

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

October 13, 2014

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. 2014-46

Items 3-14

3. MINUTES OF REGULAR BOARD MEETING

 Recommendation: That the minutes of the September 8, 2014 Regular Board meeting and September 19, 2014 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, Mary Aileen Matheis, Peer Swan, John Withers, and Douglas Reinhart.

5. 2014 STATE LEGISLATIVE UPDATE

 Recommendation: Receive and file.

CONSENT CALENDAR – Continued

Items 3-14

6. AUGUST 2014 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary report, the Monthly Interest Rate Swap Summary for August 2014, and Disclosure Report of Reimbursements to Board members and staff; approve the August 2014 Summary of Payroll ACH payments in the total amount of \$1,474,933 and approve the August 2014 accounts payable Disbursement Summary of warrants 351010 through 351647, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$16,506,738.

7. ANNUAL MICROSOFT ENTERPRISE AGREEMENT SOFTWARE MAINTENANCE RENEWAL

Recommendation: That the Board authorize staff to renew the annual Microsoft Enterprise Agreement effective December 1, 2014 through November 30, 2015 in the amount of \$107,000.

8. AUGMENTATION OF THE EXISTING PET CONTROL PROGRAM FOR VIREO AT PARK PLACE APARTMENT HOMES

Recommendation: That the Board approve SARES-REGIS Group's request for IRWD to concur with a City of Irvine waiver of the conditional ban on pets for up to 156 units at the Vireo at Park Place Apartment Homes (Vireo); accept \$8,112 in funding to support the San Joaquin Marsh Feral Animal Monitoring and Trapping Program; authorize the General Manager to approve pet restriction language in the tenant disclosure statements in lease agreements; and inform the SARES-REGIS Group that IRWD reserves the right to rescind its concurrence with the waiver of the conditional ban on pets if the number of units with pets at Vireo exceeds 156 units, if animal control becomes an issue in the future or if Feral Animal Program costs exceed the designated funding.

9. COST OF SERVICE AND RATE STUDY CONSULTANT SELECTION

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement with Carollo Engineers, Inc. in the amount of \$99,200 for the Cost of Service and Rate Study.

10. 2014 DEFERRED COMPENSATION PLAN PROVIDER CONTRACT RENEWAL AND INVESTMENT REVIEW

Recommendation: That the Board approve the retention of Great-West Retirement Services as record-keeper for the District's deferred compensation plan for a period of 10 years at a total fee not to exceed 0.11%, calculated on the average annual assets in the plan.

CONSENT CALENDAR – Continued

Items 3-14

11. PORTOLA SPRINGS 16-INCH RECYCLED WATER PIPELINE FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Portola Springs 16-inch Recycled Water Pipeline, project 30433 (4951); 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.

12. SAN JOAQUIN MARSH CAMPUS PAVING BID REJECTION AND BUDGET INCREASE

Recommendation: That the Board reject all bids received on September 3, 2014, for the San Joaquin Marsh Campus paving project and authorize a budget increase in the amount of \$83,600, from \$231,000 to \$314,600, for the San Joaquin Marsh Campus Paving, project 11788 (5226).

13. MICHELSON WATER RECYCLING PLANT PROTECTIVE COATINGS FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Michelson Water Recycling Plant Protective Coatings, project 21123 (3799); 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.

14. BAKER PIPELINE CATHODIC PROTECTION UPGRADES CAPITAL BUDGET ADDITION

Recommendation: That the Board authorize the addition of project 11802 (5530) to the Fiscal Year 2014-15 capital budget in the amount of \$574,700 for the Baker Pipeline Cathodic Protection Upgrades, project 11802 (5530).

ACTION CALENDAR

15. BAKER WATER TREATMENT PLANT CONSTRUCTION PHASE SERVICES VARIANCE

Recommendation: That the Board authorize the General Manager to execute Variance No. 1 in the amount of \$412,375 with HDR Engineering, Inc. for the Baker Water Treatment Plant, project 11747 (5027).

ACTION CALENDAR - Continued

16. PETERS CANYON CHANNEL WATER CAPTURE AND REUSE PIPELINE PROJECT ENVIRONMENTAL COMPLIANCE VARIANCE NO. 1

Recommendation: That the Board authorize the General Manager to approve an increase to the FY 2014-15 capital budget in the amount of \$96,200 to project 21163 (4985) for additional environmental review work and authorize the General Manager to execute Variance No. 1 in the amount of \$91,664 with Environmental Science Associates.

17. UTILITY BILLING SYSTEM MANAGED SUPPORT SERVICES

Recommendation: That the Board authorize the General Manager to execute a Professional Services agreement for an amount not to exceed \$595,000 with Infosys Limited.

18. 2015-2016 STATE LOBBYING AND ADVOCACY SERVICES

Recommendation: That the Board approve a sole-source 24-month Professional Services Agreement, from January 1, 2015, through December 31, 2016, with O'Haren Government Relations for \$6,500 per month plus reimbursable direct expenses with a maximum of \$3,900 per year for a total contract amount not to exceed \$163,800.

19. 2015-2016 FEDERAL LOBBYING AND ADVOCACY SERVICES

Recommendation: That the Board approve a sole-source 24-month Professional Services Agreement, from January 1, 2015, through December 31, 2016, with The Furman Group for \$11,500 per month plus reimbursable direct expenses for the first year of the contract and \$12,500 per month plus reimbursable direct expenses for the second year of the contract for a total contract amount not to exceed \$324,000.

20. WATER SHORTAGE CONTINGENCY PLAN REVISIONS

Recommendation: That the Board adopt a resolution approving the amended Water Shortage Contingency Plan.

Reso. No. 2014-

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.

OTHER BUSINESS - Continued

21. A. General Manager's Report

B. Directors' Comments

C. CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL RELATIVE TO ANTICIPATED LITIGATION - Government Code Section 54956.9(d)(4) – initiation of litigation (two potential cases);

CLOSED SESSION: CONFERENCE WITH LEGAL COUNSEL RELATIVE TO ANTICIPATED LITIGATION - Government Code Section 54956.9(d)(2) - significant exposure to litigation re Serrano Summit development agreement (one potential case); and

CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL RELATIVE TO ANTICIPATED LITIGATION - Government Code Section 54956.9(d)(2) - significant exposure to litigation (two potential cases) - claims filed under the Tort Claims Act, on file with the District.

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.

October 13, 2014

Prepared and

Submitted by: N. Savedra 

Approved by: P. Cook 

CONSENT CALENDAR

MINUTES OF REGULAR BOARD MEETING AND
ADJOURNED REGULAR BOARD MEETING

SUMMARY:

Provided are the minutes of the September 8, 2014 Regular Board Meeting and minutes of the September 19, 2014 Adjourned Regular Board Meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE SEPTEMBER 8, 2014 REGULAR BOARD MEETING AND MINUTES OF THE SEPTEMBER 19, 2014 ADJOURNED REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – Minutes of September 8, 2014 Regular Board Meeting

Exhibit "B" – Minutes of September 19, 2014 Adjourned Regular Board Meeting

EXHIBIT "A"

MINUTES OF REGULAR MEETING – SEPTEMBER 8, 2014

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 5:07 p.m. by President LaMar on September 8, 2014 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Engineering Burton, Executive Director of Finance Clary, Executive Director of Operations Shields, Executive Director of Water Policy Weghorst, Director of Public Affairs Beeman, Director of Water Resources Sanchez, Director of Human Resources Roney, Purchasing Manager Aguilar, Legal Counsel Arneson (by teleconference), Assistant Secretary Savedra, Ms. Christine Compton, Mr. Jim Reed, Mr. Bruce Newell, OCWD Director Stephen Sheldon and Acting General Manager Greg Woodside, and other members of the public and staff.

WRITTEN COMMUNICATION: None.

ORAL COMMUNICATION

Mrs. Joan Irvine Smith's assistant addressed the Board of Directors with respect to the Dyer Road Wellfield. She said it was her understanding that currently wells 1, 2, 4, 6, 10, 11, 12, 14, 15, 16, 17 and 18 and DATS wells C-8 and C-9 are running and will operate in accordance with the District's annual pumping plan. Wells 3, 5, 7, and 13 will be off. This was confirmed by Mr. Cook, General Manager of the District.

ITEMS TOO LATE TO BE AGENDIZED: None.

PRESENTATION

Orange County Water District Director Stephen Sheldon and Acting General Manager Greg Woodside gave a presentation on IRWD's accomplishments with OCWD.

CONSENT CALENDAR

On MOTION by Reinhart, seconded and unanimously carried, CONSENT CALENDAR ITEMS 4 THROUGH 10 WERE APPROVED AS FOLLOWS:

4. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the August 25, 2014 Regular Board meeting be approved as presented.

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

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

6. 2014 STATE LEGISLATIVE UPDATE

Recommendation: Receive and file.

7. STOCKDALE INTEGRATED BANKING PROJECT ENVIRONMENTAL COMPLIANCE VARIANCE NO. 3

Recommendation: That the Board approve an increase to the FY 2014-15 Capital Budget in the amount of \$27,300 for Project 11645 (3766) for additional environmental compliance work; approve an Expenditure Authorization for Project 11645 (3766) in the amount of \$27,300 for the additional environmental compliance work; and authorize the General Manager to execute Variance No. 3 with ESA in the amount of \$24,765.

8. REVISED PROCEDURES AND SIGNATURE AUTHORIZATIONS FOR GENERAL DEPOSITORY ACCOUNTS

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

RESOLUTION NO. 2014-39

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT, RESCINDING RESOLUTION
NOS. 2005-3 AND 2010-17, DESIGNATING DEPOSITORIES AND
AUTHORIZING SIGNATURES, INCLUDING FACSIMILE SIGNATURES,
FOR GENERAL ACCOUNTS, AND AUTHORIZING FUNDS TRANSFERS
AND ELECTRONIC PAYMENTS SERVICES

9. REVISED RESOLUTION AUTHORIZING THE DISTRICT SECRETARY TO ACCEPT AND CONSENT TO DEEDS, GRANTS, OR DEDICATIONS

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

RESOLUTION NO. 2014-40

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT RESCINDING RESOLUTION
NOS. 1965-36 AND 1976-111 AND AUTHORIZING THE SECRETARY
OF THE DISTRICT TO ACCEPT AND CONSENT TO DEEDS,
GRANTS, OR DEDICATIONS ON FINAL MAPS CONVEYING ANY
INTEREST IN OR EASEMENT UPON REAL ESTATE TO THE
DISTRICT FOR PUBLIC PURPOSES

10. AUTHORIZATIONS FOR SETTLEMENT OF SPECIFIC DISTRICT CLAIMS AND WORKERS' COMPENSATION PAYMENTS

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

RESOLUTION NO. 2014-41

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT, RESCINDING RESOLUTION NO. 1990-7; AND AUTHORIZING THE PROCESSING, ALLOWANCE, COMPROMISE AND SETTLEMENT OF CERTAIN CLAIMS

ACTION CALENDAR

POLICY REVISIONS AND PROPOSED NEW POLICY RELATED TO DISTRICT APPROVALS, AUTHORIZATIONS AND PROCEDURES; REVISIONS TO RULES AND REGULATIONS RELATIVE TO DISPOSITION OF PROPERTY OF THE DISTRICT; REVISIONS TO DISTRICT GUIDELINES FOR ACCESS TO PUBLIC RECORDS; AND REVISED DISTRICT RECORDS RETENTION SCHEDULE

Using a PowerPoint presentation, Executive Director of Finance Clary reported she would cover the next four Action Calendar items together and in more detail. She said this presentation was previously reviewed by the Finance and Personnel Committee in both the July and September meetings with revisions to District policies relative to: Delegation of Authority for Approvals and Authorizations; Disposition of District Property; Public Records Request; and Records Retention. These would all be either new policies or revision of existing policies many of which are 20 plus years old and that needed to be updated. She said that this was a project that began over a year and half ago and that Finance has worked with the various departments for their input. As part of an effort to streamline the District's administrative processes, staff reviewed these policies and subsequent recommended policy updates. The objective of these updates are designed to have delegations in a single location; increase operational efficiencies while maintaining appropriate internal controls and accountability; ensure appropriate board oversight; and simplify processes and use consistent limits where practical. The proposed revisions are based on a review of District transactional data, comments from District Legal Counsel, and are supported by benchmarking with similar public agencies.

Ms. Clary said revisions to four District policies relative to delegations of authority include: Policy Regarding Authorizations of Expenditures; Policy for Competitive Bidding; Policy for Procurement of Professional Services; and Policy for Approval and Authorization of Change Orders and Variances to Existing contracts; and a new proposed policy relating to Acquisition of Lands and Easements.

She said that the proposed revisions to the Policy regarding Authorizations of Expenditures will align the approval levels for both Professional and Non-Professional Services and Goods and well as include a change to the District's Expenditure Authorization process relative to approved capital projects. As proposed, the authority to approve Expenditure Authorizations will be delegated to the

General Manager or his designee. Board approval of all contracts in excess of \$100,000 will continue to be required, providing appropriate oversight of all significant District expenditures. This practice is consistent with other public agencies and eliminates redundancy. The proposal would implement new approval levels and retain appropriate controls for Board approval ensuring that the Board retained 70% to 80% of all transactions in terms of dollar value.

Ms. Clary said the proposed revisions to the Policy for Competitive Bidding include continue requirement of three bids on \$10,000 or greater for non-professional services and goods, eliminates posting notice requirement for pre-qualified bidders, adds clarification for construction contracts, permits both pre-qualified bidders or posting notices; and adds provision for use of cooperative purchasing agreements.

