal Year 2015-2016 Budget:

As part of the budget, the Legislature also enacted a number of policy changes in SB 83 and SB 88, the budget trailer bills on resources and water. Both of these bills were passed on party-line votes. The approved and unapproved policy changes are summarized below:

Approved:

- CEQA Exemption for Drought Mitigation and Water Recycling: The budget trailer bill provided a CEQA exemption for any project carried out to mitigate drought conditions if it consists of the construction or expansion of recycled water pipelines and directly related infrastructure within existing rights of way, or directly related groundwater replenishment. The exempted project must not affect wetlands or sensitive habitat, and the construction impacts must be fully mitigated.
- CEQA Exemption for Building Standards for Recycled Water: The budget trailer bill provided a CEQA exemption for the development and approval of building standards for recycled water systems.
- CEQA Exemption for Groundwater Wells: As had been proposed, the budget trailer bill created a CEQA exemption for the adoption of a city or county ordinance related to groundwater wells. The adoption of an ordinance that places limitations on the drilling of new or deeper groundwater wells, or that limit or prohibit increased extractions from existing groundwater wells through stricter conditions on the issuance of well permits or changes in the intensity of land use that would increase demand on groundwater, is now exempt from CEQA.

- Drought – Expanded Local Enforcement Authority: The May Revise proposed legislation to enhance local enforcement authority related to the drought. The budget trailer bill enacts the local enforcement authority proposed. All water agencies including wholesale agencies and local governments now have the ability to levy a \$10,000 base and \$500 per day administrative fine upon persons who violate the emergency regulations adopted by the State Water Resources Control Board (SWRCB) or a conservation regulation adopted by the local agency.
- Drought – Monitoring and Reporting: Currently the SWRCB has the ability to fine a person or entity up to \$500 per day for violating an emergency regulation or order adopted by the board. The budget trailer bill grants the SWRCB the ability to fine a person or entity up to \$500 per day for a violation of any regulation or order adopted by the board. Additionally, the bill requires monitoring of and annual reporting on water diversions of 10 acre-feet or greater. It also grants the SWRCB the ability to adopt emergency regulations to require the measurement and reporting of water diversions.
- Drought – Penalties: The budget trailer bill also contained language related to drought penalties requiring the SWRCB to deposit any penalties they collect from violations of the recently-approved emergency urban conservation regulations or other emergency regulations into a separate fund. Those funds would then be made available for water conservation activities and programs upon appropriation by the Legislature.
- Drought – Water System Consolidation: As part of the May Revise, a budget trailer bill was proposed to provide the SWRCB with authority to require a public water system to consolidate with another public water system or a state small system where the public water system or a state small water system fails to reliably provide an adequate supply of safe drinking water. As part of the budget, the Legislature moved forward with this proposal:

“Where a public water system, or a state small water system within a disadvantaged community, consistently fails to provide an adequate supply of safe drinking water, the State Water Resources Control Board may order consolidation with a receiving water system.” *California Health and Safety Code Section 116684*. The SWRCB may order either a physical or an operational consolidation, and may order an extension of service to an area that does not have access to an adequate supply of safe drinking water so long as the extension of service is an interim extension of service in preparation for consolidation.
- Public Well Logs: The budget trailer bill requires that reports filed with the Department of Water Resources upon the completion, alternation, abandonment, or destruction of a well be made available to governmental agencies and the public, upon request.
- Safe Drinking Water Program Funding and Fees: The budget trailer bill modified the SWRCB’s ability to set fees related to the Safe Drinking Water Program. The current fee-for-service approach will remain in place until July 1, 2016, when the current statute authorizing this approach becomes in operative. Beginning July 1, 2016, the Safe

Drinking Water Program fee structure will become an annual fee. After the first year, the SWRCB is permitted to enact the fee schedule by emergency regulations. While the structure will change and the fee will increase, the new authority does contain a 5 percent cap, plus any salary, benefit and retirement adjustments, for fee increases after 2016.

Not Approved:

- Drought – Stormwater Plans: As proposed, a budget trailer bill would have allowed the SWRCB to establish guidance on stormwater resource plans as directed in SB 985 (2014) more quickly. This proposal was not included in any adopted budget trailer bill.
- Drought – Sub-metering: As has been proposed through legislation in years past, the proposed budget trailer bill on submetering would have required the installation of sub-meters in any new residential or mixed-use development. This proposal was not included in any adopted budget trailer bill.

2015 Special Legislative Sessions:

As part of the budget deal reached with legislative leadership, Governor Brown has called two special sessions. The first is to fix the Medi-Cal program and the second is to discuss how California funds roads, highways and other infrastructure in order to improve the state's key trade corridors and to complement local infrastructure efforts. While the focus of the second special session is largely on transportation funding, staff will monitor the session for proposals related to infrastructure of interest to IRWD.

IRWD 2015 Legislative Priorities:

Legislative Clarification on Tiered Water Rates:

Since staff's April 27 presentation to the Board on the *Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano* and the Board's discussion regarding the need for legislative clarification on tiered water rates, staff has been working with the District's industry and association partners on seeking legislative clarification. In the middle of June, staff, in coordination with the Eastern Municipal Water District, drafted and began circulating for discussion purposes language clarifying the setting of tiered water rates. A copy of that language is attached as Exhibit "B".

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

Updates on 2015 State Legislation of Interest to IRWD:

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

AB 149 (Chávez, R-Oceanside) — Urban Water Management Plans:

The Urban Water Management Planning Act requires that urban water supplies prepare and adopt an urban water management plan and update that plan every five years in years ending in 5 and 0. AB 149, as introduced, would have adjusted these timeframes to require that an urban water supplier update its plan in years ending in 6 and 1. AB 149 has been sponsored by the San Diego County Water Authority in order to change the Urban Water Management Plan update and submittal dates so that they better match the timing of the decennial U.S. Census, which is conducted in years ending in 0. As amended, the bill would only change the reporting deadline for 2015 from December 31, 2015, to July 1, 2016.

AB 149 has been sent to enrollment. IRWD has taken a “SUPPORT” position on AB 149.

AB 585 (Melendez, D-Murrieta) — Outdoor Water Efficiency Act of 2015:

AB 585, as amended on March 16, 2015, would create a personal income tax credit of up to \$2,500 for water-efficiency improvements made to outdoor landscapes between 2015 through 2021, or until the drought emergency has ended. The water-efficiency improvements that would qualify for the tax credit are those that meet the requirements of a local water-efficient landscape ordinance, a local landscape regulation or restriction on the use of water adopted due to a water shortage, or a water-efficient landscape program that is developed and implemented by a regional or local water agency for the specific purpose of reducing water use.

AB 585 was referred to the Assembly Committee on Revenue and Taxation and held on the Revenue and Taxation Suspense File. IRWD took a “SUPPORT” position on AB 585.

AB 603 (Salas, D-Bakersfield) — Income Taxes: Turf Removal Tax Credit:

AB 603, as introduced, would have created a personal income tax credit for taxpayers participating in lawn replacement programs in an amount equal to \$2.00 per square foot of conventional lawn removed from the taxpayer’s property. As amended on May 21, 2015, the bill would create a personal income tax credit for taxpayers participating in lawn replacement programs in an amount equal to 25 percent of the costs incurred by the taxpayers to replace their lawns, not to exceed \$1,500.

IRWD took a “SUPPORT” position on AB 603 because it would provide an even greater incentive to IRWD customers to replace their lawns. AB 603 is currently on the Assembly Appropriations Suspense File.

AB 606 (Levine, D-San Rafael) — Water Conservation:

AB 606, as introduced by Assembly Water, Parks and Wildlife Committee Chairman Marc Levine, would require the Department of General Services (DGS) to identify each public property added to the State’s property inventory after January 1, 2016, where it is feasible for water consumption to be reduced and water efficiencies to be achieved through the replacement of landscaping with drought tolerant plants, the replacement of irrigation timers to permit efficient watering schedules and the replacement of spray sprinkler heads with bubblers, drip

irrigation and soaker hoses. As amended, the bill would require DGS, when it replaces landscaping or irrigation on property or when new property is acquired by the State, to reduce water consumption and increase water efficiency where feasible through the actions discussed above or through the implementation of recycled water irrigation. The bill also requires CalTrans to undertake similar water conservation measures.

IRWD took a “SUPPORT AND SEEK AMENDMENTS” position on AB 606 authorizing staff to advocate for amendments to AB 606, which would direct State properties to use recycled water in order to meet outdoor landscape water needs where feasible. These amendments were incorporated into the bill as noted above. AB 606 in the Senate Appropriations Committee.

AB 1201 (Sala, D- Bakersfield) — Fish and Wildlife: Sacramento-San Joaquin Delta: Predation by Nonnative Species:

AB 1201 would require the California Department of Fish and Wildlife (DFW) to develop a science-based approach to address predation by nonnative species within the Sacramento- San Joaquin Delta. The bill would require DFW to implement this approach by June 30, 2016.

Predation is one of the stressors that has had a negative impact on the health of the Delta’s ecosystem. It is appropriate for California to address predation within the Delta through a science-based approach. Such an approach is consistent with the co-equals of improved water supply reliability and protecting and enhancing the Delta ecosystem. As a result, IRWD took a “SUPPORT” position on AB 1201.

AB 1201 is currently before the Senate Natural Resources and Water Committee. It has been set for hearing on July 14, 2015.

SB 143 (Stone, R-Indio) — Diamond Valley Reservoir: Recreational Use:

Existing law, with certain exceptions, prohibits bodily contact with water in a domestic water reservoir. SB 143, as introduced, would exempt the Diamond Valley Reservoir from these prohibitions. Diamond Valley Reservoir is Southern California’s largest drinking water storage reservoir, and holds six months of emergency storage for the region in the case of an earthquake or other catastrophic disruption. IRWD took an “OPPOSE” position on SB 143 given that the permitting of bodily contact with Diamond Valley Reservoir could result in the degradation of water quality within an important reservoir for the Southern California region and could result in increased treatment costs that would eventually be borne by ratepayers.

SB 143 is currently in the Senate Environmental Quality Committee and has become a two-year bill at the author’s request.

SB 551(Wolk, D-Vacaville) — State Water Policy: Water and Energy Efficiency:

Senator Lois Wolk introduced SB 551. SB 551 would establish as a policy of the State that “water use and water treatment shall be as energy efficient as is feasible and energy use and generation shall be as water efficient as is feasible.” The bill would also require State agencies to consider this policy when “revising, adopting, or establishing policies, regulations, and grant

criteria when those policies, regulations, and criteria are pertinent to the uses of water and energy.” Additionally, the bill provides that the implementation of these provisions “shall not infringe on the rights or responsibilities of any public water system or public utility.”

IRWD took a “SEEK AMENDMENTS” position on the bill and the Board authorized staff to work with the author’s office, legislative staff and industry stakeholders to ensure that SB 551 is beneficial for the District. Specially, the District has sought amendments that recognize the number of factors that influence water supply and water treatment decisions (including energy use) and has sought the addition of a definition of the term “feasible” that recognizes that these factors should be considered when determining feasibility. Staff has engaged the California Municipal Utilities Association, the WateReuse Association of California and the author’s office to seek amendments along these lines. Staff will provide the Board with an update on any new developments.

SB 551 is currently in the Assembly Water, Parks and Wildlife Committee. It is scheduled to be heard on July 14, 2015.

Common Interest Developments and Drought Response:

The Davis-Stirling Common Interest Development Act provides for the creation and regulation of common interest developments (HOA). That act provides that any provision of an HOA’s governing documents is void and unenforceable if it prohibits, or has the effect of prohibiting, the use of low water-using plants as a group or compliance with a local water-efficient landscape ordinance or water conservation measure. The act also deals with an HOA’s ability to fine homeowners who reduce or eliminate watering of vegetation or lawns during a declared drought emergency. Specifically, it prohibits an HOA from fining a homeowner for eliminating outdoor watering during a declared drought emergency except where the HOA uses recycled water for landscape irrigation. This provision was placed into the act through SB 992 (2014) at the end of session last year and took effect January 1, 2015.

The Board authorized staff to work to mitigate the impact of SB 992 (2014) on homeowners who take steps to substantially reduce outdoor water use during the drought through communication with HOAs and through a legislative solution. Staff continues to work on this issue and will provide the Board with an oral update on any new developments.

Other 2015 Legislation and State Actions:

SB 789 (Wieckowski, D-Fremont) — Sale of Water by Local Public Entities: Excise Tax:

SB 789 was amended by Senator Bob Wieckowski on June 8, 2015. As amended, the bill would authorize a public water supplier to impose, by ordinance, an excise tax on an excessive user of water, at a rate not to exceed 300 percent of the purchase price of the water, after obtaining a 2/3 voter approval of the measure. It would also require that the tax revenue from the excise tax be split between the water supplier and the SWRCB for water conservation efforts within the supplier’s service area. A copy of SB 789 is attached as Exhibit “C”.

SB 789 is in the Assembly Local Government Committee.

2015 Federal Legislation and Actions:

H.R. 2689 — Scope of Eligible Water Resources Projects:

Since 1992, Congress has authorized and provided the U.S. Army Corps of Engineers with funds to assist in the design and construction of cost effective municipal drinking water projects, surface water protection and development programs and wastewater infrastructure, which increase water supply reliability such as water recycling, desalination, and stormwater collection projects. Historically, these projects have been broadly labeled as environmental infrastructure projects. Despite clear Congressional intent in Water Resources Reform and Development Act of 2014 (WRRDA), the U.S. Army Corps of Engineers has refused to consider environmental infrastructure projects as eligible under Sections 1014, *Study and Construction of Water Resources Projects by non-Federal Interests* and 7001, *Annual Report to Congress*, of the Act.

Representative Mimi Walters (R-CA), in partnership with Representative Jared Huffman (D-CA), has cosponsored H.R. 2689. H.R. 2689 would allow water supply and environmental infrastructure projects to be deemed eligible for consideration under Section 1014 and Section 7001 of WRRDA. It would also clarify that environmental infrastructure projects qualify as water resources projects and are eligible for federal funding.

Given the U.S. Army Corps of Engineers' refusal to recognize environmental infrastructure projects, staff recommends that the Board adopt a "SUPPORT" position on H.R. 2689. A copy of H.R. 2689 is attached as Exhibit "D".

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on July 2, 2015.

RECOMMENDATION:

THAT THE BOARD TAKE A "SUPPORT" POSITION ON H.R. 2689.

LIST OF EXHIBITS:

- Exhibit "A" – 2015 IRWD Legislative Matrix
- Exhibit "B" – Discuss Draft of Water Rate Clarification Proposal
- Exhibit "C" – SB 789 (Wieckowski): *Sale of Water by Local Public Entities: Excise Tax*
- Exhibit "D" – H.R. 2689

EXHIBIT "A"
IRWD 2015 LEGISLATIVE MATRIX
Updated June 25th, 2015

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 1</u> Brown (D)	Drought: Local Governments: Fines		Prohibits a city, county, or city and county from imposing a fine under any local ordinance for a failure to water a lawn or having a brown lawn during a period for which the Governor has issued a proclamation of a state of emergency based on drought conditions.	06/22/2015 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY for concurrence.
<u>AB 2</u> Alejo (D)	Community Revitalization Authority		Authorizes certain local agencies to form a community revitalization authority with a community revitalization and investment area to carry out provisions of the Community Redevelopment Law in that area for infrastructure, affordable housing, and economic revitalization and to provide for the issuance of bonds serviced by tax increment revenues. Requires the authority to adopt a community revitalization plan. Provides for periodic audits. Requires funds in a specified fund to be for housing needs.	06/16/2015 - In SENATE. Read second time and amended. Re-referred to Committee on TRANSPORTATION AND HOUSING.
<u>AB 10</u> Gatto (D)	Political Reform Act of 1974: Disclosures		Requires the disclosure of certain behested payments. Increases the thresholds at which a public official has a disqualifying financial interest in sources of income in investments in business entities and in interests in real property. Revises the dollar amounts associated with the value ranges for reporting the value of economic interests. Requires certain public officials to disclose information relating to governmental decisions for which the public official had a disqualifying financial interest.	06/11/2015 - To SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS.
<u>AB 12</u> Cooley (D)	State Government: Administrative Regulations: Review		Requires each state agency after a noticed public hearing, to review the agency's regulations, identify any regulations that are duplicative, overlapping, inconsistent, or out of date, to revise those identified regulations, and report to the Legislature and Governor.	06/11/2015 - To SENATE Committee on GOVERNMENTAL ORGANIZATION.
<u>AB 14</u> Waldron (R)	Unmanned Aircraft Systems: Task Force		Creates the Unmanned Aircraft Systems Task Force to research, develop, and formulate a comprehensive policy for unmanned aircraft systems. Requires the task force to submit a policy draft and suggested legislation pertaining to unmanned aircraft systems.	04/13/2015 - In ASSEMBLY Committee on TRANSPORTATION: Failed passage.;04/13/2015 - In ASSEMBLY Committee on TRANSPORTATION: Reconsideration granted.
<u>AB 21</u> Perea (D)	Global Warming Solutions Act of 2006: Scoping Plan		Requires the State Air Resources Board in preparing its scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas reduction, to consult with	06/17/2015 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass to Committee

IRWD 2015 LEGISLATIVE MATRIX
Updated June 25th, 2015

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			specified State agencies regarding matters involving energy efficiency and the facilitation of the electrification of the transportation sector.	on APPROPRIATIONS.
<u>AB 23</u> Patterson (R)	Global Warming Solutions Act of 2006: Compliance		Exempts categories of persons or entities that did not have a compliance obligation under a market-based compliance mechanism from being subject to that market-based compliance mechanism.	03/23/2015 - In ASSEMBLY Committee on NATURAL RESOURCES: Failed passage.;03/23/2015 - In ASSEMBLY Committee on NATURAL RESOURCES: Reconsideration granted.
<u>AB 33</u> Quirk (D)	Global Warming Solutions Act: Energy Council		Establishes the Energy Sector Emissions Reduction Advisory Council to recommend strategies for the electricity sector for incorporation into the scoping plan prepared by the State Air Resources Board, based on specified analysis including various strategies that could be implemented to reduce emissions of greenhouse gases from the electricity sector and integrate increasing amounts of renewable energy into the grid.	06/23/2015 - From SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS with author's amendments.;06/23/2015 - In SENATE. Read second time and amended. Re-referred to Committee on ENERGY, UTILITIES AND COMMUNICATIONS.
<u>AB 45</u> Mullin (D)	Household Hazardous Waste		Requires each jurisdiction providing for the residential collection and disposal of solid waste to increase the collection and diversion of household hazardous waste in its service area over the baseline. Provides the increase is to be determined in accordance with Department of Resources Recycling and Recovery regulations. Authorizes the adoption of a model ordinance for a comprehensive program for the collection of waste. Requires an annual report to the Department on progress in achieving compliance.	05/20/2015 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.
<u>AB 56</u> Quirk (D)	Unmanned Aircraft Systems		Prohibits the use of unmanned aircraft systems by public agencies or the contracting therefor. Exempts law enforcement agencies. Requires public notice by agencies when intending to deploy such system. Provides the time frame for destruction of images and data collected. Prohibits public dissemination of images and data. Prohibits arming. Relates to surveillance restrictions. Applies to private entities contracting with agencies. Relates to data and images	06/24/2015 - From SENATE Committee on PUBLIC SAFETY with author's amendments.;06/24/2015 - In SENATE. Read second time and amended. Re-referred to Committee on PUBLIC SAFETY.

IRWD 2015 LEGISLATIVE MATRIX
Updated June 25th, 2015

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			subject to disclosure. Requires public comment.	
AB 78 Mathis (R)	Groundwater Basins		Makes technical nonsubstantive changes to existing law that requires the Department of Water Resources to categorize each basin or subbasin as high-, medium-, low-, or very low priority and to establish ground water the initial priority for each basin.	01/05/2015 - INTRODUCED.
AB 88 Gomez (D)	Sales and Use Taxes: Exemption: Home Appliances		Exempts from the sales and use tax laws the gross receipts from the sale of, and the storage, use, or other consumption in the State of, an energy or water efficient home appliance purchased by a public utility that is provided at no cost to a low-income participant in a federal, state, or ratepayer-funded energy efficiency program for use by that low-income participant in the energy efficiency program.	06/11/2015 - To SENATE Committee on GOVERNANCE AND FINANCE.
AB 149 Chavez (R)	Urban Water Management Plans	Support	Requires each urban water supplier to update and submit a urban water management plan for a specified year to the State Department of Water Resources by a specified date. Requires the Department to submit its urban water management plan report for a specified years to the Legislature by a specified date.	06/23/2015 - Enrolled.
AB 156 Perea (D)	Global Warming Solutions Act: Disadvantaged Communities		Requires the State Air Resources Board, pursuant to the Global Warming Solutions Act of 2006, to post on its Internet Web site a specified report on the projects funded to benefit disadvantaged communities. Requires the Board to establish and accomplish a comprehensive technical assistance program, upon appropriation from the Greenhouse Gas Reduction Fund, for eligible applicants assisting disadvantaged communities and other specified communities. Requires an allocation to the Board for the program.	06/23/2015 - From SENATE Committee on ENVIRONMENTAL QUALITY with author's amendments.;06/23/2015 - In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.
AB 219 Daly (D)	Public Works: Concrete Delivery		Expands the definition of public works for purposes of requirements regarding the payment of prevailing wages for public works projects to include the hauling and delivery of ready-mixed contract to carry out a public works contract, with respect to contracts involving any State agency or any political subdivision of he State. Requires the applicable prevailing wage rate to be the rate for the geographic area in which the concrete factory or batching plant is located.	06/24/2015 - From SENATE Committee on LABOR AND INDUSTRIAL RELATIONS: Do pass to Committee on APPROPRIATIONS.
AB 243 Wood (D)	Medical Marijuana Cultivation		Requires a permit to cultivate medical marijuana. Provides limitations as to where such product may be grown. Requires indoor and outdoor medical marijuana cultivation to be conducted in	06/19/2015 - To SENATE Committees on GOVERNANCE AND FINANCE and

IRWD 2015 LEGISLATIVE MATRIX
Updated June 25th, 2015

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			accordance with state and local laws and best practices related to land conversion, grading, electricity usage, water usage, agricultural discharges, and similar matters. Requires each regional water quality control board to address discharges of waste resulting from medical marijuana cultivation and associated activities.	ENVIRONMENTAL QUALITY.
AB 259 Dababneh (D)	Personal Information Privacy		Requires an agency, if the agency was the source of the breach and the breach compromised a person's social security number, driver's license number, or California identification card number, to offer to provide the person with identity theft prevention and mitigation services at no cost for not less than 12 months.	06/01/2015 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 291 Medina (D)	Environmental Quality Act: Local Agencies: Water		Authorizes a local agency, for certain water projects, to file a specified notice with the county clerk of the county in which the local agency's principal office is located, along with any required payment to the Department of Fish and Wildlife, and with the Office of Planning and Research and to transmit a copy of the notice to the county clerk of the counties in which the project is located. Requires the notice and the copies of the notice to be available to for public inspection. Relates to challenges.	06/10/2015 - From SENATE Committee on ENVIRONMENTAL QUALITY with author's amendments.;06/10/2015 - In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.
AB 307 Mathis (R)	Graywater: Groundwater Recharge		States the intent of the Legislature to enact legislation to explicitly permit the usage of residential, commercial, and industrial graywater for the recharge of a groundwater basin or aquifer.	02/12/2015 - INTRODUCED.
AB 308 Mathis (R)	Graywater: Agricultural Use		States the intent of the Legislature to enact legislation to explicitly permit incorporated and unincorporated communities to sell graywater for agricultural purposes and agriculture to use graywater for agricultural purposes.	02/12/2015 - INTRODUCED.
AB 311 Gallagher (R)	Environmental Quality: Water Quality and Supply		Requires the public agency, in certifying the environmental impact report and in granting approvals for specified water storage projects funded, in whole or in part, by Proposition 1, to comply with specified procedures. Requires the Judicial Council to adopt a rule of court to establish procedures applicable to actions or proceedings seeking judicial review of an agency's action in certifying the environmental impact report and in granting project approval. Relates to court staying of the projects.	04/29/2015 - From ASSEMBLY Committee on NATURAL RESOURCES without further action pursuant to JR 62(a).
AB 327	Public Works: Volunteers		Extends the provisions of existing law that governing public works	06/24/2015 - Enrolled.

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Updated June 25th, 2015

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
Gordon (D)			does not apply to specified work performed by a volunteer, a volunteer coordinator, or a member of the California Conservation corps or a community conservation corps.	
AB 335 Patterson (R)	Air Quality: Minor Violations		Requires the State Air Resources Board and air pollution control and air quality management districts to adopt regulations classifying minor violations. Requires a representative of those agencies to issue a notice to comply. Requires the State Air Resources Board to report to the Legislature regarding implementation of these provisions. Exempts such districts from these provisions if the districts have a similar program in effect as of a specified date.	05/19/2015 - From ASSEMBLY Committee on NATURAL RESOURCES without further action pursuant to JR 62(a).
AB 341 Achadjian (R)	Financial Affairs: Reports		Amends existing law requiring the officer of each local agency, who has charge of the financial records of the local agency, to furnish to the Controller a report of all such transactions of the local agency during the preceding fiscal year. Requires the report to contain underlying data from audited financial statements, if this data is available, and extends time to furnish the report. Provides a due date for reporting of the annual compensation for a local agency's elected officials and employees.	06/23/2015 - *****To GOVERNOR.
AB 349 Gonzalez (D)	Common Interest Developments: Property Use		Amends the Davis-Stirling Common Interest Development Act. Makes void and unenforceable any provision of the governing documents or architectural or landscaping guidelines or policies that prohibits the use of artificial turf or any other synthetic surface that resembles grass. Prohibits a requirement that an owner of a separate interest remove or reverse water-efficient landscaping measures, installed in response to a declaration of a state of emergency, upon the conclusion of the state of emergency.	06/23/2015 - From SENATE Committee on TRANSPORTATION AND HOUSING: Do pass to Committee on JUDICIARY.
AB 356 Williams (D)	Oil and Gas: Groundwater Monitoring		Authorizes the State Oil and Gas Supervisor to require a well operator to implement a monitoring program for below ground oil production tanks and facilities, and disposal and injection wells. Requires the annual review of underground injection or disposal projects that use Class II wells. Requires the submission of a related groundwater monitoring plan. Requires submission of certain data for the State's geotracker database. Provides procedures for an aquifer exemption. Relates to plan modification.	06/11/2015 - In ASSEMBLY. Reconsideration granted.;06/11/2015 - In ASSEMBLY. From third reading. To Inactive File.

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Updated June 25th, 2015

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 401</u> Dodd (D)	Low-Income Water Rate Assistance Program		Requires the Department of Community Services and Development to develop a plan for the funding and implementation of the Low-Income Water Rate Assistance Program, which would include specified elements. Requires the Department to report to the Legislature on its findings regarding the feasibility, financial stability, and desired structure of the program.	06/11/2015 - To SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS.
<u>AB 402</u> Dodd (D)	Local Agency Services: Contracts		Revises the circumstances under which a local agency formation commission may authorize a city or district to provide new or extended services. Establishes a pilot program for the Napa, and San Bernardino commissions that would the commissions to authority a city or district to provide new or extended services outside both its jurisdictional boundaries and its sphere of influence under specified circumstances.	06/24/2015 - From SENATE Committee on GOVERNANCE AND FINANCE: Do pass as amended.
<u>AB 434</u> Garcia E (D)	Drinking Water: Point-of-Entry: Point-of-Use Treatment		Requires the State Water Resources Control Board to adopt regulations governing the use of point-of-entry and point-of-use treatment by a public water system in lieu of centralized treatment where it can be demonstrated that centralized treatment is not immediately economically feasible. Provides limitations. Prohibits the use of point-of-entry treatment absent a Board determination of no community opposition. Deletes the limitation on permit duration.	06/17/2015 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass as amended to Committee on APPROPRIATIONS.
<u>AB 452</u> Bigelow (R)	Water Rights Fund: Groundwater Regulation		Amends existing law that establishes groundwater reporting requirements for a person extracting groundwater in an area within a basin that is not within the management area of a groundwater sustainability agency or that is a probationary basin. Prohibits water rights fees from being available for expenditure by the Water Resources Control Board for the purposes of Board enforcement of the provisions of the Sustainable Groundwater Management Act and the groundwater reporting requirements.	04/28/2015 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Not heard.
<u>AB 453</u> Bigelow (R)	Groundwater Management		Authorizes, until a groundwater sustainability plan is adopted, a local agency to amend an existing groundwater management plan in furtherance of, and consistent with, the groundwater management plan's objectives. Authorizes such agency to impose fees and collect groundwater extraction information for developing and adopting a revised groundwater management plan. Prohibits using water rights	06/23/2015 - In SENATE Committee on NATURAL RESOURCES AND WATER: Not heard.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			fees in a specified fund for enforcement of the Sustainable Groundwater Management Act and groundwater reporting.	
<u>AB 454</u> Bigelow (R)	Sustainable Groundwater Management		Relates to groundwater basins. Requires a high- or medium-priority basin that is not subject to critical conditions of overdraft to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plan. Provides for the designation of basins as probationary basins.	04/14/2015 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS.
<u>AB 455</u> Bigelow (R)	Groundwater Sustainability Plans		Amends the California Environmental Quality Act. Requires the Judicial Council to adopt a rule of court to establish procedures applicable to actions or proceedings brought to attack, review, set aside, void, or annul the certification of an environmental impact report for certain projects covered by a groundwater sustainability plan. Prohibits the court from staying or enjoying the construction or operation of the project unless the court makes a certain finding.	04/14/2015 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Not heard.
<u>AB 472</u> Harper (R)	Public Works: Prevailing Wage: Volunteers		Makes a nonsubstantive, technical change by deleting an obsolete provision in existing law that generally requires the payment of not less than the prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed by workers employed on public works projects, except work performed by a volunteer, a volunteer coordinator, or member of the State Conservation Corps, or a community conservation corps.	02/23/2015 - INTRODUCED.
<u>AB 478</u> Harper (R)	Desalination		Makes a nonsubstantive change to the Cobey-Porter Saline Water Conversion Law that states the policy of this state that desalination projects developed by or for public water entities be given the same opportunities for state assistance and funding as other water supply and reliability projects, and that desalination be consistent with all applicable environmental protection policies in the state.	02/23/2015 - INTRODUCED.
<u>AB 501</u> Levine (D)	Resources: Delta Research		Relates to the Sacramento-San Joaquin Delta Reform Act of 2009. Requires a person conducting State-funded Delta Research 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. Relates to ineligibility. Authorizes the Delta Independent Science Board to adopt guidelines. Suspends State funding for improper reporting. Provides	04/29/2015 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.