Ms. Clary said the proposed revisions to the Policy for Procurement of Professional Services include updated language from legal counsel pertaining to Government Code restrictions prohibiting employees from participating in the selection of Professional Service providers with whom they have a relationship or financial interest. The other primary proposed change relates to exceptions under the competitive proposal process for professional services. Currently, for Professional Services Agreement of \$30,000 or less, the General Manager (or his designee) is required to request a proposal from at least one qualified consulting firm. The revised Policy increases the sole source amount up to \$50,000. For Professional Services Agreements expected to cost between \$50,000 and \$100,000, the revised policy would require that the General Manager requests proposals from at least two qualified consulting firms, which is an increase from the current policy limits of \$30,000 to \$60,000. For professional services exceeding \$100,000, standard District procedures require a minimum of three proposals. Director Reinhart asked staff to amend the language to clarify that where the policy specifies at least three qualified bid proposals, that is the minimum to be requested and not the minimum number to be received.

Ms. Clary said the proposed revisions to the Policy for Approval/Authorization of Change Orders to Existing Contracts primarily relate to modifications of approval levels for Professional and Non-Professional contract change orders and variances. The recommended approval levels are as follows: Department Director - Up to \$50,000 (individual or cumulative per month); Executive Director - Up to \$75,000 (individual or cumulative per month); General Manager - Up to \$100,000 (individual or cumulative per month); and Board of Directors - Greater than \$100,000. She also stated that if the individual or cumulative total in a calendar month together with any Change Orders previously approved exceeds the higher of 30% of the original contract or \$100,000, approval by the Board shall be required prior to execution by the General Manager. Director Swan asked that staff check and, if necessary, correct the proposed change order/variance approval level language to "the lower of the amount stated or 30% of initial contract amount".

Ms. Clary said this is a new proposed policy relating to the Acquisition of Land and Easements Policy which establishes procedures for acquiring property and easements to facilitate District facilities and operations. This policy does not apply to the District's acquisition of real estate for investment or water banking properties. She said the proposed policy addresses methods of conveyance and general procedures, provides the General Manager with approval authority for up to \$100,000; Board approval required in excess of \$100,000; and it is consistent with other recommended General Manager authorization levels. Director Swan requested that language be

added in reference to changes in property and easement entitlements and that any entitlement changes be brought back to the Board for approval.

Ms. Clary said that relative to Disposition of District Property, that the District's current Rules and Regulations provide authorization for the General Manager, or a person delegated by the General Manager, to dispose of property valued at \$5,000 or less, with Board approval required for property valued in excess of \$5,000. Consistent with General Manager's delegation of authority levels currently being proposed for other District activities, the proposed Rules and Regulations would increase that level to \$100,000, with Board approval required for property valued in excess of \$100,000. Disposition of surplus District properties is typically conducted through a third-party auction service and, while employees are welcome to bid, no preference is given to IRWD staff in the process. In addition, the proposed Rules and Regulations adds rights-of-way to the definition of Property, and provides authorization to the General Manager to execute and deliver a quitclaim deed or equivalent instrument to the owner of record in the event an easement or right-of-way becomes surplus to the District. Staff also recommends striking the provisions in the current policy pertaining to "emergency disposition" of property, since this provision does not appear to have any potential applications.

Ms. Clary said that relative to Guidelines for Access to Public Records, she said that this is an old policy from 1995 and its revision updates the reimbursement cost for paper copies. She said that before proceeding she wanted to make a minor edit to Section 5.1 -- Procedure of Obtaining Copies under the Guidelines. Assistant Director/Treasury Jacobson reported that this edit was provided by legal counsel as follows: "IRWD will determine the applicable fee based upon the cost of duplication or the cost of production in the case of electronic records giving consideration to the cost benefit relationship and other factor relating to the determination of the total charges". Ms. Clary said that the revised Guidelines incorporate updated cost reimbursement amounts for copying expenses and public records access services. The updated charges more accurately reflect actual applicable costs to the District for public records requests, and include an increase in the per page copying reimbursement charge from \$0.08 to \$0.25 for requests in excess of 10 pages. Separate charges for reproduction of different types and sizes of maps and other oversized copies are also detailed in the updated charges, and are based on applicable District copy expenses for these document types.

Ms. Clary said she relative to Records Retention, that the last time the Records Retention Schedule was updated was in 2004 by Gladwell Governmental Services, Inc. She said this Revised Schedule was developed with all departments participating in the process and that it provides clear, specific records descriptions and retention periods for each of the District's departments. The respective Department Directors, District staff and legal counsel have reviewed and approved all Revised Schedules. Ms. Clary said that the revised retention schedule will continue to ensure that the District is in compliance with current laws, reduce records storage costs, increase efficiencies and take advantage of current recordkeeping technology.

Director Reinhart stated he would approve this item, however, he requested legal counsel look into whether any adjustment is needed to the Retention Schedules relative to Statute of Limitations.

Director Swan said he wanted to complement staff on a job well done with these policy changes and their time spent with the Committee. Director Swan reported that these policy revisions were

reviewed and approved by the Finance and Personnel Committee at both the July and September meetings. On MOTION by Swan, seconded and unanimously carried, THE FOLLOWING AMENDED RESOLUTIONS WERE ADOPTED BY TITLE:

RESOLUTION NO. 2014-42

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT, RESCINDING RESOLUTION NO. 2002-8 ESTABLISHING REVISED POLICIES WITH RESPECT TO AUTHORIZATION OF EXPENDITURES, COMPETITIVE BIDDING AND AWARD OF CONTRACTS, PROCUREMENT OF PROFESSIONAL SERVICES AND APPROVAL AND AUTHORIZATION OF CHANGE ORDERS TO EXISTING CONTRACTS, AND ESTABLISHING POLICY WITH RESPECT TO ACQUISITION OF LANDS AND EASEMENTS.

RESOLUTION NO. 2014-43

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT, RESCINDING RESOLUTION NO. 1972-5 AND REESTABLISHING RULES AND REGULATIONS FOR THE DISPOSITION OF PROPERTY OF THE DISTRICT.

RESOLUTION NO. 2014-44

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT, RESCINDING RESOLUTION NO. 1995-37 AND ADOPTING GUIDELINES FOR ACCESS TO PUBLIC RECORDS.

RESOLUTION NO. 2014-45

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT, RESCINDING RESOLUTION NO. 2004-57 AND ADOPTING A RECORDS RETENTION SCHEDULE AND AUTHORIZING DESTRUCTION OF CERTAIN DISTRICT RECORDS.

2015 MEDICAL INSURANCE COVERAGE RENEWAL

General Manager Cook reported that the District currently utilizes the CalPERS medical insurance program and receives premium rates each year in advance of open enrollment. For the 2015 calendar year, CalPERS has notified the District of premium increases for each of the specific plans from which IRWD employees can choose. Staff has not been notified of any substantive changes to the plan designs or benefits available to employees under the current CalPERS health plan offerings. He said the CalPERS open enrollment period is September 15, 2104 through October 10, 2014.

Director Swan reported that this item was reviewed and approved by the Finance and Personnel Committee on September 2, 2014. On MOTION by Swan, seconded and unanimously carried, **THE BOARD AUTHORIZED STAFF TO CONTINUE THE DISTRICT'S HEALTH CARE COVERAGE WITH CALPERS FOR CALENDAR YEAR 2015 WITH CHANGES IN EMPLOYEE AND DISTRICT CONTRIBUTION LEVELS AS RECOMMENDED IN TABLE A OF THE WRITE-UP.**

DENTAL INSURANCE COVERAGE FOR CALENDAR YEAR 2015

The Association of California Water Agencies' Joint Powers Insurance Authority has negotiated rates with Delta Dental for the plan year beginning January 1, 2015 which resulted in a slight decrease in the premiums for IRWD's current dental plan, Plan A.

Director Swan reported that this item was reviewed and approved by the Finance and Personnel Committee on September 2, 2014. On MOTION by Swan, seconded and unanimously carried **THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXTEND THE DISTRICT'S CONTRACT WITH THE ASSOCIATION OF CALIFORNIA WATER AGENCIES' JOINT POWER INSURANCE AUTHORITY FOR DELTA PREFERRED OPTION PLAN A WITH CHILD AND ADULT ORTHODONTIC COVERAGE.**

STATEWIDE DROUGHT AND LEVEL ONE WATER SHORTAGE DECLARATION

General Manager Cook said throughout the State, water storage levels are dropping and saving water has become imperative to extend water reserves in anticipation of another dry winter. The Governor declared a statewide drought emergency in January 2014 and the State Water Resources Control Board (SWRCB) adopted Emergency Drought Regulations in July 2014 in response to worsening conditions. Since February, the District has increased its public outreach, expanded its conservation efforts and implemented changes to the District's Allocation-based Rate Structure.

Director Matheis reported that this item was reviewed and approved by the Water Resources and Policy Committee on September 4, 2014. A motion was made by Matheis and seconded to approve the item, but prior to the vote, Director Swan raised concerns on the language provided in the section in the Water Shortage Contingency Plan's Voluntary Response Measures for customers observing potential overuse of water within IRWD's service area encouraging them to call the District's Customer Service Department for assistance. Following discussion with the Board, staff and legal counsel, it was the consensus to delete item No. 6 from the Response Measures: Voluntary recommended to be implemented by staff and to also have staff submit an item to the Water Resources Policy Committee to refine the Water Shortage Contingency Plan language suggested by Director Swan. There being no further discussion, Director Matheis' motion was amended and unanimously carried to include Director Swan's recommendations, and **THE BOARD DECLARED A LEVEL ONE WATER SHORTAGE AND AUTHORIZED STAFF TO IMPLEMENT THE ASSOCIATED MEASURES (NOS. 1 THROUGH 5 AND NO. 7) IN THE WATER SHORTAGE CONTINGENCY PLAN AND STAFF WAS DIRECTED TO SUBMIT AN ITEM TO THE WATER RESOURCES POLICY COMMITTEE TO REFINE THE WATER SHORTAGE CONTINGENCY PLAN LANGUAGE RELATIVE TO STEPS FOR CUSTOMERS WHO OBSERVE POTENTIAL OVER-USE OF WATER WITHIN IRWD'S SERVICE AREA.**

2015 COUNTY OF ORANGE LEGISLATIVE PLATFORM REQUEST FOR COMMENTS

Government Affairs Manager Compton said that each August the County of Orange begins a process to develop its legislative platform for 2015. As part of that process, the County invites interested community partners to comment on the proposed legislative platform and suggest priorities or policy statements for inclusion in the 2015 Legislative Platform. She said that IRWD seeks to advance innovative and effective water resources public policy and governance at the state and federal level. Given the importance of these policy areas to all of Orange County and the impact their outcome, the District has engaged issues such as protecting local property tax revenues, the implementation of the Water Resources Reform and Development Act, the implementation of the Bay Delta Conservation Plan, and, if approved by the voters, the implementation of Proposition 1.

Director Matheis reported that this item was reviewed and approved by the Water Resources and Policy Committee on September 4, 2014. On MOTION by Matheis, seconded and unanimously carried, **THE BOARD AUTHORIZED STAFF TO SUBMIT COMMENTS FOR CONSIDERATION IN THE COUNTY OF ORANGE 2015 LEGISLATIVE PLATFORM BY THE COUNTY OF ORANGE, AS DEEMED APPROPRIATE BY THE BOARD, BEFORE SEPTEMBER 26, 2014.**

ASSOCIATION OF CALIFORNIA WATER AGENCIES 2015 LEGISLATIVE PLANNING

Government Affairs Manager Compton said that each year ACWA's State Legislative Committee solicits legislative proposals from ACWA members, which it considers at its Annual Planning Meeting held in the fall. The ACWA State Legislative Committee will meet on October 24, 2014 to prepare for the first year of the 2015-2016 State Legislative Session. The State Legislative Committee will consider the legislative proposals that are submitted by ACWA member agencies for proposed introduction in January of next year. The Committee will evaluate the proposals, provide feedback to the proposing agency and determine whether to sponsor or support legislation based on ACWA's Strategic and Business Plan, policy principles and priorities. Ms. Compton said that California has suffered three years of drought and faces increasing demands on its freshwater resources. Recycled water, unlike many sources of potable water, is available and produced on a relatively constant basis even in times of drought. If it is not put to use, the recycled water must either be stored in the state's limited recycled water storage facilities, or discharged to the ocean. Continued and expanded production and distribution of recycled water for beneficial and permitted uses can offset a portion of increased total water demand within a service area, and help conserve California's surface water and groundwater supplies. Such expansion can occur only if encouraged and supported through increased incentives and removal of local and state barriers, consistent with state and federal policy. The potential recycled water legislation which staff has prepared seeks to ensure that no state or local agency takes action to prevent a recycled water purveyor from supplying recycled water for any beneficial and permitted use to meet total water demands in its service area. The proposal seeks to remove the uncertainty that recycled water will be unavailable to end users due to actions outside of the water purveyor's control and is aimed at taking a proactive step to encourage the expanded use of recycled water in California.

Director Matheis reported that this item was reviewed and approved by the Water Resources and Policy Committee on September 4, 2014. There being no further discussion, On MOTION by

Matheis, seconded and unanimously carried, THE BOARD ADOPTED A “SUPPORT” POSITION ON THE RECYCLED WATER CONCEPT PUT FORTH IN THE LEGISLATIVE PROPOSAL FORM.

OTHER BUSINESS

GENERAL MANAGER’S COMMENTS

General Manager Cook reported that the Orange County Jury is interested in understanding how the sewage is reused or disposed of in Orange County. He said that he and Executive Director Shields will meet with the Grand Jury next week to discuss this matter and also provide a tour of the Operations facility.

Mr. Cook reported that a minor pipe leak occurred today in the Tustin area that affected two apartment complexes caused by a contractor who hit the line that lead to the break.