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Updated June 25th, 2015

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			research property rights remain with the researcher.	
<u>AB 537</u> Allen T (R)	Public Employees' Benefits		Prohibits a public agency, state employer, employee organization, or public employee from entering into a memorandum of understanding that provides postemployment health care benefits without a strategy for permanently prefunding members' postemployment healthcare benefits.	03/05/2015 - To ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.
<u>AB 577</u> Bonilla (D)	Biomethane: Grant Program		Requires the development and implementation of a grant program to award grants for projects that produce biomethane, that build or develop collection and purification technology or infrastructure, or that upgrade or expand existing biomethane facilities. Authorizes moneys in the Greenhouse Gas Reduction Fund to be used to fund grants awarded under the program.	06/17/2015 - From SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS with author's amendments.;06/17/2015 - In SENATE. Read second time and amended. Re-referred to Committee on ENERGY, UTILITIES AND COMMUNICATIONS.
<u>AB 585</u> Melendez (R)	Outdoor Water Efficiency: Personal Income Tax Credits	Support	Relates to the Outdoor Water Efficiency Act. Allows a credit, under the Personal Income Tax Law, for a specified percentage of the amount paid or incurred by a qualified taxpayer for water-efficiency improvements made to outdoor landscapes on real property in the State.	05/04/2015 - In ASSEMBLY Committee on REVENUE AND TAXATION: To Suspense File.
<u>AB 590</u> Dahle (R)	Greenhouse Gas Reduction Fund		Provides that moneys in the Greenhouse Gas Reduction Fund account may be made available for expenditure by the State Energy Resources Conservation and Development Commission for maintaining the current level of biomass power generation in the State and revitalizing currently idle facilities in strategically located regions. Establishes requirements for an applicant to receive available funding for a facility's eligible electrical generation.	06/16/2015 - From SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS with author's amendments.;06/16/2015 - In SENATE. Read second time and amended. Re-referred to Committee on ENERGY, UTILITIES AND COMMUNICATIONS.
<u>AB 603</u> Salas (D)	Income Taxes: Every Drop Counts Tax Credit	Support	Allows a credit under the Personal Income Tax and the Corporation Tax laws to a taxpayer participating in a lawn replacement rebate program.	05/28/2015 - In ASSEMBLY. Joint Rule 62(a) suspended.;05/28/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

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AB 606 Levine (D)	Water Conservation	Support_Amend	Requires the Department of General Services, when the Department replaces landscaping and irrigation on public property or when new property is added to the Department's inventory, to reduce water consumption and increase water efficiencies for that property through replacement of landscaping, irrigation timers, or spray sprinkler heads, implementation of recycled water irrigation, or any combination thereof. Imposes similar water conservation requirements of the Department of Transportation.	06/04/2015 - To SENATE Committee on GOVERNMENTAL ORGANIZATION.
AB 617 Perea (D)	Groundwater		Authorizes a minimum combination of local agency and mutual water companies to enter into an agreement to form a groundwater sustainability agency. Authorizes such agency to enter into agreements and funding with private parties that assist in or facilitate the implementation of groundwater sustainability plans or elements of a plan. Requires the Water Resources Control Board to direct a State agency's cooperation with the plan. Relates to the designation of probationary basins. Relates to plan extensions.	06/11/2015 - To SENATE Committee on NATURAL RESOURCES AND WATER.
AB 639 Dahle (R)	Water Quality: Membership of Regional Boards		Makes nonsubstantive changes to provisions of existing law which requires the State Water Resources Control Board and the regional water quality control boards to prescribe waste discharge requirements in accordance with the federal national pollutant discharge elimination system permit program established by the federal Clean Water Act and the Porter-Cologne Water Quality Control Act.	02/24/2015 - INTRODUCED.
AB 647 Eggman (D)	Beneficial Use: Storing of Water Underground		Declares that the diversion of water to underground storage constitutes a beneficial use of water if the water so stored is thereafter applied to the beneficial purposes for which the appropriation for storage was made, or if the water is so stored consistent with a sustainable groundwater management plan, statutory authority to conduct groundwater recharge, or a judicial degree and is for specified purposes. Requires applying for a permit or petition for a change. Requires including specified conditions.	06/19/2015 - To SENATE Committee on NATURAL RESOURCES AND WATER.;06/19/2015 - From SENATE Committee on NATURAL RESOURCES AND WATER with author's amendments.;06/19/2015 - In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.

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<u>AB 723</u> Rendon (D)	Rental Property: Plumbing Fixtures: Replacement		Requires the lease of a single-family residential real property or any portion of a multifamily residential real property or commercial real property that is entered into, renewed, or amended, to contain a provisions in which the property owner states his or her responsibility to replace all noncompliant plumbing fixtures with water-conserving plumbing fixtures. Authorizes any party, including a city, county, or water supplier to enforce that lease provision.	06/24/2015 - Withdrawn from SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS.;06/24/2015 - Re-referred to SENATE Committee on RULES.
<u>AB 725</u> Wagner (R)	Water Quality: Recycled Water: Storm-Induced Overflow	Sponsor	Requires the State Water Resources Control Board to adopt a policy to address the potential for a storm-induced overflow from an impoundment in which recycled water is stored for subsequent beneficial use or aesthetic purposes.	03/26/2015 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.;03/26/2015 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;03/26/2015 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.
<u>AB 852</u> Burke (D)	Public Works: Prevailing Wages		Expands the definition of public works for the purposes of provisions relating to the prevailing rate of per diem wages, to also include any construction, alteration, demolition, installation, or repair work done under private contract on a project for a general acute care hospital, when the project is paid for, in whole or in part, with the proceeds of conduit revenue bonds. Provides an exception for a specified hospital.	06/24/2015 - From SENATE Committee on LABOR AND INDUSTRIAL RELATIONS: Do pass to Committee on APPROPRIATIONS.
<u>AB 856</u> Calderon I (D)	Invasion of Privacy		Expands liability for physical invasion of privacy to additionally include a person knowingly entering into the airspace above the land of another person without permission.	05/28/2015 - To SENATE Committee on JUDICIARY.
<u>AB 876</u> McCarty (D)	Compostable Organics		Requires a county or regional agency to include in its annual report to the Department for Resources Recycling and Recovery an estimate of the amount of organic waste in cubic yards that will be generated in the county of region over a specified time period, an estimate of the additional organic waste recycling facility capacity needed to process that amount of waste, and areas identified as	06/18/2015 - To SENATE Committee on ENVIRONMENTAL QUALITY.

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			locations for new and expended organic waste recycling facilities capable of safely meeting that additional need.	
AB 888 Bloom (D)	Waste Management: Plastic Microbeads		Prohibits a person from selling or offering for promotional purposes in this state a personal care product containing plastic microbeads that are used to exfoliate or cleanse in a rinse-off product. Provides an exception. Makes a violator liable for a civil penalty to be assessed and recovered in a civil action brought in any court of competent jurisdiction by the Attorney General or local officials. Requires the civil penalties collected to be retained by the office that brought the action.	06/17/2015 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass to Committee on JUDICIARY.
AB 935 Salas (D)	Integrated Regional Water Management Plans: Grants		Requires the Department of Water Resources to provide grants and expenditures for the planning, design and construction of local and regional conveyance projects supporting regional and interregional connectivity and water management. Requires a regional management group awarded a grant to provide a specified a cost share of the total project costs from nonstate resources. Authorizes the Department to waiver or reduce this requirements for projects that benefit a disadvantaged community or distressed area.	06/24/2015 - Withdrawn from SENATE Committee on ENVIRONMENTAL QUALITY.;06/24/2015 - Re-referred to SENATE Committee on NATURAL RESOURCES AND WATER.
AB 936 Salas (D)	Groundwater Monitoring		Amends existing law which provides that certain entities with authority to assume groundwater monitoring functions with regard to a basin or subbasin for which the Department of Water Resources has assumed those functions are not eligible for a water grant or loan awarded or administered by the state. Authorizes an exemption for the eligibility restriction if the entity submits specified documentation that provides that there are special circumstances justifying noncompliance.	05/28/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
AB 937 Salas (D)	Groundwater Plan/Monitor: Disadvantaged Communities		Requires the Department of Water Resources to provide technical assistance to disadvantaged communities so that they may participate in groundwater planning, including planning for regional groundwater banking, with any county or other local agency. Authorizes the Department to exempt an entity that submits documentation demonstrating that there are special circumstances justifying the entity's noncompliance, including that a significant portion of the service area qualifies as such community.	06/19/2015 - To SENATE Committee on NATURAL RESOURCES AND WATER.

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<u>AB 938</u> Salas (D)	Groundwater: Basin Reprioritization		Imposes the requirement to establish a groundwater sustainability agency on a local agency or combination of local agencies overlying a groundwater basin.	05/07/2015 - To SENATE Committee on NATURAL RESOURCES AND WATER.
<u>AB 939</u> Salas (D)	Groundwater Sustainability Agency: Financial Authority		Requires a groundwater sustainability agency to make the data upon which a proposed fee is based available prior to a public meeting to impose or increase a fee.	05/07/2015 - To SENATE Committee on NATURAL RESOURCES AND WATER.
<u>AB 952</u> Garcia (D)	Local Government: Vacancies		Provides updated procedures for the filling of a vacancy in an elective office by a city council for a vacancy that occurs in the first half or the second half of the term of office and at least a specified number of days prior to the next general municipal election, the person appointed to fill the vacancy holds office until the next general municipal election at which a person is elected to fill that vacancy, and thereafter, until the person elected is qualified.	06/04/2015 - To SENATE Committee on GOVERNANCE AND FINANCE.
<u>AB 954</u> Mathis (R)	Water and Wastewater Loan and Grant Pilot Program		Creates the Water and Wastewater Loan and Grant Program. Require the State Water Resources Control Board to establish a pilot program to provide low-interest loans and grants to local agencies for grants to eligible individual homeowners for purposes relating to drinking water and wastewater treatment. Creates a related fund for use under the program. Transfers a specified amount of funds from the General Fund to the fund.	06/18/2015 - To SENATE Committee on ENVIRONMENTAL QUALITY.
<u>AB 957</u> Mathis (R)	Water Quality, Supply, Infrastructure Improvement		Relates to grants under the Water Quality, Supply, and Infrastructure Improvement Act of 2014 for water supply reliability improvement to include in that improvement criterion whether the project is proposed by a community that is dependent on groundwater from a basin in overdraft, and would include in the public health benefits criterion whether the project is proposed by a community that has extended, or is in the process of extending, its water service deliveries to specified groundwater entities.	04/28/2015 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Not heard.
<u>AB 977</u> Mayes (R)	State Water Pollution Control Revolving Fund		Amends existing law that requires loans under the State Water Pollution Control Revolving Fund to meet specified criteria, including requiring full amortization not later than a specified number of years after project completion. Requires full amortization not later than another specified number of years after project completion.	03/26/2015 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS with author's amendments.;03/26/2015 - In ASSEMBLY. Read second time and

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				amended. Re-referred to Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<u>AB 1019</u> Garcia E (D)	Metal Theft and Related Recycling Crimes		Requires the Department of Justice to establish a Metal Theft Task Force Program designed to enhance the capacity of the department to serve as the lead law enforcement agency in the investigation and prosecution of illegal recycling operations, and metal theft and related recycling crimes. Authorizes the department to enter into partnerships with local law enforcement agencies.	05/28/2015 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
<u>AB 1030</u> Ridley-Thomas S (D)	Global Warming Solutions Act of 2006: Greenhouse Gas		Amends existing law that relates to the Greenhouse Gas Reduction Fund. Requires, for greenhouse gas emission reduction projects involving hiring, priority be given to projects that include partnerships with training entities that have a proven track record of placing disadvantaged workers in career-track jobs.	06/04/2015 - To SENATE Committee on ENVIRONMENTAL QUALITY.
<u>AB 1068</u> Allen T (R)	California Environmental Quality Act: Priority Projects		Authorizes each Member of the Legislature to nominate one project within his or her respective district each year, and the Governor to designate those projects as priority projects if the projects meet specified requirements. Requires the Governor to provide a notice of the designation to the appropriate lead agency and to the Office of Planning and Research. Requires an environmental impact report for each project. Authorizes tiering from previously prepared reports. Relates to court stays of projects.	03/19/2015 - To ASSEMBLY Committees on NATURAL RESOURCES and JUDICIARY.
<u>AB 1095</u> Garcia E (D)	Salton Sea: Restoration Projects		Requires the Natural Resources Agency to submit to the Legislature a list of shovel-ready Salton Sea restoration projects, including information regarding project costs and project completion timelines.	06/19/2015 - To SENATE Committee on NATURAL RESOURCES AND WATER.
<u>AB 1128</u> Jones-Sawyer (D)	Water Conservation		Makes nonsubstantive changes to existing law that declares the intent of the Legislature to, among other things, promote urban water conservation standards that are consistent with the California Urban Water Conservation Council's adopted best management practices and specified requirements for demand management.	02/27/2015 - INTRODUCED.
<u>AB 1139</u> Campos (D)	Personal Income Tax: Credit: Turf Removal		Allows a taxpayer, under the Personal Income Tax Law, a credit for participation in a lawn replacement program.	03/26/2015 - To ASSEMBLY Committee on REVENUE AND TAXATION.;03/26/2015 - From

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				ASSEMBLY Committee on REVENUE AND TAXATION with author's amendments.;03/26/2015 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on REVENUE AND TAXATION.
<u>AB 1144</u> Rendon (D)	Renewables Portfolio Standard Program: Credits		Provides that unbundled renewable energy credits may be used to meet the first category of the portfolio content requirements if the credits are earned by electricity that is generated by an entity that, if it were a person or corporation, would be excluded from the definition of an electrical corporation by operation of the exclusions for a corporation or person employing landfill gas technology or digester gas technology, and the entity has specified first points of interconnection.	06/04/2015 - To SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS.
<u>AB 1201</u> Salas (D)	Delta: Predation by Nonnative Species	Support	Requires the State Department of Fish and Wildlife to develop a science-based approach that addresses predation by nonnative species upon species of fish listed pursuant to the State Endangered Species Act that reside all or a portion of their lives in the Sacramento-San Joaquin Delta.	06/19/2015 - To SENATE Committee on NATURAL RESOURCES AND WATER.
<u>AB 1242</u> Gray (D)	Water Quality: Impacts on Groundwater: Instream Flows		Requires the State Water Resources Control Board to take into consideration any applicable groundwater sustainability plan or alternative in formulating state policy for water quality control and adopting or approving a water quality control plan that affects a groundwater basin. Requires the Board to identify projects for fish recovery that may be undertaken in lieu of instream flows before adopting or approving quality objectives or a program of implementation that requires such flows for beneficial uses.	06/23/2015 - From SENATE Committee on NATURAL RESOURCES AND WATER: Do pass to Committee on ENVIRONMENTAL QUALITY.
<u>AB 1243</u> Gray (D)	Groundwater Recharge: Grants		Establishes the Groundwater Recharge Grant Fund. Provides that moneys in the fund are available to the State Water Resources Control Board to provide grants to local governments and water districts for groundwater recharge infrastructure projects.	04/14/2015 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Not heard.
<u>AB 1315</u> Alejo (D)	Public Contracts Water Pollution Prevention Plans		Prohibits a public entity, charter city, or charter county from delegating to a contractor the development of a plan used to prevent	05/28/2015 - In ASSEMBLY Committee on APPROPRIATIONS:

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			or reduce water pollution or runoff on a public works contract. Provides exceptions. Prohibits those same entities from requiring a contractor on a public works contract that includes compliance with a plan to assume responsibility for the completeness and accuracy of a plan developed by that entity.	Held in committee.
<u>AB 1325</u> Salas (D)	Delta Smelt		Enacts the Delta Smelt Preservation and Restoration Act of 2016. Requires the development of a deltas smelt hatchery program to preserve and restore the delta smelt. Requires entering into mitigation banking agreements with banking partners of the Department of Fish and Wildlife for the purpose of providing take authorizations to those partners and to obtain funding from banking agreements. Appropriates an unspecified amount of money from an unspecified source to implement these provisions.	04/28/2015 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Failed passage.;04/28/2015 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Reconsideration granted.
<u>AB 1362</u> Gordon (D)	Local Government Assessments Fees and Charges		Defines stormwater for purposes of the Proposition 218 Omnibus Implementation Act to mean any system of public improvements or service intended to provide for the quality, conservation, control, or conveyance of waters that land on or drain across the natural or man-made landscape.	03/23/2015 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
<u>AB 1390</u> Alejo (D)	Groundwater: Adjudication		Establishes special procedures for an adjudication action to determine the rights to extract groundwater within a basin or store water from a basin. Authorizes the court to determine all rights to groundwater in a basin whether based on appropriation, overlying right, or other basis of right. Requires a complaint filed in an action to name certain defendants, including counties or cities that provide water service and overlie a basin in whole or in part, and to be served and published in a specified manner.	06/23/2015 - From SENATE Committee on NATURAL RESOURCES AND WATER: Do pass to Committee on JUDICIARY.
<u>AB 1454</u> Wagner (R)	Water Quality: Trash: Single-Use Carryout Bags		Suspends the operation of certain amendments to water quality control plans relating to the total maximum daily load for trash unless and until specified provisions inoperative due to a pending referendum election become effective. Requires the State Water Resources Control Board to revisit and revise the water quality control plans to address impaired water quality due to trash if the law pending referendum is defeated.	04/23/2015 - Re-referred to ASSEMBLY Committee on RULES.
<u>AB 1463</u>	Onsite Recycled Water		Requires the State Water Resources Control Board to establish water	06/18/2015 - From SENATE

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Gatto (D)			quality standards and reporting requirements for onsite water recycling systems using blackwater. Authorizes the Department of Housing and Community Development and the State Building Standards Commission to authorize the use of blackwater in onsite water recycling systems only if prescribed conditions are met. Requires the Department to adopt building standards for all categories of residential and commercial onsite recycled water.	Committee on ENVIRONMENTAL QUALITY with author's amendments.;06/18/2015 - In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.
AB 1532 Local Government Cmt	Local Government: Omnibus		Amends provisions regarding local governments to include the revision of existing law regarding local agency formation commissions. Revises provisions regarding hospital districts, conflict of interest rules for a commission appointed legal counsel, the annexation of inhabited territory, and the issuance of a certificate of completion or termination regarding the consolidation of cities or districts.	06/24/2015 - From SENATE Committee on GOVERNANCE AND FINANCE: Do pass. To Consent Calendar.
AB 1534 Ting (D)	Assessment Analyst: Certification		Prohibits an assessor or any person employed by the Office of the County Assessor from making decisions with regard to change in ownership, or with regard to property tax exemptions, except a homeowners' exemption claim, unless he or she is the holder of a valid assessment analyst certificate issued by the State Board of Equalization. Requires prescribed annual training for certification. Provides for advanced certification. Provide failure to complete training would be grounds for revocation.	06/24/2015 - From SENATE Committee on GOVERNANCE AND FINANCE: Do pass to Committee on APPROPRIATIONS.
SB 7 Wolk (D)	Housing: Water Meters: Multi-unit Structures		Encourages the conservation of water in multifamily residential rental buildings through means within the landlord's or the tenant's control, and to ensure that the practices involving the submetering of dwelling units for water service are just and reasonable, and including appropriate safeguards for both tenants and landlords. Authorizes building standards that require the installation of water submeters in multiunit residential buildings. Provides structure exemptions. Defines the term submeter.	06/18/2015 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.
SB 13 Pavley (D)	Groundwater		Authorizes the State Water Resource Control Board to designate a basin as a probationary basin and to develop an interim plan. Relates deficiency remedies by a local agency or groundwater sustainability agency. Relates to the designation of a basin as probationary.	06/24/2015 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;06/24/2015 - In

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			Relates to establishing a groundwater sustainability plan. Authorizes a mutual water company to participate in such agency. Provides a water corporation or mutual water company may participate. Extends the deadline for basins to be under a plan.	ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.
SB 20 Pavley (D)	Wells: Reports: Public Availability		Amends an existing law which requires a person who digs, bores, or drills a water well, cathodic protection well, or a monitoring well to file a report of completion with the Department of Water Resources. Requires the Department to make reports available to the public. Requires the Department to redact from the report specified information pertaining to the well owner.	06/15/2015 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
SB 32 Pavley (D)	Global Warning Solutions Act of 2006: Emissions Limit		Requires the State Air Resources Board to approve a specified statewide greenhouse gas emission limits that are the equivalent to a specified percentage below the 1990 level to be achieved by 2030 and another percentage below the 1990 level by 2050. Authorizes the Board to adopt an interim emissions level target to be achieved by 2040. Makes conforming changes.	06/15/2015 - To ASSEMBLY Committee on NATURAL RESOURCES.
SB 47 Hill (D)	Environmental Health: Synthetic Turf		Requires the Office of Environmental Health Hazard Assessment, in consultation with the Department of Resources Recycling and Recovery, the State Department of Public Health, and the Department of Toxic Substances Control, to prepare and provide to the Legislature and post on the office's Internet Web site a study analyzing synthetic turf, for potential adverse health impacts. Provides the information to be included in the study. Authorizes grant to crumb rubber businesses to find alternative markets.	05/28/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
SB 113 Galgiani (D)	Disaster Preparedness and Flood Prevention Bond Act		Specifies that the Disaster Preparedness and Flood Prevention Bond Act of 2006 funds provided by the act are only available for appropriation until a specified date and at that time the amount of indebtedness authorized by the act is reduced by the amount of funds that have not been appropriated. Removes the restriction that the funds are available for appropriation only until that specified date.	03/24/2015 - In SENATE Committee on NATURAL RESOURCES AND WATER: Not heard.
SB 119 Hill (D)	Protection of Subsurface Installations		Relates to excavation. Provides for certain training requirements, fines, and license suspension. Makes changes relating to a regional notification center and subsurface installations. Provides for	06/16/2015 - From ASSEMBLY Committee on UTILITIES AND COMMERCE with author's

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			delineation of areas to be excavated, preservation of certain plans, damages, pipeline safety, an exemption for certain residential property owners using hand tools, the creation of an advisory committee, and the use of moneys collected as a result of the issuance of citations. Creates a complaint authority.	amendments.;06/16/2015 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on UTILITIES AND COMMERCE.
SB 122 Jackson (D)	Environmental Quality Act: Record of Proceedings		Amends the Environmental Quality Act. Relates to a database for the collection, storage, retrieval, and dissemination of environmental documents, notices of exemption, notices of preparation, notices of determination, and notices of completion provided to the office that shall be available online to the public through the internet. Provides for the phase-in of electronic documents. Requires the lead agency to submit to the State Clearinghouse a sufficient number of environmental documents for review.	06/11/2015 - To ASSEMBLY Committee on NATURAL RESOURCES.
SB 127 Vidak (R)	Water Quality, Supply, and Infrastructure Improvement		Relates to the Water Quality, Supply, and Infrastructure Improvement Act of 2014. Requires the public agency, in certifying the environmental impact report and in granting approvals for projects funded, in whole or in part, by Proposition 1, including the concurrent preparation of the record of proceedings and the certification of the record of proceeding within 5 days of the filing of a specified notice, to comply with specified procedures.	02/05/2015 - To SENATE Committees on ENVIRONMENTAL QUALITY and JUDICIARY.
SB 142 Jackson (D)	Civil law: Unmanned Aerial Vehicles		Defines knowing entry upon the land of another to include the operation of an unmanned aerial vehicle below the navigable airspace overlaying the real property. Extends liability for wrongful occupation of real property and damages to a person who operates an unmanned aerial vehicle below the navigable airspace overlaying the real property or operation of such vehicle less than a specified number of feet above ground level with the airspace overlaying the real property, without consent or legal authority.	06/03/2015 - From ASSEMBLY Committee on PRIVACY AND CONSUMER PROTECTION with author's amendments.;06/03/2015 - In ASSEMBLY. Read second time and amended. Re-referred to ASSEMBLY Committee on PRIVACY AND CONSUMER PROTECTION.
SB 143 Stone (R)	Diamond Valley Reservoir: Recreational Use	Oppose	Amends existing law that prohibits recreational use in which there is bodily contact with water, in a reservoir in which water is stored for domestic use.	02/05/2015 - To SENATE Committee on ENVIRONMENTAL QUALITY.
SB 173 Nielsen (R)	Groundwater: De Minimis Extractors		Amends existing law that generally excepts a de minimis extractor from the requirement that a person who extracts groundwater from a	03/24/2015 - In SENATE Committee on NATURAL RESOURCES AND

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			probational basin or extracts groundwater on or after July 1, 2017, in an area within a basin that is not within the management area of a groundwater sustainability agency and where the county does not assume responsibility to be the groundwater sustainability agency has to file a report of groundwater extraction. Defines a de minimis extractor.	WATER: Failed passage.;03/24/2015 - In SENATE Committee on NATURAL RESOURCES AND WATER: Reconsideration granted.
SB 179 Berryhill (R)	Secondhand Goods: Junk Dealers		Makes nonsubstantive changes to existing law that prohibits a junk dealer or recycler from possessing a reasonably recognizable, disassembled, or inoperative fire hydrant or fire department connection, a manhole cover or lid, or a backflow device, that was owned by an agency, without a written certification on the agency's letterhead that the agency either has sold the material described or is offering the material for sale.	02/19/2015 - To SENATE Committee on RULES.
SB 184 Hertzberg (D)	Local Government: Omnibus Bill		Clarifies that provisions in existing law relating to the authority of the duties of the auditor apply only to the county auditor. Authorizes marginal notations on recorded records. Repeals keeping an index of separate property of married women. Authorizes general grantor-grantee index in computerized of electronic format. Deletes certain endorsement requirements. Deletes certain name and address posting on records requirement. Updates government contract cost accounting. Relates to local contract bidding.	06/15/2015 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;06/15/2015 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.
SB 185 De Leon (D)	Public Retirement Systems: Divestiture of Thermal Coal		Prohibits the boards of the Public Employees' Retirement System and the State Teachers' Retirement System from making new investments or renewing existing investments of funds in a thermal coal company. Requires the boards to liquidate investments and to engage with such companies to ascertain if they are transitioning to clean energy generation business models. Requires the boards to file a report including a list of companies of which they have liquidated their investments.	06/24/2015 - From ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY: Do pass to Committee on APPROPRIATIONS.
SB 208 Lara (D)	Integrated Regional Water Management Plans: Grants		Requires a regional water management group to provide the Department of Water Resources with a list of projects to be funded by the grant funds where the project proponent is a nonprofit organization or a disadvantaged community, or the project benefits a disadvantaged community. Requires the Department to provide	06/11/2015 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.

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			advanced payment of a percentage of the grant from those projects that satisfy specified criteria. Authorizes the Department to adopt additional requirements to assure payment is used properly.	
SB 216 Pan (D)	Public Employees Retirement System		Amends the Public Employees Retirement System. Repeals the provisions regarding investing in residential realty on the system's investment portfolio. Changes the frequency of a specified report to eliminate the requirement to report on the investments on a cost basis. Makes other changes to the content of the report. Specifies that the option to purchase service credit shall be elected prior to retirement, that the member be returning to State service. Requires supplying retirement eligibility information.	06/24/2015 - From ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY: Do pass to Committee on APPROPRIATIONS.
SB 223 Galgiani (D)	Division of Boating and Waterways: Oversight Committee		Requires the Division of Boating and Waterways to establish an advisory and oversight committee to evaluate and monitor the activities of the Division relating to the management and control or eradication of invasive aquatic plants. Provides the expertise of members of the committee. Requires the committee to meet a specified amount of times per year and to communicate any findings or recommendations to the Division.	06/15/2015 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
SB 226 Pavley (D)	Sustainable Groundwater Management Act		Provides for a comprehensive method for determining groundwater rights. Provides that a court shall use the Code of Civil Procedure for determining rights to groundwater. Requires the rights determination process to be available to specified courts. Provides for applicability to Indian tribes and the federal government. Requires the boundaries of a basin to be identified in Bulletin 118. Authorizes certain departments to intervene in specified actions. Provides for expert witness disclosures.	06/11/2015 - To ASSEMBLY Committees on WATER, PARKS AND WILDLIFE and JUDICIARY.
SB 228 Cannella (R)	Groundwater Storage: Beneficial Use		Declares that the recharging of a groundwater basin by a local groundwater management agency or a local groundwater sustainability agency for the purposes of repelling saline intrusion and recovering basin groundwater levels constitutes a beneficial use of water if the recharge is consistent with the local agency's groundwater management plan or groundwater sustainability plan.	02/26/2015 - To SENATE Committee on NATURAL RESOURCES AND WATER.
SB 248 Pavley (D)	Oil and Gas		Provides for an inspection program for all activities regulated pursuant to provisions concerning drilling, operation, maintenance,	06/15/2015 - To ASSEMBLY Committee on NATURAL

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			and abandonment of oil and gas wells and certain tanks and facilities. Requires information on inspections to be reported. Requires the recording of information in a well history, including fluid injection, chemical composition, and waste disposal injection. Provides conditions for shutdown. Relates to Class II wells regulated under the Safe Drinking Water Act.	RESOURCES.
SB 258 Bates (R)	Local Government		States the intent of the Legislature to enact legislation that would protect the right of the public to participate in open deliberations of the legislative bodies of local agencies by clarifying the appropriate use of special meetings.	02/26/2015 - To SENATE Committee on RULES.
SB 272 Hertzberg (D)	State Public Records Act: Local Agencies: Inventory		Requires each local agency, in implementing the State Public Records Act, to create a catalog of enterprise systems, to make the catalog publicly available upon request in the office of the clerk of the agency's legislative body, and to post the catalog on the local agency's Internet Web site. Requires the catalog to disclose a list of the systems utilized by the agency and, among other things, the current system vendor and product.	05/22/2015 - To ASSEMBLY Committees on JUDICIARY and LOCAL GOVERNMENT.
SB 317 De Leon (D)	Safe Neighborhood Parks, Rivers, and Coastal Protection		Enacts the Safe Neighborhood Parks, Rivers, and Coastal Protection Bond Act of 2016, which, if adopted by the voters, would authorize the issuance of bonds in a specified amount pursuant to the State General Obligation Bond Law to finance a safe neighborhood parks, rivers, and coastal protection program.	05/28/2015 - From SENATE Committee on APPROPRIATIONS: Do pass.;05/28/2015 - In SENATE. Read second time. To third reading.
SB 350 De Leon (D)	Clean Energy and Pollution Reduction Act of 2015		Establishes the quantity of electricity products from eligible renewable energy resources be procured by each retail seller for specified periods. Requires the boards of local publicly owned electric utilities to ensure that specified quantities of such products be procured to achieve a specified percentage by a specified date. Excludes combustion from municipal waste as eligible renewable energy sources. Requires submission of renewable energy procurement plans. Relates to reducing motor vehicle emissions.	06/18/2015 - To ASSEMBLY Committees on UTILITIES AND COMMERCE and NATURAL RESOURCES.
SB 360 Cannella (R)	Biomethane		Authorizes the Public Utilities Commission to consider providing the option to all corporations to engage in competitive bidding and direct investment in ratepayer financed biomethane collection equipment.	03/05/2015 - To SENATE Committee on ENERGY, UTILITIES AND COMMUNICATIONS.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
SB 385 Hueso (D)	Primary Drinking Water Standards: Hexavalent Chromium		Authorizes the State Water Resources Control Board to grant a period of time to achieve compliance with the primary drinking water standard for hexavalent chromium by approving the compliance plan. Requires a public water system to provide specified notice regarding the plan to the persons served and to send status reports to the Board. Authorizes the Board to direct revisions to the plan and to implement, interpret, or make specific provisions by means of criteria, published on its Internet Web site.	06/18/2015 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS with author's amendments.;06/18/2015 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
SB 454 Allen (D)	Water Quality: Oil and Gas: Exempted Aquifer		Relates to water quality, oil and gas wells and exempt aquifers. Prohibits the Division of Oil, Gas, and Geothermal Resources from submitting a proposal for an aquifer exemption to the United States Environmental Protection Agency unless the Division and the State Water Resources Control Board concur in writing that the aquifer meets specified conditions.	06/08/2015 - In SENATE. From third reading. To Inactive File.
SB 471 Pavley (D)	Water, Energy, Reduction of Greenhouse Gas		Includes reduction of greenhouse emissions associated with water treatment among the investments that are eligible for funding from the Greenhouse Gas Reduction Fund.	06/18/2015 - To ASSEMBLY Committee on NATURAL RESOURCES.
SB 485 Hernandez (D)	County of Los Angeles: Sanitation Districts		Authorizes specified sanitation districts in the County of Los Angeles, to acquire, construct, operate, maintain, and furnish facilities for the diversion, management, and treatment of stormwater and dry weather runoff, the discharge of the water to the stormwater drainage system, and the beneficial use of the water. Requires a district to consult with the relevant watermaster prior to initiating a stormwater or dry weather runoff program within the boundaries of an adjudicated groundwater basin.	06/23/2015 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;06/23/2015 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.
SB 487 Nielsen (R)	Sustainable Groundwater Management Act: Exemptions		Relates to the California Environmental Act (CEQA). Exempts from the requirements of CEQA the formation of a groundwater sustainability agency, the amendment of a groundwater sustainability plan or coordinated groundwater sustainability plan, and the implementation of those plans, except to the extent that the implementation requires the construction or installation of a new facility.	03/12/2015 - To SENATE Committee on ENVIRONMENTAL QUALITY.
SB 551	State Water Policy: Water	Seek Amen	Declares the policy of the state that water use and water treatment	06/18/2015 - To ASSEMBLY