Mr. Cook also said that Mr. Bruce Newell is currently working on scheduling a meeting with him and Executive Director Shields to meet with Mr. Greg McCuren, Chief of OCFA Division 2 who covers all of Irvine to do a debriefing on the chlorine leak incident.

DIRECTORS’ COMMENTS

Director Reinhart reported on his attendance at the SOCWA meeting last week. He said that he would like to adjourn this meeting in memory of Mr. Edward Little, retired President of West Basin Municipal Water District, who passed away.

Director Matheis said that she attended a WACO meeting last week. She also informed the Board of the upcoming election of ISDOC officers and said that there is a good slate of candidates. She further reported that she attended a Shadetree Partnership nursery event last Saturday and thanked staff for their hard work and their contribution to the community and IRWD.

Director Withers reported on his attendance at an ISDOC Executive Committee meeting, and said he will attend an OCBC Infrastructure meeting tomorrow. On Wednesday, he said he will attend a LAFCO and OCSD Administration meeting.

Director Swan said that he attended an OCWD Legislative meeting and Board meeting and will attend the OCWD Water Issues meeting on Wednesday.

Director LaMar reported that he attended a MWDOC Planning and Operations meeting, and an ACWA Federal Affairs meeting in Sacramento. He said that he and General Manager Cook will meet with Association of California Cities-OC who has expressed an interest in an internet radio show and would like IRWD to be one of six sponsors. He said he also attended IRWD’s conservancy annual barbeque along with Mr. Bruce Newell.

ADJOURNMENT

There being no further business, President LaMar adjourned the meeting at 6:45 p.m. in memory of Edward Little.

APPROVED and SIGNED this 13th day of October, 2014.

President, IRVINE RANCH WATER DISTRICT

Assistant Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:
Bowie, Arneson, Wiles & Giannone

Legal Counsel

EXHIBIT “B”

MINUTES OF ADJOURNED REGULAR MEETING – SEPTEMBER 19, 2014

The adjourned regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 12:00 p.m. by President LaMar on September 19, 2014 in the Community Room, at 15500 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Operations Shields, Executive Director of Water Policy Weghorst, Executive Director of Engineering and Planning Burton, Executive Director of Finance and Administration Clary, Director of Public Affairs Beeman, Director of Administrative Services Mossbarger, Director of Water Policy Sanchez, Director of Human Resources Roney, Director of Risk Management and Treasury Jacobson, and consultant Loren Lillstrand.

WRITTEN COMMUNICATION: None.

ORAL COMMUNICATION: None.

REVIEW AGENDA AND DESIRED OUTCOMES

General Manager Cook reviewed the agenda and desired outcomes.

IRWD BUSINESS PLANNING PROCESS

General Manager Cook said that at the April 4, 2014 Strategic Planning Workshop, staff was challenged to consider the District’s existing strategic planning process and determine if there were any opportunities for improvements. Staff and the Board discussed the proposed enhancements to this process, including re-naming it the IRWD Business Planning Process to better reflect the purpose of the process. The enhancements include: 1) Process Terms and Definitions – to ensure that all participants are “speaking the same language” through the process; key terms were identified and defined; 2) Changing Conditions – a step was added to the process during which relevant upcoming changes in the water industry and beyond were identified and discussed; and 3) District Goals – as a direct follow-up to the discussion of “Changing Conditions”, modified and new goals for the District were developed.

IRWD’S TARGET ACTIVITIES

General Manager Cook and the Board reviewed the new approach on the District’s Target Activities which focused on affirming and adjusting priorities to guide staff in implementing the Board-approved goals and objectives for the calendar year.

BOARD PROCESS REVIEW

Consultant Loren Lillestrand facilitated an interactive discussion regarding Board processes and operating efficiencies.

ADJOURNMENT

There being no further discussion, President LaMar adjourned the meeting.

APPROVED and SIGNED this 13th day of October 2014.

President, IRVINE RANCH WATER DISTRICT

Assistant Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

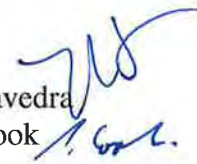
Legal Counsel - Bowie, Arneson, Wiles & Giannone

October 13, 2014

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

09/10/14	Monthly meeting with General Manager Paul Cook re: District activities
09/13/14	IRWD Resident Tour
09/16/14	South Orange County Agencies Meeting
09/26/14	Association of California Cities-OC City Legislative Roundtable
10/11/14	IRWD Open House w/NBC News Team re: Water Drought
10/14/14	Santa Ana River Watershed 2014
10/16/14	Association of California Cities-OC City Leader Event

Mary Aileen Matheis

09/16/14	Orange County Grand Jury tour of MWRP facility
09/26/14	Association of California Cities-OC City Legislative Roundtable
10/02/14	MWDOC Policy Forum
10/11/14	IRWD Open House w/NBC News Team re: Water Drought
10/14/14	Santa Ana River Watershed 2014
10/16/14	Association of California Cities-OC City Leader Event

Douglas Reinhart

09/16/14	South Orange County Agencies Meeting
09/30/14	City of Tustin/IRWD Water Symposium & Open House
10/02/14	MWDOC Policy Forum
10/07/14	Meeting with IRWD staff relative to Irvine Lake
10/14/14	Santa Ana River Watershed 2014
10/16/14	Association of California Cities-OC City Leader Event

Consent Calendar: Ratify/Approve Board of Directors' Attendance at Meetings and Events

October 13, 2014

Page 2

Peer Swan

07/10/14 Meeting w/National Resource Defense Council & American Rivers re: Bay Delta Conservation Plan, Oakland, CA
09/16/14 Orange County Grand Jury tour of MWRP facility
09/24/14 Southern California Water Dialogue Committee Meeting
10/02/14 MWDOC Policy Forum
10/07/14 Meeting with IRWD staff relative to Irvine Lake
10/11/14 IRWD Open House w/NBC News Team re: Water Drought

John Withers

09/26/14 Concordia University Public Policy Center Advisory Board Meeting
09/30/14 City of Tustin/IRWD Water Symposium & Open House
10/02/14 MWDOC Policy Forum
10/11/14 IRWD Open House w/NBC News Team re: Water Drought
10/14/14 Santa Ana River Watershed 2014
10/16/14 Association of California Cities-OC City Leader Event

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

October 13, 2014

Prepared by: C. Compton

Submitted by: P. Weghorst

Approved by: Paul Cook

CONSENT CALENDAR

2014 STATE LEGISLATIVE UPDATE

SUMMARY:

This report provides a final update on the 2014 legislative session and IRWD priorities.

BACKGROUND:

At the end of this year's legislative session, 803 bills were before the Governor, which is similar to the number before him at the end of last year. This year 2,374 bills, including two-year bills, died in the Legislature. Governor Brown had until midnight on September 30, 2014, to sign or veto bills on his desk. Unless a signed bill contained an urgency measure or language delaying its effective date, the chaptered bills will take effect on January 1, 2015.

The 2015-2016 legislative session will convene on December 1, 2014. Legislators will have until February to introduce new legislation.

A copy of the 2014 State Legislative Matrix is attached as Exhibit "A".

State Budget:

August's Revenue Numbers

On September 9, 2014, State Controller John Chiang released his monthly report on the State's finances. He announced that the State took in \$6.7 billion during the month of August. This amount was \$370.1 million, or 5.3 percent, below budget estimates. The shortfall reflected a one-time transfer of \$343.3 million in sales tax revenues from the State's General Fund to local governments. According to the State Controller, "If not for a one-time transfer of sales tax revenues to local governments, August revenues closely tracked budget projections."

The State ended the month with a General Fund cash deficit of \$8.5 billion, which was covered by internal borrowing. The State ended the month with unused borrowable resources of \$18.3 billion after making \$22.7 billion in disbursements.

Executive Order on Drought Response:

On September 18, 2014, Governor Brown issued a third executive order on California's drought. The September 18 order makes funding available for the State to provide water to households currently without running water through the California Disaster Assistance Act. The order also directs the State Water Resources Control Board, the Department of Water Resources and the Governor's Offices of Emergency Services and Planning and Research to identify acute drinking

water shortages in domestic supplies and to work with counties and local agencies to implement solutions for those water shortages. A copy of Governor Brown's third executive order on California's drought is attached as Exhibit "B".

Updates on Legislation of Interest to IRWD:

AB 52 (Gatto, D-Los Angeles): Tribal Cultural Resources

AB 52 (Gatto, D-Los Angeles) would mandate consultation with Native American Tribes at various stages of CEQA review and prescribe CEQA processes related to the treatment of tribal cultural resources. The bill was amended on August 22, 2014. The August 22 amendments modify the definition of tribal cultural resources, among other changes. As a result of the amendments, the majority of the agencies and associations opposed to the bill removed their opposition. The bill was approved by the Legislature on August 28, 2014, and sent to the Governor on September 10. The Governor signed the bill on September 25.

AB 543 (Campos, D-San Jose) – CEQA: Translation

AB 543 (Campos, D-San Jose) requires the Governor's Office of Planning and Research, on or before July 1, 2016, to prepare and develop recommended amendments to the CEQA guidelines to establish criteria for a lead agency to assess the need for translating CEQA notices into non-English languages. The bill was approved by the Legislature on August 25, 2014, and was sent to the Governor on September 5. The Governor vetoed the bill on September 25.

IRWD originally took an "OPPOSE" position on this bill, but moved to a "WATCH" position after the bill was amended in June.

AB 1728 (Garcia, D-Downey): Political Reform Act of 1974

The Levine Act prohibits an officer of an agency from accepting, soliciting, or directing a contribution of more than \$250 from any party or participant while a proceeding involving a license, permit, or other entitlement for use is pending before the agency and for three months following the date a final decision is rendered in the proceeding. The Levine Act also requires an officer to disclose a contribution of more than \$250 from a party or participant received within the 12 months preceding the decision, and would prohibit the official from making, participating in making, or otherwise using his or her official position to influence the decision-making process. The act defines a "license, permit, or other entitlement for use," to include, among other things, all contracts except competitively bid, labor or personal employment contracts. AB 1728 (Garcia, D-Downey) proposed to extend these prohibitions to water agencies. The bill also revises the definition of "license, permit, or other entitlement for use" with respect to proceedings before a water agency to apply to all contracts that are not competitively bid. AB 1728 was approved by the Legislature on August 20, 2014, and was sent to the Governor on September 3. The Governor vetoed the bill on September 30.

AB 2104 (Gonzalez, D-San Diego): Common Interest Developments: Water-Efficient Landscapes

The Davis-Stirling Common Interest Development 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 or compliance with a local water-efficient landscape ordinance or water conservation measure. AB 2104 (Gonzalez, D-San Diego), as amended, would extend this statute to provide that any provision of an HOA's governing documents is void and unenforceable if it prohibits, or has the effect of prohibiting, the replacement of existing turf. AB 2104 was amended on August 12 to address conflicts with AB 2100 (Campos), which was chaptered into the law on July 21, 2014.

AB 2104 was passed by the Legislature on August 18, 2014, and sent to the Governor on August 29. The Governor signed the bill on September 18. IRWD took a "SUPPORT" position on this bill.

AB 2312 (Nestande, R-Hemet): Metal Theft

AB 2312 (Nestande, R-Hemet) would require a junk dealer or recycler to request receipt of theft alert notifications regarding the theft of commodity metals in the junk dealer's or recycler's geographic region from the theft alert system maintained by the Institute of Scrap Recycling Industries, Inc. (ISRI). The bill would also encourage local law enforcement agencies to report thefts of commodity metals that have occurred within their jurisdiction to that theft alert system, in order to ensure that people who use the system receive timely and thorough information regarding metal thefts.

AB 2312 was passed by the Legislature on August 18, 2014, and sent to the Governor on August 28. The Governor signed the bill on September 26.

IRWD took a "SUPPORT" position on AB 2312 in order to support the scrap recycling industry's attempt to further address the metal theft problems experienced throughout the state.

AB 2434 (Gomez, D-Los Angeles): Income Taxes: Exclusion

AB 2434 (Gomez, D-Los Angeles), as introduced, would have provided an exclusion from gross income for any amount received as a rebate, voucher, or other financial incentive issued by a local water or energy agency, or by a supplier, for expenses incurred to participate in a water or energy conservation program. As amended on May 19, 2014, the bill would now provide an exclusion from gross income for taxable years 2014 to 2019 for any rebate or other financial incentive issued by a local water agency for participation in a turf removal water conservation program. AB 2312 was passed by the Legislature on August 28, and sent to the Governor on September 10. The Governor signed the bill on September 28. IRWD had taken a "SUPPORT" position on this bill.

SB 26 (Correa, D-Santa Ana): Orange County Water District: Land Use

SB 26, authored by Senator Lou Correa (D, Santa Ana), would prohibit OCWD from entering into a real property lease agreement with a non-governmental entity for purposes not useful or necessary to replenish the underground water basin within the district, or to augment and protect the quality of the common water supplies of the district, unless the agreement is approved by the city council in which the real property is located, if the real property is located within a city. It also requires OCWD to comply with the Government Code provisions which require districts to comply with building and zoning ordinances; require OCWD to provide a notice of intent to develop real property owned by the district to the city in which the property is located at least 30 days in advance of any action of the board to approve the development; and would require the district to conduct at least one public meeting in a city where a water facility is proposed for development by OCWD but would be exempt from the application of zoning and building ordinances.

SB 26 was passed by the Legislature on August 22, 2014. It was enrolled and sent to the Governor on August 28, 2014. The Governor signed the bill on September 29.

SB 985 (Pavley, D-Calabasas): Stormwater Resource Planning

SB 985, introduced by Senator Fran Pavley (D, Calabasas), would establish requirements for stormwater resource plans, and provide that a stormwater resource plan shall be required to receive grants for stormwater and dry weather runoff capture projects from any bond act approved by the voters after January 1, 2014. The bill was amended on August 18. As amended, SB 985 would also authorize one or more public agencies to develop a stormwater resource plan for submission to any applicable integrated regional water management group. Upon receipt the integrated regional water management group shall incorporate the stormwater resource plan into its integrated regional water management plan. The August 18 amendments also require the State Water Resources Control Board to establish guidance, instead of a policy, by July 1, 2016, to determine compliance with the requirements of SB 985.

SB 985 was passed by the Legislature on August 28, 2014, and sent to the Governor on September 4. The Governor signed the bill on September 25. IRWD had taken a "SUPPORT IF AMENDED" position on SB 985.

AB 1739 (Dickinson, D-Sacramento), SB 1168 (Pavley), SB 1319 (Pavley): Sustainable Groundwater Management Legislation

Earlier this year, the Administration and the Legislature indicated their interest in pursuing legislation related to sustainable groundwater management in California. After several legislative hearings on groundwater management in California, the Administration, Senator Fran Pavley, and Assemblymember Roger Dickinson (D, Sacramento) hosted a series of meetings as part of the "Groundwater Legislation Stakeholder Process on the Sustainable Groundwater Management Bills" to engage interested parties on the groundwater legislation throughout the summer, and draft sustainable groundwater legislation which was placed into AB 1739, SB 1168,

and SB 1319. All three bills were passed by the Legislature on August 29, 2014, and sent to the Governor on September 8 and 10. The Governor signed all three bills on September 16.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

RECEIVE AND FILE.

LIST OF EXHIBITS:

Exhibit "A" – 2014 IRWD Legislative Matrix

Exhibit "B" – Governor Brown's September 18, 2014, Executive Order on the Drought

EXHIBIT "A"
IRWD 2014 LEGISLATIVE MATRIX
Updated Oct. 1, 2014

AB 25 Campos (D)	Employment: Social Media		Allows law enforcement agencies to access social media of a new hire applicant or lateral transfer applicant, once during the background check for a position as a sworn office under certain requirements. Provide any information shall only be used for screening purposes and shall not be used as a basis for any action against a new hire or 3rd party. Provides for civil penalties for violations regarding the used of social medial information in hiring lateral transfer applicants.	08/22/2014 - In SENATE. Read second time. To third reading.	
AB 52 Gatto (D)	Native Americans: California Environmental Quality Act		Amends the California Environmental Quality Act. Specifies a project that may cause substantial adverse change in a tribal cultural resource is a project that may have an environmental effect. Requires the lead agency to begin consultation with a California Native American tribe traditionally and culturally connected with the project's geographic area. Specifies examples of mitigation measures that may be considered. Requires that tribes be provided with lead agencies in their area.	09/25/2014 - Signed by GOVERNOR.;09/25/2014 - Chaptered by Secretary of State. Chapter No. 532	
AB 69 Perea (D)	Global Warming Solutions: Market-Based Compliance		Amends the Global Warming Solutions Act of 2006. Exempts categories of persons or entities that did not have a compliance obligation under the market-based compliance mechanism to achieve greenhouse gas reduction reductions, from being subject to that compliance mechanism for a specified time period. Requires all participating categories of persons or entities to have a compliance obligations beginning on a specified date.	07/03/2014 - Withdrawn from SENATE Committee on AGRICULTURE.;07/03/2014 - Re-referred to SENATE Committee on RULES.	
AB 79 Skinner (D)	Budget Act of 2013		Amends the Budget Act of 2013 by revising items of appropriation and making other changes for the purpose of addressing drought conditions in the State.	03/06/2014 - In SENATE. From third reading. To Inactive File.	
AB 80 Skinner (D)	Drought Relief		Provides provisions regarding drought relief to include fines for violations of permits and licenses issued by the State Water Resources Control Board, the disbursement of disaster assistance, civil fines for the improper water diversion, emergency regulations regarding the diversion of water and the fines for a related infraction and for groundwater replenishment, rental space for those with economic hardship, the employment training tax, and the providing of funds for water management grants.	03/06/2014 - In SENATE. From third reading. To Inactive File.	

IRWD 2014 LEGISLATIVE MATRIX
Updated Oct. 1, 2014

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
AB 145 Perea (D)	State Water Resources Control Board: Drinking Water		Transfers to the State Water Resources Control Board the various duties and responsibilities imposed on the State Department of Public Health by the State Safe Drinking Water Act and the Safe Drinking Water State Revolving Fund Law of 1997. Requires the State Environmental Protection Agency to prepare a project initiation document for the transfer of the state drinking water program from the State Department of Public Health to a Division of Drinking Water Quality.	08/30/2013 - In SENATE Committee on APPROPRIATIONS: Held in committee.	
AB 194 Campos (D)	Open Meetings: Public Criticism and Comment		Amends the Ralph M. Brown Act. Requires the agenda for a regular and special meeting to provide an opportunity for the public to directly address the legislative body on any item of interest to the public before and during the legislative body's consideration of the item. Prohibits a reduction in the time allocated for public testimony based on the time used for the questioning or interruption of a speaker by the legislative body or its offers or employees, and the speaker's response to same.	09/27/2014 - Vetoed by GOVERNOR.	
AB 229 Perez J (D)	Infrastructure and Revitalization Financing Districts		Authorizes the creation by a city, county, city and county, and joint powers authority, of an infrastructure and revitalization financing district and the issuance of debt with voter approval. Authorizes the creation of a district and the issuance of debt. Authorizes a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases.	09/29/2014 - Chaptered by Secretary of State. Chapter No. 775	
AB 243 Dickinson (D)	Local Government: Infrastructure Financing Districts		Authorizes the creation of an infrastructure and revitalization financing district and the issuance of debt with voter approval. Authorizes a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases if special conditions are met. Authorizes a district to fund various projects, including watershed land used for the collection and treatment of water for urban uses, flood management, open space, habitat restoration and development purposes.	08/07/2014 - In ASSEMBLY. From Inactive File. To third reading.;08/07/2014 - In ASSEMBLY. Ordered returned to SENATE. *****To SENATE.	
AB 371 Salas (D)	Sewage Sludge: Kern County		Requires the State Water Resources Board to require, for pathogens and endotoxins, additional testing on properties in Kern County where sludge or other biological solids are applied. Authorizes the	08/22/2014 - In SENATE. Read second time. To third	

IRWD 2014 LEGISLATIVE MATRIX
Updated Oct. 1, 2014

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			Board to identify pathogens, endotoxins, and other hazards for testing based on the potential for contamination and potential to adversely affect human health originating from such sludge and solids. Requires the testing of shallow groundwater of a biological solids application site.	reading.	
AB 436 Jones-Sawyer (D)	Inverse Condemnation: Comparative Fault		Applies the doctrine of comparative fault to inverse condemnation actions. Requires a court or arbitrator to reduce the compensation paid to a plaintiff in an inverse condemnation proceeding in direct proportion to his or her percentage of fault, if any, in the damaging of property that constitutes a taking. Provides the circumstances under which the plaintiff shall not recover his or her postoffer costs and shall pay the defendant's postoffer costs, including expert witness costs.	07/02/2013 - In SENATE Committee on JUDICIARY: Not heard.	
AB 515 Dickinson (D)	State Environmental Quality Act: Writ of Mandate		Amends the State Environmental Quality Act that requires a court, if it finds that a public agency has violated the requirements of the Act, to issue an order, in the form of a peremptory writ of mandate. Authorizes the court to require the public agency to prepare and file an initial return of the writ and to issue a determination if the actions taken are adequate to comply with the peremptory writ of mandate within a specified time period of the filing of the return.	06/05/2014 - From SENATE Committee on ENVIRONMENTAL QUALITY with author's amendments.;06/05/2014 - In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.	
AB 543 Campos (D)	California Environmental Quality Act: Translation	Oppose	Requires the Office of Planning and Research to prepare and develop recommended amendments to the California Environmental Quality Act and for the Secretary of the Natural Resources Agency to certify and adopt those amendments to the guidelines to establish criteria for a lead agency to assess the need for translating those notice into non-English languages.	09/25/2014 - Vetoed by GOVERNOR.	
AB 616 Bocanegra (D)	Local Public Employee Organizations: Dispute:		Relates to local public employee organizations. Requires an organization request for submit a dispute to a factfinding panel to be	08/30/2013 - In SENATE Committee	

IRWD 2014 LEGISLATIVE MATRIX
Updated Oct. 1, 2014

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
	Panels		in writing. Provides if either party disputes that a genuine impasse has been reached, the issue of whether the impasse exists may be submitted to the Public Employees Relations Board for resolution before the dispute is submitted to a factfinding panel. Authorizes each party to select a person to serve as its member of the factfinding panels.	on APPROPRIATIONS: Held in committee.	
AB 687 Hernandez R (D)	Electricity		Requires the Public Utilities Commission, when authorizing additional direct transactions for retail nonresidential end-use customers, to provide the highest priority to acquire electric services from other providers to entities treating and remediating groundwater that is identified as contaminated on a site listed as a Superfund site in a disadvantaged or severely disadvantaged community or a public drinking water system of such communities. Requires the treatment and remediation using certain moneys.	02/04/2014 - From SENATE Committee on APPROPRIATIONS with author's amendments.;02/04/2 014 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.	
AB 993 Linder (R)	Contractors: Arbitration		Amends the Contractors' State License Law. Provides a party that submits a dispute with contractor to arbitration waives any right to recover attorney's fees or to challenge the arbitrator's award attorney's fees in a related civil action. Relates to the setting of the time, date, and location for a arbitration related hearing. Requires good cause to exclude any person from a hearing. Revises requirements regarding the recording of the hearing. Authorizes the reopening of a hearing prior to any award.	06/17/2013 - From SENATE Committee on BUSINESS, PROFESSIONS & ECON. DEVELOPMENT: Do pass to Committee on JUDICIARY.	
AB 1043 Chau (D)	Drinking Water, Quality, Flood, River Protection		Amends the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006. Eliminates the requirement to develop and adopt regulations and requires that costs subsequently recovered from a party responsible for a contamination be repaid to the State Water Resources Control Board and deposited in the Groundwater Contamination Cleanup Project Fund. Provides grant amount limits. Relates to funding certain cleanup projects.	09/16/2014 - Signed by GOVERNOR.;09/16/ 2014 - Chaptered by Secretary of State. Chapter No. 349	

IRWD 2014 LEGISLATIVE MATRIX
Updated Oct. 1, 2014

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
<u>AB 1080</u> Alejo (D)	Community Revitalization & Investment Authorities		Authorizes certain public entities of a community revitalization and investment area to form a community revitalization plan within a community revitalization and investment authority to carry out the Community Redevelopment Law in a specified manner. Requires the authority to adopt a community revitalization plan for a community revitalization and investment area and authorizes the authority to include in that plan a provision for the receipt of tax increment funds.	08/30/2013 - In SENATE Committee on APPROPRIATIONS: Held in committee.	
<u>AB 1249</u> Salas (D)	Regional Water Management Plans: Contamination		Provides the factors to be considered if an area within the boundaries of an integrated regional water management plan has nitrate, arsenic, perchlorate, or hexavalent chromium contamination. Requires that if a grant application includes those areas, the regional water management group include in the application information on impacts, how a project or projects helps to address the contamination, or an explanation on why the application does not include those projects.	09/28/2014 - Chaptered by Secretary of State. Chapter No. 717	
<u>AB 1331</u> Rendon (D)	Clean, Safe, and Reliable Drinking Water Act of 2014		Repeals the provisions that would create the Safe, Clean and Reliable Drinking Water Supply Act of 2012. Enacts the Clean, Safe and Reliable Drinking Water Act of 2014, 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 clean and safe drinking water program.	06/18/2014 - Withdrawn from SENATE Committee on GOVERNANCE AND FINANCE.;06/18/2014 - Re-referred to SENATE Committee on RULES.	
<u>AB 1434</u> Yamada (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 and desired structure of the program.	08/14/2014 - In SENATE Committee on APPROPRIATIONS: Held in committee.	
<u>AB 1445</u> Logue (R)	Water Infrastructure Act of 2014		Repeals the provisions that would create the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. Enacts the State Water Infrastructure Act of 2014. Authorizes the issuance of bonds in a	02/14/2014 - To ASSEMBLY Committee on	

IRWD 2014 LEGISLATIVE MATRIX
Updated Oct. 1, 2014

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			specified amount to finance a public benefit associated with water storage and water quality improvement projects.	WATER, PARKS AND WILDLIFE.;02/14/2014 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;02/14/2014 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.	
AB 1448 Mullin (D)	Local Government: Part-Time Elected Officials		Prohibits the legislative or governing body of a city, county, city and county, school board, special district, or any other entity of local government from granting lifetime healthcare benefits to an elected official who serves part time. Specifies that these provisions do not prevent the award of, or continuation of, health care benefits that are entirely paid for by the individual.	03/06/2014 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;03/06/2014 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.	
AB 1506 Perea (D)	San Joaquin River Conservancy: Regulation Adoption		Makes a person who violates any of the posted regulations adopted by the San Joaquin River Conservancy governing lands owned or managed by the conservancy guilty of an infraction punishable by a	07/10/2014 - Signed by GOVERNOR.;07/10/	