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Wolk (D)	and Energy Efficiency	d	shall be as energy efficient as in feasible and energy use and generation shall be as water efficient as is feasible. Requires all relevant state agencies to consider this state policy when revising, or establishing policies, regulations, and grant criteria when pertinent to these uses of water and energy.	Committee on WATER, PARKS AND WILDLIFE.
SB 552 Wolk (D)	Disadvantaged Communities Drinking Water Standards		Requires the State Water Resources Control to develop a report identifying specific funding and enforcement mechanisms necessary ensure that disadvantaged communities have water systems that are in compliance with state and federal drinking water standards. Requires the report to identify specific legislative and administrative actions necessary to bring disadvantaged communities into compliance with safe drinking water standards.	06/18/2015 - To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
SB 553 Wolk (D)	Water Conservation		Requires the Department of General Services to identify each public property in the department's state property inventory where it is feasible for water consumption to be reduces and water efficiencies to be achieved through implementation of the relevant recommendations made in the model water efficient landscape ordinance and would require the department to implement the relevant recommendation where feasible.	05/28/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
SB 554 Wolk (D)	Water Commission Disqualifying Financial Interest		Removes a member of the California Water Commission from office if after trial a court finds that the commission member has knowingly participated in any commission decision in which the member has a disqualifying financial interest in the decision.	04/21/2015 - In SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS: Not heard.
SB 555 Wolk (D)	Urban Retail Water Suppliers: Water Loss Management		Require each urban retail water supplier to submit a completed and validated water loss audit report for the previous calendar year. Requires the Department of Water Resources of post a reports on its Internet Web site and to develop metrics for reporting year-over-year progress on water loss reduction. Requires rules requiring urban retail water suppliers to meet performance standards for the volume of water losses.	06/18/2015 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
SB 556 De Leon (D)	Victims of Crime: Indemnification: Applications		Relates to indemnification of victims of crime. Defines the time of processing applications. Requires the Victim Compensation and Government Claims Board to post on its Internet Web site its progress and current average time of processing applications, the	06/18/2015 - To ASSEMBLY Committee on PUBLIC SAFETY.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			number of applications approved and denied, and incomplete applications received. Relates to the period of time, including all calendar days, that begins when the board first receives an application and ends when a check is mailed to an eligible victim.	
SB 568 Fuller (R)	Groundwater Management		Relates to the Sustainable Groundwater Management Act. Authorizes the State Water Resources Control Board to designate a basin as a probationary basin if the state board makes a certain determination and authorizes the state board to develop an interim plan for the probationary basin.	03/12/2015 - To SENATE Committee on RULES.
SB 615 Berryhill (R)	Waste Discharge: Waivers: Managed Wetlands		Relates to waste discharge requirements, waivers and managed wetlands. Requires each regional board to prescribe waste discharge requirements that implement relevant water quality control plans. Provides for waivers. Amends monitoring of wetlands unless results of downstream monitoring demonstrate a violation of water quality discharge standards.	04/29/2015 - In SENATE Committee on ENVIRONMENTAL QUALITY: Not heard.
SB 625 Galgiani (D)	Water Management: Synthetic Plastic Microbeads		Prohibits the selling, or offering for promotional purposes a person care product containing synthetic plastic microbeads. Exempts from this prohibition the sale or promotional offer of a product containing a specified amount of such microbeads. Makes a violator liable for a civil penalty for each violation. Authorizes the penalty to be recovered in a civil action brought by the Attorney General. Prohibits any local ordinance, resolution, or rule relating to the sale of such microbeads.	04/22/2015 - Re-referred to SENATE Committees on ENVIRONMENTAL QUALITY and JUDICIARY.
SB 687 Allen (D)	Renewable Gas Standard		Requires the State Air Resources Board to adopt a carbon-based renewable gas standard that requires all gas sellers to provide specified percentages of renewable gas meeting certain deliverability requirements, to retail end-use customers for use in the state that increases over specified compliance periods, and to issue an analysis of the lifecycle emissions of greenhouse gases and reductions for different biogas types and end uses. Requires a renewable gas assessment.	05/28/2015 - In SENATE Committee on APPROPRIATIONS: Held in committee.
SB 704 Gaines T (R)	Public Officers and Employees: Conflicts of Interest		Relates to conflicts of interest of public officers and employees. Provides for an updated definition of remote interest when dealing with seeking and awarding public entity contracts.	06/11/2015 - To ASSEMBLY Committee on ELECTIONS AND REDISTRICTING.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>SB 758</u> Block (D)	Atmospheric Rivers Research and Mitigation Program		Establishes the Atmospheric Rivers Research and Mitigation Program in the State Department of Water Resources to research the causes and effects of such rivers, and to take actions to capture water generated by such rivers to increase the water supply and reliability of water resources in the State and to operate reservoirs in a manner that improves flood protection in the State. Establishes a related fund for funding the program.	06/18/2015 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
<u>SB 768</u> Wieckowski (D)	Water-Conserving Plumbing Fixtures		Makes technical, nonsubstantive changes to existing law that requires the replacement of plumbing fixtures that are not water conserving in residential and commercial real property built and available for use on or before a specified date.	03/19/2015 - To SENATE Committee on RULES.
<u>SB 772</u> Stone (R)	Bay Delta Conservation Plan: Judicial Review		States the intent of the Legislature to enact legislation establishing judicial review procedures for the Bay Delta Conservation Plan.	03/19/2015 - To SENATE Committee on RULES.
<u>SB 798</u> Pavley (D)	Natural Resources		Provides provisions regarding natural resources to include sport fishing regulations, the automated fishing and hunting license data system, the retrocession of jurisdiction by the United States over land within the State, the conveyance of certain State lands to the United States for a lighthouse, membership of the Range Management Advisory Committee, membership on the Coastal Commission, violations of water use and diversion provisions, temporary water diversion permits, and small irrigation water usage.	06/18/2015 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
<u>SJR 1</u> Beall (D)	Social Security: Retirement Benefits: Public Employees		Requests the President and the Congress of the United States to pass legislation repealing the Government Pension Offset and the Windfall Elimination Provisions from the Social Security Act.	06/24/2015 - From ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY: Be adopted.;06/24/2015 - In ASSEMBLY. Ordered to third reading.

EXHIBIT "B"

DISCUSSION DRAFT LEGISLATIVE PROPOSAL – WATER RATE CLARIFICATION AMENDMENTS (Government Code - Proposition 218 Omnibus Implementation Act)

SECTION 1

Section 53757 is added to the Government Code, to read:

The Legislature finds and declares all of the following:

- (a) Water delivered to property through pipes or other means is available to be used for purposes that are indispensable to the use of the property and require nothing other than the normal ownership and use of the property, such as sanitation, reasonable irrigation, and other beneficial uses.
- (b) Water delivered to property through pipes or other means is also available to be used for purposes that are not indispensable to the use of property, such as excessive indoor use, unabated leakage, excessive irrigation and other activities that constitute an inefficient use of the water.
- (c) The amount of water that is reasonable and indispensable to the use of property may vary depending upon drought or other water supply conditions.
- (d) Agencies should have maximum flexibility, within the applicable requirements of the California Constitution, to use pricing structures that promote the efficient use and encourage conservation of water and discourage unreasonable or wasteful water use or method of use, including the authority to:
 - (1) Determine property use amounts that separate water delivery services that are property-related, because they are indispensable to the use of property, from those that are not property-related, because they are not indispensable to the use of property.
 - (2) Charge for the non-property-related water delivery as specific benefits or specific government services under Article XIII C of the California Constitution.
 - (3) Apply reasonable methods for calculating and allocating the benefits and burdens of the non-property-related-deliveries of water.
- (e) Article XIII A and Article XIII C of the California Constitution do not prescribe a particular method for allocating the costs of providing specific non-property-related water delivery services or benefits, or for establishing a fair or reasonable relationship between the allocation of the costs and the burden the payors place on, or benefit the payors receive from, the governmental activity of providing specific non-property related water delivery services or benefits to payors.

SECTION 2

Section 53757.5 is added to the Government Code, to read:

06/16/15 3:45

53757.5.

(a) For purposes of this section,

(1) "Property use amount" means an amount of water determined by an agency with respect to the needs and characteristics of a property as having a direct relationship to the property's ownership. An agency may determine the property use amount based on factors related to normal ownership and use of the property or groups of similar properties. At its option an agency may use factors that include, but are not limited to, the number of occupants, the type or classification of use, the size of the property or its irrigated area, efficiency of irrigation practices, livestock requirements, and local climate data or other factors that the agency determines to be relevant. Nothing in this article prohibits a property owner from challenging whether the use amount established for that property owner's property is reasonable under the circumstances. Nothing in this article is intended to permit an agency to restrict development or useable acreage of property through the establishment of a property use amount.

(2) "Property-related water delivery" means the service of water, as defined in Section 53750 (m), that is within a property use amount.

(3) "Non-property-related water delivery" means the service of water, as defined in Section 53750 (m), that is above a property use amount. Water used in excess of a property use amount is not indispensable to the use of property, and charges imposed for the use of water in excess of a property use amount are not property-related charges within the meaning of California Constitution article XIII D.

(4) "Governmental activity of providing non-property-related water delivery" means providing water, managing a water system and managing water resources as a result of the increased demand created by that delivery, obtaining greater water use efficiency and conservation within its service area, discouraging the use of water beyond the property use amount and complying with mandated reductions in or limitations on the agency's water use.

(b) An agency, under Article XIII C of the California Constitution, may impose charges upon the service of non-property-related water delivery, as charges for a "specific benefit" or "specific government service," as those terms are defined in Section 53758. The charges may be structured in a tiered, ascending or other manner as determined by the agency.

(c) Charges imposed under this section for non-property-related water delivery are not intended to generate tax revenue or proceeds in excess of the agency's costs. Consequently, they are not taxes for purposes of Section 4 of Article XIII A or Section 1 of Article XIII C of the California Constitution, or proceeds of taxes for purposes of Section 8 of Article XIII B of the California Constitution.

(d) Charges for non-property-related water delivery shall not exceed the total reasonable costs the agency incurs for the governmental activity of providing non-property-related water delivery. "Reasonable costs" for the governmental activity of providing non-property-related water delivery

shall include but are not limited to, any of the following costs:

- (1) Capital costs that the agency incurs directly or by contract.
 - (2) Best management practices, irrigation controls and other conservation devices and services, and other measures to manage demand for water supplies.
 - (3) Water system retrofitting, dual plumbing and facilities for production, distribution, and all uses of recycled and other water supplies.
 - (4) Projects and programs for prevention, control, or treatment of the runoff of water from irrigation and other outdoor water uses, but not including the costs of stormwater management systems and programs.
 - (5) Procuring water supplies to satisfy water use in excess of the property use amounts, including but not limited to supply or capacity contracts for water supply and all related costs for water service.
 - (6) Other administrative or agency costs directly or indirectly related to the agency providing the service of water delivery in excess of a property use amount.
 - (7) Costs of conservation education and programs, and other costs to gain greater water use efficiency, lower the volume of water use, lower gallons per capita per day of water use, and gain greater conservation within the agency's service area
- (e) Charges allocating the reasonable costs for the governmental activity of providing non-property-related water delivery shall bear a fair or reasonable relationship to the payors' burden on, or benefits received from, the governmental activity. In determining charges for non-property-related water delivery, an agency may allocate its costs in any manner consistent with a fair or reasonable relationship.
- (1) When setting charges to allocate the reasonable costs for non-property-related water delivery, the agency shall take into account the payors' burdens on, or benefits received from, the agency's governmental activity of providing non-property-related water delivery and burden resulting from the agency's inability to reduce water use as a result of payors' unwillingness to curtail excess use. Use in excess of the property use amount places a burden on the maintenance, operation, and useful life of existing water infrastructure, development of new water supplies, and ensuring system and supply reliability. The benefits from the governmental activity of providing non-property-related water delivery are obtained as a result of the ability of payors to receive unrestricted delivery by electing to pay the cost. Allocation of costs of the governmental activity of providing non-property-related water delivery based on these factors shall be presumed to allocate the cost fairly or reasonably in relation to the burden on or benefit from the governmental activity.
 - (2) An agency may use reasonable methods for distributing costs to payors in the tiers charged for non-property related water deliveries based upon the aggregate costs that the agency

incurs or reasonably expects by all payors exceeding the property use amounts when setting the charges, in order to provide an incentive for reduced water use. This incentive is consistent with the burden that incrementally greater use places on the governmental activity of providing non-property-related water delivery.

(3) Charges for non-property-related water delivery may be volumetric and may include volumetric or other surcharges intended to provide an incentive for reduced water use. The tiers or other increments may be fixed or may be determined on a percentage or any other basis, without limitation on the number of tiers or other increments, and without any requirement that the increments or charges be sized, or ascend uniformly, or in a specified relationship. The charges for the lowest through the highest priced increments may be established in a relationship that is economically structured to encourage conservation and reduce the inefficient use of water. This is consistent with the burden that incrementally greater use places on the governmental activity of providing non-property-related water service.

(4) Allocation of costs in any of the manners provided for above is reasonable to establish a fair or reasonable relationship to the specific benefits or specific government services received by the payors and the payors' burden on, or benefit received from, the governmental activity provided the agency meets its burden of providing evidence that its charges are no more than necessary to recover its costs.

(f) Before taking action to impose or increase charges upon the service of non-property-related water delivery pursuant to this section, the agency's governing body shall hold a noticed public hearing. At its option, the agency may combine the notice and hearing with a notice of and hearing conducted on property related fees and charges under Section 6 of Article XIII D of the California Constitution. The determination by the agency to combine the notice and hearing required by this section with a notice of and hearing conducted on property related fees and charges shall not cause the charges imposed or increased under this section to be subject to the requirements applicable to property related fees and charges.

(g) Nothing in this section is intended to limit or provide authority concerning the rates or rate structure that an agency uses for the service of property-related water delivery.

(h) Through the enactment of this section, the Legislature does not intend to:

(1) Limit the discretion of agencies to evaluate and select among different methods of conserving water or create a presumption that the election to not use a particular method is a waste or unreasonable use of water by the agency; or

(2) Limit the discretion of agencies to evaluate, select or use any particular type or design of rate structure.

(i) Nothing in this section shall be read to direct, or otherwise compel, an agency to use a tiered water rate structure or to limit an agency's authority to design water rates under any other provision of law.

SECTION 3

This act is declaratory of existing law.

DRAFT

EXHIBIT "C"

AMENDED IN ASSEMBLY JUNE 8, 2015

AMENDED IN SENATE MAY 11, 2015

SENATE BILL

No. 789

Introduced by Senator Wieckowski

February 27, 2015

~~An act to amend, repeal, and add Section 16072 of the Vehicle Code, relating to driver's licenses. An act to add Chapter 3.1 (commencing with Section 7287.20) to Part 1.7 of Division 2 of the Revenue and Taxation Code, relating to water.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 789, as amended, Wieckowski. ~~Driver's license suspension: restricted privilege.~~ *Sale of water by local public entities: excise tax.*

The California Constitution prohibits the Legislature from imposing taxes for local purposes, but allows the Legislature to authorize local governments to impose them.

This bill would authorize a local public entity that supplies water at retail or wholesale for the benefit of persons within the service area or area of jurisdiction of that public entity to impose, by ordinance, an excise tax on an excessive user of water, at a rate not to exceed 300% of the purchase price of the water, if the ordinance proposing the tax is approved by $\frac{2}{3}$ of the electors voting on the measure and the revenue from the tax is equally distributed between the public entity and the State Water Resources Control Board for water conservation efforts within the jurisdiction of the public entity.

~~Existing law requires the Department of Motor Vehicles to suspend the driving privilege of a person who is involved in an accident and fails to provide evidence of financial responsibility, as specified, at the time of the accident. Under existing law, the suspension period is one~~

year, as specified, except that the suspension must be reinstated if the person fails to maintain proof of financial responsibility for 3 years. However, upon application and if certain criteria are met, the department may restrict the person's driving privilege, in lieu of suspending it pursuant to this provision, in specified situations.

~~This bill would, commencing July 1, 2016, also authorize the department to restrict a person's driving privilege, in lieu of suspending it, in order to allow the person to drive to school. For purposes of this authorization, the bill would define "school" to mean a California community college campus, a California State University campus, a University of California campus, or a private postsecondary educational institution.~~

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. Chapter 3.1 (commencing with Section 7287.20)
2 is added to Part 1.7 of Division 2 of the Revenue and Taxation
3 Code, to read:

4

5

CHAPTER 3.1. EXCISE WATER TAX

6

7

7287.20. (a) A local public entity that supplies water at retail or wholesale for the benefit of persons within the service area or area of jurisdiction of that public entity may impose, by ordinance, an excise tax on an excessive user of water, at a rate not to exceed 300 percent of the purchase price of the water, if both of the following conditions are met:

13

(1) The ordinance proposing that tax is approved by two-thirds of the electors voting on the measure pursuant to Article XIII C of the California Constitution.

16

(2) The revenue from the tax is equally distributed between the public entity and the State Water Resources Control Board for local water conservation efforts within the jurisdiction of that public entity. The local water conservation efforts may have cobenefits with other regions in the state.

21

(b) A tax imposed pursuant to this section may be in addition to any other tax authorized by this division.

22

1 SECTION 1. Section 16072 of the Vehicle Code is amended
2 to read:

3 16072. (a) The suspension of the driving privilege of a person
4 as provided in Section 16070 shall not be terminated until one year
5 has elapsed from the date of actual commencement of the
6 suspension and until the person files proof of financial
7 responsibility as provided in Chapter 3 (commencing with Section
8 16430), except that the suspension shall be reinstated if the person
9 fails to maintain proof of financial responsibility for three years.
10 However, in lieu of suspending a person's driving privilege
11 pursuant to this section, the department, upon application, if the
12 person files and thereafter maintains proof of financial
13 responsibility as provided in this section and pays a penalty fee to
14 the department of two hundred fifty dollars (\$250), may restrict
15 the person's driving privilege to any of the following situations:

16 (1) Necessary travel to and from that person's place of
17 employment.

18 (2) Driving that is required in the person's course of
19 employment, when driving a motor vehicle is necessary in order
20 to perform the duties of the person's primary employment.

21 (3) Necessary travel to transport a minor dependent in that
22 person's immediate family to and from an institute of primary or
23 secondary instruction, if the chief administrative officer or principal
24 of the educational institution certifies in writing to the department
25 that the minor dependent is enrolled in the educational institution
26 and no form of public transportation or schoolbus is available
27 between the applicant's place of residence and the educational
28 institution.

29 The restriction shall remain in effect for the period of suspension
30 required by this section, so long as proof of financial responsibility
31 is maintained.

32 (b) If a suspension has been imposed under Section 16070 and
33 one year has elapsed from the date the suspension actually
34 commenced, that suspension shall be terminated if the driving
35 privilege is suspended under Section 16370 or 16381 as the result
36 of a judgment arising out of the accident for which proof of
37 financial responsibility was required to be established. The
38 department may reimpose the suspension of the driving privilege
39 of a person under Section 16070 if the suspension under Section
40 16370 or 16381 is later set aside for a reason other than that the

1 person has satisfied the judgment in full or to the extent provided
2 in Chapter 2 (commencing with Section 16250) and has given
3 proof of ability to respond in damages as provided in Chapter 3
4 (commencing with Section 16430).

5 (c) Notwithstanding Chapter 2 (commencing with Section
6 42200) of Division 18, all revenues derived from the penalty fees
7 provided in subdivision (a) shall, after deduction by the department
8 of the costs incurred by the department in administering this
9 section, be deposited in the Financial Responsibility Penalty
10 Account in the General Fund. The balance in this fund on each
11 July 1, which is not subject to appropriation as provided in Section
12 12980 of the Insurance Code, shall revert to the General Fund.

13 (d) (1) Subdivision (a) does not apply to a commercial driver's
14 license holder.

15 (2) A commercial driver's licenseholder whose driving privilege
16 is otherwise suspended under this chapter is not entitled to a
17 restricted license, unless that person surrenders his or her
18 commercial driver's license and is issued a noncommercial class
19 C or M driver's license.

20 (e) This section shall become inoperative on July 1, 2016, and,
21 as of January 1, 2017, is repealed, unless a later enacted statute,
22 that becomes operative on or before January 1, 2017, deletes or
23 extends the dates on which it becomes inoperative and is repealed.

24 SEC. 2. Section 16072 is added to the Vehicle Code, to read:

25 16072. (a) The suspension of the driving privilege of a person
26 as provided in Section 16070 shall not be terminated until one year
27 has elapsed from the date of actual commencement of the
28 suspension and until the person files proof of financial
29 responsibility as provided in Chapter 3 (commencing with Section
30 16430), except that the suspension shall be reinstated if the person
31 fails to maintain proof of financial responsibility for three years.
32 However, in lieu of suspending a person's driving privilege
33 pursuant to this section, the department, upon application, if the
34 person files and thereafter maintains proof of financial
35 responsibility as provided in this section and pays a penalty fee to
36 the department of two hundred fifty dollars (\$250), may restrict
37 the person's driving privilege to any of the following situations:

38 (1) Necessary travel to and from that person's place of
39 employment.

1 ~~(2) Driving that is required in the person's course of~~
2 ~~employment, when driving a motor vehicle is necessary in order~~
3 ~~to perform the duties of the person's primary employment.~~

4 ~~(3) Driving himself or herself to or from school. For purposes~~
5 ~~of this paragraph, "school" means a California community college~~
6 ~~campus, a California State University campus, a University of~~
7 ~~California campus, or a private postsecondary educational~~
8 ~~institution.~~

9 ~~(4) Necessary travel to transport a minor dependent in that~~
10 ~~person's immediate family to and from an institute of primary or~~
11 ~~secondary educational instruction, if the chief administrative officer~~
12 ~~or principal of the educational institution certifies in writing to the~~
13 ~~department that the minor dependent is enrolled in the educational~~
14 ~~institution and no form of public transportation or schoolbus is~~
15 ~~available between the applicant's place of residence and the~~
16 ~~educational institution.~~

17 ~~(b) The restriction shall remain in effect for the period of~~
18 ~~suspension required by this section, so long as proof of financial~~
19 ~~responsibility is maintained.~~

20 ~~(e) If a suspension has been imposed under Section 16070 and~~
21 ~~one year has elapsed from the date the suspension actually~~
22 ~~commenced, that suspension shall be terminated if the driving~~
23 ~~privilege is suspended under Section 16370 or 16381 as the result~~
24 ~~of a judgment arising out of the accident for which proof of~~
25 ~~financial responsibility was required to be established. The~~
26 ~~department may reimpose the suspension of the driving privilege~~
27 ~~of a person under Section 16070 if the suspension under Section~~
28 ~~16370 or 16381 is later set aside for a reason other than that the~~
29 ~~person has satisfied the judgment in full or to the extent provided~~
30 ~~in Chapter 2 (commencing with Section 16250) and has given~~
31 ~~proof of ability to respond in damages as provided in Chapter 3~~
32 ~~(commencing with Section 16430).~~

33 ~~(d) Notwithstanding Chapter 2 (commencing with Section~~
34 ~~42200) of Division 18, all revenues derived from the penalty fees~~
35 ~~provided in subdivision (a) shall, after deduction by the department~~
36 ~~of the costs incurred by the department in administering this~~
37 ~~section, be deposited in the Financial Responsibility Penalty~~
38 ~~Account in the General Fund. The balance in this fund on each~~
39 ~~July 1, which is not subject to appropriation as provided in Section~~
40 ~~12980 of the Insurance Code, shall revert to the General Fund.~~

1 ~~(e) (1) Subdivision (a) does not apply to a commercial driver's~~
2 ~~license holder.~~

3 ~~(2) A commercial driver's licenseholder whose driving privilege~~
4 ~~is otherwise suspended under this chapter is not entitled to a~~
5 ~~restricted license, unless that person surrenders his or her~~
6 ~~commercial driver's license and is issued a nonecommercial class~~
7 ~~C or M driver's license.~~

8 ~~(f) This section shall become operative on July 1, 2016.~~



EXHIBIT "D"

I

114TH CONGRESS
1ST SESSION

H. R. 2689

To clarify the scope of eligible water resources projects under the Water Resources Development Act of 1986 and the Water Resources Reform and Development Act of 2014, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 9, 2015

Mrs. MIMI WALTERS of California (for herself and Mr. HUFFMAN) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure

A BILL

To clarify the scope of eligible water resources projects under the Water Resources Development Act of 1986 and the Water Resources Reform and Development Act of 2014, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CLARIFICATION OF SCOPE OF ELIGIBLE**
4 **WATER RESOURCES PROJECTS.**

5 For purposes of sections 105, 203, and 905 of the
6 Water Resources Development Act of 1986 (33 U.S.C.
7 2215, 2231, 2282) and section 7001 of the Water Re-
8 sources Reform and Development Act of 2014 (33 U.S.C.

1 2282d), the terms “water resources project” and “water
2 resources development project” include water supply and
3 environmental infrastructure projects, including projects
4 designed to reclaim or reuse municipal wastewater or im-
5 paired surface or groundwater.

○

July 13, 2015

Prepared by: Eileen Lin *EL*

Submitted by: Cheryl Clary *CC*

Approved by: Paul Cook *PC*

CONSENT CALENDAR

LUMP SUM PAYMENT OPTION FOR EMPLOYER CONTRIBUTIONS FOR FY 2015-16 TO THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM

SUMMARY:

Staff recommends that the Board authorize the selection of the lump sum payment option for employer contributions to the California Public Employees Retirement System (CalPERS) by making a one-time contribution of \$4,926,104 for the District's FY 2015-16 employer contributions to CalPERS. This recommendation is consistent with the "pre-funding approach" developed by the Finance and Personnel Committee and the Board during the operating budget process.

BACKGROUND:

CalPERS-required employer contributions can be made in two ways: 1) a lump sum payment option made between July 1 and July 15 in the beginning of the new fiscal year, or 2) payments made based on each semi-monthly payroll total based on a payroll percentage established annually by CalPERS actuaries. Beginning in FY 2009-10, the District elected to utilize the lump sum payment option because it benefits from not incurring interest expense, at the assumed actuarial interest rate, which is currently 7.50%. In order to participate in the pre-payment method, the total contribution must be completed and returned to CalPERS Fiscal Services Division by July 30, 2015.

CalPERS shows that IRWD's lump sum payment would be \$4,926,104. If the District elects to make payments each semi-monthly payroll, the total contribution is estimated at \$5,107,493. Electing the lump sum payment option would result in an estimated savings of \$181,389.

The calculation from CalPERS establishing the amount of the lump sum prepayment option is attached as Exhibit "A".

The approved operating budget for FY 2015-16 also includes an additional contribution of \$1.9 million in excess of its annual required CalPERS contribution. Staff recommends utilizing the additional contribution to pay down a portion of the \$47.3 million of principal plus interest resulting from borrowing from the replacement fund. The borrowing was used to fund excess annual CALPERS contributions made in prior years and initial funding of the *Irvine Ranch Water District Post-Employment Benefits Trust* ("Trust"). Staff is not recommending an additional contribution to the Trust at this time; however, staff will continue to evaluate the potential for future additional contributions.

Consent Calendar: Lump Sum Payment Option for Employer Contributions for FY 2015-16 to the California Public Employees Retirement System

July 13, 2015

Page 2

FISCAL IMPACTS:

The District's approved operating budget for FY 2015-16 includes an employer contribution of \$5,333,000 for the CalPERS requirement. The payments to the California Public Employees Retirement System are consistent with the impacts identified in setting rates for FY 2015-16.

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:

Due to the timing of the required contribution, this item was not reviewed by the Finance and Personnel Committee.

RECOMMENDATION:

THAT THE BOARD APPROVE THE LUMP SUM PAYMENT FOR EMPLOYER CONTRIBUTIONS TO THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CALPERS) BY MAKING A ONE-TIME CONTRIBUTION OF \$4,926,104 FOR THE DISTRICT'S FY 2015-16 EMPLOYER CONTRIBUTION.

LIST OF EXHIBITS:

Exhibit "A" – Letter from CalPERS regarding Lump Sum Prepayment Amount

Exhibit "A"

CALPERS ACTUARIAL VALUATION - June 30, 2013
 MISCELLANEOUS PLAN OF THE IRVINE RANCH WATER DISTRICT
 CalPERS ID: 5161985321

The use of this report for any other purposes may be inappropriate. In particular, this report does not contain information applicable to alternative benefit costs. The employer should contact their actuary before disseminating any portion of this report for any reason that is not explicitly described above.

Required Employer Contribution

	Fiscal Year 2014-15	Fiscal Year 2015-16
Actuarially Determined Employer Contributions		
1. Contribution in Projected Dollars		
a) Total Normal Cost	\$ 3,898,872	\$ 4,083,924
b) Employee Contribution ¹	2,115,790	2,194,235
c) Employer Normal Cost [(1a) – (1b)]	1,783,082	1,889,689
d) Unfunded Liability Contribution	2,907,936	3,217,804
e) Required Employer Contribution [(1c) + (1d)]	\$ 4,691,018	\$ 5,107,493
Projected Annual Payroll for Contribution Year	\$ 26,447,375	\$ 27,863,297
2. Contribution as a Percentage of Payroll		
a) Total Normal Cost	14.742%	14.657%
b) Employee Contribution ¹	8.000%	7.875%
c) Employer Normal Cost [(2a) – (2b)]	6.742%	6.782%
d) Unfunded Liability Rate	10.995%	11.549%
e) Required Employer Rate [(2c) + (2d)]	17.737%	18.331%
Minimum Employer Contribution Rate²	17.737%	18.331%
Annual Lump Sum Prepayment Option ³	\$ 4,524,420	\$ 4,926,104

¹For classic members this is the percentage specified in the Public Employees Retirement Law, net of any reduction from the use of a modified formula or other factors. For PEPRA members the member contribution rate is based on 50 percent of the normal cost. A development of PEPRA member contribution rates can be found in Appendix D. Employee cost sharing is not shown in this report.

²The Minimum Employer Contribution Rate under PEPRA is the greater of the required employer rate or the employer normal cost.

³Payment must be received by CalPERS before the first payroll reported to CalPERS of the new fiscal year and after June 30. If there is contractual cost sharing or other change, this amount will change.

Plan's Funded Status

	June 30, 2012	June 30, 2013
1. Present Value of Projected Benefits	\$ 209,865,147	\$ 226,007,773
2. Entry Age Normal Accrued Liability	183,095,607	197,685,366
3. Market Value of Assets (MVA)	\$ 129,952,800	\$ 151,954,826
4. Unfunded Liability [(2) – (3)]	\$ 53,142,807	\$ 45,730,540
5. Funded Ratio [(3) / (2)]	71.0%	76.9%
Superfunded Status	No	No

July 13, 2015

Prepared by: K. Ryan/J. Moeder/R. Mori

Submitted by: K. Burton 

Approved by: Paul Cook 

CONSENT CALENDAR

ORANGE PARK ACRES WELL NO. 1 WELLHEAD FACILITIES FINAL ACCEPTANCE

SUMMARY:

Construction of the Orange Park Acres Well No. 1 Wellhead Facilities Project is complete. The Contractor, Pacific Hydrotech, has completed the required work and all punch list items. The project has received final inspection and acceptance of construction is recommended.

BACKGROUND:

Pacific Hydrotech completed the equipping phase of the Orange Park Acres Well No. 1 following the drilling phase by Best Drilling and Pump, which the Board accepted in May 2013. Pacific Hydrotech constructed the pump building, which is equipped with a 2,000 gallon per minute well pump and booster pump, electrical room and HVAC room, and the chemical building, which includes the sodium hypochlorite and aqueous ammonia storage and feed equipment, and bathroom. The completed facility is equipped with a surge suppression system to protect the transmission line to the Santiago Hills Zone 5 Reservoir. Pacific Hydrotech was awarded the construction contract on December 18, 2013 and completed construction in June 2015. The facility has been in operation since April. The 161 extra days required to complete the project are associated with replacing an incorrectly vendor-provided switch gear and with change order work performed toward the end of the project.

Project Title:	Orange Park Acres Well No. 1 Wellhead Facilities
Project No.:	11405 (1250)
Design Engineer:	URS Corporation
Construction Management by:	IRWD Staff
Contractor:	Pacific Hydrotech
Original Contract Cost:	\$5,341,200.00
Final Contract Cost:	\$5,409,404.07
Original Contract Days:	390
Final Contract Days:	551
Total Project Cost (Est.):	\$6,600,000
Final Change Order Approved On:	June 25, 2015

FISCAL IMPACTS:

Project 11405 (1250) is included in the FY 2014-15 Capital Budget. The existing budget is sufficient to complete the project.

ENVIRONMENTAL COMPLIANCE:

This project is subject to the CEQA and in conformance with California Code of Regulations Title 14, Chapter 3, Article 6, a Notice of Intent to adopt a Mitigated Negative Declaration was filed with the County of Orange on April 23, 2012. Pursuant to State Guideline § 15073, the IS/MND was made available for public review for a period of 30 days beginning April 23, 2012 and concluded May 24, 2012. The Board adopted the Final IS/MND at the June 11, 2012 Board meeting.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO ACCEPT CONSTRUCTION OF ORANGE PARK ACRES WELL NO. 1 WELLHEAD FACILITIES, PROJECT 11405 (1250); 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:

None.

July 13, 2015

Prepared by: K. Welch/M. Hoolihan

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

Approved by: Paul Cook *PC*

CONSENT CALENDAR

WATER SUPPLY ASSESSMENT FOR TUSTIN LEGACY SPECIFIC PLAN AMENDMENT

SUMMARY:

In April 2015, staff received a request from the City of Tustin to complete a Water Supply Assessment (WSA) for the Tustin Legacy Specific Plan Amendment within the former Marine Corps Air Station (MCAS) Tustin Base. Staff has completed the WSA for the proposed project and recommends Board approval of the assessment.

BACKGROUND:

The City of Tustin's proposed project associated with the Tustin Legacy Specific Plan Amendment is located on the former MCAS Tustin Base generally bounded by Red Hill Avenue on the west, Edinger Avenue on the north, Harvard Avenue on the east and Barranca Parkway on the south. In April 2015, staff received a request to prepare a WSA for the project. A location map of the project is attached as Exhibit "A".

The Tustin Legacy Specific Plan was approved prior to the assessment law, SB 610, and a previous WSA was not completed. The demands for the Specific Plan have been incorporated into the District's demand forecasting model and were included in the last Urban Water Management Plan in 2010. The Specific Plan includes 1,511 acres within the City of Tustin and 95 acres in the City of Irvine. The project consists of 4,601 dwelling units and 11.3 million square feet (msf) of non-residential use. The proposed Specific Plan Amendment revises the project to include a total of 7,183 dwelling units and 9.5 msf of non-residential commercial use.

A WSA has been completed for the proposed project and is provided as Exhibit "B". The WSA for the proposed project is based on information from the IRWD Water Resources Master Plan. Estimates show an increase in IRWD potable water demands for the project of 787 acre-feet per year (AFY) and 186 AFY of non-potable demand. The WSA concludes that the total water supplies available to IRWD during normal, single-dry and multiple-dry years within a 20-year projection will meet the projected water demand of the project, in addition to the demand of existing and other planned future uses, including, but not limited to, agricultural and manufacturing uses.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was reviewed by the Water Resources and Policy Communications Committee on July 2, 2015.

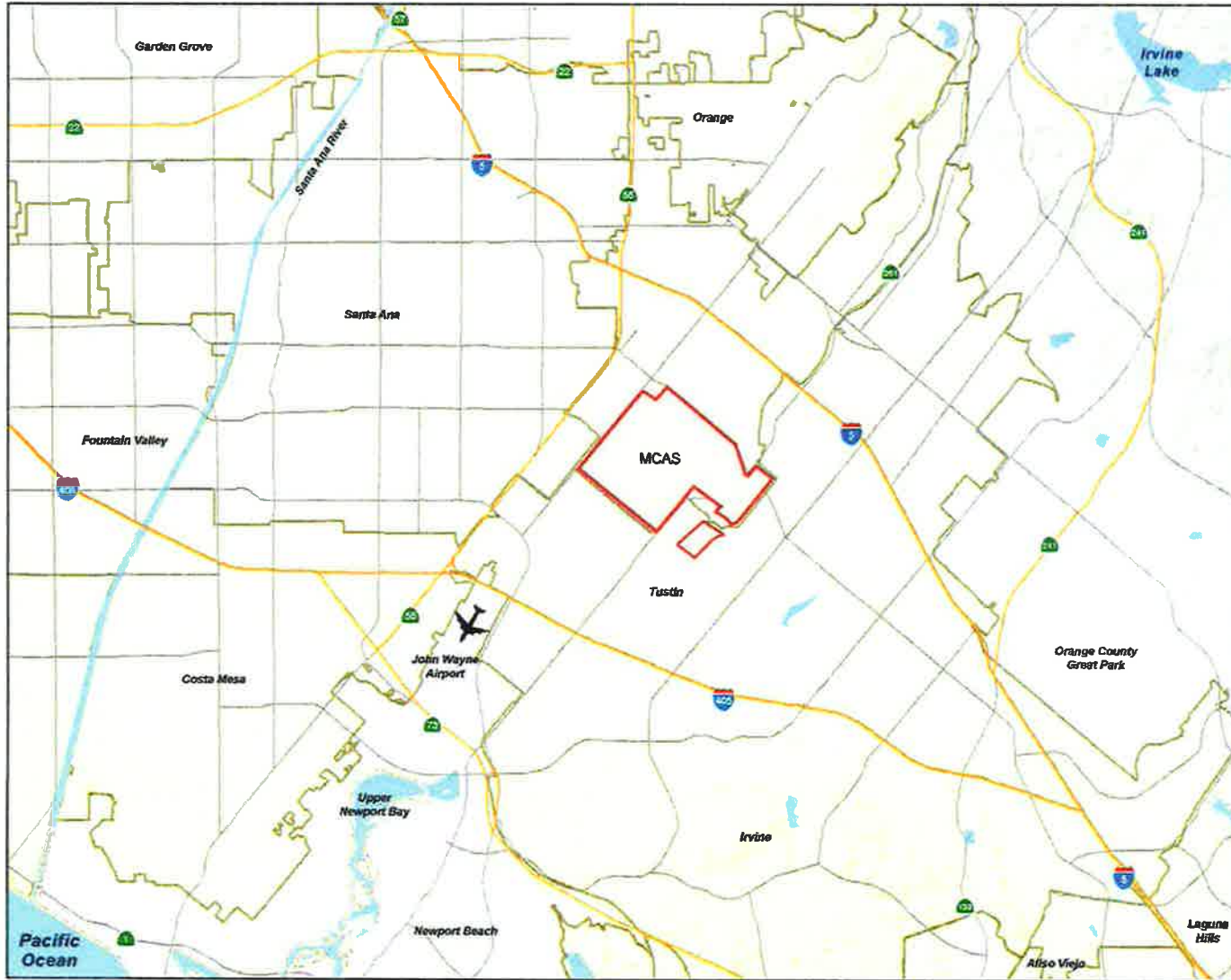
RECOMMENDATION:

THAT THE BOARD APPROVE THE WATER SUPPLY ASSESSMENT FOR THE TUSTIN LEGACY SPECIFIC PLAN AMENDMENT.

LIST OF EXHIBITS:

Exhibit "A" – Location Map

Exhibit "B" – Water Supply Assessment for Tustin Legacy Specific Plan Amendment



Local Vicinity

MCAS Boundary

CITY OF TUSTIN
TUSTIN LEGACY SPECIFIC PLAN



EXHIBIT "B"

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

To: (Lead Agency)

City of Tustin
300 Centennial Way
Tustin, CA 92780

(Applicant)
City of Tustin
300 Centennial Way
Tustin, CA 92780

Project Information

Project Title: Tustin Legacy Specific Plan Amendment (Exhibit A)

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

Assessment of Availability of Water Supply

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

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

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

Signature Date Title

Water Supply Assessment Information

Purpose of Assessment

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

Water Code Section 10910 (the "Assessment Law") contains the requirements for the information to be set forth in the assessment.

Prior Water Supply Assessments

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

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

Supporting Documentation

IRWD prepares two planning documents to guide water supply decision-making. IRWD's principal planning document is IRWD's "Water Resources Master Plan" ("WRMP"). The WRMP is a comprehensive document compiling data and analyses that IRWD considers necessary for its planning needs. IRWD also prepares an Urban Water Management Plan ("UWMP"), a document required by statute. The UWMP is based on the WRMP, but contains defined elements as listed in the statute (Water Code Section 10631, *et seq.*), and, as a result, is more limited than the WRMP in the treatment of supply and demand issues. Therefore, IRWD primarily relies on its most recent WRMP. The UWMP is required to be updated in years ending with "five" and "zero," and IRWD's most recent update of that document was adopted June 13, 2011.

In addition to the WRMP and the 2010 UWMP mentioned above, other supporting documentation referenced herein is found in Section 6 of this assessment.

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

Assessment Methodology

Water use factors; dry-year increases. IRWD employs water use factors to enable it to assign water demands to the various land use types and aggregate the demands. The water use factors are based on average water use and incorporate the effect of IRWD's tiered-rate conservation pricing and its other water conservation programs. The factors are derived from historical usage (billing data) and a detailed review of water use factors within the IRWD service areas conducted as a part of the WRMP. System losses at a rate of approximately 5% are built into the water use factors. Water demands also reflect normal hydrologic conditions (precipitation). Lower levels of precipitation and higher temperatures will result in higher water demands, due primarily to the need for additional water for irrigation. To reflect this, base (normal) WRMP water demands have been increased 7% in the assessment during both "single-dry" and "multiple-dry" years. This is consistent with IRWD's 2010 UWMP and historical regional demand variation as documented in the Metropolitan Water District of Southern California's ("MWD's") Integrated Resources Plan (1996) (Volume 1, page 2-10).

Planning horizon. For consistency with IRWD's WRMP, the assessment reviews demands and supplies through the year 2035, which is considered to represent build-out or "ultimate development".

Assessment of demands. Water demands are reviewed in this assessment for three development projections (to 2035):

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

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

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

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

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

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

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

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

Summary of Results of Demand-Supply Comparisons

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

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

It can be observed in the Figures that IRWD’s *supplies* remain essentially constant between normal, single-dry and multiple-dry years. This result is due to the fact that groundwater and MWD imported water account for all of IRWD’s potable supply, and recycled water, groundwater and imported water comprise most of IRWD’s nonpotable supply. Groundwater production typically remains constant or increases in cycles of dry years, even if

overdraft of the basin temporarily increases, as groundwater producers reduce their demand on imported supplies to secure reliability. (See Section 4 herein.) As to imported water, MWD's 2010 Regional Urban Water Management Plan (RUWMP) shows that MWD can maintain reliable supplies under the conditions that have existed in past dry periods through 2035, including a repeat of the 1990-1992 multiple dry-year hydrology and the 1977 single dry-year hydrology. (See Section 2(b) (1) "IMPORTED SUPPLY - ADDITIONAL INFORMATION," below, for a summary of information provided by MWD.) Recycled water production also remains constant, and is considered "drought-proof" as a result of the fact that sewage flows remain virtually unaffected by dry years. Only a small portion of IRWD's nonpotable supply, native water captured in Irvine Lake, is reduced in single-dry and multiple-dry years. The foregoing factors also serve to explain why there is no difference in IRWD's supplies between single-dry and multiple-dry years.

A review of the Figures indicates the following:

- *Currently available* supplies of potable water are adequate to meet projected annual demands for both the *baseline* and *with-project* demand projections under the normal year conditions through the year 2035. (Figures 1, 2 and 3.)
- Meeting both single- and multiple-dry-year annual demands for *full build-out* will require the completion of *under-development* supplies. (Figures 2 and 3.)
- Adequate *currently available* potable water supply capacity is available to meet *peak-flow* (maximum day) demands for all demand projections through the year 2035. (Figure 4.)
- With respect to nonpotable water, *currently available* supplies are adequate to meet projected annual demands for both the *baseline* and *with-project* demand projections under both dry-year conditions through the year 2035. (Figures 5, 6, 7 and 8). IRWD has proceeded with the implementation of future nonpotable supplies, as shown in the Figures, to improve local reliability during dry-year conditions.

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

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

- "Reserve" water supplies (excess of supplies over demands) will be available to serve as a buffer against inaccuracies in demand projections, future changes in land use, or alterations in supply availability.
- Conservative estimates of annual potable and nonpotable *imported* supplies have been made based on connected delivery capacity (by application of peaking factors as described below in Section 2, footnote 1); additional supplies are expected to be available from these sources, based on legal entitlements, historical uses and information provided by MWD. In addition to MWD's existing regional supply assessments, this assessment has considered MWD information concerning recent events. See "**Recent Actions on Delta Pumping**," below.

- Information provided by MWD, as the imported water supplier, concerning the adequacy of its regional supplies, summarized herein, demonstrates MWD's inclusion of reserves in its regional supply assessments. In addition to MWD's existing regional supply assessments, this assessment has considered MWD information concerning recent events. See "**Recent Actions on Delta Pumping**," below.

- Although groundwater supply amounts shown in this assessment assume production levels within applicable basin production percentages described herein, production of groundwater can exceed applicable basin production percentages on a short-term basis, providing additional reliability during dry years or emergencies.

Recent Actions on Delta Pumping. The Sacramento/San Joaquin Delta (Delta) is a vulnerable component in both the State and Federal systems to convey water from northern portions of California to areas south of the Delta. Issues associated with the Delta have generally been known for years; however, most recently, the continuing decline in the number of endangered Delta smelt resulted in the filing of litigation challenging permits for the operation of the Delta pumping facilities. On August 31, 2007, a Federal court ordered interim protective measures for the endangered Delta smelt, including operational limits on Delta pumping, which have an effect on State Water Project (SWP) operations and supplies. On June 4, 2009, a federal biological opinion imposed rules that further restrict water diversions from the Delta to protect endangered salmon and other endangered fish species. At present, several proceedings concerning Delta operations are ongoing to evaluate options to address Delta smelt impacts and other environmental concerns. In addition to the regulatory and judicial proceedings to address immediate environmental concerns, the Delta Vision process and Bay-Delta Conservation Plan process are defining long-term solutions for the Delta (MWD 2010 IRP Update). Prior to the 2007 court decision, MWD's Board approved a Delta Action Plan in May 2007 that described short, mid and long-term conditions and the actions to mitigate potential supply shortages and to develop and implement long-term solutions. To comprehensively address the impacts of the SWP cut back on MWD's water supply development targets, MWD brought to its Board a strategy and work plan to update the long-term Integrated Resources Plan (IRP) in December 2007. As part of the IRP Update, MWD developed a region-wide collaborative process that included a broad-based stakeholder involvement. MWD held several stakeholder forums in 2008 and 2009 and the MWD Board adopted the 2010 IRP Update on October 12, 2010. In the 2010 IRP Update, MWD identified changes to the long-term plan and established direction to address the range of potential changes in water supply planning. The IRP also discusses dealing with uncertainties related to impacts of climate change (see additional discussion of this below) as well as actions to protect endangered fisheries. Based on MWD's Findings and Conclusions as stated in the MWD 2010 IRP Update, MWD's reliability goal that full-service demands at the retail level will be satisfied for all foreseeable hydrologic conditions remains unchanged in the 2010 IRP Update, and MWD will accomplish this through its core resources strategies. The 2010 IRP Update emphasizes an evolving approach and suite of actions to address the water supply challenges that are posed by uncertain weather patterns, regulatory and environmental restrictions, water quality impacts and changes in the state and the region. MWD's Adaptive Resource Management Strategy includes three components: Core Resources Strategy, Supply Buffer Implementation and Foundational Actions which together provides the basis for the 2010 IRP Update. The 2010 IRP Update expands the concept of developing a planning buffer from the 2004 IRP Update by implementing a supply buffer equal to 10 percent of the total retail demand. MWD will collaborate with the member agencies to implement this buffer through complying with Senate Bill 7 which calls for the state to reduce per capita water use 20 percent by the year 2020. MWD is in the process of updating

its 2010 IRP. MWD plans to review and update IRP resource targets, and assess strategy for managing short and long term uncertainty. MWD's schedule shows a published report would be available in February 2016.

IRWD's Evaluation of Effect of Reduced MWD Supplies to IRWD: MWD states it is sufficiently reliable to meet full-service demands at the retail level for all foreseeable hydrologic conditions. For purposes of ensuring a conservative analysis, IRWD has compiled information from the prior "MWD IRP Implementation Report" (October 2010) and MWD's RUWMP (November 2010), to provide information in this assessment relative to how reduced SWP supplies could potentially affect IRWD's supplies from MWD.

Based on IRWD's evaluation of MWD's SWP supplies, IRWD estimates that the 22% used by MWD's October 2007 IRP Implementation Report as a potential reduction of MWD's SWP supplies conservatively translates to approximately 16% reduction in all of MWD's imported supplies over the years 2015 through 2035.¹ For this purpose it is assumed that MWD's total supplies consist only of imported SWP and Colorado deliveries. As shown in MWD's RUWMP (Tables A.3-7), SWP deliveries on average over the 20-year period are 1,682,000 acre-feet and Colorado base average supplies are 656,000 acre-feet. A 22% reduction of SWP supplies equates to 370,000 acre-feet which is approximately 16% of MWD's total imported supplies. Based on this estimate, this assessment projects a 16% reduction in MWD supplies available to IRWD for the years 2015 through 2035, using IRWD's connected capacity without any water supply allocation imposed by MWD. This reduction in MWD supplies is reflected in Figures 1, 2, 3, 5, 6, and 7.

As an alternative means of analyzing the 22% stated reduction, Figures 1a, 2a, and 3a show IRWD estimated supplies in all of the 5-year increments (average and single and multiple dry years) under a short-term MWD allocation scenario whereby MWD declares a shortage stage under its Water Supply Allocation Plan, adopted in February, 2009 and a cutback is applied to IRWD's actual usage rather than its connected capacity. IRWD's evaluation of reduced MWD supplies to IRWD as shown in Figures 1a, 2a and 3a conservatively analyzes the effect of up to a MWD level 5 Regional Shortage Level. In February 2009, IRWD updated Section 15 of its Rules and Regulations – Water Conservation and Water Supply Shortage Program and also updated its Water Shortage Contingency Plan which is a supporting document for Section 15. Section 15 of the Rules and Regulations serves as IRWD's "conservation ordinance". As stated in IRWD's Water Shortage Contingency Plan, use of local supplies, storage and other supply augmentation measures can mitigate shortages, and are assumed to be in use to the maximum extent possible during declared shortage levels. On April 14, 2015, MWD approved the implementation of its Water Supply Allocation Plan at a level 3 Regional Shortage Level and a 15% reduction in regional deliveries effective July 1, 2015, through June 30, 2016. As a result of IRWD's diversified water supplies, IRWD is reliant on MWD for only 20% of its total supplies. IRWD's evaluation of reduced MWD supplies to IRWD as shown in Figures 1a, 2a and 3a for a MWD level 5 Regional Shortage Level would include MWD's 2015 actions to implement a level 3 Regional Shortage Level and 15% reduction.

¹ MWD's 2010 RUWMP cites to DWR's Water Allocation Analysis dated March 22, 2010, which incorporated the Delta smelt biological opinion's effect on SWP operations, export restrictions could reduce deliveries to MWD by 150 to 200 thousand acre-feet for 2010. DWR estimated that approximately 520,000 AF had been lost to the SWP for 2010 of which nearly 240,000 AF would have been available to MWD. This amount is equivalent to about 16% reduction in SWP supplies, a smaller percentage reduction than MWD's 2007 figure of 22% that was used by IRWD for purposes of this analysis.

Under shortage scenarios, IRWD may need to supplement supplies with production of groundwater, which can exceed the applicable basin production percentage on a short-term basis, providing additional reliability during dry years or emergencies.² In addition, IRWD has developed water banking projects in Kern County, California which may be called upon for delivery of supplemental banked water to IRWD under a short-term MWD allocation.³ IRWD may also convert non-potable water uses to recycled water as a way to conserve potable water. In addition, if needed resultant net shortage levels can be addressed by demand reduction programs as described in IRWD's Water Shortage Contingency Plan.

Listed below are Figures provided comparing projected potable water supplies and demands in all of the five year increments, under a temporary MWD allocation scenario:

- Figure 1a: Normal Year Supply and Demand (MWD Allocated) – Potable Water
- Figure 2a: Single Dry-Year Supply and Demand (MWD Allocated) – Potable Water
- Figure 3a: Multiple Dry-Year Supply and Demand (MWD Allocated) – Potable Water

It can be noted that IRWD's above approach is conservative, in that IRWD evaluates the effect of the 16% reduction through 2035 and shows the effect of current allocation scenarios in all of the five-year increments but MWD reports that it has made significant progress in other water resource categories such as transfers, groundwater storage and developing other local resources, and supplies will be available from these resources over the long-term.

Climate Change. The California Department of Water Resources ("DWR") released a report "Progress on Incorporating Climate Change into Management of California's Water Resources" (July 2006), considering the impacts of climate change on the State's water supply. DWR emphasizes that "the report represents an example of an impacts assessment based on four scenarios defining an expected range of potential climate change impacts." DWR's major goal is to extend the analysis for long-term water resource planning from "assessing impacts" to "assessing risk." The report presents directions for further work in incorporating climate change into the management of California's water resources. Emphasis is placed on associating probability estimates with potential climate change scenarios in order to provide policymakers with both ranges of impacts and the likelihoods associated with those impacts. DWR's report acknowledges "that all results presented in this report are preliminary, incorporate several assumptions, reflect a limited number of climate change scenarios, and do not address the

² In these scenarios, it is anticipated that other water suppliers who produce water from the Orange County Basin will also experience cutbacks of imported supplies and will increase groundwater production and that Orange County Water District (OCWD) imported replenishment water may also be cutback. The OCWD's "2013-2014 Engineer's Report on the groundwater conditions, water supply and basin utilization" references a report (OCWD Report on Evaluation of Orange County Groundwater Basin Storage and Operational Strategy) which recommends a basin management strategy that provides general guidelines for annual basin refill or storage decrease based on the level of accumulated overdraft. It states, "Although it is considered to be generally acceptable to allow the basin to decline to 500,000 AF overdraft for brief periods due to severe drought conditions and lack of supplemental water... an accumulated overdraft of 100,000 AF best represents an optimal basin management target. This optimal target level provides sufficient storage space to accommodate anticipated recharge from a single wet year while also providing water in storage for at least 2 or 3 consecutive years of drought." MWD replenishment water is a supplemental source of recharge water and OCWD estimates other main supply sources for recharge are available.

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

likelihood of each scenario. Therefore, these results are not sufficient by themselves to make policy decisions.”

In MWD’s 2010 IRP Update, MWD recognizes there is a significant uncertainty in the impact of climate change on water supply and changes in weather patterns could significantly affect water supply reliability. MWD plans to hedge against supply and environmental uncertainties by implementing a supply buffer equivalent to 10 percent of total retail demand. This buffer will be implemented through meeting the Senate Bill 7 water use efficiency goals, implementing aggressive adaptive actions, development of local supplies and transfers.

Per MWD’s RUWMP, MWD continues to incorporate current climate change science into its planning efforts. As stated in MWD’s RUWMP, the 2010 IRP Update supports the MWD Board adopted principles on climate change by: 1) Supporting reasonable, economically viable, and technologically feasible management strategies for reducing impacts on water supply, 2) Supporting flexible “no regret” solutions that provide water supply and quality benefits while increasing the ability to manage future climate change impacts, and 3) Evaluating staff recommendations regarding climate change and water resources against the California Environmental Quality Act to avoid adverse effects on the environment. Potential climate change impacts on state, regional and local water supplies and relevant information for the Orange County hydrologic basin and Santa Ana Watershed have not been sufficiently developed at this time to permit IRWD to assess and quantify the effect of any such impact on its conclusions in the Assessment.

Catastrophic Supply Interruption Planning. MWD has developed Emergency Storage Requirements (2010 RUWMP) to safeguard the region from catastrophic loss of water supply. MWD has made substantial investments in emergency storage and has based its planning on a 100% reduction in its supplies for a period of six months. The emergency plan outlines that under such a catastrophe, non-firm service deliveries would be suspended, and firm supplies would be restricted by a mandatory cutback of 25 percent from normal year demand deliveries. In addition, MWD discusses the long term Delta plan in its 2010 RUWMP (pages 3-18 to 3-21). IRWD has also addressed supply interruption planning in its WRMP and UWMP.

Recent Actions Related to Drought Conditions. In response to the historically dry conditions throughout the state of California, on April 1, 2015, Governor Brown issued an Executive Order directing the State Water Resources Control Board (SWRCB) to impose restrictions to achieve an aggregate statewide 25 percent reduction in potable water use through February 2016. The Governor’s Order also includes mandatory actions aimed at reducing water demands, with a particular focus on outdoor water use. On May 5, 2015, the SWRCB adopted regulations which require that IRWD achieve a 16% reduction in potable water use. On April 14, 2015, MWD approved actions to implement the Water Supply Allocation Plan at a level 3 Regional Shortage Level and a 15% reduction in regional deliveries effective July 1, 2015, through June 30, 2016. IRWD will implement actions to reduce potable water demands during the drought; however, this does not affect IRWD’s long-term supply capability to meet the demands. As discussed under “IRWD’s Evaluation of Effect of Reduced MWD Supplies to IRWD” (page 7), IRWD has effectively analyzed an imported water supply reduction up to a level 5 Regional Shortage Stage in Figures 1a, 2a, 3a. These Figures do not reflect a reduction in demands thus representing a more conservative view of IRWD’s supply capability. In particular, the reduction in demand mandated by Senate Bill 7 in 2010, requiring urban retail water suppliers to establish water use targets to achieve a 20% reduction in daily per capita water use by 2020, has not been factored into the demands in this analysis. Similarly,

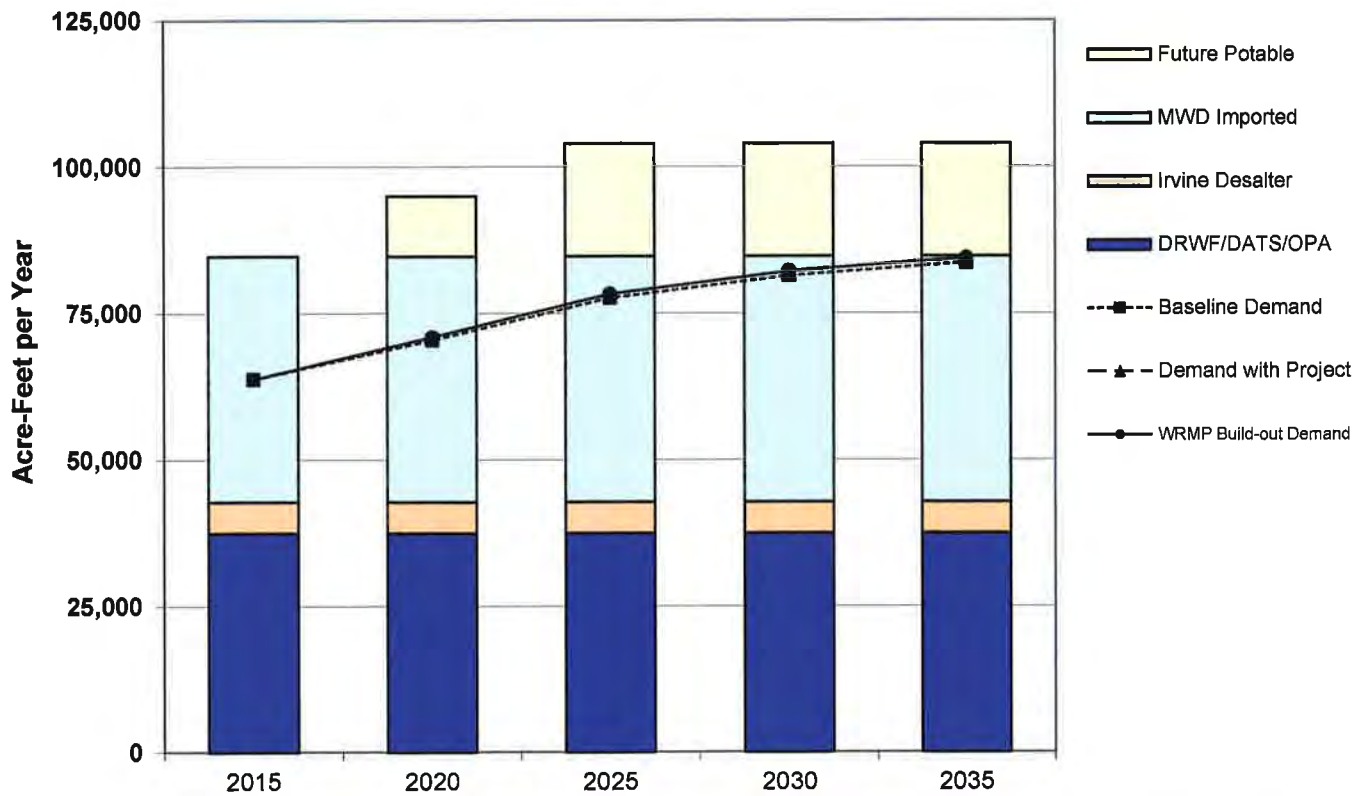
notwithstanding the Governor's order, IRWD's conservative supply-sufficiency analysis in Figures 1a, 2a and 3a does not include the ordered reduction in potable demands.