IRWD 2014 LEGISLATIVE MATRIX
Updated Oct. 1, 2014

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			maximum fine.	2014 - Chaptered by Secretary of State. Chapter No. 114	
<u>AB 1522</u> Gonzalez (D)	Employment: Paid Sick Days		Authorizes an employer to limit an employee's use of paid sick days. Prohibits an employer from discriminating or retaliating against an employee who requests paid sick days. Requires employers to satisfy specified posting and notice and recordkeeping requirements. Authorizes the imposition of fines for violations and the recovery of civil penalties, as well as attorney's fees, costs and interest. Provides that such provisions would not apply to certain categories of employees.	09/10/2014 - Signed by GOVERNOR.;09/10/2014 - Chaptered by Secretary of State. Chapter No. 317	
<u>AB 1527</u> Perea (D)	Public Water Systems: Safe Drinking Water Fund		Amends the Safe Drinking Water State Revolving Fund Law of 1997. Requires the State Water Resources Control Board to provide incentives for the consolidation of public water systems based upon a service review development by a local agency formation commission. Provides these provisions are repealed after the Board provides notice to the Legislature and the Secretary of State and posts notice on its Internet Web site of the adopted policy handbook.	09/28/2014 - Vetoed by GOVERNOR.	
<u>AB 1600</u> Gomez (D)	Service Contracts: Outsourcing Alternatives		Establishes, as a condition for a State agency to use personal services contracts, a requirement that the contractor's wages be the higher of the industry's level or the prevailing wage, if applicable.	04/23/2014 - In ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY: Not heard.	
<u>AB 1615</u> Gatto (D)	Claims Against the State: Payment		Appropriate funds from the State Board of Chiropractic Examiner's Fund in a prescribed amount to settle claims against the State arising from specified legal action and from the General Fund in a prescribed amount to settle claims against the State arising from a separate legal action. Provides that any appropriated funds in excess of the amount required to pay those claims revert to the fund from which the proceeds were taken.	07/18/2014 - Signed by GOVERNOR.;07/18/2014 - Chaptered by Secretary of State. Chapter No. 142	

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<u>AB 1632</u> Olsen (R)	Water Rights: Appropriation		Makes a technical, nonsubstantive change in provisions regarding the State Water Resources Control Board allowing permits and licenses appropriations for beneficial purposes of unappropriated water under terms and conditions as in its judgment will best develop, conserve, and utilize in the public interest the water sought to be appropriated.	02/10/2014 - INTRODUCED.	
<u>AB 1636</u> Brown (D)	Water Conservation		Prohibits a city or county, during a drought emergency declared by the Governor, from enforcing a law or ordinance requiring a resident to water his or her lawn. Provides that a requirement imposed by a governmental entity or a public utility to limit, restrict, or conserve water during a drought emergency declared by the Governor does not constitute a diminution of rent or value of a premise or property.	04/24/2014 - Re-referred to ASSEMBLY Committee on LOCAL GOVERNMENT.	
<u>AB 1639</u> Grove (R)	Global Warming Solutions Act of 2006:Greenhouse Gas		Relates to the California Global Warming Solutions Act of 2006 and the Greenhouse Gas Reduction Fund. Amends existing law that creates the High-Speed Rail Authority. Provides that cap-and-trade revenues shall not be appropriated from the fund for purposes of the high-speed rail system, and would make legislative findings and declarations in that regard.	05/29/2014 - From ASSEMBLY Committee on NATURAL RESOURCES without further action pursuant to JR 62(a).	
<u>AB 1671</u> Frazier (D)	Sacramento-San Joaquin Delta:Water Conveyance System	Oppose	Prohibits the Department of Water Resources from constructing water facilities as part of a specified water conveyance system unless specifically authorized by the Legislature.	04/08/2014 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Not heard.	
<u>AB 1705</u> Williams (D)	Public Contracts: Payment	Oppose	Amends existing law that authorizes the retention proceeds withheld from any payment by an awarding entity from the original contractor, by the original contractor from any subcontractor, and by a subcontractor from any subcontractor, to exceed a specified percentage on projects that are substantially complex. Requires that the bid documents include details explaining the basis for the finding in addition to the actual retention amount. Requires the description of unique project and why it is unique.	09/27/2014 - Chaptered by Secretary of State. Chapter No. 670	
<u>AB 1707</u>	Water Quality: Scientific		Amends existing law that requires the State Water Resources	09/28/2014 -	

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Wilk (R)	Peer Review		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. Relates to an external scientific peer review. Requires the Board to post on its Internet Web site a copy of the external scientific peer review for proposes rules of the State Board or a regional board.	Chaptered by Secretary of State. Chapter No. 722	
AB 1728 Garcia (D)	Political Reform Act of 1974		Relates to the Political Reform Act of 1974. Revises the definition of agency to include a local government agency formed pursuant to provision of the Water Code. Revises the definition of license, permit, or other entitlement for use with respect to proceedings before a local government agency formed pursuant to the Water Code to apply to all contracts that are not competitively bid.	09/30/2014 - Vetoes by GOVERNOR.	
AB 1729 Logue (R)	Local Government: Agricultural Land: Payments		Appropriates a specified amount of money from the General Fund to make subvention payments to counties to reimburse the counties for property tax revenues not received as a result of contracts between the counties and owners of agricultural land in which the owners agree, under the Williamson Act, to continue using such property as agricultural for purposes of property taxation.	03/20/2014 - To ASSEMBLY Committee on APPROPRIATIONS. ;03/20/2014 - From ASSEMBLY Committee on APPROPRIATIONS with author's amendments.;03/20/2014 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.	
AB 1731 Perea (D)	Integrated Regional Water Management Plans: Funding		Requires, in each integrated regional water management region, that not less than a specified percentage of any funding for integrated regional water management planning purposes be used to facilitate and support the participation of disadvantaged communities in integrated regional water management planning and for projects that	06/10/2014 - In SENATE Committee on NATURAL RESOURCES AND WATER: Not heard.	

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			address critical water supply or water quality needs for disadvantaged communities.		
<u>AB 1739</u> Dickinson (D)	Groundwater Management		Provides specific authority to a groundwater sustainability agency to impose certain fees. Authorizes the provision of technical assistance to entities that extract or use groundwater to promote water conservation and protect groundwater resources. Requires the publication on a Web site of sustainable management of groundwater best management practices. Authorizes inspections and related warrants. Designates probationary basins. Establishes groundwater reporting requirements.	09/16/2014 - Signed by GOVERNOR.;09/16/2014 - Chaptered by Secretary of State. Chapter No. 347	
<u>AB 1741</u> Frazier (D)	Public Works: Prevailing Wage Rates: Assessments		Relates to the issuance by the Labor Commissioner of a civil wage and penalty assessment for violating laws regulating public works contracts, including the payment of prevailing wages. Specifies that a contractor, subcontractor, or surety may deposit the full amount of the assessment or notice with the Department of Industrial Relations in the form of cash or a bond issued by a surety company admitted to do business in the State in a form acceptable to the Department.	05/23/2014 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
<u>AB 1782</u> Chesbro (D)	Wires: Unlawful Removal		Makes it a crime for any person to unlawfully and maliciously disconnect or cut a line of telegraph, telephone, or cable television, or any line used to conduct electricity, or any part thereof, or appurtenance or apparatus connected therewith. Makes the crime punishable by imprisonment in a county jail, a fine, or both.	09/15/2014 - Signed by GOVERNOR.;09/15/2014 - Chaptered by Secretary of State. Chapter No. 332	
<u>AB 1799</u> Gordon (D)	Land Use: Mitigation Lands	Support	Specifies, where a governmental entity or specified district is the transferee of property, that an endowment or other financial mechanism is not required if the entity or district provides evidence to the local or State agency that it possesses an investment-grade credit rating by a nationally recognized rating organization or other equivalent evidence of financial responsibility and enters into a contractual agreement enforcing mitigation requirements. Requires related reporting.	05/23/2014 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
<u>AB 1849</u> Logue (R)	California Environmental Quality Act: Exemptions		Relates to the California Environmental Quality Act. Exempts from the requirements of CEQA, the maintenance, repair, or replacement of an existing levee.	02/27/2014 - To ASSEMBLY Committee on	

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				NATURAL RESOURCES.	
<u>AB 1874</u> Gonzalez (D)	Integrated Regional Water Management Plans: Funding		Requires the Department of Water Resources to develop a streamlined application process for certain regional water management groups. Requires, in order to get water management grant funds through the process, the group must file a streamlined application including specified information. Requires awarding funds according to a statutory formula and covers regions. Requires the group to provide a list of projects to be funded and the Department to award the funding within a specified time period.	05/23/2014 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
<u>AB 1905</u> Alejo (D)	Water Rights: Appropriation: Livestock Stockpond Use		Provides that impoundment for incidental fire protection purposes is included within livestock stockpond use. Relates to small domestic use registration and livestock stockpond use registration permits. Authorizes a livestock stockpond use registration and a small irrigation use registration to be in effect for the same facility.	08/22/2014 - Chaptered by Secretary of State. Chapter No. 268	
<u>AB 1933</u> Levine (D)	Local Government: Investments		Authorizes the legislative body of a local agency to invest in United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by certain banks. Requires these investments to be rated AA or better and to not exceed a specified percentage of the agency's moneys that may be invested.	06/25/2014 - Signed by GOVERNOR.;06/25/ 2014 - Chaptered by Secretary of State. Chapter No. 59	
<u>AB 1961</u> Eggman (D)	Land Use: Planning: Sustainable Farmland Strategy		Requires each county to develop a sustainable farmland strategy. Requires the sustainable farmland strategy to include, among other things, a map and inventory of all agriculturally zoned land within the county, a description of the goals, strategies, and related policies and ordinances, to retain agriculturally zoned land where practical and mitigate the lose of such land to other uses or zones.	05/23/2014 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
<u>AB 1970</u> Gordon (D)	Global Warming Solutions Act: Community Investment		Creates the Community Investment and Innovation Program and requires moneys to be available from the Greenhouse Gas Reduction Fund for purposes of awarding grants and other financial assistance to eligible applicants who submit plans to develop and implement integrated community-level greenhouse gas emissions reductions in their region. Requires the Strategic Growth Council to administer the program.	05/23/2014 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	

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<u>AB 1983</u> Gray (D)	Water Meters: Multiunit Structures		Authorizes the owner or operator of a building containing residential units to install equipment to determine or use an economic allocation methodology to approximate the quantity of water that is provided to the tenants and used in the common areas of that building and to charge tenants separately for water and wastewater service based on usage as determined through the use of that equipment or allocation methodology if certain requirements are met.	03/03/2014 - To ASSEMBLY Committees on HOUSING AND COMMUNITY DEVELOPMENT and WATER, PARKS AND WILDLIFE.	
<u>AB 2040</u> Garcia (D)	Elected Officials Compensation: Reports and Disclosure		Requires a local agency to report to the Controller the annual compensation of its elected officials, officers, and employees. Requires such agency required to report and that maintains an Internet Web site to post that information on the Controller's Government Compensation in California Internet Web site. Requires the Controller to display the financial reports and the public official compensation on that Web site. Requires the entities to consult regarding the reporting requirements for such disclosure.	09/30/2014 - Signed by GOVERNOR.;09/30/2014 - Chaptered by Secretary of State. Chapter No. 894	
<u>AB 2043</u> Bigelow (R)	Safe Clean and Reliable Drinking Water Supply Act		Repeals provisions of the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. Enacts the Safe, Clean, and Reliable Water Supply Act of 2014, which, if adopted by votes, would authorize the issuance of bonds in a specified amount to finance a safe drinking water and water supply reliability program.	08/06/2014 - In ASSEMBLY Committee on APPROPRIATIONS: Not heard.	
<u>AB 2045</u> Rendon (D)	Energy Improvements and Financing		Enacts the Non-Residential Real Property Energy Retrofit Financing Act of 2014. Provides financial assistance through the issuance of revenue bonds, to owners of eligible real properties. Requires that the bonds be secured by the recording of an energy remittance repayment agreement lien. Requires the Energy Resources Conservation and Development Commission to collect installment payments from owners of eligible real properties whose applications it has approved.	05/23/2014 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
<u>AB 2049</u> Dahle (R)	Drinking Water: Point-of-Entry: Point-of-Use Treatment		Limits the use of point-of-entry and point-of-use treatment to water systems with less than 500 service connections.	05/08/2014 - To SENATE Committee on ENVIRONMENTAL	

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				QUALITY.	
<u>AB 2067</u> Weber (D)	Urban Water Management Plans		Requires an urban retail water supplier and an urban wholesale water supplier to provide narratives describing the supplier's water demand management measures. Requires the narrative to address the nature and extent of each water demand management measure implemented to describe the water demand management measures that the supplier plans to implement. Provides the deadline for the 2015 plan submission. Relates to the determination of future water use reductions.	09/19/2014 - Signed by GOVERNOR.;09/19/2014 - Chaptered by Secretary of State. Chapter No. 463	
<u>AB 2071</u> Levine (D)	Recycled Water: Animals		Requires the State Water Resources Control Board to determine whether the use of disinfected tertiary treated recycled water for the purpose of providing water to animals would not pose a significant risk to public and animal health. Requires the establishment of statewide recycling criteria for the use of recycled water for such purposes. Prohibits the use of such water in the water supply for dairy animals that are currently producing dairy products for human consumption.	09/28/2014 - Chaptered by Secretary of State. Chapter No. 731	
<u>AB 2097</u> Morrell (R)	Homeowners Exemption and Renters Credit		Increases the homeowners' property tax exemption. Increases the personal income tax credit for a qualified renter.	03/03/2014 - To ASSEMBLY Committee on REVENUE AND TAXATION.	
<u>AB 2100</u> Campos (D)	Common Interest Developments: Yard Maintenance: Drought		Prohibits a common interest development association from imposing a fine or assessment against a member of a separate interest for reducing or eliminating watering of vegetation or lawns during any period for which the Governor has declared a state of emergency, or a local government has declared a local emergency, due to drought.	07/21/2014 - Signed by GOVERNOR.;07/21/2014 - Chaptered by Secretary of State. Chapter No. 164	
<u>AB 2104</u> Gonzalez (D)	Common Interest Developments: Water Efficient Landscapes	Support	Relates to the Davis-Stirling Common Interest Development Act. Provides that a provision of the governing documents or of the architectural or landscaping guidelines or polices shall be void and unenforceable if it prohibits, or includes conditions that have the effect of prohibiting, low water-using plants as a group or as a replacement of existing turf, or if the provisions have the effect of	09/18/2014 - Signed by GOVERNOR.;09/18/2014 - Chaptered by Secretary of State. Chapter No. 421	