Detailed Assessment

1. Supply and demand comparison

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

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

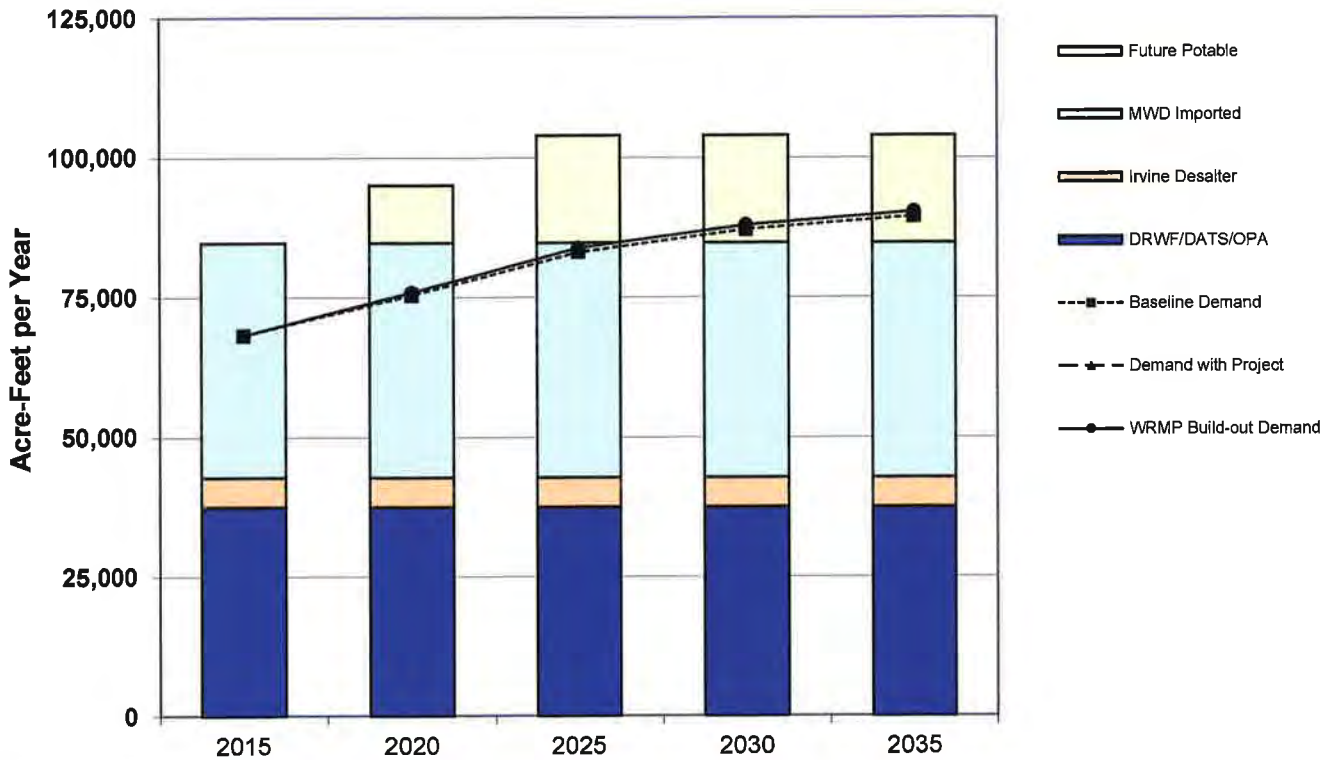


(in acre-feet per year)	2015	2020	2025	2030	2035
<u>Current Potable Supplies</u>					
MWD Imported (EOCF#2, AMP, OCF)	41,929	41,929	41,929	41,929	41,929
DRWF/DATS/OPA	37,533	37,533	37,533	37,533	37,533
Irvine Desalter	5,309	5,309	5,309	5,309	5,309
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
<u>Supplies Under Development</u>					
Future Potable	-	10,328	19,211	19,211	19,211
Maximum Supply Capability	91,100	101,427	110,311	110,311	110,311
Baseline Demand	63,762	70,487	77,658	81,470	83,657
Demand with Project	63,762	70,970	78,347	82,191	84,444
WRMP Build-out Demand	63,762	70,970	78,347	82,191	84,444
Reserve Supply with Project	27,338	30,458	31,964	28,120	25,866

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

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

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

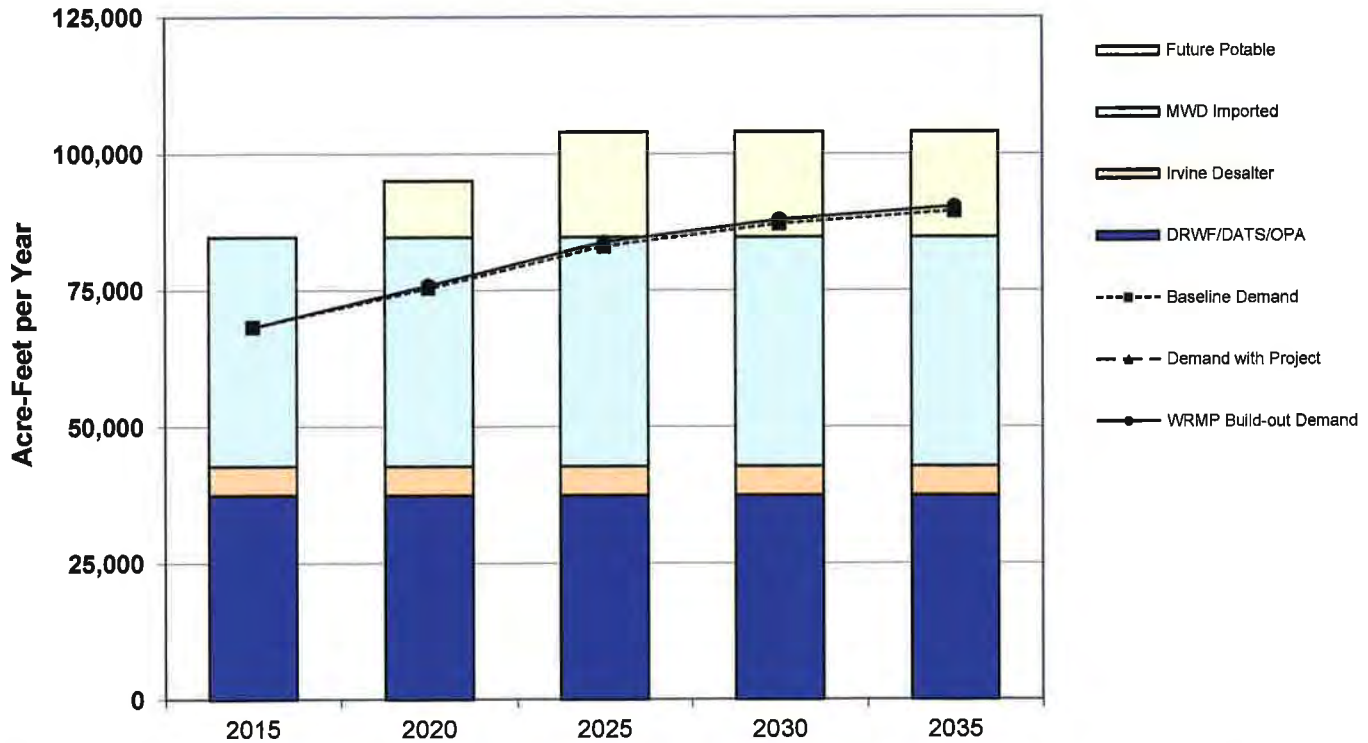


(in acre-feet per year)	2015	2020	2025	2030	2035
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	41,929	41,929	41,929	41,929	41,929
DRWF/DATS/OPA	37,533	37,533	37,533	37,533	37,533
Irvine Desalter	5,309	5,309	5,309	5,309	5,309
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Supplies Under Development					
Future Potable	-	10,328	19,211	19,211	19,211
Maximum Supply Capability	91,100	101,427	110,311	110,311	110,311
Baseline Demand	68,225	75,421	83,095	87,173	89,513
Demand with Project	68,225	75,937	83,831	87,944	90,355
WRMP Build-out Demand	68,225	75,937	83,831	87,944	90,355
Reserve Supply with Project	22,875	25,490	26,480	22,367	19,955

Notes: Supplies identical to Normal-Year based on Metropolitan's Regional Urban Water Management Plan (11/8/05) and usage of groundwater under drought conditions (OCWD Master Plan). Demands increased 7% from Normal-Year. By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

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

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

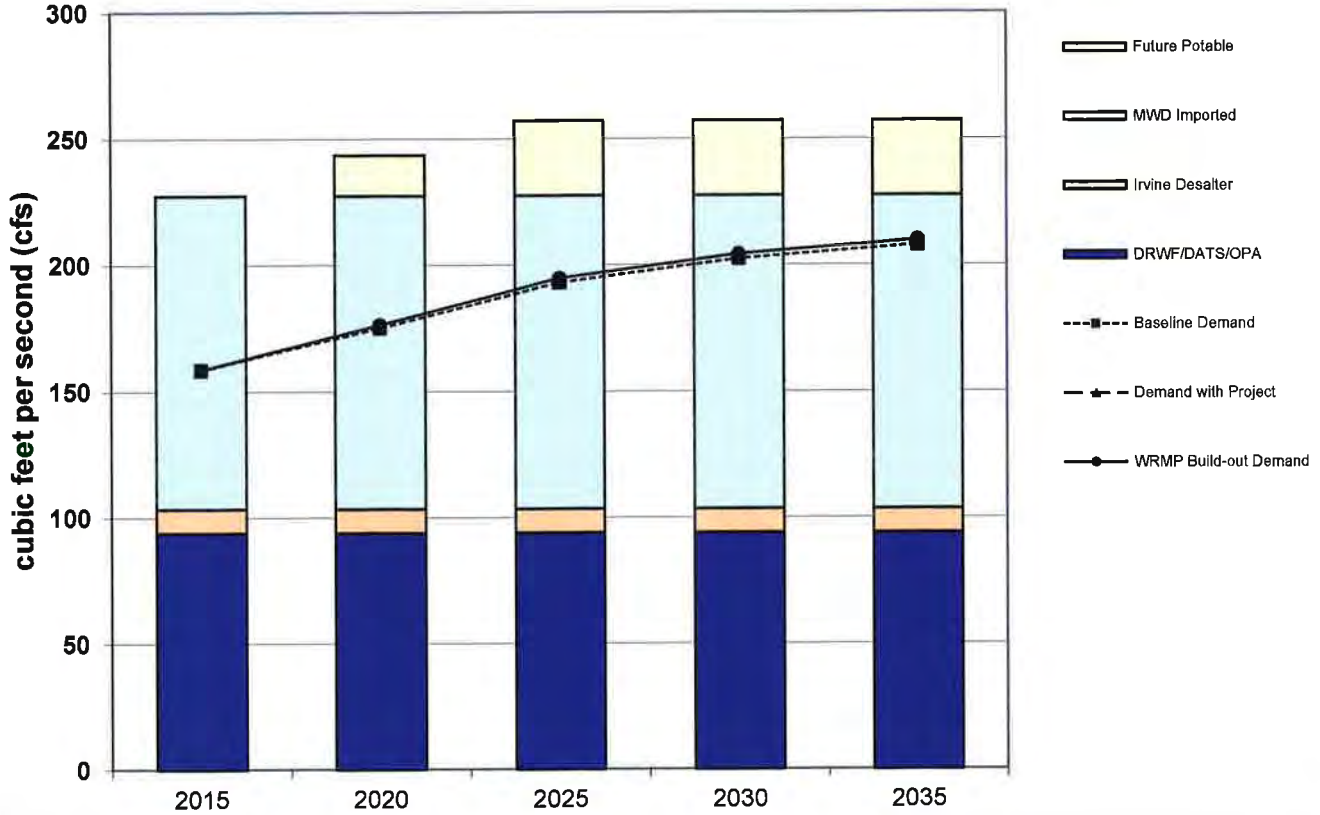


(in acre-feet per year)	2015	2020	2025	2030	2035
<u>Current Potable Supplies</u>					
MWD Imported (EOCF#2, AMP, OCF)	41,929	41,929	41,929	41,929	41,929
DRWF/DATS/OPA	37,533	37,533	37,533	37,533	37,533
Irvine Desalter	5,309	5,309	5,309	5,309	5,309
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
<u>Supplies Under Development</u>					
Future Potable	-	10,328	19,211	19,211	19,211
Maximum Supply Capability	91,100	101,427	110,311	110,311	110,311
Baseline Demand	68,225	75,421	83,095	87,173	89,513
Demand with Project	68,225	75,937	83,831	87,944	90,355
WRMP Build-out Demand	68,225	75,937	83,831	87,944	90,355
Reserve Supply with Project	22,875	25,490	26,480	22,367	19,955

Notes: Supplies identical to Normal-Year based on Metropolitan's Regional Urban Water Management Plan (11/8/05) and usage of groundwater under drought conditions (OCWD Master Plan). Demands increased 7% from Normal-Year. By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

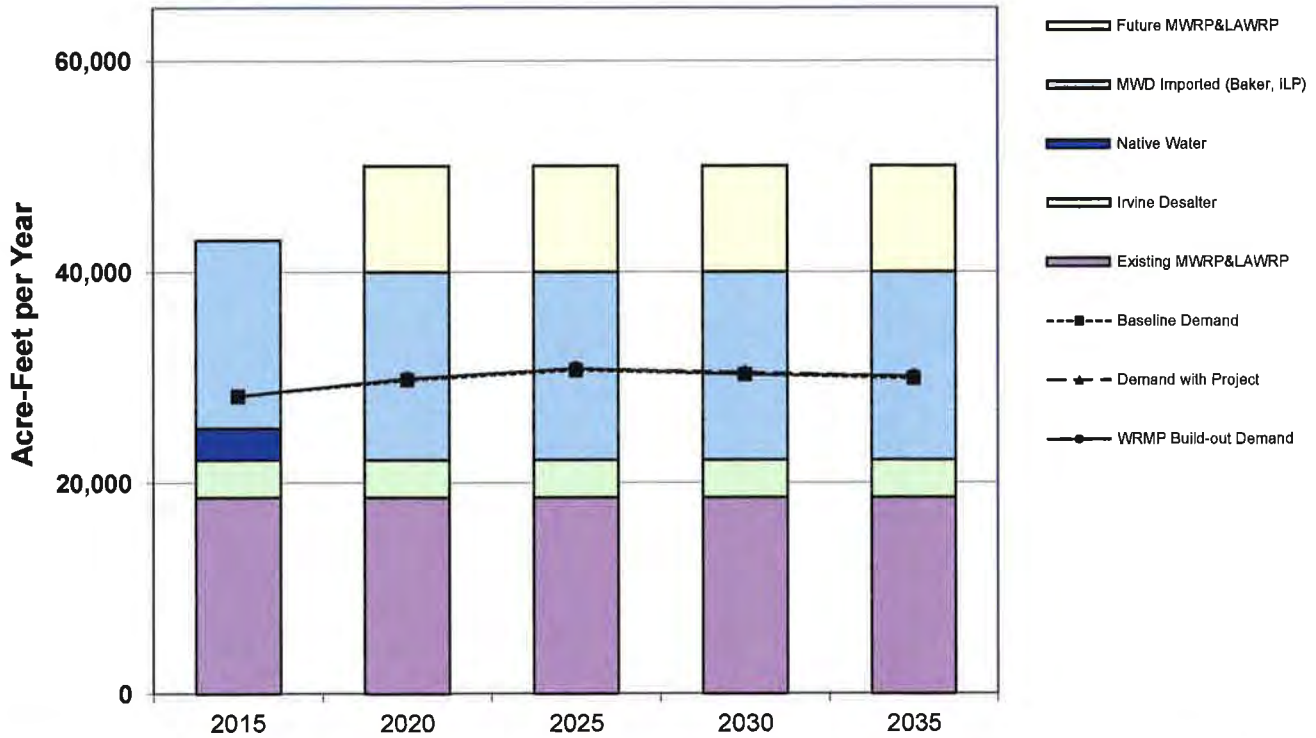
MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

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



(in cfs)	2015	2020	2025	2030	2035
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	124.1	124.1	124.1	124.1	124.1
DRWF/DATS/OPA	93.9	93.9	93.9	93.9	93.9
Irvine Desalter	9.5	9.5	9.5	9.5	9.5
Wells 21 & 22	10.9	10.9	10.9	10.9	10.9
Supplies Under Development					
Future Potable	-	16.1	29.7	29.7	29.7
Maximum Supply Capability	238.4	254.5	268.1	268.1	268.1
Baseline Demand	158.5	175.2	193.1	202.5	208.0
Demand with Project	158.5	176.4	194.8	204.3	209.9
WRMP Build-out Demand	158.5	176.4	194.8	204.3	209.9
Reserve Supply with Project	79.9	78.1	73.3	63.8	58.2

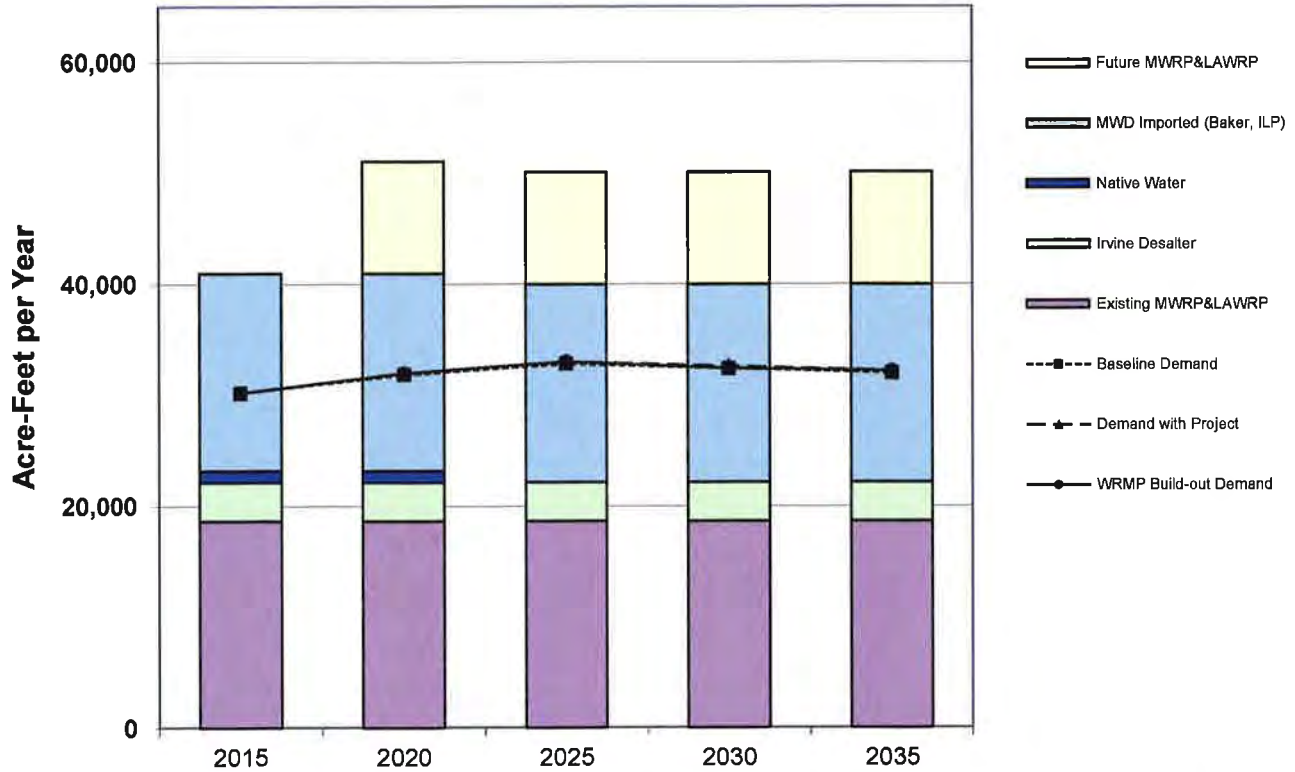
**Figure 5
IRWD Normal-Year Supply & Demand - Nonpotable Water**



(in acre-feet per year)	2015	2020	2025	2030	2035
Current Nonpotable Supplies					
Existing MWRP&LAWRP	18,657	18,657	18,657	18,657	18,657
Future MWRP&LAWRP	-	10,100	10,100	10,100	10,100
MWD Imported (Baker, ILP)	17,826	17,826	17,826	17,826	17,826
Irvine Desalter	3,514	3,514	3,514	3,514	3,514
Native Water	3,000	-	-	-	-
Maximum Supply Capability	42,997	50,097	50,097	50,097	50,097
Baseline Demand	28,239	29,785	30,690	30,294	29,896
Demand with Project	28,239	29,903	30,854	30,469	30,081
WRMP Build-out Demand	28,239	29,903	30,854	30,294	30,081
Reserve Supply with Project	14,758	20,193	19,243	19,803	20,015

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

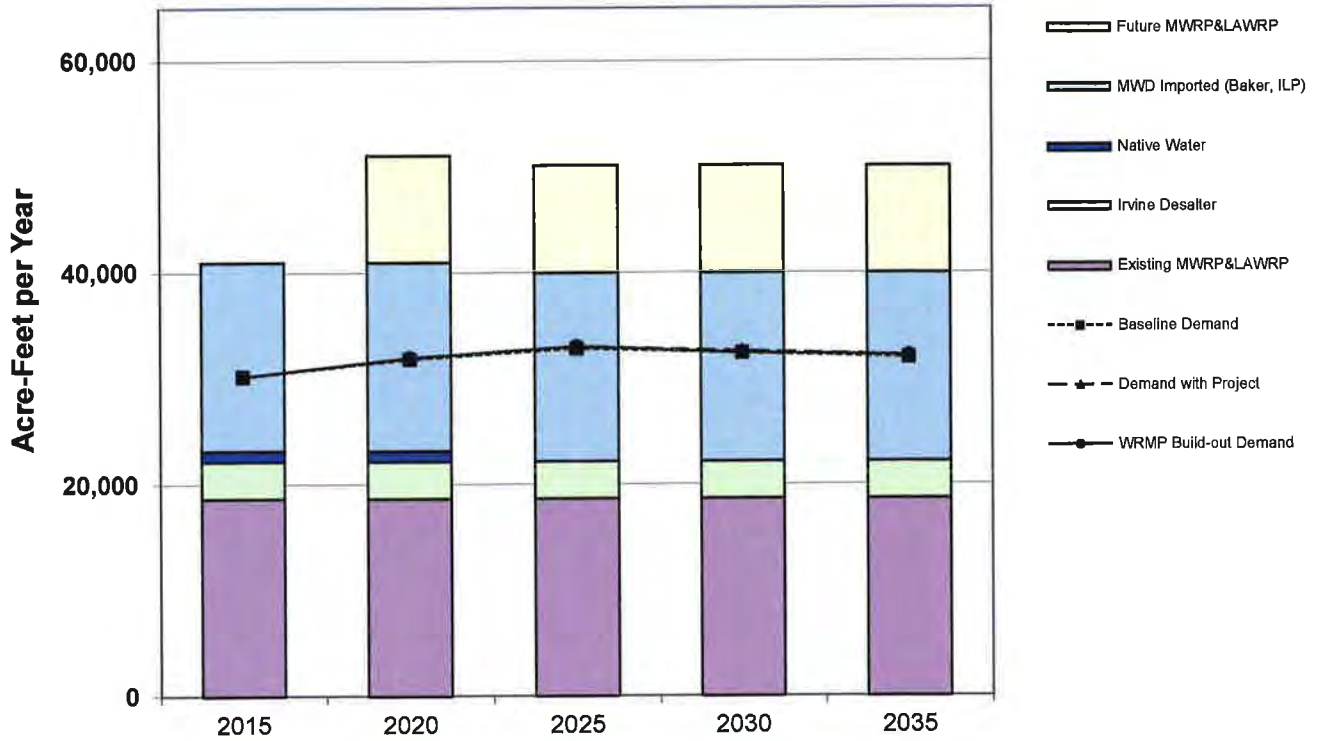
**Figure 6
IRWD Single Dry-Year Supply & Demand - Nonpotable Water**



(in acre-feet per year)	2015	2020	2025	2030	2035
Current Nonpotable Supplies					
Existing MWRP&LAWRP	18,657	18,657	18,657	18,657	18,657
Future MWRP&LAWRP	-	10,100	10,100	10,100	10,100
MWD Imported (Baker, ILP)	17,826	17,826	17,826	17,826	17,826
Irvine Desalter	3,514	3,514	3,514	3,514	3,514
Native Water	1,000	1,000	-	-	-
Maximum Supply Capability	40,997	51,097	50,097	50,097	50,097
Baseline Demand	30,215	31,870	32,838	32,415	31,988
Demand with Project	30,215	31,997	33,014	32,602	32,187
WRMP Build-out Demand	30,215	31,997	33,014	32,415	32,187
Reserve Supply with Project	10,781	19,100	17,083	17,495	17,910

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

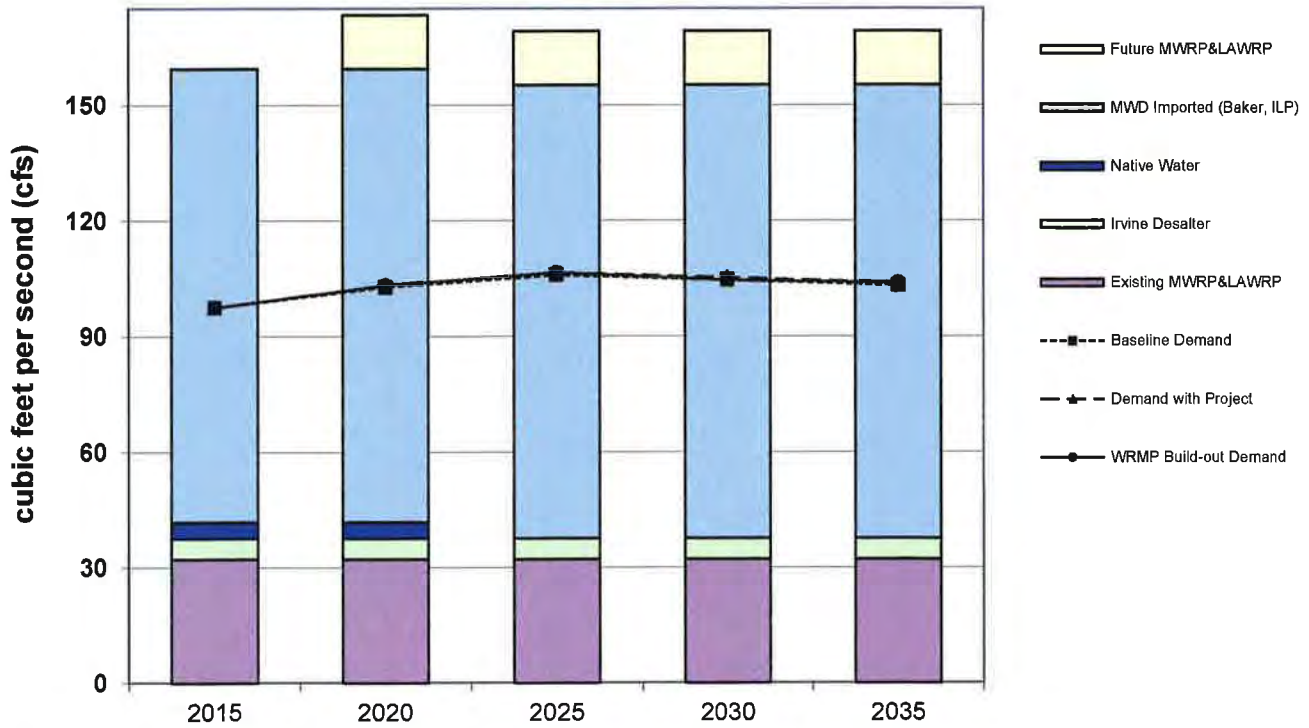
**Figure 7
IRWD Multiple Dry-Year Supply & Demand - Nonpotable Water**



(in acre-feet per year)	2015	2020	2025	2030	2035
Current Nonpotable Supplies					
Existing MWRP&LAWRP	18,657	18,657	18,657	18,657	18,657
Future MWRP&LAWRP	-	10,100	10,100	10,100	10,100
MWD Imported (Baker, ILP)	17,826	17,826	17,826	17,826	17,826
Irvine Desalter	3,514	3,514	3,514	3,514	3,514
Native Water	1,000	1,000	-	-	-
Maximum Supply Capability	40,997	51,097	50,097	50,097	50,097
Baseline Demand	30,215	31,870	32,838	32,415	31,988
Demand with Project	30,215	31,997	33,014	32,602	32,187
WRMP Build-out Demand	30,215	31,997	33,014	32,415	32,187
Reserve Supply with Project	10,781	19,100	17,083	17,495	17,910

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

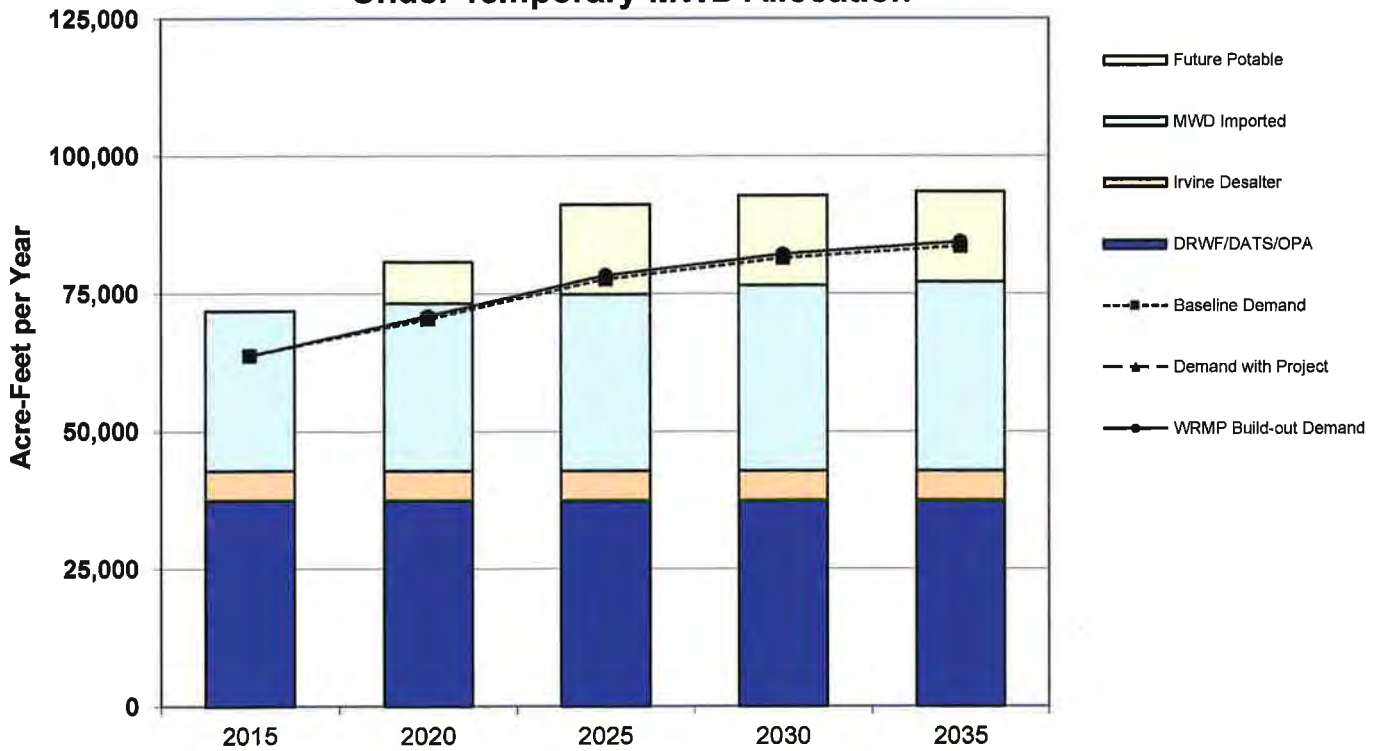
Figure 8
IRWD Maximum-Dry Supply & Demand - Nonpotable Water



(in cfs)	2015	2020	2025	2030	2035
Current Nonpotable Supplies					
Existing MWRP&LAWRP	32.2	32.2	32.2	32.2	32.2
Future MWRP&LAWRP	-	14.0	14.0	14.0	14.0
MWD Imported (Baker, ILP)	117.7	117.7	117.7	117.7	117.7
Irvine Desalter	5.4	5.4	5.4	5.4	5.4
Native Water	4.2	4.2	-	-	-
Maximum Supply Capability	159.5	173.4	169.2	169.2	169.2
Baseline Demand	97.5	102.8	106.0	104.6	103.2
Demand with Project	97.5	103.3	106.5	105.2	103.9
WRMP Build-out Demand	97.5	103.3	106.5	104.6	103.9
Reserve Supply with Project	62.0	70.2	62.7	64.6	65.4

Note: Downward trend reflects reduction in agricultural use over time.
 Native water will be treated to potable through the Baker Water Treatment Plant after 2016.