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			prohibiting or restricting compliance with local water conservation measures.		
<u>AB 2114</u> Pan (D)	Taxation: Qualified Heavy Equipment		Imposes a tax on every qualified renter for the privilege of renting qualified heavy equipment. Requires a renter to collect the tax from the qualified rentee at the time of rental. Provides that this tax shall be in lieu of any personal property tax on qualified heavy equipment. Requires the county auditor to increase the total amount of ad valorem property tax revenue and to decrease the amount of ad valorem property tax required to be allocated to the county Educational Revenue Augmentation Fund.	05/23/2014 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
<u>AB 2126</u> Bonta (D)	Meyers Miliias Brown Act Mediation		Amends the Meyers-Miliias-Brown Act. Permits either party to contract negotiations to request mediation and agree upon a mediator. Authorizes the Public Employee Relations Board to appoint a mediator upon request. Relates to a waiver of such request if the public agency has a impasse procedure. Authorizes certain collective bargaining negotiation differences to apply to these provisions.	09/30/2014 - Vetoed by GOVERNOR.	
<u>AB 2189</u> Garcia (D)	Water Replenishment Districts: Replenishment Assessment		Requires a water replenishment district board to make specified findings and determinations before holding a public meeting and to identify water-producing facilities within the district that would be subject to a proposed replenishment assessment and give written notice by mail to owners of those facilities. Authorizes the facility owner to submit a written protection in opposition of the assessment. Provides the condition that would prohibit the imposition of the assessment.	05/23/2014 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
<u>AB 2211</u> Ting (D)	Counties: Database: Information Regarding Property Tax		Requires each county to make available to taxpayers on its Internet Web site a graph visualization of how general ad valorem property tax revenues are allocated countywide. Requires the Internet Web site to provide taxpayers with certain information about general ad valorem property tax revenues and the types of programs and services funded with general ad valorem property tax revenues, and a link to a final budget document where information about specific programs and services is detailed.	09/29/2014 - Vetoed by GOVERNOR.	
<u>AB 2231</u>	State Controller: Property		Relates to claims for postponement under the Senior Citizens and	09/28/2014 -	

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Gordon (D)	Tax Postponement		Disabled Citizens Property Tax Postponement Law to include filing a claim, excluding mobilehomes and houseboats, surviving spouse procedures, a related fund, an increase in the related implementation fee, the lien for postponed property taxes and recording thereof, the equity requirement for program participation, the updating of repayment of the postponed taxes, tax-default sales, nonresidential commercial property, and eligibility.	Chaptered by Secretary of State. Chapter No. 703	
<u>AB 2257</u> Cooley (D)	Tax-Defaulted Property: Excess Proceeds from Sale		Eliminates the requirement that any excess proceeds from the sale of tax-defaulted property not claimed be distributed among taxing agencies. Authorizes any excess proceeds to be transferred to the county general fund at the expiration of a specified time period. Relates to the distribution and claim process of any excess proceeds from the sale.	09/20/2014 - Chaptered by Secretary of State. Chapter No. 501	
<u>AB 2259</u> Ridley-Thomas S (D)	Water Replenishment: Assessments		Requires that a judicial action or proceeding to attack, review, set aside, void, or annul a resolution or motion levying a water replenishment assessment by a water replenishment district pursuant to certain provisions to be connected within a certain number of days of the adoption of the resolution or motion. Requires that an action regarding the replenishment assessment be brought pursuant to specified provisions regarding civil proceedings.	09/28/2014 - Chaptered by Secretary of State. Chapter No. 736	
<u>AB 2282</u> Gatto (D)	Building Standards: Recycled Water Systems		Requires the Department of Housing and Community Development to conduct research to assist in the development of and to submit for adoption by the State Building Standards Commission of mandatory building standards for the installation of recycled water systems for newly constructed single-family and multifamily residential buildings. Limits the mandate to install recycled water systems to certain areas within a local jurisdiction. Regards recycled water and green building standards.	09/26/2014 - Chaptered by Secretary of State. Chapter No. 606	
<u>AB 2312</u> Nestande (R)	Metal Theft	Support	Relates to the theft of wire, cable, copper, lead, solder, mercury, iron, or brass. Requires a junk dealer or recycler to request to receive theft alert notifications regarding the theft of commodity metals in the junk dealer's or recycler's geographic region from the theft alert system maintained by the Institute of Scrap Recycling Industries, Inc. Requires a junk dealer or recycler who is an applicant for a new	09/26/2014 - Chaptered by Secretary of State. Chapter No. 608	

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			weighmaster license or renewal to also include a statement on theft alert notifications.		
AB 2353 Waldron (R)	Environmental Quality: Water Storage Facilities		Exempts a project to expand the storage capacity of an existing surface water storage facility, or to replace an existing surface water storage facility, that is owned and operated by a public entity if that public entity adopts, by resolution, findings and declarations that the project meets specified criteria from the requirements of the California Environmental Quality Act.	05/29/2014 - From ASSEMBLY Committee on NATURAL RESOURCES without further action pursuant to JR 62(a).	
AB 2403 Rendon (D)	Local Government: Assessments, fees, and charges		States that provisions of the State Constitution generally require that assessments, fees, and charges be submitted to property owners for approval or rejection after the provisions of written notice and the holding of a public hearing. Modifies the definition of water to mean water from any source.	06/28/2014 - Signed by GOVERNOR.;06/28/2014 - Chaptered by Secretary of State. Chapter No. 78	
AB 2417 Nazarian (D)	California Environmental Quality Act: Recycled Water		Amends the California Environmental Quality Act, which exempt specified pipeline projects from certain requirements. Exempts from the Act, a project for the construction and installation of a new pipeline or the maintenance, repair, restoration, reconditioning, relocation, replacement, removal, or demolition of an existing pipeline, not exceeding a specified length, for the distribution of recycled water within a public street, highway, or right-of-way. Requires the filing of a notice of exemption.	06/18/2014 - In SENATE Committee on ENVIRONMENTAL QUALITY: Not heard.	
AB 2420 Nazarian (D)	Well Stimulation Treatments: Local Prohibition		Authorizes a city or county to adopt and enforce a local ordinance prohibiting well stimulation treatments.	04/30/2014 - In ASSEMBLY Committee on LOCAL GOVERNMENT: Failed passage.;04/30/2014 - In ASSEMBLY Committee on LOCAL GOVERNMENT:	

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				Reconsideration granted.	
<u>AB 2434</u> Gomez (D)	Income Taxes: Exclusion	Support	Provides, under the Personal Income Tax and Corporation Tax laws, an exclusion from gross income for any amount received as a rebate, or financial incentive issued by a local water agency or supplier for participation in a turf removal water conservation program.	09/28/2014 - Chapered by Secretary of State. Chapter No. 738	
<u>AB 2442</u> Gordon (D)	Porter Cologne Water Quality Control Act		Prohibits the State Water Resources Control Board, a regional board, or a board employee, from being held civilly liable in a civil proceeding for trespass or any other act necessary to carry out an investigation, cleanup, abatement, or other remedial work. Prohibits those entities from incurring any obligation to undertake those actions. Applies to a related claim or cause of action.	09/28/2014 - Chapered by Secretary of State. Chapter No. 739	
<u>AB 2443</u> Rendon (D)	Water Recycling Act: Mutual Water Companies: Service		Authorizes a recycled water producer or wholesaler to request a retail water supplier to enter into an agreement to provide recycled water to a potential customer under the Water Recycling Act. Makes inapplicable the provision that a mutual water company is a private utility entitled to just compensation for a taking in a territory it services at the time of the taking when a political subdivision constructs facilities to provide or extend recycled water service to the territory of the mutual water company.	09/29/2014 - Chapered by Secretary of State. Chapter No. 817	
<u>AB 2446</u> Waldron (R)	San Luis Rey Municipal Water District		Prohibits a standby assessment or availability charge levied for the San Luis Rey Municipal Water District from exceeding a specified amount per acre for land on which the charge is levied or a specified amount per year for a parcel less that a specified size. Requires the proceeds from the assessment or charge to be used for the purposes of management of local water supply and its quality.	09/29/2014 - Chapered by Secretary of State. Chapter No. 818	
<u>AB 2463</u> Dickinson (D)	Water: Plans		Requires the Department of Water Resources to partner with the Regional Water Authority, water suppliers in El Dorado, Placer, Sacramento, and Placer counties, and other interested agencies to develop a plan for investing in water supplies and other facilities in order to contribute to the reliability of water supplies for the Sacramento region's communities and environmental resources while also generating statewide benefits.	05/23/2014 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
<u>AB 2471</u>	Public Contracts: Change		Requires a public entity, when authorized to order changes or	08/04/2014 - From	

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Frazier (D)	Orders		additions in the work in a public works contract awarded to the lowest bidder, to issue a change order promptly and not later than a specified time period. Requires if this requirement is not met, the entity to be liable to the original contractor for the completed work. Requires prejudgment interest to accrue. Provides procedural requirements for the submission of change orders by subcontractors.	SENATE Committee on APPROPRIATIONS with author's amendments.;08/04/2014 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS. ;08/04/2014 - In SENATE Committee on APPROPRIATIONS: Not heard.	
<u>AB 2492</u> Jones-Sawyer (D)	Controlled Substances: Sentencing		Amends existing law prohibits a person from using or being under the influence of certain controlled substances. Deletes the requirement that a person convicted under this provision serve at least a certain number of days in a county jail, and would delete the requirement that, as a condition of granting probation, the person serve time in a county jail.	09/29/2014 - Chaptered by Secretary of State. Chapter No. 819	
<u>AB 2507</u> Bocanegra (D)	Public Records Act: Exemptions		Provides that outside attorney billing records, when they are prepared in connection with a pending civil action in which a public agency is the defendant, are exempt from the State Public Records Act disclosure provisions during the pendency of the litigation.	04/22/2014 - In ASSEMBLY Committee on JUDICIARY: Not heard.	
<u>AB 2516</u> Gordon (D)	Sea Level Rise Planning: Database		Requires the Natural Resources Agency to post on its Internet Web site a Planning for Sea Level Rise Database describing steps being taken throughout the state to prepare for, and adapt to, sea level rise. Requires public and private entities to provide input. Requires the Agency to determine the information for database, and to organize the database by geographic area and to provide an entry for each city, county, and city and county within the coastal zone and San Francisco Bay area.	09/21/2014 - Signed by GOVERNOR.;09/21/2014 - Chaptered by Secretary of State. Chapter No. 522	

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
<u>AB 2554</u> Rendon (D)	Clean, Safe, and Reliable Drinking Water Act of 2014		Repeals the Safe, Clean, and Reliable Drinking Water Act of 2012 that would authorize the issuance of bonds to finance a safe drinking water and water supply reliability program via a bond act if passed by the voters at a statewide general election. Enacts the Clean, Safe, and Reliable Drinking Water Act of 2014 to authorize bonds in a specified amount to finance a clean, safe, and reliable drinking water program if passed by the voters at a statewide general election.	04/29/2014 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Do pass to Committee on APPROPRIATIONS.	
<u>AB 2619</u> Gaines B (R)	Dams: Fish: Critically Dry Year		Amends existing law which requires a dam owner to allow sufficient water to pass through a fishway or over, around, or through the dam and which authorizes the Department of Fish and Game to grant permission to the dam owner to allow sufficient water to pass through a culvert, waste gate, or over or around the dam, to keep in good condition any fish that may be planted or exist below the dam. Prohibits such provisions from applying during a critically dry year.	03/28/2014 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.;03/28/2014 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;03/28/2014 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.	
<u>AB 2636</u> Gatto (D)	CalConserve Water Use Efficiency Revolving Fund		Transfers to the CalConserve Water Use Efficiency Revolving Fund from the Costa-Machado Water Act of 2000 specified bond proceeds issued and available for agricultural water projects. Requires the Department of Water Resources to use these moneys for loans and grants to local agencies to acquire and construct agricultural water conservation projects consistent with the bond act.	09/29/2014 - Chaptered by Secretary of State. Chapter No. 825	

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
<u>AB 2676</u> Rendon (D)	Controller Reports		Changes the definition of a special district included in the reporting requirements of the Controller to include a public entity, agency, or board provided for by a joint powers agreement that is separate from the parties to the agreement and is responsible for the administration of the agreement. Relates to auditing local redevelopment agencies. Relates to forfeiture requirements local agency officers that fail or refuse to file a financial report to the Controller.	05/23/2014 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
<u>AB 2680</u> Nazarian (D)	Water Quality		Makes technical, nonsubstantive changes to the legislative findings and declarations in The Porter-Cologne Water Quality Control Act.	02/21/2014 - INTRODUCED.	
<u>AB 2686</u> Perea (D)	Clean, Safe, and Reliable Water Supply Act of 2014		Repeals the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. Enacts the Clean, Safe, and Reliable Water Supply Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in an unspecified amount, to finance a clean, safe, and reliable water supply program. Provides for the submission of the bond act to the voters at a statewide general election.	08/06/2014 - In ASSEMBLY Committee on APPROPRIATIONS: Not heard.	
<u>AB 2701</u> Gonzalez (D)	Groundwater Basins: Investigation and Report		Makes a technical, nonsubstantive change to existing law that requires the Department of Water Resources, in conjunction with other public agencies, to conduct an investigation of the state's groundwater basins and to report its findings to the Governor and the Legislature.	02/21/2014 - INTRODUCED.	
<u>AB 2712</u> Daly (D)	Hazardous Materials: Orange County Water District		Requires the Orange County Water District when cleaning up or containing contamination, abating the effects of contamination or pollution, or taking other removal or remedial action to provide prior notice of the action to the regional water quality control board and the Department of Toxic Substances Control, to meet and confer with agencies and any responsible party, and to comply with the National Contingency Plan.	08/25/2014 - In SENATE. Read second time. To third reading.	
<u>AB 2725</u> Brown (D)	Urban Waterway Restoration		Requires the Department of Water Resources to release assumptions and estimates relating to water use for urban waterway restoration. Includes urban waterway restoration that increases water supplies for any beneficial use, as a regional project or program. Includes an urban waterway restoration project as an eligible project for the grant program under the Environmental Water Fund.	03/17/2014 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.	

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<u>AB 2738</u> Alejo (D)	Contamination		Relates to notification of an action on a business that discharged a specified chemical. Requires the notice of special compliance procedure and proof of compliance form to be provided to the alleged violator at the time the notice of the alleged violation is served. Requires that the notice allege that the alleged violator failed to provide clear and reasonable warning regarding specified exposures.	09/29/2014 - Chapered by Secretary of State. Chapter No. 828	
<u>ACA 8</u> Blumenfield (D)	Local Government Financing: Voter Approval		Proposes an amendment to the Constitution to create an additional exception to the 1% limit for an ad valorem tax rate imposed by a city, county, city and county, or special district, to service bonded indebtedness incurred to fund specified public improvements and facilities, or buildings used primarily to provide sheriff, police, or fire protection services, that is approved by 55% of the voters of the city, county, city and county, or special district.	06/27/2013 - To SENATE Committees on GOVERNANCE AND FINANCE and ELECTIONS AND CONSTITUTIONAL AMENDMENTS.	
<u>HR 29</u> Gomez (D)	Outsourcing Public Services	Oppose	Opposes outsourcing of public services and assets, which harms transparency, accountability, shared prosperity, and competition, and supports processes that give public service workers the opportunity to develop their own plan on how to delivery cost-effective, high-quality services.	04/03/2014 - In ASSEMBLY. Read third time and amended. To third reading.;04/03/2014 - In ASSEMBLY. Read third time. Adopted by ASSEMBLY.	
<u>SB 1</u> Steinberg (D)	Sustainable Communities Investment Authority		Authorizes certain public entities of a Sustainable Communities Investment Area to form a Sustainable Communities Investment Authority to carry out the Community Redevelopment Law. Provides for tax increment funding receipt under certain economic development and planning criteria. Establishes prequalification requirements for receipt of funding. Requires monitoring and enforcement of prevailing wage requirements within the area. Excludes certain types of farmland.	09/12/2013 - In SENATE. To Inactive File.	
<u>SB 26</u> Correa (D)	Orange County Water District: Land Use	Watch	Requires the Orange County Water District to comply with provisions of existing law relating to building and zoning	09/29/2014 - Chapered by	

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			ordinances. Requires the District to provide notice of intent to develop real property owned by the District that is located within the boundaries of a city to the planning agency of that city in advance of any District Board approval. Requires the conduction of a public meeting in a city where a water facility exempt from building and zoning ordinances would be located or constructed.	Secretary of State. Chapter No. 829	
SB 33 Wolk (D)	Local Taxation: County of Sonoma: Transactions Tax		Authorize the County of Sonoma or any city within the county to impose a transactions and use tax for general purposes, and the county, any city within the county, or the Sonoma County Transportation Authority to impose a transactions and use tax for specific purposes, which may include the support of transportation and road maintenance programs and library services, that would, in combination with other specified taxes, exceed the combined rate limit if certain requirements are met.	08/22/2014 - In ASSEMBLY. From Inactive File. To third reading.;08/22/2014 - In ASSEMBLY. Assembly Rule 78 suspended.;08/22/2014 - In ASSEMBLY. Assembly Rule 63 suspended.;08/22/2014 - In ASSEMBLY. Read third time and amended. To third reading.;08/22/2014 - Re-referred to ASSEMBLY Committee on RULES.	
SB 64 Corbett (D)	Global Warming Solutions: Clean Technology Investment		Creates the Clean Technology Innovation Account within the Greenhouse Gas Reduction Fund. Requires appropriations of moneys in the fund or other funds to the account in the Budget Act. Makes such funds available for evaluating the efficacy of a new technology or product to potentially reduce greenhouse gas emission, provide grants for technologists and products that have been confirmed to have greenhouse gas emission reduction potential. Requires providing programmatic and technical expertise.	08/14/2014 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
SB 103	Budget Act of 2013		Amends the Budget Act of 2013 by revising items of appropriation	03/01/2014 - Signed	

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Budget and Fiscal Review Cmt			and making other changes for the purpose of addressing drought conditions in the State.	by GOVERNOR.;03/01/2014 - Chaptered by Secretary of State. Chapter No. 2	
SB 104 Budget and Fiscal Review Cmt	Drought Relief		Provides provisions regarding drought relief to include fines for violations of permits and licenses issued by the State Water Resources Control Board, the disbursement of disaster assistance, civil fines for the improper water diversion, emergency regulations regarding the diversion of water and the fines for a related infraction and for groundwater replenishment, rental space for those with economic hardship, the employment training tax, and the providing of funds for water management grants.	03/01/2014 - Signed by GOVERNOR.;03/01/2014 - Chaptered by Secretary of State. Chapter No. 3	
SB 176 Galgiani (D)	Administrative Procedures		Requires the Office of Administrative Law to allow electronic submission to the Office by a state agency of notices required to be published and information required to be submitted pursuant to specified provisions of existing law. Expands the public discussion required described in existing law to require a state agency proposing to adopt regulations, prior to publication of a notice of proposed adoption, amendment, or repeal, to involve parties that would be subject to the regulations in such discussions.	08/30/2013 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.;08/30/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
SB 193 Monning (D)	Hazard Evaluation System and Information Service		Relates to the repository of data on toxic materials and harmful physical agents in places of employment. Requires chemical manufacturers, formulators, suppliers, distributors, importers, and their agents to provide Hazard Evaluation System and Information Service the names and addresses of their customers who have purchased specified chemicals or commercial products containing those chemicals, and certain other information upon a request from the Service. Exempts the names and address from disclosure.	09/29/2014 - Chaptered by Secretary of State. Chapter No. 830	
SB 266 Lieu (D)	Prevailing Wages		Requires the body awarding a contract for public work to furnish a copy of the valid notice of completion for the public work or a document evidencing the awarding body's acceptance of the public	09/30/2014 - Signed by GOVERNOR.;09/30/	

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			work on a particular date, whichever occurs later. Requires that body to notify the Labor Commissioner if there has been no valid notice of completion filed, and no document evidencing the acceptance of the public work on a particular date. Requires civil wage assessments until an applicable document is received.	2014 - Chaptered by Secretary of State. Chapter No. 916	
SB 536 Berryhill T (R)	Alarm Companies: Electronic Transactions		Provides that contracts for services or other activities authorized by the Alarm Company Act may be conducted by electronic means. Provides the provisions of the Uniform Electronic Transactions Act (UETA) would apply to transactions of persons licensed, certified, or registered pursuant to the Alarm Company Act. Excludes contracts and services or other activities authorized by the Alarm Company Act from the home solicitation contract definition. Requires contracts to comply with specified requirements.	08/07/2014 - Re-referred to ASSEMBLY Committee on RULES.	
SB 556 Padilla (D)	Providers of Health and Safety Labor or Services		Relates to third person contracts and ostensible agencies. Prohibits a person, a nongovernmental person, firm, corporation, or association that contracts to perform labor or services relating to public health and safety labor or services for a public agency from displaying on a vehicle or uniform a logo that reasonably could be interpreted as implying the labor or services are being performed by employees of a public agency, unless certain conditions are met. Prohibits mandating such activity.	09/29/2014 - Chaptered by Secretary of State. Chapter No. 832	
SB 605 Lara (D)	Short-Lived Climate Pollutants		Requires the State Air Resources Board to complete a comprehensive strategy to reduce emissions of short-lived climate pollutants in the State.	09/21/2014 - Signed by GOVERNOR.;09/21/2014 - Chaptered by Secretary of State. Chapter No. 523	
SB 628 Beall (D)	Enhanced Infrastructure Financing Districts		Authorizes a local government body to establish an enhanced infrastructure financing district to finance capital facilities and other project to include brownfield restoration, projects on a former military base, and low and moderate income housing. Requires specific events to occur before the district can implement a financing plan. Authorizes projects through tax increment financing. Authorizes projects that are located or overlap in a redevelopment	09/29/2014 - Chaptered by Secretary of State. Chapter No. 785	

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			area or a former redevelopment project area.		
SB 633 Pavley (D)	State Parks		Requires the Department of Parks and Recreation to make a report to the Legislature addressing the Department's energy costs, projects that could reduce those costs, and potential energy-related infrastructure projects. Requires the Department to establish a pilot program for mobile food and beverage services and to report on the suitability, increase in visitation, and visitor satisfaction. Relates to the sales of park passes through vendors. Allows a taxpayer to make a parks related donation.	09/26/2014 - Vetoed by GOVERNOR.	
SB 731 Steinberg (D)	Environment: California Environmental Quality Act		Relates to the State Environmental Quality Act. Provides that certain impacts of a residential, mixed-use, or employment center project within a transit priority area shall not be considered significant impacts. Requires guidelines for thresholds of significance for noise and transportation impacts to be made available. Requires preparation of environmental impact reports. Extends the tolling of time for judicial actions and mitigation measures. Relates to sustainable communities planning and grants.	09/11/2013 - From ASSEMBLY Committee on LOCAL GOVERNMENT: Do pass as amended.	
SB 735 Wolk (D)	Sacramento-San Joaquin Delta Reform Act		Amends existing law that establishes the Delta Stewardship Council to create a Delta management plan. Authorizes prescribed local entities to enter into a memorandum of understanding or other written agreement with the council and the Department of Fish and Wildlife regarding multispecies conservation plans that describes how the parties would ensure that multispecies conservation plans that have been adopted or are under development are consistent with the Delta Plan.	08/13/2013 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Not heard.	
SB 750 Wolk (D)	Building Standards: Water Meters: Multiunits		Requires a water purveyor providing water service to new multiunit residential or mixed use structures to require water measurement to each unit and to permit measurement to be by water meters or submeters. Requires submeters to comply with existing laws and regulations. Prohibits purveyor fees for submeters installed by the owner. Imposes certain requirements on landlords in related to the submetered water service. Relates to separate charge notification to tenant. Authorizes damages for violations.	08/13/2013 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Failed passage.;08/13/2013 - In ASSEMBLY Committee on	

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
				WATER, PARKS AND WILDLIFE: Reconsideration granted.	
SB 757 Berryhill T (R)	Groundwater Management		Prohibits a new groundwater management plan from being adopted or an existing groundwater management plan from being renewed, except for high- or medium-priority basins that are not in a condition of long-term overdraft and low- or very low priority basins. Requires a groundwater management plan for such basins. Requires a groundwater extraction facility be measured with a water-measuring device or methodology, to regulate groundwater pumping, and to impose fees. Promotes water conservation.	08/25/2014 - Re-referred to ASSEMBLY Committee on RULES.	
SB 785 Wolk (D)	Design-Build		Repeals certain authorizations and enacts provisions that would authorize the Department of General Services, the Department of Corrections and Rehabilitation, and certain local agencies to use the design-build procurement process for specified public works. Authorizes the use of such process by the Marin Healthcare District when contracting for building and improvements construction to a hospital or health facility at the Marin General Hospital. Includes the San Diego Unified Port District.	09/30/2014 - Signed by GOVERNOR.;09/30/2014 - Chaptered by Secretary of State. Chapter No. 931	
SB 848 Wolk (D)	Safe Drinking Water, Water Quality, and Water Supply		Repeals the provisions of existing law that created the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. Enacts the Safe Drinking Water, Water Quality, and Flood Protection Act of 2014 which would authorize the issuance of bonds pursuant to the State General Obligation Bond Law to finance a safe drinking water, water quality and water supply program. Provides for the submission of the bond act to the voters.	08/18/2014 - In SENATE. From third reading. To Inactive File.	
SB 927 Cannella (R)	Safe, Clean, and Reliable Drinking Water Supply Act		Renames the Safe, Clean, and Reliable Drinking Water Supply Act of 2012 as the Safe, Clean, and Reliable Drinking Water Supply Act of 2014 and makes conforming changes. Authorizes the issuance of bonds in a specified amount by reducing the amount available for projects related to drought relief and water supply reliability.	04/22/2014 - In SENATE Committee on NATURAL RESOURCES AND WATER: Failed passage.;04/22/2014 - In SENATE	