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

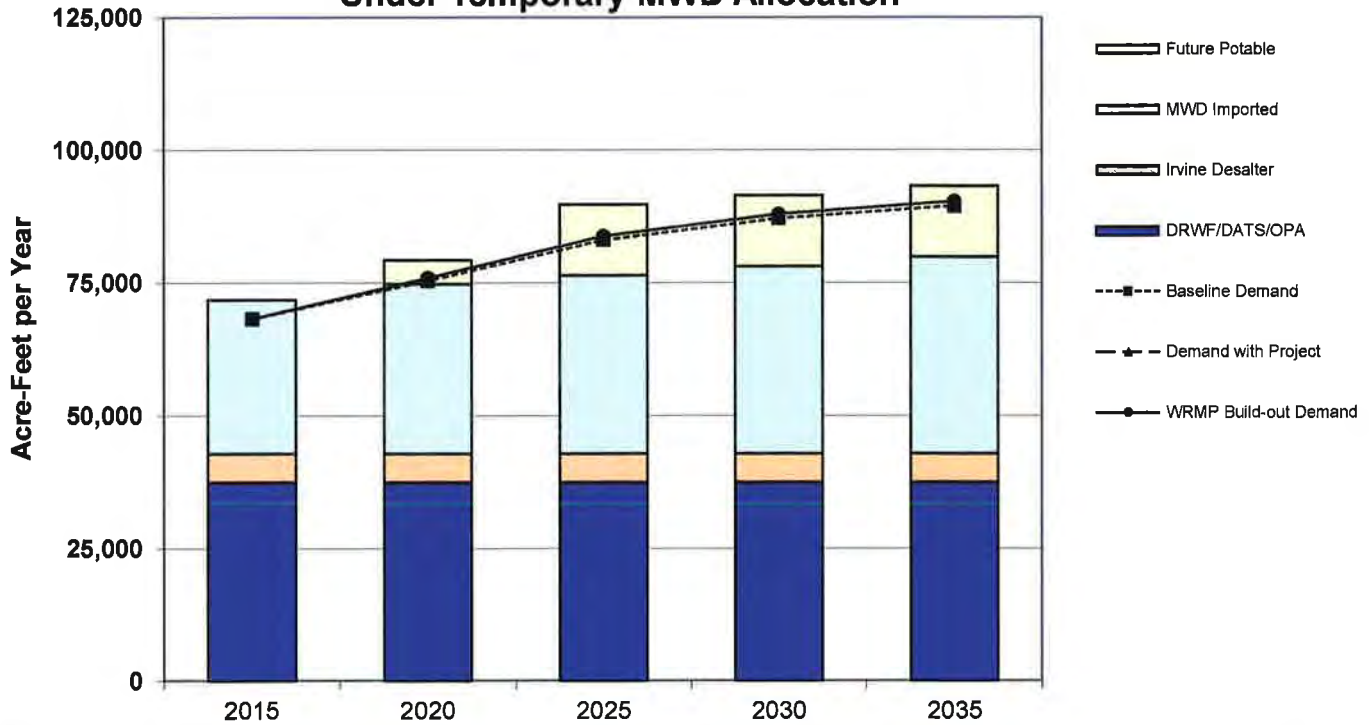


(in acre-feet per year)	2015	2020	2025	2030	2035
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	29,000	30,479	32,034	33,668	34,345
DRWF/DATS/OPA	37,533	37,533	37,533	37,533	37,533
Irvine Desalter	5,309	5,309	5,309	5,309	5,309
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Supplies Under Development					
Future Potable	-	7,469	16,352	16,352	16,352
Maximum Supply Capability	78,170	87,119	97,557	99,191	99,868
Baseline Demand	63,762	70,487	77,658	81,470	83,657
Demand with Project	63,762	70,970	78,347	82,191	84,444
WRMP Build-out Demand	63,762	70,970	78,347	82,191	84,444
Reserve Supply with Project	14,409	16,149	19,210	17,000	15,423

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

*For illustration purposes, IRWD has shown MWD Imported Supplies as estimated under a short-term 10% allocation, Shortage Stage 2 in all of the 5-year increments. However, it is likely that such a scenario would only be temporary. Under a MWD Allocation, IRWD could supplement supplies with groundwater production which can exceed applicable basin percentages on a short-term basis or transfer water from IRWD's water bank. IRWD may also reduce demands by implementing shortage contingency measures as described in the UWMP. Under a MWD allocation, the Baker WTP supplies (under "Future Potable") will be limited to available MWD and native water only.

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

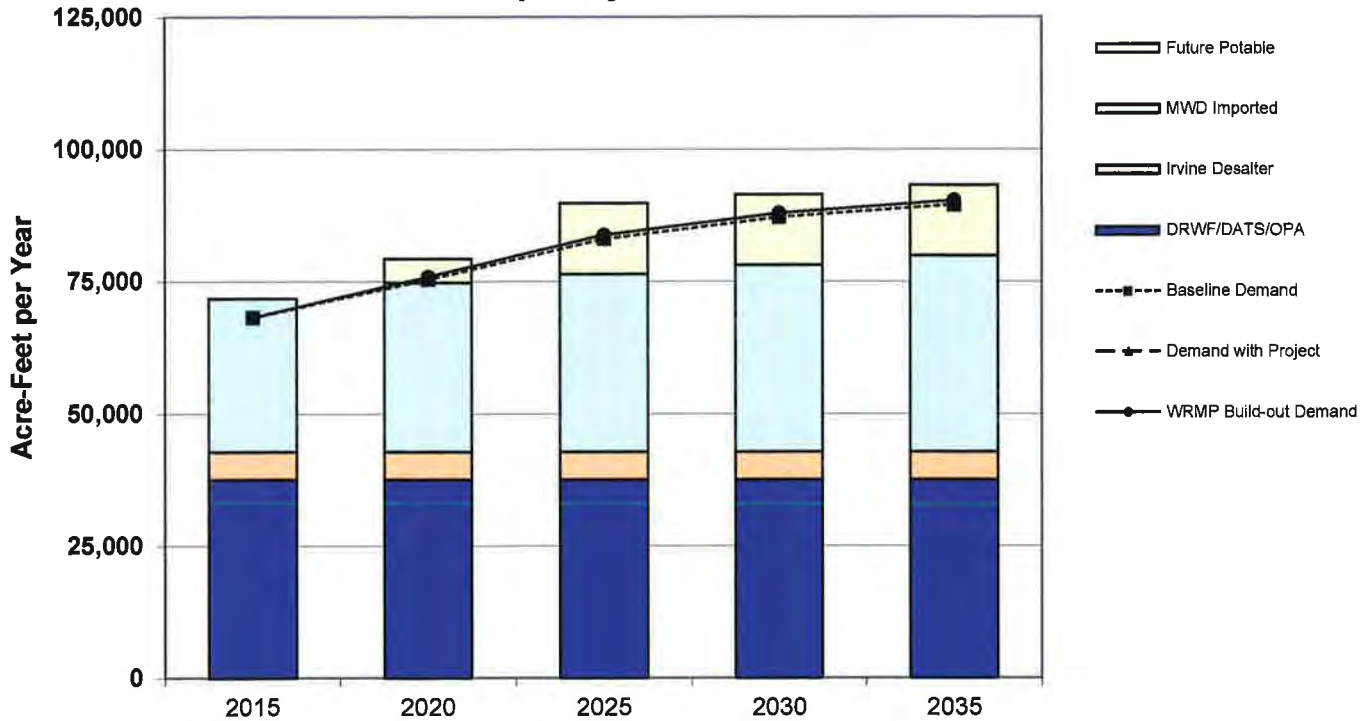


(in acre-feet per year)	2015	2020	2025	2030	2035
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	29,000	32,003	33,603	35,284	37,048
DRWF/DATS/OPA	37,533	37,533	37,533	37,533	37,533
Irvine Desalter	5,309	5,309	5,309	5,309	5,309
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Supplies Under Development					
Future Potable	-	4,469	13,352	13,352	13,352
Maximum Supply Capability	78,170	85,643	96,126	97,806	99,571
Baseline Demand	68,225	75,421	83,095	87,173	89,513
Demand with Project	68,225	75,937	83,831	87,944	90,355
WRMP Build-out Demand	68,225	75,937	83,831	87,944	90,355
Reserve Supply with Project	9,946	9,705	12,295	9,862	9,215

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

*For illustration purposes, IRWD has shown MWD Imported Supplies as estimated under a short-term 10% allocation, Shortage Stage 2 in all of the 5-year increments. However, it is likely that such a scenario would only be temporary. Under a MWD Allocation, IRWD could supplement supplies with groundwater production which can exceed applicable basin percentages on a short-term basis or transfer water from IRWD's water bank. IRWD may also reduce demands by implementing shortage contingency measures as described in the UWMP. Under a MWD allocation, the Baker WTP supplies (under "Future Potable") will be limited to available MWD and native water only.

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



(in acre-feet per year)	2015	2020	2025	2030	2035
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	29,000	32,003	33,603	35,284	37,048
DRWF/DATS/OPA	37,533	37,533	37,533	37,533	37,533
Irvine Desalter	5,309	5,309	5,309	5,309	5,309
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Supplies Under Development					
Future Potable	-	4,469	13,352	13,352	13,352
Maximum Supply Capability	78,170	85,643	96,126	97,806	99,571
Baseline Demand	68,225	75,421	83,095	87,173	89,513
Demand with Project	68,225	75,937	83,831	87,944	90,355
WRMP Build-out Demand	68,225	75,937	83,831	87,944	90,355
Reserve Supply with Project	9,946	9,705	12,295	9,862	9,215

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

*For illustration purposes, IRWD has shown MWD Imported Supplies as estimated under a short-term 10% allocation, Shortage Stage 2 in all of the 5-year increments. However, it is likely that such a scenario would only be temporary. Under a MWD Allocation, IRWD could supplement supplies with groundwater production which can exceed applicable basin percentages on a short-term basis or transfer water from IRWD's water bank. IRWD may also reduce demands by implementing shortage contingency measures as described in the UWMP. Under a MWD allocation, the Baker WTP supplies (under "Future Potable") will be limited to available MWD and native water only.

2. Information concerning supplies

(a)(1) Existing sources of identified water supply for the proposed project: IRWD does not allocate particular supplies to any project, but identifies total supplies for its service area, as updated in the following table:

	Max Day (cfs)	Avg. Annual (AFY)	Annual by Category (AFY)
Current Supplies			
Potable - Imported			
East Orange County Feeder No. 2	41.4	16,652	1
Allen-McColloch Pipeline*	64.7	26,024	1
Orange County Feeder	18.0	7,240	1
			49,916
Potable - Groundwater			
Dyer Road Wellfield	80.0	28,000	2
OPA Well	1.4	914	
Deep Aquifer Treatment System-DATS	12.5	8,618	2
Wells 21 & 22	10.9	6,329	2
Irvine Desalter	9.5	5,309	3
			49,170
Total Potable Current Supplies	238.4		99,086
Nonpotable - Recycled Water			
MWRP (18 mgd)	23.9	17,340	4
LAWRP (5.5 mgd)	8.3	5,975	4
Future MWRP & LAWRP	20.0	14,450	5
			37,765
Nonpotable - Imported			
Baker Aqueduct	52.7	12,221	6
Irvine Lake Pipeline	65.0	9,000	7
			21,221
Nonpotable - Groundwater			
Irvine Desalter-Nonpotable	5.4	3,514	8
			3,514
Nonpotable Native			
Irvine Lake	4.2	3,048	9
			3,048
Total Nonpotable Current Supplies	179.5		65,548
Total Combined Current Supplies	417.9		164,635
Supplies Under Development			
Potable Supplies			
Well 106	2.0	1,118	
Well 53	5.6	3,658	
Future OPA Wells	8.0	5,225	
Baker Water Treatment Plant	10.5	6,858	
Wells 51 & 52	3.6	2,351	
Total Potable Under Development Supplies	29.7	19,211	19,211
Total Under Development	29.7		19,211
Total Supplies			
Potable Supplies	268.1		118,297
Nonpotable Supplies	179.5		65,548
Total Supplies (Current and Under Development)	447.6		183,846

1 Based on converting maximum day capacity to average by dividing the capacity by a peaking factor of 1.8 (see Footnote 4, page 22).

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

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

4 MWRP 18.0 mgd treatment capacity (17,400 AFY RW production) and LAWRP 5.5 mgd tertiary treatment capacity (5,975 AFY)

5 Future estimated MWRP & LAWRP recycled water production.

6 By 2020, Baker capacity will be allocated to Baker Water Treatment Plant (WTP) participants and IRWD will own 46.50 cfs in Baker Aqueduct after Baker WTP, of which 10.5 cfs will be for potable treatment. IRWD will have 35 cfs remaining capacity for non-potable uses. The nonpotable average use is based on converting maximum day capacity to average by dividing the capacity by a peaking factor of 2.5 (see Footnote 8, page 25).

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

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

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

*64.7 cfs is current assigned capacity; based on increased peak flow, IRWD can purchase 10 cfs more (see page 23 (b)(1)(iii))

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

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

• POTABLE SUPPLY - IMPORTED⁶

Potable imported water service connections (currently available).

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

Allen-McColloch Pipeline ("AMP") (currently available).

(ii) Agreement For Sale and Purchase of Allen-McColloch Pipeline, dated as of July 1, 1994 (Metropolitan Water District Agreement No. 4623) ("AMP Sale Agreement"). Under the AMP Sale Agreement, MWD purchased the Allen-McColloch Pipeline (formerly known as the "Diemer Intertie") from MWDOC, the MWDOC Water Facilities Corporation and certain agencies, including IRWD and Los Alisos Water District ("LAWD"),⁷ identified as "Participants" therein. Section 5.02 of the AMP Sale Agreement obligates MWD to meet IRWD's and the other Participants' requests for deliveries and specified minimum hydraulic grade lines at each connection serving a Participant, subject to availability of water. MWD agrees to operate the AMP as any other MWD pipeline. MWD has the right to

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

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

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

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

operate the AMP on a “utility basis,” meaning that MWD need not observe capacity allocations of the Participants but may use available capacity to meet demand at any service connection.

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

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

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

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

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

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

Orange County Feeder (currently available)

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

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

Baker Water Treatment Plant (currently available)

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

the Baker WTP.⁸

• POTABLE SUPPLY - GROUNDWATER

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

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

***Dyer Road Wellfield (DWRWF) / Deep Aquifer Treatment System (DATS)
(currently available)***

(iii) Agreement For Water Production and Transmission Facilities, dated March 18, 1981, as amended May 2, 1984, September 19, 1990 and November 3, 1999 (the “DRWF Agreement”). The DRWF Agreement, among IRWD, OCWD and Santa Ana, concerns the development of IRWD’s Dyer Road Wellfield (“DRWF”), within the Basin. The DRWF consists of 16 wells pumping from the non-colored water zone of the Basin and 2 wells (with colored-water treatment facilities) pumping from the deep, colored-water zone of the Basin (the colored-water portion of the DRWF is sometimes referred to as the Deep Aquifer Treatment

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

System or "DATS".) Under the DRWF Agreement, an "equivalent" basin production percentage (BPP) has been established for the DRWF, currently 28,000 AFY of non-colored water and 8,000 AFY of colored water, provided any amount of the latter 8,000 AFY not produced results in a matching reduction of the 28,000 AFY BPP. Although typically IRWD production from the DRWF does not materially exceed the equivalent BPP, the equivalent BPP is not an extraction limitation; it results in imposition of monetary assessments on the excess production. The DRWF Agreement also establishes monthly pumping amounts for the DRWF. With the addition of the Concentrated Treatment System (CATS), IRWD has increased the yield of DATS.

Irvine Subbasin / Irvine Desalter (currently available)

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

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

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

Orange Park Acres (currently available)

On June 1, 2008, through annexation and merger, IRWD acquired the water system of the former Orange Park Acres Mutual Water company, including well [OPA Well]. The well is operated within the Orange County Groundwater Basin.

Wells 21 and 22 (currently available)

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

Irvine Wells (under development)

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

•NONPOTABLE SUPPLY - RECYCLED

Water Recycling Plants (currently available)

Water Code Section 1210. IRWD supplies its own recycled water from wastewater collected by IRWD and delivered to IRWD's Michelson Water Recycling Plant (MWRP) and Los Alisos Water Recycling Plant (LAWRP). MWRP currently has a permitted capacity of 18 million gallons per day (MGD) and LAWRP currently has a permitted capacity of 5.5 MGD. Water Code Section 1210 provides that the owner of a wastewater treatment plant operated for the purposes of treating wastes from a sanitary sewer system holds the exclusive right to the treated effluent as against anyone who has supplied the water discharged into the sewer system. IRWD's permits for the operation of MWRP and LAWRP allow only irrigation and other customer uses of recycled water, and do not permit stream discharge of recycled water; thus, no issue of downstream appropriation arises, and IRWD is entitled to deliver all of the effluent to meet contractual and customer demands.

Water Reclamation Plant Expansion (currently available)

IRWD is completing construction of the Michelson Water Reclamation Plant Phase 2 Capacity Expansion Project later in 2015. With this expansion, IRWD will increase its capacity on the existing MWRP site to produce sufficient recycled water to meet the projected demand in the year 2035. Additional reclamation

capacity will augment local nonpotable supplies and improve reliability.

• NONPOTABLE SUPPLY - IMPORTED⁹

Baker Pipeline (currently available)

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

• NONPOTABLE SUPPLY - NATIVE

Irvine Lake (currently available)

(i) Permit For Diversion and Use of Water (Permit No. 19306) issued pursuant to Application No. 27503; License For Diversion and Use of Water (License 2347) resulting from Application No. 4302 and Permit No. 3238; License For Diversion and Use of Water (License 2348) resulting from Application No. 9005 and Permit No. 5202. The foregoing permit and licenses, jointly held by IRWD (as successor to The Irvine Company (TIC) and Carpenter Irrigation District (CID)) and Serrano Water District (SWD), secure appropriative rights to the flows of Santiago Creek. Under Licenses 2347 and 2348, IRWD and SWD have the right to diversion by storage at Santiago Dam (Irvine Lake) and a submerged dam, of a total of 25,000 AFY. Under Permit No. 19306, IRWD and SWD have the right to diversion by storage of an additional 3,000 AFY by flashboards at Santiago Dam (Irvine Lake). (Rights under Permit No. 19306 may be junior to an OCWD permit to divert up to 35,000 AFY of Santiago Creek flows to spreading pits downstream of Santiago Dam.) The combined total of native water that may be diverted to storage under these licenses and permit is 28,000 AFY. A 1996 amendment to License Nos. 2347, 2348 and 2349 [replaced by Permit No. 19306 in 1984] limits

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

the withdrawal of water from the Lake to 15,483 AFY under the licenses. This limitation specifically references the licenses and doesn't reference water stored pursuant to other legal entitlements. The use and allocation of the native water is governed by the agreements described in the next paragraph.

(ii) Agreement, dated February 6, 1928 ("1928 Agreement"); Agreement, dated May 15, 1956, as amended November 12, 1973 ("1956 Agreement"); Agreement, dated as of December 21, 1970 ("1970 Agreement"); Agreement Between Irvine Ranch Water District and The Irvine Company Relative to Irvine Lake and the Acquisition of Water Rights In and To Santiago Creek, As Well As Additional Storage Capacity in Irvine Lake, dated as of May 31, 1974 ("1974 Agreement"). The 1928 Agreement was entered into among SWD, CID and TIC, providing for the use and allocation of native water in Irvine Lake. Through the 1970 Agreement and the 1974 Agreement, IRWD acquired the interests of CID and TIC, leaving IRWD and SWD as the two co-owners. TIC retains certain reserved rights. The 1928 Agreement divides the stored native water by a formula which allocates to IRWD one-half of the first 1,000 AF, plus increments that generally yield three-fourths of the amount over 1,000 AF.¹⁰ The agreements also provide for evaporation and spill losses and carryover water remaining in the Lake at the annual allocation dates. Given the dependence of native water on rainfall, for purposes of this assessment only a small portion of IRWD's share of the 28,000 AFY of native water rights (4,000 AFY in normal years and 1,000 AFY in single and multiple-dry years) is shown in currently available supplies, based on averaging of historical data. However, IRWD's ability to supplement Irvine Lake storage with its imported untreated water supplies, described herein, offsets the uncertainty associated with the native water supply.

• NONPOTABLE SUPPLY - GROUNDWATER

Irvine Subbasin / Irvine Desalter (currently available)

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

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

• IMPORTED SUPPLY - ADDITIONAL INFORMATION

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

As described above, the imported supply from MWD is contractually subject to availability. To assist local water providers in assessing the adequacy of local water supplies that are reliant in whole or in part on MWD's imported supply; MWD has provided information concerning the availability of the supplies to its entire service area. In its most recently adopted RUWMP, MWD has extended its planning timeframe out through 2035 to ensure that MWD's 2010 RUWMP may be used as a source document for meeting requirements for sufficient supplies. In addition, the RUWMP includes "Justifications for Supply Projections" (Appendix A-3) that details the planning, legal, financial, and regulatory basis for including each source of supply in the plan. The RUWMP summarizes MWD's planning initiatives over the past ten years, which includes the Integrated Resources Plan (IRP), the IRP Update, the Water Surplus and Drought Management Plan, Strategic Plan and Rate Structure. The reliability analysis in MWD's IRP Update (October 2010) showed that MWD can maintain reliable supplies under the conditions that have existed in past dry periods throughout the period 2015 through 2035. The RUWMP includes tables that show the region can provide reliable supplies under both the single driest year (1977) and multiple dry years (1990-92) through 2035. MWD has also identified buffer supplies, including additional State Water Project groundwater storage and transfers that could serve to supply the additional water needed.

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

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

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

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

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

With respect to future groundwater wells (PR No. 11881) and Baker WTP (PR

No. 11747), IRWD adopted its fiscal year 2015-16 capital budget on June 8, 2015 (Resolution No. 2015-13), budgeting portions of the funds for such projects. (A copy is available from IRWD on request.) For these facilities, as well as unbuilt IRWD sub-regional conveyance facilities, the sources of funding are previously authorized general obligation bonds, revenue-supported certificates of participation and/or capital funds held by IRWD Improvement Districts. IRWD has maintained a successful program for the issuance of general obligation bonds and certificates of participation on favorable borrowing terms, and IRWD has received AAA public bond ratings. IRWD has approximately \$615.2 million (water) and \$784.8 million (wastewater) of unissued, voter-approved bond authorization. Certificates of participation do not require voter approval. Proceeds of bonds and available capital funds are expected to be sufficient to fund all IRWD facilities for delivery of the supplies under development. Tract-level conveyance facilities are required to be donated to IRWD by the Applicant or its successor(s) at time of development.

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

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

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

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

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

See response to preceding item (3).

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

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

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

Water has been received from all listed sources. A small quantity of Subbasin water is used by Woodbridge Village Association for the purpose of supplying its North and South Lakes. There are no other public water systems or water

service contractholders that receive a water supply from, or have existing water supply entitlements, water rights and water service contracts to, the Irvine Subbasin.

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

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

See Irvine Ranch Water District 2010 UWMP, sections 4-D through 4-J.

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

The Orange County Groundwater Basin ("Basin") is described in the Groundwater Management Plan ("GMP") 2015 Update Final Draft, dated June 17, 2015¹¹. The rights of the producers within the Basin vis a vis one another have not been adjudicated. The Basin is managed by the Orange County Water District (OCWD) for the benefit of municipal, agricultural and private groundwater producers. OCWD is responsible for the protection of water rights to the Santa Ana River in Orange County as well as the management and replenishment of the Basin. Current production from the Basin is approximately 331,000 AFY.

The Department of Water Resources has not identified the Basin as overdrafted in its most current bulletin that characterizes the condition of the Basin, Bulletin 118 (2003). The efforts being undertaken by OCWD to eliminate long-term overdraft in the Basin are described in the OCWD MPR, including in particular, Chapters 4, 5, 6, 14 and 15 of the MPR. In addition to Orange County Water District (OCWD) reports listed in the Assessment Reference List, OCWD has also prepared a Long Term Facilities Plan ("LTFP") which was received by the OCWD Board in July 2009, and was last updated in November 2014. The LTFP Chapter 3 describes the efforts being undertaken by OCWD to eliminate long-term overdraft in the Basin.

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

OCWD has invested over \$250 million in seawater intrusion control (injection barriers), recharge facilities, laboratories, and Basin monitoring to effectively manage the Basin. Consequently, although the Basin is defined to be in an

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

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

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

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

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

(In AFY)

Year (ending 6/30)	DRWF/DATS/ OPA/21-22	Irvine Subbasin (IRWD)	Irvine Subbasin (TIC)	LAWD ¹²
2014	42,424	10,995	0	376
2013	38,617	8,629	0	282
2012	37,059	7,059	0	0
2011	34,275	7,055	0	0
2010	37,151	8,695	0	3
2009	38,140	7,614	0	0
2008	36,741	4,539	0	16
2007	37,864	5,407	0	6
2006	37,046	2,825	0	268
2005	36,316	2,285	628	357

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

2004	30,265	1,938	3,079	101
2003	24,040	2,132	4,234	598
2002	25,855	2,533	5,075	744

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

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

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

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

(In AFY)

Year (ending 6/30)	DRWF ¹³	Future GW ¹⁴	IDP (Potable)	IDP (Nonpotable)
2015	43,300	0	5,640	3,898
2020	43,300	3,469	5,640	3,898
2025	43,300	12,352	5,640	3,898
2035	43,300	12,352	5,640	3,898

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

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

The OCWD MPR and LTFP examined future Basin conditions and capabilities,

¹³ See Potable Supply - Groundwater, paragraph (iii), above. DRWF non-colored production above 28,000 AFY and colored water production above 8,000 AFY are subject to contractually-imposed assessments. In addition, seasonal production amounts apply. This also includes 1,000 AFY for the OPA well and 6,300 for Wells 21&22.

¹⁴ Under development.

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

Production of groundwater can exceed applicable basin production percentages on a short-term basis, providing additional reliability during dry years or emergencies. Additional groundwater production is anticipated by OCWD in the Basin in dry years, as producers reduce their use of imported supplies, and the Basin is "mined" in anticipation of the eventual availability of replenishment water. (OCWD MPR, section 14.6.)

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

Sustainable Groundwater Management Act. Pursuant to the Sustainable Groundwater Management Act (SGMA), the DWR has designated the Orange County groundwater basin as a medium priority basin for purposes of groundwater management. By January 31, 2017, local groundwater producers must establish or designate an entity (referred to as a groundwater sustainability agency, or "GSA"), subject to DWR's approval, to manage each high and medium priority groundwater basin. The SGMA specifically calls for OCWD, which regulates the Orange County groundwater basin, to serve as the GSA for such basin.

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

¹⁵ OCWD has adopted a basin production percentage of 70% for 2015-16. In prior years OCWD has maintained a basin production percentage that is higher than the current percentage, and IRWD anticipates that such reductions may occur from time to time as a temporary measure employed by OCWD to encourage lower pumping levels as OCWD implements other measures to reduce the current accumulated overdraft in the Basin. Any such reductions are not expected to affect any of IRWD's currently available groundwater supplies listed in this assessment, which are subject to a contractually-set equivalent basin production percentage as described, or are exempt from the basin production percentage.

apply:

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

6. References

Water Resources Master Plan, Irvine Ranch Water District, March, 2002 (supplemented January, 2004)

Section 15 of the Rules and Regulations – Water Conservation and Water Supply Shortage Program, Irvine Ranch Water District, February 2009

Water Shortage Contingency Plan, Irvine Ranch Water District, February 2009

2010 Urban Water Management Plan, Irvine Ranch Water District, June, 2011

Integrated Water Resources Plan Update, Metropolitan Water District of Southern California, July, 2004

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

Board Information Report, Metropolitan Water District of Southern California, October 9, 2007

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

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

Regional Urban Water Management Plan, Metropolitan Water District of Southern California, November 2010

Master Plan Report, Orange County Water District, April, 1999

Groundwater Management Plan, Orange County Water District, March, 2004

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

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

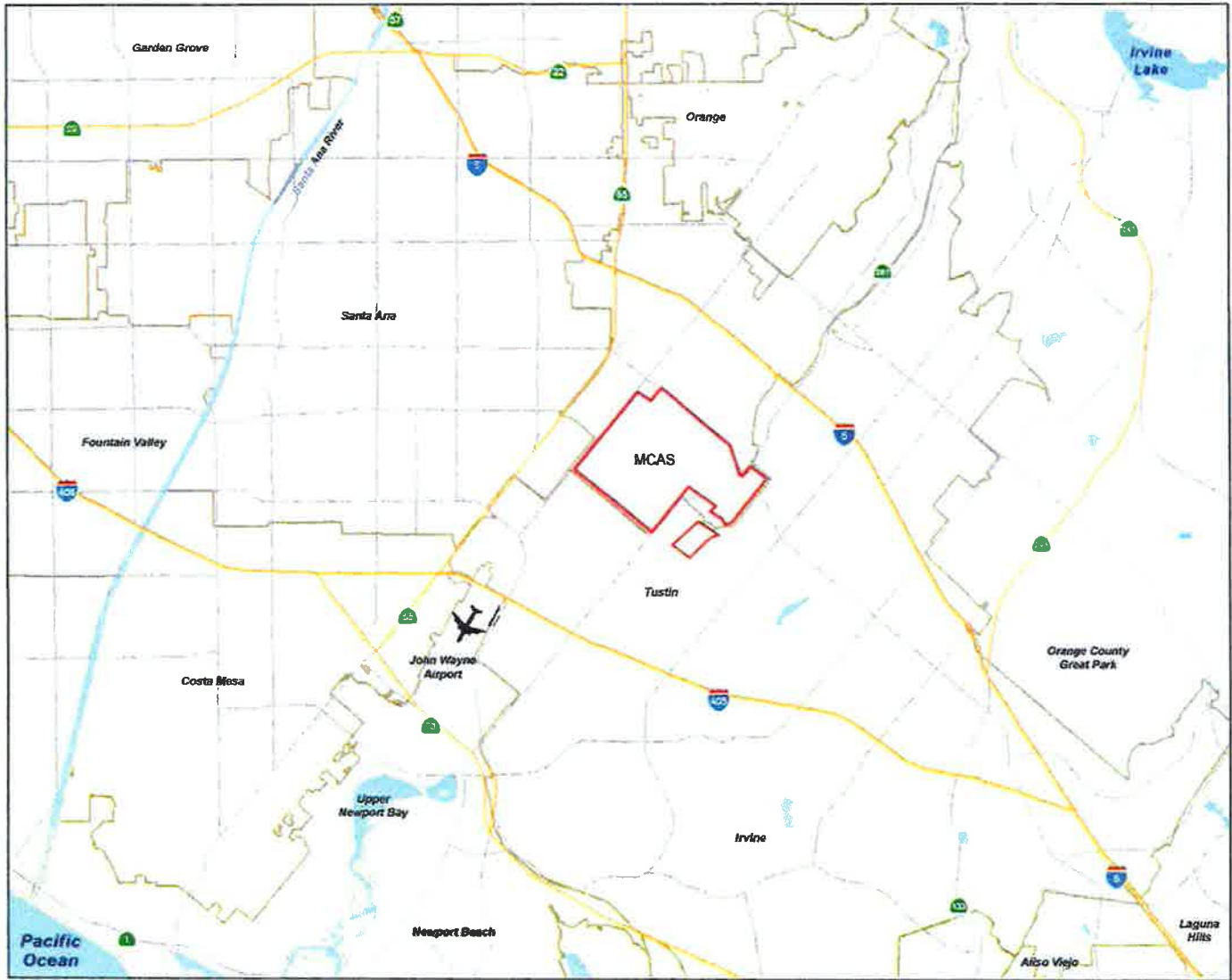
2013-2014 Engineer's Report on Groundwater Conditions, Water Supply and Basin Utilization in

the Orange County Water District, Orange County Water District, February 2015

Progress on Incorporating Climate Change into Management of California's Water Resources, California Department of Water Resources, July 2006

Exhibit A

Depiction of Project Area

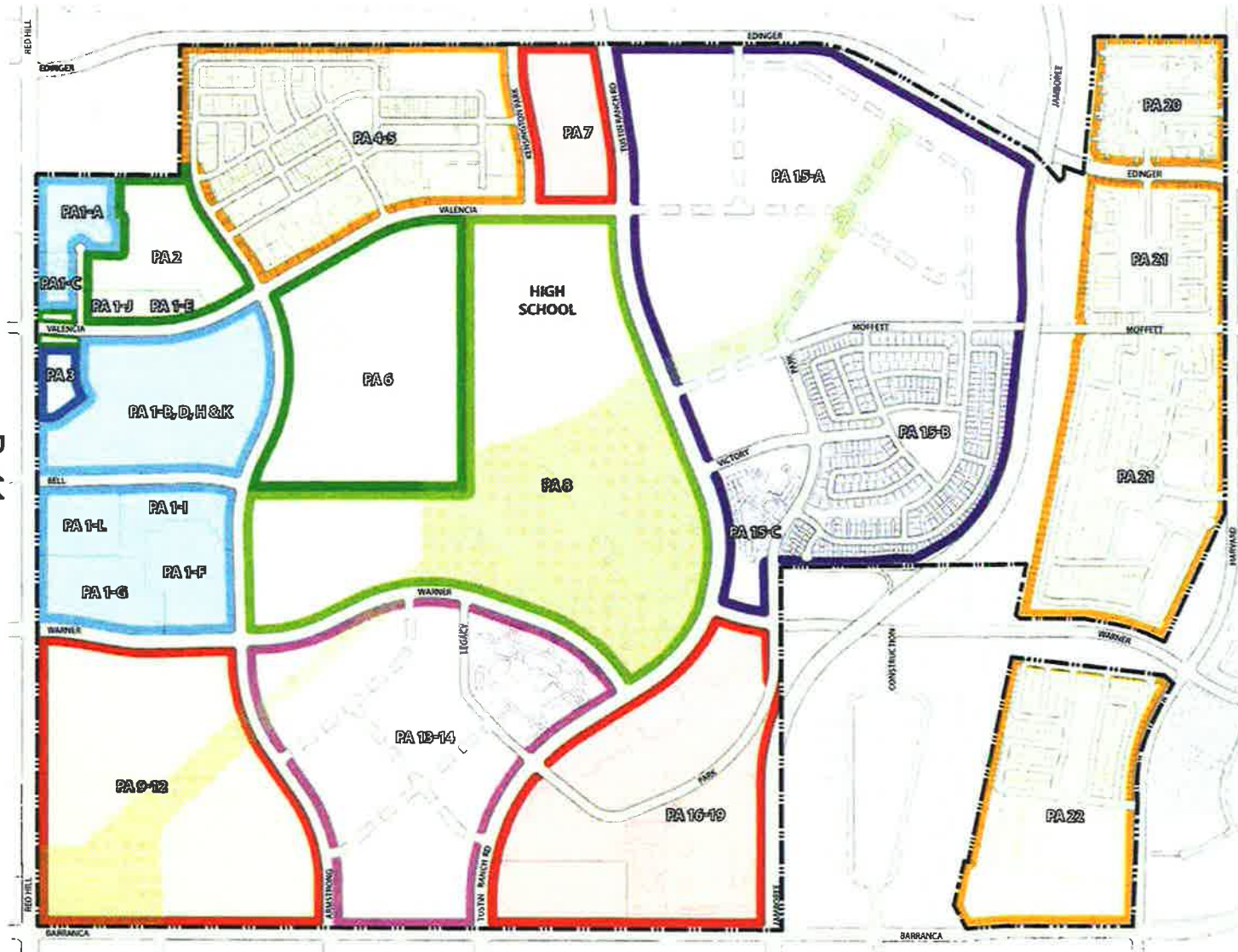


Local Vicinity

MCAS Boundary

CITY OF TUSTIN
TUSTIN LEGACY SPECIFIC PLAN

B-41



3. Project Description
Figure 4

Proposed Land Use Plan

- Project Boundary
- Education Village
- Transitional / Emergency Housing
- Commercial / Business
- Commercial
- Residential
- Park
- Recreation / Entertainment Core
- Mixed-Use Transit
- Mixed-Use Urban
- Right-of-Way
- Linear Park Overlay

CITY OF TUSTIN
TUSTIN LEGACY SPECIFIC PLAN
INITIAL STUDY

TUS-12-1
2/20/2015

0 1,000
Scale (Feet)

PLACEWORKS

Exhibit B

Uses Included in Project

Department of Public Works

Douglas S. Stack, P.E.

Director



April 16, 2015

Ms. Kelly Lew, P.E.
Principal Engineer, Development & Inspection Services
Irvine Ranch Water District
15600 Sand Canyon Avenue
P.O. Box 57000
Irvine, CA 92619-7000

Re: Request for Water Supply Availability Assessment for Tustin Legacy Specific Plan Amendment located in the City of Tustin, California

Dear Ms. Lew,

The City of Tustin hereby requests an assessment of water supply availability for the below-described project in accordance with Water Code §10910 et seq. The City has determined that the project is a "project" as defined in Water Code §10912, and has determined that a supplemental environmental impact report is required for the project.

Proposed Project Information

Project Title: Tustin Legacy Specific Plan Amendment

Location of Project: The Tustin Legacy Specific Plan (former MCAS Tustin) is generally bounded by Red Hill Avenue on the west, Edinger Avenue on the north, Harvard Avenue on the east, and Barranca Parkway on the south. Jamboree Road transects the site.

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

(Enclose maps and exhibits of the project)

Type of Development:

- Residential: No. of dwelling units: 2,212 additional units (7,183 units total)
- Shopping center or business: No. of employees N/A Sq. ft. of floor space Reduction of 1,755,306 square feet (9,532,419 square feet total)
- Commercial office: No. of employees N/A Sq. ft. of floor space N/A
- Hotel or motel: No. of rooms N/A
- Industrial, manufacturing, processing or industrial park:
No. of employees N/A No. of acres N/A Sq. ft. of floor space N/A
- Mixed use (check and complete all above that apply)
- Other: N/A

Plus 370 density bonus units included in total but not previously accounted for

Total acreage of project: 1,606-acre project area includes 1,511 acres in Tustin and approximately 95 acres in Irvine

Acreage devoted to landscape:

greenbelt N/A golf course N/A parks 170 acres
agriculture N/A other landscaped areas N/A

Number of schools: two elementary schools and one high school in TUSD

Number of public facilities: five

Other factors or uses that would affect the quantity of water needed, such as peak flow requirements or potential uses to be added to the project to reduce or mitigate environmental impacts: None

What is the current land use of the area subject to a land use change under the project?

The Tustin Legacy Specific Plan area contains existing residential, commercial, and institutional development and vacant land.


Is the project included in the existing General Plan? Yes

If no, describe the existing General Plan Designation. N/A

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

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

City of Tustin

By: 
Ken Nishikawa,
Deputy Director of Public Works/Engineering


REQUEST RECEIVED: *and approved:*

Date: *April 17, 2015*

By: 
Irvine Ranch Water District

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

City of Tustin

By: 
Ken Nishikawa,
Deputy Director of Public Works/Engineering


REQUEST RECEIVED:


Date: _____

By: _____
Irvine Ranch Water District

July 13, 2015

Prepared by: F. Sanchez

Submitted by: P. Weghorst 

Approved by: Paul Cook 

ACTION CALENDAR

STATEWIDE DROUGHT AND LEVEL TWO WATER SHORTAGE DECLARATION

SUMMARY:

In response to the Governor's 2014 declaration of a statewide drought emergency, the Board declared a Level One Shortage in September 2014 calling for voluntary conservation to reduce demands on water supplies. Since then, the statewide drought situation has continued to worsen, and the Governor issued Executive Order B-2-15 on April 1, 2015, which mandates a 25 percent statewide reduction in urban potable water use from 2013 levels. Subsequent regulatory action by the State Water Resources Control Board (SWRCB) established IRWD's specific potable water use reduction target at 16 percent which equates to the need to save approximately 8,000 acre-feet (AF) of water. In comparison, the District's Water Shortage Contingency Plan (WSCP) defines a Level Two Shortage as a significant shortage between 10 to 25 percent. Legal counsel has prepared a resolution for adoption by the Board to formally declare a Level Two Shortage. Staff recommends that the Board adopt the resolution declaring Water Shortage Level Two (Significant Shortage Condition).

BACKGROUND:

The State of California is in the fourth year of a severe statewide drought. Throughout the state, water storage levels are dropping and saving water has become imperative to extend water reserves in anticipation of another dry winter. In January 2014, the Governor declared a statewide drought emergency and the SWRCB adopted Emergency Drought Regulations in July 2014 in response to worsening conditions.

In accordance with the District's WSCP, which is attached as Exhibit "A", the response to water supply shortages varies depending on the magnitude and nature of the shortfall. In response to the Governor's 2014 emergency drought declaration, in September 2014 the Board declared a Level One Shortage. Level One is a shortage warning and low level shortage condition with supply reductions of up to 10 percent.

Mandates for Potable Use Reductions:

Due to worsening conditions, the Governor issued Executive Order B-2-15 in April 2015 that mandates a 25 percent statewide reduction in urban potable water use from 2013 levels. In May 2015, the SWRCB adopted a regulatory framework that allocates potable water use reductions to urban water suppliers to achieve the statewide mandate. The District's mandated reduction over the period of July 2015 to February 2016 is 16 percent, which equates to approximately 8,000 AF.

Staff anticipates meeting the mandated 16 percent target through increased conservation, outreach and implementation of response measures. A failure to comply with the reduction

could result in an enforcement action by the SWRCB requiring the District to demonstrate to the SWRCB the actions it took in order to meet the mandate, including any drought shortage declaration.

IRWD's 16 percent mandated reduction in potable water use falls within the 10 to 25 percent Level Two shortage defined in the District's WSCP. Level Two response measures include all the of basic measures that are always in effect, the Level One measures, plus the additional actions necessary to meet the Level Two shortage condition. The response measures are described below.

Response Measures in Effect:

The following measures are either permanently in effect in years without shortages or have been already implemented as part of the Level One responses. These prohibitions also comply with the requirements of the SWRCB's Emergency Drought Regulations:

Prohibitions on water waste:

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

Targeting Wasteful Tier Customers:

Staff has increased its ongoing outreach efforts to more aggressively target wasteful tier customers. Customers in the wasteful tier are notified through a variety of methods including mail, email and telephone. The District continues to offer on-site assistance and audits to customers to help identify the source of wasteful tier use and to provide recommendations for reducing water use.

Additional Level Two Response Measures:

Additional Response Measures necessary to meet the Level Two shortage condition are as follows:

- Customers shall reduce potable landscape watering by up to 50 percent;

- Swimming pools shall be filled to a lower level to minimize water loss due to splashing. Discretionary maintenance requiring refilling of swimming pools shall be prohibited. Filling newly constructed pools and refilling pools for required, non-discretionary maintenance are not subject to the ban;
- Commercial conveyor and in-bay car wash systems must reuse water if equipped to do so;
- Recycled water shall be required for construction activities, including earthwork, dust control and clean-up. The District may, at its discretion, waive this requirement if it can be demonstrated to the District's satisfaction that compliance with the requirement imposes undue hardship;
- The use of recycled water is required for street sweeping activities. The District may, at its discretion, waive this requirement if it can be demonstrated to the District's satisfaction that compliance with the requirement imposes undue hardship;
- Common interest associations shall not fine or assess owners of separate interests for reducing or eliminating the watering of vegetation or lawns, unless the association uses only recycled water for irrigation of the association's common areas and recycled water is also available at the irrigated area of the separate interest; and
- The District, by separate action, shall implement demand management measures through adjustments in the allocation-based pricing structure (on June 22, 2015, the Board adopted No. 2015-17 implementing such adjustments).

IRWD's legal counsel has prepared a resolution for adoption by the Board to formally declare a Level Two Shortage. Staff recommends that the Board adopt a resolution declaring Water Shortage Level Two (Significant Shortage Condition).

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on July 2, 2015.

RECOMMENDATION:

That the Board adopt the following resolution by title:

RESOLUTION NO. 2015 -

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT, ORANGE COUNTY,
CALIFORNIA, DECLARING WATER SHORTAGE LEVEL TWO
(SIGNIFICANT SHORTAGE CONDITION).

LIST OF EXHIBITS:

Exhibit "A" – Water Shortage Contingency Plan

Exhibit "B" – Resolution Declaring Water Shortage Level Two (Significant Shortage Condition)

EXHIBIT "A"

WATER SHORTAGE CONTINGENCY PLAN October 2014

PART I: EXECUTIVE SUMMARY

Background

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

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

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

Supply Shortage Conditions

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

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

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

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

Supply Shortage Response Measures

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

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

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

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

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

Imported Water Supply Shortage

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

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

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

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

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

PART II: SHORTAGE RESPONSE STRATEGIES

Basic Measures Always In Effect

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

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

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

Water Supply Shortage Response Measures

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

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

Table 2: Water Conservation Requirements – Acre-Feet:

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

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

Response Measures: Voluntary

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

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

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

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

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

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

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

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

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

Analysis of Usage and Tiers

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

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

Allocation Adjustment Strategies for Demand Management

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

Table 3: Allocation-Based Rates Tier Thresholds

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

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

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

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

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

Enforcement Mechanism:

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

Response Measures: Mandatory

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

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

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

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

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

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

Enforcement Measures

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

PART III: SHORTAGE RESPONSE PLAN

IRWD Water Supply Shortage Levels

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

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

Measures selected would be designed to achieve the following objectives:

Objectives:

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

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

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

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

Objectives:

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

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

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

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

Objectives:

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

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

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

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

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

Objectives:

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

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

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

Appendix A

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

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

EXHIBIT "B"

RESOLUTION NO. 2015- ____

**RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT DECLARING
WATER SHORTAGE LEVEL TWO
(SIGNIFICANT SHORTAGE CONDITION)**

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

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

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

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

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

WHEREAS, on March 17, 2015, the State Water Resources Control Board (SWRCB) revised and readopted its July, 2014 emergency regulations to support water conservation, based on the Governor's January and April 2014 proclamations finding that continuing severe drought conditions require the reduction of water use, and the SWRCB's finding that severe drought conditions are continuing into 2015; and

WHEREAS, in response to the Governor's 2014 proclamations, the Board declared a Level One water shortage condition in September, 2014. Level One is a shortage warning and low level shortage condition with supply reductions of up to 10%; and

WHEREAS, due to worsening conditions, on April 1, 2015, the Governor issued Executive Order B-29-15, requiring the SWRCB to impose restrictions to achieve a statewide 25% reduction in potable urban water usage through February 28, 2016 and

requiring water suppliers to achieve the reductions in proportion to per capita water usage; and

WHEREAS, the SWRCB has issued a regulatory framework tiers for urban water suppliers to achieve an overall 25% use reduction in proportion to suppliers' respective per capita per day uses, specifying categories of use reduction pursuant to which IRWD must achieve a 16% reduction from 2013 levels over the nine-month period June 2015 to February 2016; and

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

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

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

WHEREAS, as contemplated in Section 15 of the Rules and Regulations and the Water Shortage Contingency Plan, the Board has, by separate action through the adoption of Resolution No. 2015-17, implemented demand management measures through adjustments in the allocation-based pricing structure.

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

Section 1. The Board of Directors hereby finds that a significant water shortage condition, involving a 10 – 25% shortage, exists and declares that Level Two shall be in effect as of the adoption hereof.

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

Measures Always In Effect

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

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

Measures To Remain In Effect From Level One

- (a) *Ban on car washing* - No person shall use a hose to wash a motor vehicle, except when the hose is fitted with a shut-off nozzle or device attached to it that causes it to cease dispensing water immediately when not in use
- (b) *Drought messaging* - General conservation efforts including dedicated pages on IRWD's website, information provided in the *Pipelines* customer newsletter, and drought-related presentations to groups such as city council, community associations, chambers of commerce, business groups, and schools.

Additional Measures In Effect In Level Two

- (a) *Ban on discretionary pool-filling* - No person shall drain and re-fill a pool for discretionary maintenance that can be deferred. Filling newly constructed pools and re-filling pools for required, non-discretionary maintenance are not subject to the ban.
- (b) *Survey for leaks* - Each customer shall survey plumbing every two months and eliminate water loss resulting from leaky plumbing fixtures.
- (c) *Showering* - Each person shall restrict showers to five minutes or less; fill the bath tub no more than one-quarter full.
- (d) *Running water* - No person shall run water unnecessarily while shaving, brushing teeth, bathing, preparing food, etc.
- (e) *Washing machines and dishwashers* - Customers shall run only full loads of laundry and dishes.

- (f) *Landscape watering* - Customers shall reduce potable landscape watering by up to 50%.
- (g) *Swimming pools* - Customers shall fill swimming pools to a lower level to minimize water loss due to splashing.
- (h) *Commercial car washes* - Commercial conveyor and in-bay car wash systems must reuse water if equipped to do so, and shall repair and maintain the equipment in a manner that allows for the operation of the reuse system.
- (i) *Construction activities* - The use of recycled water shall be required for construction activities, including earthwork, dust control and clean-up. IRWD may, at its discretion, waive this requirement if it can be demonstrated to IRWD's satisfaction that compliance with the requirement imposes undue hardship.
- (j) *Street sweeping* - The use of recycled water is required for street sweeping activities. IRWD may, at its discretion, waive this requirement if it can be demonstrated to IRWD's satisfaction that compliance with the requirement imposes undue hardship.
- (k) *Common interest developments* - No owner of a separate interest within a common interest development shall be fined or assessed by the association for reducing or eliminating the watering of vegetation or lawns, unless the association uses only recycled water for irrigation of the common interest development's common areas and recycled water distribution facilities are available at the irrigated area of the separate interest.
- (l) *Targeted conservation efforts* - Customers in the wasteful tier will be contacted via letter, telephone, e-mail and other means. On-site assistance/audits will be offered to help identify the source of the over-allocation use and provide recommendations to address the problem.

Section 3. The declaration of water shortage condition Level One, made by this Board of Directors on September 8, 2014, is hereby rescinded and superseded by this declaration.

ADOPTED, SIGNED and APPROVED this ____ day of _____, 2015.

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

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

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

100614

July 13, 2015

Prepared by: F. Sanchez *FS*

Submitted by: P. Weghorst *PW*

Approved by: P. Cook *PC*

ACTION CALENDAR

NEWPORT BAY WATERSHED TOXICS TOTAL MAXIMUM DAILY LOAD PROGRAM COOPERATIVE AGREEMENT D11-066 AMENDMENT NO. 1

SUMMARY:

In 1999, IRWD joined the Newport Bay Watershed Committee to fund ongoing nutrient, fecal coliform and toxics monitoring studies through an agreement that was replaced in 2012. The 2012 agreement had a three-year term. To continue providing funding for an additional three years, staff recommends the Board authorize the General Manager to execute Amendment No. 1 to Agreement No. D11-066 to Fund Nutrient, Fecal Coliform and Toxics Total Maximum Daily Load (TMDL) Programs in the Newport Bay Watershed.

BACKGROUND:

The Newport Bay Watershed Committee was established in 1978 to fund sediment dredging from Newport Bay. The Committee was comprised of the County of Orange and cities in the Newport Bay watershed. Since then, the Committee has expanded its responsibility to address TMDL requirements for the Newport Bay Watershed. In 1999, IRWD joined the Committee to fund ongoing nutrient, fecal coliform and toxics monitoring studies through County Agreement D99-128. In June 2012, the D99-128 agreement was replaced by County Agreement D11-066 which was in effect for a three-year term. This three year agreement is provided as Exhibit "A".

Amendment No. 1 to D11-066, provided as Exhibit "B", would extend the term of the agreement by an additional three years, ending on June 30, 2018. The amendment has been circulated to the 13 parties to the agreement for their approval. Staff recommends that the Board authorize the General Manager to execute Amendment No. 1 subject to non-substantive changes.

FISCAL IMPACTS:

The D11-066 Agreement requires IRWD to provide a 10 percent cost-share to fund the overall Newport Bay Watershed TMDL budget. For FY 2014-15, IRWD's 10 percent cost share was \$112,951. IRWD's FY 2015-16 cost share is expected to remain at less than \$150,000 and funding is included in the FY 2015-16 Operating Budget.

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on July 2, 2015.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE AMENDMENT NO. 1 TO AGREEMENT NO. D11-066 TO FUND NUTRIENT, FECAL COLIFORM AND TOXICS TOTAL MAXIMUM DAILY LOAD (TMDL) PROGRAMS IN THE NEWPORT BAY WATERSHED SUBJECT TO NON-SUBSTANTIVE CHANGES.

LIST OF EXHIBITS:

- Exhibit "A" – Agreement D11-066 to Fund Nutrient, Fecal Coliform and Toxics Total Maximum Daily Load ("TMDL") Programs in the Newport Bay Watershed
- Exhibit "B" – Amendment No. 1 to Agreement No. D11-066

EXHIBIT "A"

Agreement No. D11-066

AGREEMENT TO FUND NUTRIENT, FECAL COLIFORM AND TOXICS TOTAL MAXIMUM DAILY LOAD ("TMDL") PROGRAMS IN THE NEWPORT BAY WATERSHED

THIS AGREEMENT, for purposes of identification numbered D11-066, referred to hereinafter as "AGREEMENT", is made and entered into this 26th day of JUNE, 2012, by and between the County of Orange ("COUNTY"), the Orange County Flood Control District ("DISTRICT"), the City of Costa Mesa ("COSTA MESA"), the City of Irvine ("IRVINE"), the City of Laguna Hills ("LAGUNA HILLS"), the City of Laguna Woods ("LAGUNA WOODS"), the City of Lake Forest ("LAKE FOREST"), the City of Newport Beach ("NEWPORT BEACH"), the City of Orange ("ORANGE"), the City of Santa Ana ("SANTA ANA"), the City of Tustin ("TUSTIN"), the Irvine Ranch Water District ("IRWD") and the Irvine Company ("TIC"), and Lennar Homes of California, Inc. ("LENNAR"). The fourteen entities are hereinafter sometimes jointly referred to as the "PARTIES" and individually as "PARTY." The cities are hereinafter sometimes jointly referred to as the "CITIES." The CITIES, COUNTY and DISTRICT are hereinafter sometimes jointly referred to as the "MUNICIPAL PARTIES." Thirteen entities (all entities except for LENNAR) are sometimes jointly referred to as the "ORIGINAL PARTIES."

WITNESSETH

WHEREAS, the California Regional Water Quality Control Board, Santa Ana Region ("REGIONAL BOARD") has adopted Resolution No. 98-9, as amended by Resolution No. 98-100 amending the Water Quality Control Plan for the Santa Ana River Basin to incorporate a Nutrient TMDL for the Newport Bay/San Diego Creek Watershed on April 17, 1998 and Resolution 99-10 amending the Water Quality Control Plan for the Santa Ana River Basin to incorporate a TMDL for Fecal Coliform in Newport Bay on April 9, 1999 pursuant to the provisions of section 303(d) of the Clean Water Act; and,

WHEREAS, the United States Environmental Protection Agency (USEPA) has established TMDLs for toxic pollutants, for San Diego Creek and Newport Bay, California on June 14, 2002, and the REGIONAL BOARD is developing implementation plans for each of the toxic pollutants; and,

WHEREAS, the adopted TMDLs contain requirements for studies, monitoring, and the development of programs to attain TMDL reduction targets over a multi-year period; and,

WHEREAS, these TMDLs are included in the National Pollutant Discharge Elimination System ("NPDES") Municipal Permit Order No. R8-2009-0030 that require a cooperative watershed program; and,

WHEREAS, the ORIGINAL PARTIES entered into Agreement No. D99-128 on September 18, 2003 and subsequent amendments on July 5, 2006, March 29, 2008 and July 8, 2010 to provide funding for the Nutrient, Fecal Coliform, and Toxics Total Maximum Daily Load (TMDL) studies in the Newport Bay Watershed; and,

WHEREAS, the PARTIES intend this AGREEMENT as a successor to Agreement No. D99-128 to provide for the performance of studies, research, monitoring, development and/or revision of programs related to the adopted TMDLs for nutrients, fecal coliform and toxics and current and future Clean Water Act §303(d) listings, as well as planning, permitting, design, construction, and maintenance of TMDL pilot projects ("PILOT PROJECTS"); and

WHEREAS, the PARTIES have reached agreement on a funding formula which is shown in Exhibit A; and

WHEREAS, in the event that long-term watershed funding is secured prior to AGREEMENT expiration, the PARTIES intend to amend the AGREEMENT to incorporate this funding through revised cost share allocations; and,

WHEREAS, it is recognized that regulatory compliance gained through the activities herein apply to all PARTIES equally, and

WHEREAS, it is recognized that additional compliance efforts may be necessary and the PARTIES may choose to fund projects under separate agreements; and

NOW, THEREFORE, in consideration of the foregoing, the PARTIES agree as follows:

Section 1. PURPOSE. This AGREEMENT is entered into for the purpose of funding and performing program activities related to the adopted TMDLs for nutrients, fecal coliform, and toxics and current and future Clean Water Act §303(d) listings in the Newport Bay Watershed.

Section 2. TERM. The term of this AGREEMENT shall commence upon approval and execution of this AGREEMENT by all PARTIES or July 1, 2012, whichever is later, and shall continue until June 30, 2015. The AGREEMENT may be renewed for an additional three (3) year term running July 1, 2015 to June 30, 2018 with approval of the PARTIES.

Section 3. PROGRAM WORK PLAN. The COUNTY shall work in concert with all PARTIES to develop a work plan for the following fiscal year. The work plan for the upcoming fiscal year shall be submitted to each of the PARTIES by December 15 of each year. The work plan may designate a PARTY as a lead other than the COUNTY for a work plan task(s).

Section 4. BUDGET AND COSTS. The COUNTY shall work in concert with all the PARTIES to develop a budget for the following fiscal year. Budgeted amounts for PILOT PROJECT(S) shall not exceed \$200,000 for all pilot projects in any one fiscal year. The budget for the upcoming fiscal year shall be submitted to each of the PARTIES by December 15 of each year. The budget shall contain an explanation of any recommended program changes, an estimate of all planned expenditures and an estimate of the payment required from each PARTY for the following fiscal year.

The COUNTY shall be entitled to charge to the program all costs for direct labor, materials, equipment, and outside contract services for costs associated with carrying out the approved scope of work. Recoverable costs will also include an overhead charge.

Section 5. WORK PLAN TASK LEAD REIMBURSEMENT. If a PARTY is designated as a task lead, upon written authorization from COUNTY, the PARTY shall invoice the COUNTY for authorized expenses up to the approved budget amount for the work plan task.

Section 6. APPROVALS AND ADJUSTMENTS. The PARTIES shall be permitted to review and approve the budget and program work plan for the forthcoming year, review work products, and provide direction for performance of the work plan. The PARTIES shall be notified of the intent to issue

contracts to perform the program work plan, shall be permitted to participate in the preparation and review of the scope of work for such contracts, and to serve on the committee evaluating consultant qualifications/proposals subject to the requirements of the County of Orange Contract Policy Manual. Criterion for approval of the work plan and budget shall be affirmative responses from PARTIES representing ninety percent (90%) of the Cost Share Percentage in Exhibit A and 12 of the 13 PARTIES. The COUNTY and DISTRICT will constitute one approving PARTY. Any PARTY not providing a response by July 15 of each year shall be considered as rendering an affirmative response.

Criterion for approval of adjustments to scopes of work shall be the same as for the approval of the work plan and budget.

Section 7. FUNDING COST SHARE ALLOCATIONS. Exhibit A, which is attached to this AGREEMENT and by this reference is made a part hereof, presents the funding formula and the fiscal year 2012-13 cost share percentages for the PARTIES. Land area calculations will be reviewed and revised as needed. A request for information documenting changes in land area will be made to the PARTIES each year by November 1.

Section 8. PAYMENTS. The COUNTY shall invoice each PARTY for its annual deposit at the beginning of each fiscal year. Each PARTY shall pay the deposit within 45 calendar days of the date of the invoice. Each PARTY'S deposit shall be based on its prorated share of the approved annual budget, reduced by the sum of (a) its prorated share of any surplus identified in the prior fiscal year end accounting, and (b) its prorated share of any funding provided for programs in the approved budget from entities not party to this AGREEMENT.

Interest earned on the PARTIES' deposits will not be paid to the PARTIES, but will be credited against the PARTIES' share of the program costs.

The COUNTY shall notify each of the PARTIES if it appears that costs may exceed the budget approved by the PARTIES in any fiscal year. The COUNTY shall prepare a fiscal year end accounting within 60 calendar days of the end of the fiscal year. If the fiscal year end accounting results in costs (net of interest earnings) exceeding the sum of the deposits, and the COUNTY has notified and obtained

approval from the PARTIES of potential cost overruns, the COUNTY shall seek approval of the excess cost from the PARTIES in the form of a revised budget and, upon approval, shall invoice each PARTY for its prorated share of the excess cost up to the amount of the revised approved budget. Each PARTY shall pay the billing within 45 calendar days of the date of the invoice. If the fiscal year end accounting results in the sum of the deposits exceeding costs (net of interest earnings), the excess deposits will carry forward to reduce the billings for the following year. The fiscal year end accounting results and associated invoices for each PARTY will take into consideration any outside funding provided for programs in the approved budget from entities not party to this AGREEMENT.

Upon termination of the program, a final accounting shall be performed by the COUNTY. If costs remaining after the deduction of interest costs exceed the sum of the deposits, the COUNTY shall invoice each PARTY for its prorated share of the deficit. Each PARTY shall pay the invoice within 45 calendar days of the date of the invoice. If the sum of the deposits, including interest, exceeds the costs, the COUNTY shall reimburse to each PARTY its prorated share of the excess, within 45 calendar days of the final accounting.

Section 9. ADDITIONAL PARTIES. It is recognized that there may be other parties who wish to participate in and provide funding for the activities described in this AGREEMENT. Nothing in this AGREEMENT is intended to preclude additional participants being added by written amendment as parties to this AGREEMENT pursuant to Section 10. Cost allocations for the additional parties and PARTIES will be revised based on the funding formula in Exhibit A.

Section 10. AMENDMENT. This AGREEMENT may be amended in writing only with the unanimous written approval of the parties.

Section 11. LIABILITY. It is mutually understood and agreed that, merely by the virtue of entering into this AGREEMENT, each PARTY neither relinquishes any rights nor assumes any liabilities for its own actions or the actions of other PARTIES. It is the intent of the PARTIES that the rights and liabilities of each Party shall remain the same, while this AGREEMENT is in force, as it was before this AGREEMENT was made, except as otherwise specifically provided in this agreement.

Section 12. TERMINATION. Any PARTY wishing to terminate its participation in this AGREEMENT shall so notify all other PARTIES in writing by March 1 of any year. Such termination shall be effective the following June 30. The terminating PARTY shall be responsible for financial obligations hereunder to the extent incurred in accordance with this agreement by the PARTY prior to the effective date of termination. The balance of the PARTIES may continue in the performance of the terms and conditions of this AGREEMENT on the basis of a revised allocation of cost based on the funding formula in Exhibit A.

Section 13. AVAILABILITY OF FUNDS. The obligation of each PARTY is subject to the availability of funds appropriated for this purpose, and nothing herein shall be construed as obligating the PARTIES to expend or as involving the PARTIES in any contract or other obligation for the future payment of money in excess of appropriations authorized by law.

Section 14. NO THIRD PARTY BENEFICIARIES. Nothing expressed or mentioned in this AGREEMENT is intended or shall be construed to give any person, other than the PARTIES hereto and any entity in which a PARTY has a legal interest (such as, but not limited to, a limited liability membership interest or a partnership interest), and any permitted successors or assigns of a PARTY, any legal or equitable right, remedy or claim under or in respect of this AGREEMENT or any provisions herein contained. This AGREEMENT and any conditions and provisions hereof is intended to be and is for the sole and exclusive benefit of the PARTIES and the entities in which they have a legal interest and their successors or assigns and for the benefit of no other person, agency or entity.

Section 15. REFERENCE TO CALENDAR DAYS. Any reference to the word "day" or "days" herein shall mean calendar day or calendar days, respectively, unless otherwise expressly provided.

Section 16. ATTORNEYS FEES. In any action or proceeding brought to enforce or interpret any provision of this AGREEMENT, or where any provision hereof is asserted as a defense, each PARTY shall bear its own attorneys' fees and costs.

Section 17. ENTIRE AGREEMENT. This AGREEMENT is intended by the PARTIES as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement

and understanding of the PARTIES hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein. This AGREEMENT supersedes all prior agreements and understandings between the PARTIES with respect to such matter.

Section 18. SEVERABILITY. If any part of this AGREEMENT is held, determined or adjudicated to be illegal, void, or unenforceable by a court of competent jurisdiction, the remainder of this AGREEMENT shall be given effect to the fullest extent reasonably possible.

Section 19. SUCCESSORS AND ASSIGNS. The terms and provisions of this AGREEMENT shall be binding upon and inure to the benefit of the PARTIES hereto and their successors and assigns.

Section 20. NOTICES. All notices required or desired to be given under this AGREEMENT shall be in writing and (a) delivered personally, or (b) sent by certified mail, return receipt requested or (c) sent by electronic mail followed by a mailed copy, to the addresses specified below, provided each PARTY may change the address for notices by giving the other PARTIES at least ten (10) days written notice of the new address. Notices shall be deemed received when actually received in the office of the addressee or when delivery is refused, as shown on the receipt of the U.S. Postal service, or other person making the delivery, except that notices sent by electronic mail shall be deemed received on the first business day following transmission.

Director of Public Services
City of Costa Mesa
P.O. Box 1200
Costa Mesa, CA 92628-1200
Facsimile: (714) 754-5028

Director of Community Development
City of Irvine
P.O. Box 19578
Irvine, CA 92623-9578
Facsimile: (949) 724-6440

Director of Public Services
City of Laguna Hills
24035 El Toro Road
Laguna Hills, CA 92653
Facsimile: (949) 707-2633

Director of Community Development
City of Laguna Woods
24264 El Toro Road
Laguna Woods CA 92637
Facsimile: (949) 639-0591

Director of Public Works
City of Lake Forest
25550 Commercentre Dr. Suite 100
Lake Forest, CA 92630
Facsimile: (949) 461-3511

Director of Public Works
City of Newport Beach
3300 Newport Blvd.
Newport Beach, CA 92658
Facsimile: (949) 718-1840

Director of Public Works
City of Orange
300 E. Chapman Ave
Orange, CA 92866
Facsimile: (714) 744-5573

Director of Public Works
City of Santa Ana
101 W. 4th St.
Santa Ana, CA 92701
Facsimile: (714) 647-5635

Director of Public Works
City of Tustin
300 Centennial Way
Tustin, CA 92780
Facsimile: (714) 734-8991

Director, OC Public Works
County of Orange
300 N. Flower Street
Santa Ana, CA 92702-4048
Facsimile: (714) 834-2395

Director, Water Quality
Irvine Ranch Water District
3512 Michelson Drive
Irvine, CA 92712
Facsimile: (949) 453-1228

Vice President of Environmental Affairs
The Irvine Company
550 Newport Center

Newport Beach, CA 92658-8904
Facsimile: (949) 720-2448

Vice President of Community Development
Lennar
25 Enterprise, Ste 300
Aliso Viejo, CA 92656
Facsimile: (949) 349-0394

Section 21. EXECUTION OF AGREEMENT. This AGREEMENT may be executed in counterpart and the signed counterparts shall constitute a single instrument.

Section 22. GOVERNING LAW AND VENUE. This AGREEMENT has been negotiated and executed in the State of California and shall be governed by and construed under the laws of the State of California. In the event of any legal action to enforce or interpret this AGREEMENT, the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California, and the PARTIES hereto agree to and do hereby submit to the jurisdiction of such court, notwithstanding Code of Civil Procedure section 394. Furthermore, the PARTIES have specifically agreed, as part of the consideration given and received for entering into this AGREEMENT, to waive any and all rights to request that an action be transferred for trial to another county under Code of Civil Procedure Section 394 or any other provision of law.

IN WITNESS WHEREOF, the PARTIES hereto have executed this AGREEMENT the day and year first above written:

COUNTY OF ORANGE,
a political subdivision of the State of
California

Date: 6-26-12

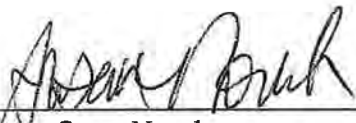
By: 
Chairman of the Board of Supervisors

ORANGE COUNTY FLOOD CONTROL DISTRICT
a body corporate and politic

By: 
Chairman of the Board of Supervisors

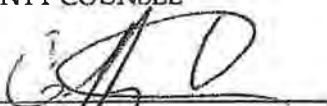
SIGNED AND CERTIFIED THAT A COPY OF THIS
AGREEMENT HAS BEEN DELIVERED TO THE
CHAIR OF THE BOARD.

Date: 6-26-12

By: 
Susan Novak
Clerk of the Board of Supervisors of
Orange County, California



APPROVED AS TO FORM
COUNTY COUNSEL

By: 
Deputy

Date: 5/22/2012

CITY OF COSTA MESA


Date: 7-20-12

By: 
Mayor

APPROVED AS TO FORM:

ATTEST:

Brenda Green
City Clerk


City Attorney of Costa Mesa

CITY OF IRVINE

Date: 7-3-12

By: 
Mayor

APPROVED AS TO FORM:

ATTEST:


City Clerk


City Attorney of Irvine

CITY OF LAGUNA HILLS

Date: June 12, 2012

By: Melody Carruth
Melody Carruth
Mayor

APPROVED AS TO FORM:

ATTEST:

Peggy J. Johns
Peggy J. Johns
City Clerk

Gregory E. Simonian
Gregory E. Simonian
City Attorney of Laguna Hills

CITY OF LAGUNA WOODS

Date: 6-18-12

By: Cynthia S. Connors
Cynthia S. Connors, Mayor

APPROVED AS TO FORM:

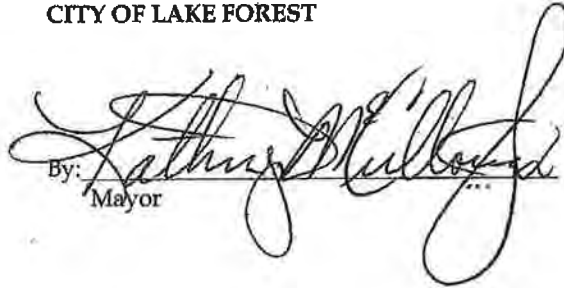
ATTEST:

Yolie Trippy
Yolie Trippy, Deputy City Clerk

David B. Cosgrove
David B. Cosgrove, City Attorney of Laguna Woods

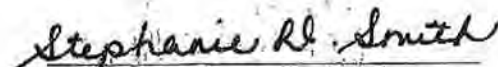
CITY OF LAKE FOREST

Date: 6-19-2012

By: 
Mayor

APPROVED AS TO FORM:

ATTEST:


City Clerk


City Attorney of Lake Forest

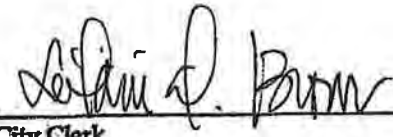
CITY OF NEWPORT BEACH

Date: 7/26/12

By: 
Mayor

APPROVED AS TO FORM:

ATTEST:


City Clerk


City Attorney of Newport Beach



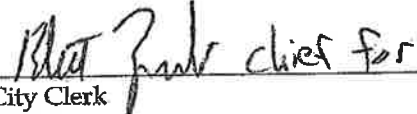
CITY OF ORANGE

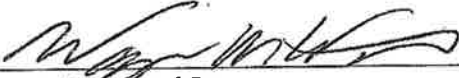
Date: 7-3-12

By: 
Mayor

APPROVED AS TO FORM:


ATTEST:


City Clerk



City Attorney of Orange

CITY OF SANTA ANA

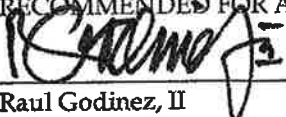
Date: JUL 18 2012

By: 
Paul M. Walters
City Manager

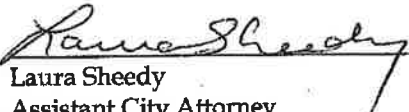
ATTEST:


Maria D. Huizar
Clerk of the Council

RECOMMENDED FOR APPROVAL:

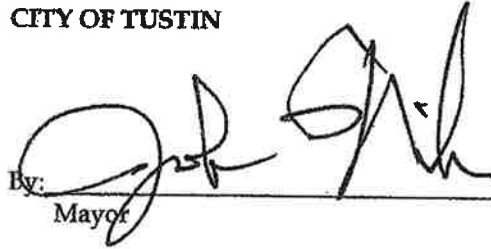

Raul Godinez, II
Executive Director - PWA

APPROVED AS TO FORM:


Laura Sheedy
Assistant City Attorney

CITY OF TUSTIN

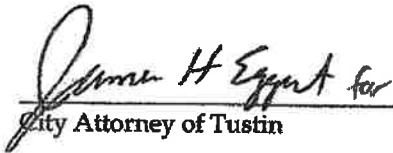
Date: 7-17-12

By: 
Mayor

APPROVED AS TO FORM:

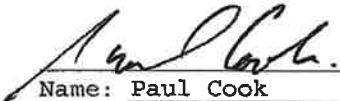
ATTEST:


City Clerk


City Attorney of Tustin


IRVINE RANCH WATER DISTRICT

Date: 26 Jun 2012

By: 
Name: Paul Cook
Title: General Manager

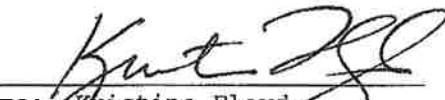
APPROVED AS TO FORM:

Date: 6-20-12


By: 
Legal Counsel - IRWD

THE IRVINE COMPANY

Date: 6/15/12

By: 
Name: Kristine Floyd
Title: Vice President and
Associate General Counsel

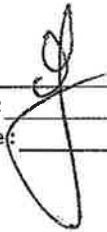
Date: 6/15/12

By: 
Name: Paul P. Hernandez
Title: Vice President
Government Relations

Lennar Homes of California, Inc.
A California corporation

Date: 6-6-12

By:


Name: John Baayoun
Title: Vice President

**EXHIBIT A
FUNDING FORMULA AND FISCAL 2012-13 COST SHARE PERCENTAGES**

JURISDICTION	TOTAL SQUARE MILES ¹	SQ. MILES WITHIN WATERSHED ¹	NET LAND AREA ²	PERCENTAGE OF CITY LAND AREA IN WATERSHED ³	TOTAL POPULATION ⁴	ESTIMATED POPULATION IN WATERSHED ⁵	WEIGHTED LAND AREA & POPULATION SHARE ⁶	WEIGHTED NET LAND AREA SHARE ⁷	FISCAL YEAR 2012-13 COST SHARE PERCENTAGES ⁸
Costa Mesa	15.83	7.65	7.54	48.33	110,146	53,229	2.22	2.06	4.28
County of Orange	175.23	16.68	14.25	9.52	121,488	11,564	3.16	3.89	7.05
Irvine	65.98	65.80	50.82	99.73	219,156	218,558	12.58	13.89	26.46
Laguna Hills	6.64	1.18	1.16	17.77	30,410	5,404	0.27	0.32	0.59
Laguna Woods	3.31	1.88	1.88	56.80	16,224	9,215	0.45	0.51	0.96
Lake Forest	16.78	11.58	9.18	69.01	77,490	53,476	2.68	2.51	5.19
Newport Beach	24.74	17.63	14.58	71.26	85,376	60,840	3.56	3.98	7.55
Orange	25.78	1.88	1.73	7.29	136,995	9,990	0.47	0.47	0.94
Santa Ana	27.35	16.40	16.17	59.96	325,228	195,018	6.35	4.42	10.77
Tustin	11.14	11.14	10.49	100.00	75,781	75,781	3.19	2.87	6.06
OCFC District	---	---	---	---	---	---	---	---	10.00
IRWD	---	---	---	---	---	---	---	---	10.00
Irvine Co.	---	---	---	---	---	---	---	---	10.00
Lennar	---	---	---	---	---	---	---	---	0.15
	355.49	151.82	127.80	---	1,198,294	693,076	34.925	34.925	100.00

A-23

¹ Source: OC Public Works, OC Survey Section May 2011

² NET LAND AREA = Square miles within Watershed-Extractions for NPDES, Federal, State, County, IRWD, Irvine Company and Lennar

³ PERCENTAGE OF CITY LAND AREA IN WATERSHED = Square miles within Watershed/Total Square Miles * 100

⁴ Source: State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State with Annual Percentage Change (May 2011 as updated)

⁵ ESTIMATED POPULATION IN WATERSHED = Total Population * Percentage of City Land Area in Watershed/100

⁶ WEIGHTED LAND AREA & POPULATION SHARE = ((Square Miles within Watershed/Total Square Miles of Watershed)*0.5) + ((Estimated Population in Watershed/Total Estimated Population in Watershed)*0.5) x 34.925

⁷ WEIGHTED NET LAND AREA SHARE = Net Land Area/Total Net Land Area * 34.925

⁸ COST SHARE PERCENTAGE = Weighted Land Area & Population Share + Weighted Net Land Area Share

EXHIBIT "B"

Amendment #1 to Agreement No. D11-066

FIRST AMENDMENT TO AGREEMENT TO FUND NUTRIENT, FECAL COLIFORM AND TOXICS TOTAL MAXIMUM DAILY LOAD ("TMDL") PROGRAMS IN THE NEWPORT BAY WATERSHED

This first amendment ("Amendment") to the Agreement No. D11-066 ("Agreement") is made and entered into this ____ day of _____, 2015 by and between the County of Orange ("County"), the Orange County Flood Control District ("District"), the City of Costa Mesa ("Costa Mesa"), the City of Irvine ("Irvine"), the City of Laguna Hills ("Laguna Hills"), the City of Laguna Woods ("Laguna Woods"), the City of Lake Forest ("Lake Forest"), the City of Newport Beach ("Newport Beach"), the City of Orange ("Orange"), the City of Santa Ana ("Santa Ana"), the City of Tustin ("Tustin"), the Irvine Ranch Water District ("IRWD"), Irvine Company ("TIC"), and Lennar Homes of California, Inc. ("Lennar"). The fourteen entities are sometimes referred to individually as "Party" or collectively as the "Parties".

RECITALS

WHEREAS, the Parties entered into the Agreement on June 26, 2012 for a three year period through June 30, 2015 to provide funding for the Nutrient, Fecal Coliform and Toxics TMDL programs in the Newport Bay Watershed;

WHEREAS, Section 2 of the Agreement states that "(T)he AGREEMENT may be renewed for an additional three (3) years running July 1, 2015 to June 30, 2018 with approval of the PARTIES"; and

WHEREAS, the Parties, through this Amendment, now desire to renew the Agreement for three (3) additional years until June 30, 2018.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. Term. The term of Agreement shall be renewed for a period of three (3) years running July 1, 2015 to June 30, 2018.
2. Capitalized Terms. Any capitalized terms not defined herein shall have the meanings set forth in the Agreement.

Amendment #1 to Agreement No. D11-066

3. Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

4. Full Force. Except as expressly set forth herein, the Agreement shall remain unmodified and in full force and effect.

Amendment #1 to Agreement No. D11-066

COUNTY OF ORANGE,
a political subdivision of the State of
California

Date: _____

By _____

Chairman of the Board of Supervisors
County of Orange, California

ORANGE COUNTY FLOOD CONTROL DISTRICT
a body corporate and politic

By: _____
Chairman of the Board of Supervisors

SIGNED AND CERTIFIED THAT A COPY OF THIS
AGREEMENT HAS BEEN DELIVERED TO THE
CHAIR OF THE BOARD PER G.C. Sec 25103, Reso 79-
1535

Attest:

Date: _____

By _____

Robin Stieler
Interim Clerk of the Board
County of Orange, California

APPROVED AS TO FORM
COUNTY COUNSEL

By _____
Deputy

Date: _____

Amendment #1 to Agreement No. D11-066

CITY OF COSTA MESA

Date: _____

By: _____
Mayor

APPROVED AS TO FORM:

ATTEST:

City Clerk

City Attorney of Costa Mesa

CITY OF IRVINE

Date: _____

By: _____
Mayor

APPROVED AS TO FORM:

ATTEST:

City Clerk

City Attorney of Irvine

CITY OF LAGUNA HILLS

Date: _____

By: _____
Mayor

APPROVED AS TO FORM:

ATTEST:

City Clerk

City Attorney of Laguna Hills

CITY OF LAGUNA WOODS

Date: _____

By: _____
Mayor

APPROVED AS TO FORM:

ATTEST:

City Clerk

City Attorney of Laguna Woods

CITY OF LAKE FOREST

Date: _____

By: _____
Mayor

APPROVED AS TO FORM:

ATTEST:

City Clerk

City Attorney of Lake Forest

Amendment #1 to Agreement No. D11-066

CITY OF NEWPORT BEACH

Date: _____

By: _____
Mayor

APPROVED AS TO FORM:

ATTEST:

City Clerk

City Attorney of Newport Beach

CITY OF ORANGE

Date: _____

By: _____
Mayor

APPROVED AS TO FORM:

ATTEST:

City Clerk

City Attorney of Orange

CITY OF SANTA ANA

Date: _____

By: _____
Mayor

APPROVED AS TO FORM:

ATTEST:

City Clerk

City Attorney of Santa Ana

CITY OF TUSTIN

Date: _____

By: _____
Mayor

APPROVED AS TO FORM:

ATTEST:

City Clerk

City Attorney of Tustin

THE IRVINE RANCH WATER DISTRICT

Date: _____

By: _____

Name: Paul Cook

Title: General Manager

APPROVED AS TO FORM:

Date: 6/27/15

By: _____

Name: Joan C. Arneson

Title: Legal Counsel, IRWD

IRVINE COMPANY

Amendment #1 to Agreement No. D11-066

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Amendment #1 to Agreement No. D11-066

Lennar Homes of California,

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

July 13, 2015

Submitted by: P. Weghorst

Approved by: Paul Cook 

ACTION CALENDAR

UPDATE TO IRWD GROUNDWATER MANAGEMENT POLICY PRINCIPLES

SUMMARY:

The Sustainable Groundwater Management Act (SGMA), which was signed into law in 2014, created a framework for sustainable and local management of the state's groundwater resources. Legislation is currently pending that will seek to streamline groundwater adjudications and to establish how these processes would intersect with SGMA. The development of this legislation is in the advanced stages and on a fast track. The legislation currently includes language that could have an impact on IRWD's groundwater banking interests in Kern County. Staff recommends that the Board:

- Adopt the updated policy principles, as revised with input from the Board, and
- Authorize staff to engage in discussions with the authors of groundwater adjudication-related legislation to protect IRWD's interests consistent with the updated policy principles.

BACKGROUND:

In September 2014, Governor Brown signed three bills into law which comprise SGMA. This package of bills created a framework for sustainable and local management of the state's groundwater resources. Prior to SGMA, disputes over the use of groundwater were resolved through groundwater adjudications which are usually tried in County Superior Court. Legislation is currently pending that will seek to streamline adjudications, make the process more cost effective and establish how such litigation would intersect with SGMA. This legislation could result in a streamlined adjudication that could impact IRWD's groundwater banking interests in Kern County.

Based on IRWD's standing in the water industry, the opinion of the District is often solicited on issues of vital interest to the water resources community. To assist in the District's advocacy efforts on groundwater adjudication and management issues, staff has prepared a proposed update to the IRWD Groundwater Management Policy Principles paper. The draft policy paper is attached as Exhibit "A".

Staff recommends that the Board provide input on the updated policy principles adopt the attached policy principles, as revised, based on input provided by the Board at the meeting.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

None.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on July 2, 2015.

RECOMMENDATION:

THAT THE BOARD ADOPT THE UPDATED GROUNDWATER MANAGEMENT POLICY PRINCIPLES, AS REVISED, BASED ON INPUT FROM THE BOARD, AND AUTHORIZE STAFF TO ENGAGE IN DISCUSSIONS WITH THE AUTHORS OF GROUNDWATER ADJUDICATION-RELATED LEGISLATION TO PROTECT IRWD'S INTERESTS CONSISTENT WITH THE UPDATED POLICY PRINCIPLES.

LIST OF EXHIBITS:

Exhibit "A" – Proposed Update to IRWD Groundwater Management Policy Principles

EXHIBIT "A"

DRAFT

IRWD GROUNDWATER MANAGEMENT POLICY PRINCIPLES

JULY 2, 2015

ISSUE SUMMARY:

The loss of reliable deliveries from the State Water Project and the Central Valley Project, as a result of environmental restrictions and the drought, are driving an increased dependence on local groundwater within California, particularly in the Central Valley. This increased dependence has resulted in significant depletions of groundwater supplies and historically low water levels, creating problems with meeting demands for water, land subsidence, reduced streamflows, degradation of water quality and impacts to fish and wildlife resources.

While many groundwater basins in the state are managed by local and regional agencies, many others have no management structure or plans in place. This has left some regions faced with tackling the complex social and economic issues associated with conflicts between overlying rights to extract groundwater and the finite groundwater resources that are available.

In September 2014, Governor Brown signed three bills into law which comprise the Sustainable Groundwater Management Act (SGMA). This package of bills creates a framework for sustainable and local groundwater management of the State's groundwater resources. SGMA requires the formation of a Groundwater Sustainability Agency (GSA) and the development of a Groundwater Sustainability Plan (GSP) for each groundwater basin that is designated by the State as high and medium priority. SGMA does not provide for establishing rights and priorities to the use of groundwater. Legislation is currently pending that would streamline adjudication processes for establishing rights and priorities to the use of groundwater.

BACKGROUND:

SGMA lays out a process and a timeline for local authorities to achieve sustainable management of high and medium priority groundwater basins. It also provides tools, authorities and deadlines to take the necessary steps to achieve sustainable management. The identification of high and medium priority groundwater basins and sub-basins is published in the California Department of Water Resources (DWR) Bulletin 118 titled *California's Groundwater*. This document was updated in 2003 and presents the results of groundwater basin evaluations and defines the boundaries of California's 515 alluvial groundwater basins.

The formation of a GSA and the implementation of the requirements of SGMA can be expected to take numerous years to accomplish. Local entities must form a GSA within two years and a GSP must be adopted within five years. Once a plan is in place, the GSA has 20 years to fully implement the plan and to achieve its sustainability goals. The State Water Resources Control Board (SWRCB) may intervene if local entities do not form a GSA or fail to adopt and implement a GSP.

Prior to SGMA, disputes over the use of groundwater were resolved through groundwater adjudications which are usually tried in County Superior Court. Legislation is currently pending

Draft IRWD Groundwater Management Policy Principles
July 2, 2015

that will seek to streamline adjudications, make the process more cost effective and establish how such litigation would intersect with SGMA. This legislation could result in a streamlined adjudication that would affect IRWD's groundwater banking interests in Kern County.

In the state of California, each land owner in a groundwater basin that has not been adjudicated has an overlying right to extract groundwater and to put it to beneficial use. In these situations no discretionary governmental permission is required to produce groundwater. The extraction of groundwater based on these rights results in significant economic benefits to land owners, the local communities and to the state. The rights of land owners to initiate an adjudication to establish groundwater rights and priorities to the use of groundwater should be preserved.

As a leader in state and federal water resources public policy and governance, Irvine Ranch Water District (IRWD) has worked to promote policy initiatives that allow the District, along with other water purveyors in California, to enhance the quality and reliability of water supplies throughout the state. As a means of providing input into the legislative discussions surrounding the streamlining of groundwater adjudications and the implementation of SGMA, and in order to guide the District's advocacy efforts related to these discussions, the following policy principles have been adopted by the IRWD Board of Directors.

POLICY PRINCIPLES:

- Legislation should not interfere with the ability of land owners to establish through groundwater adjudications their rights and priorities to use groundwater;
- The right to file a complaint initiating an adjudication to establish and define water rights and their associated priorities should exist independent of the requirements of SGMA;
- Flexibility needs to be provided for in the adjudication process to allow for the adjudication of a portion of a basin or sub-basin, as defined in Bulletin 118, where a clear sub-area boundary can be determined and where hydrogeologic studies indicate that the area can be independently managed;
- Any complaint in a groundwater adjudication action should name as defendants all landowners with active groundwater wells as documented in existing county permit records; all operators of public water systems that use groundwater from the basin as a supply source; and all entities facilitating the management or replenishment of groundwater resources;
- Any landowner, person or entity that has an interest in the area of adjudication should be allowed to intervene in an adjudication;
- The process of adjudication should be fair to all parties and not unfairly empower parties that represent the majority of the pumping in the area of adjudication;
- A GSA should manage a basin pursuant to SGMA consistent with the rights, priorities and physical solutions resulting from a groundwater basin adjudication;
- In the implementation of SGMA, GSA's should not take actions that hinder or place burdens on agencies already providing positive benefits to the groundwater basin and its effective management;

Draft IRWD Groundwater Management Policy Principles
July 2, 2015

- In the development of GSPs, the recharge of water and use of unused storage capacity in areas that are currently unmanaged should be encouraged;
- GSPs should ensure that stormwater capture and recharge are maximized to the extent possible taking into consideration existing rights and priorities to the use of water and water quality considerations;
- Actions should be taken that facilitate exchanges of water through consolidated places of use. Such actions would support GSPs by providing water banking storage capabilities to entities with excess water during wet periods. This additional storage would regulate supplies for use during dry years and would reduce dependency on mining of groundwater;
- DWR should provide examples of locally controlled governance structures that have been successful in the management of groundwater resources that local entities can consider in the formation of GSAs. Examples of successful adjudications and management methods should be provided and best practices should be published;
- Incentives should be provided to encourage local and regional management of groundwater basins in the form of grant funding for establishing monitoring well networks, modeling tools and other actions that will facilitate the implementation of GSPs; and
- The State should be an active participant in establishing a funding source for cleanup of contaminated groundwater sites in high and medium priority basins where responsible parties are unavailable, unable or unwilling to pay for cleanup.