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
				Committee on NATURAL RESOURCES AND WATER: Reconsideration granted.	
SB 938 Galgiani (D)	Water Rights: Reconsideration of a Decision or Order		Makes a technical, nonsubstantive change to existing law that specifies procedures under which a person may be subject to administrative civil liability for unauthorized diversion or use of water, specifies procedures under which the State Water Resources Control Board is authorized to order a reconsideration of all or part of its decision or order.	02/20/2014 - To SENATE Committee on RULES.	
SB 946 Huff (R)	Community Facilities: Orange County Sanitation District		Revises the governing body of the Orange County Sanitation District to include one member of the city council of each city, except the City of Yorba Linda, and one member of the governing body of the Yorba Linda Water District.	07/21/2014 - Signed by GOVERNOR.;07/21/ 2014 - Chaptered by Secretary of State. Chapter No. 171	
SB 985 Pavley (D)	Stormwater Resource Planning	Support_Am end	Authorizes the development of a stormwater resource plan. Requires such plan to identify and prioritize the use of lands or easements in public ownership for stormwater and dry weather runoff on- of off-site projects. Eliminates the requirement such a plan be consistent with any applicable integrated regional water management plan. Requires an entity developing a plan to identify opportunities to use existing publicly owned lands and easements to capture, clean, store, and use stormwater and runoff.	09/25/2014 - Signed by GOVERNOR.;09/25/ 2014 - Chaptered by Secretary of State. Chapter No. 555	
SB 992 Nielsen (R)	Common Interest Developments: Property and Maintenance		Amends an existing which law prohibits an association from imposing a fine or assessment on separate interest owners for reducing or eliminating watering of vegetation or lawns during a state of emergency due to drought. Exempts from those prohibitions an association that uses recycled water for landscape irrigation. Provides that a provision of governing documents is void and enforceable if it requires certain pressure washing during a drought emergency.	09/18/2014 - Signed by GOVERNOR.;09/18/ 2014 - Chaptered by Secretary of State. Chapter No. 434	

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
<u>SB 1014</u> Jackson (D)	Pharmaceutical Waste: Home Generated: Collection		Requires the State Board of Pharmacy, upon enactment of federal regulations, to adopt regulations to implement State drug takeback programs for the collection and destruction of home-generated pharmaceutical waste. Provides that the regulations adopted pursuant to these provisions only apply to licensees of the Board.	08/13/2014 - In ASSEMBLY Committee on APPROPRIATIONS: Not heard.	
<u>SB 1036</u> Pavley (D)	Urban Water Management Plans		Authorizes an urban water supplier to include within an urban water management plan certain energy-related information, including, but not limited to, an estimate of the amount of energy used to extract or divert water supplies. Requires the Department of Water Resources to include in its guidance for the preparation of such plans, a methodology for the voluntary calculation or estimation of the energy intensity of urban water systems.	09/19/2014 - Signed by GOVERNOR.;09/19/ 2014 - Chaptered by Secretary of State. Chapter No. 485	
<u>SB 1049</u> Pavley (D)	Integrated Regional Water Management Plans		Amends the Integrated Regional Water Management Planning Act. Includes projects or programs that reduce energy used to acquire, transport, treat, or distribute water, or that develop and and maintain computer models and analytic tools to model regional water management strategies as a regional project or program. Requires a regional water management group to include all water suppliers that are within a watershed area, the area over a groundwater basin or subbasin, or the area within a county's boundaries.	05/23/2014 - In SENATE Committee on APPROPRIATIONS: Held in committee.	
<u>SB 1080</u> Fuller (R)	Safe, Clean, and Reliable Drinking Water Supply Act		Relates to the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, which, if approved by the voters, would authorize the issuance of bonds in a specified amount. Declares the intent of the Legislature to enact legislation to reduce the bond amount.	02/27/2014 - To SENATE Committee on RULES.	
<u>SB 1113</u> Knight (R)	Property Taxation: Disabled Veterans Exemption: Refunds		Relates to veterans with disabilities. Provides that if a claim for a refund is filed for a disabled veterans' property tax exemption on or after a specified date, the period of time for which a refund is required to be made shall be extended.	09/27/2014 - Chaptered by Secretary of State. Chapter No. 656	
<u>SB 1144</u> Galgiani (D)	Common Interest Developments		Prohibits an association from imposing a fine or assessment on separate interest owners for yard maintenance issues related to under watered plants and lawns during any period for which the governor has declared a state of emergency due to drought. Prohibits a city, county, or city and county from imposing a fine or assessment on separate interest owners for yard maintenance issues.	03/06/2014 - To SENATE Committee on TRANSPORTATIO N AND HOUSING.	

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<u>SB 1168</u> Pavley (D)	Groundwater Management		Relates to groundwater management. Requires the development of prioritization criteria for identifying groundwater basins and subbasins that should be prioritized based on impacts to habitat and surface water resources. Prohibits the adoption of groundwater management plans by local agencies after a specified date. Provides for sustainability plans and for the authority of local agencies that elect to become groundwater sustainability agencies. Provides for inspections and warrants.	09/16/2014 - Signed by GOVERNOR.;09/16/2014 - Chaptered by Secretary of State. Chapter No. 346	
<u>SB 1214</u> Anderson (R)	State Controller and Property Tax Postponement		Amends the Senior Citizens and Disabled Citizens Property Tax Postponement Law. Extends the prohibition against a person filing a claim for postponement and the Controller from accepting application for postponement under the program. Creates a related fund. Increases the equity interest requirement. Provides additional procedures regarding the filing of a related claim. Regards procedures relating to tax defaulted property. Requires notification of all tax defaulted properties.	05/23/2014 - In SENATE Committee on APPROPRIATIONS: Held in committee.	
<u>SB 1216</u> Morrell (R)	Homeowners' Exemption and Renter's Credit		Increases the homeowners' property tax exemption to a specified amount of the full value of a dwelling. Requires the County Assessor to adjust the amount of the homeowners' exemption. Provides for an increase in the renter's tax credit based on a specified adjusted gross income amount.	04/22/2014 - Re-referred to SENATE Committee on GOVERNANCE AND FINANCE.	
<u>SB 1250</u> Hueso (D)	Safe, Clean and Reliable Drinking Water Supply Act		Repeals the Safe, Clean and Reliable Drinking Water Supply Act of 2012 that would authorize the issuance of bonds to finance a safe drinking water and water supply reliability program. Enacts the Safe, Clean, and Reliable Drinking Water Supply Act of 2014, which, if adopted by voters would authorize the issuance of State General Obligation Bonds in a specified amount to finance a safe drinking water and water supply program.	05/13/2014 - In SENATE Committee on NATURAL RESOURCES AND WATER: Not heard.	
<u>SB 1281</u> Pavley (D)	Oil and Gas Production: Water Use: Reporting		Requires the statement by a well owner to the State Oil and Gas Supervisor to include the source and volume of any water reported, including water used in the composition of any injected fluid or gas. Requires quarterly reporting. Requires information of the the treatment of water and the use of treated or recycled water in oil and gas field activities. Requires use of a standardized form. Provides for	09/25/2014 - Signed by GOVERNOR.;09/25/2014 - Chaptered by Secretary of State. Chapter No. 561	

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			online reporting.		
SB 1292 Hueso (D)	Safe Drinking water State Revolving Fund		Relates to the Safe Drinking Water State Revolving Fund. Increases the maximum amount of a construction grant award for a water system serving severely disadvantaged communities.	09/29/2014 - Vetoed by GOVERNOR.	
SB 1323 Lieu (D)	Pet Lover's License Plate Program		Appropriates the moneys in the Specialized License Plate Fund derived from the issuance, renewal, transfer, and substitution of a specialist license plate issued under the Pet Lover's License Plate Program sponsored by the Veterinary Medical Board prior to the operative date of this bill to the Board for the sole and exclusive purpose of funding grants to providers of no-cost or low-cost animal sterilization services.	09/16/2014 - Signed by GOVERNOR.;09/16/2014 - Chaptered by Secretary of State. Chapter No. 375	
SB 1362 Correa (D)	Hazardous Waste: Disposal: Exemption		Excludes from the definition of the term disposal from existing law that regulates the disposal of hazardous waste, the onsite movement of soil at an active outdoor sport shooting range, if the movement is done to facilitate the removal and recycling of spent ammunition materials existing on the site as a result of the normal use of the range and the residual soil is replaced within the are from which it was originally removed.	04/21/2014 - From SENATE Committee on RULES with author's amendments.;04/21/2014 - In SENATE. Read second time and amended. Re-referred to Committee on RULES.	
SB 1370 Galgiani (D)	Reliable Water Supply Bond Act of 2014		Repeals the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. Enacts the Reliable Water Supply Bond Act of 2014 to finance surface water storage projects.	04/08/2014 - In SENATE Committee on NATURAL RESOURCES AND WATER: Heard, remains in Committee.	
SB 1390 Correa (D)	Santa Ana River Conservancy Program		Establishes the Santa Ana River Conservancy Program to address the resource and recreational goals of the region, and to acquire interests and options in real property and would prescribe the management, powers, and duties of the conservancy. Creates the Santa Ana River Conservancy Program Account in the State Coastal Conservancy Fund. Requires a report describing progress made in	09/25/2014 - Signed by GOVERNOR.;09/25/2014 - Chaptered by Secretary of State. Chapter No. 562	

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			achieving coastal conservancy goals.		
SB 1420 Wolk (D)	Urban Water Management Plans		Requires an urban water management plan to quantify and report on distribution system water loss. Authorizes water use projections to display and account for the water savings estimated to result from adopted codes, standards, ordinances, or transportation and land use plans, when the information is available and applicable to the supplier. Requires the plan, or amendments to be submitted electronically to the Department of Water Resources and include department forms, tables, or displays.	09/19/2014 - Signed by GOVERNOR.;09/19/2014 - Chaptered by Secretary of State. Chapter No. 490	
SB 1451 Hill (D)	Environmental Quality: Judicial Review: Standing		Relates to the California Environmental Quality Act. Requires that the alleged grounds for Act noncompliance shall have been presented to a public agency prior to the close of a public hearing on the project under certain conditions. Limits the standing of a person objecting to the project prior to the close of the hearing before the filing of notice of determination for which no public comment period was provided by the Act. Extends related preclusion provisions.	05/06/2014 - In SENATE Committee on JUDICIARY: Not heard.	
SB 1462 Wolk (D)	Local Government: Omnibus Bill		Relates to fictitious business name statements. Authorizes the Sacramento County Board of Supervisors to designate, by resolution, another county officer to perform certain duties. Relates to leasing of certain property, the Law Library Fund, bonds, property tax revenue, securitization of limited obligation notes, noise elements of planning and zoning laws, assessments under the Property and Business Improvement District Law, public hearings, and owners' associations under contract with a local entity.	08/15/2014 - Signed by GOVERNOR.;08/15/2014 - Chaptered by Secretary of State. Chapter No. 201	
SCA 11 Hancock (D)	Local Government: Special Taxes: Voter Approval		Proposes an amendment to the Constitution to condition the imposition, extension, or increase of a special tax by a local government upon the approval of 55% of the voters voting on the proposition, if the proposition proposing the tax contains specified requirements.	06/27/2013 - Re-referred to SENATE Committee on APPROPRIATIONS.	



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Edmund G. Brown Jr.



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GOVERNOR BROWN STREAMLINES RELIEF EFFORTS FOR FAMILIES WITH DRINKING WATER SHORTAGES DUE TO DROUGHT

9-19-2014

SACRAMENTO - Just days after signing historic legislation requiring sustainable groundwater management for the first time in California, Governor Edmund G. Brown Jr. issued an executive order streamlining efforts to provide water to families in dire need as the extreme drought continues to grip the state.

The order makes funding available through the California Disaster Assistance Act to provide water for drinking and sanitation to households currently without running water. The executive order also extends the state's prohibition on price gouging during emergencies to the current stage of the drought, recognizing the on-going nature of the drought emergency. Additionally, it directs the State Water Resources Control Board, the Department of Water Resources and the Governor's Offices of Emergency Services and Planning and Research to work together to identify acute drinking water shortages in domestic supplies and to work with counties and local agencies to implement solutions for those water shortages.

Today's announcement follows the Governor's signing of legislation requiring [local, sustainable groundwater management](#) earlier this week. Last December, the Governor formed a [Drought Task Force](#) to closely manage precious water supplies, to expand water conservation wherever possible and to quickly respond to emerging drought impacts throughout the state. In January, the administration finalized a comprehensive [Water Action Plan](#) that charts the way for California to become more resilient in the face of droughts and floods. During that same month, the Governor declared a [drought state of emergency](#) and in February, signed legislation to provide \$687.4 million to support [drought relief](#), including money for housing and food for workers directly impacted by the drought, bond funds for projects to help local communities more efficiently capture and manage water and funding for securing emergency drinking water supplies for drought-impacted communities. In April 2014, the Governor called on the state to [redouble their efforts](#) at combating drought. Last month the Governor signed legislation to put a [water bond](#) before voters after winning bipartisan approval in the Legislature.

Governor Brown has called on all Californians to reduce their water use by 20 percent and prevent water waste. Visit [SaveOurWater.com](#) to find out how everyone can do their part and [Drought.CA.Gov](#) to learn more about how California is dealing with the effects of the drought.

The text of the executive order is below:

EXECUTIVE ORDER B-26-14

WHEREAS on January 17, 2014, I proclaimed a State of Emergency to exist throughout the State of California due to severe drought conditions; and
WHEREAS on April 25, 2014, I proclaimed a Continued State of Emergency to exist throughout the State of California due to the ongoing drought; and
WHEREAS drought conditions have persisted for the last three years and the duration of this drought is unknown; and

WHEREAS many residents across the state who rely on domestic wells or very small water systems now live in homes that can no longer provide water for drinking or sanitation purposes due to declining groundwater supplies resulting from the drought; and
WHEREAS the shortage of water for drinking and sanitation purposes that many residents now face constitutes a threat to human health and safety; and
WHEREAS additional expedited actions are needed to reduce the harmful impacts from these water shortages and other impacts of the drought; and

WHEREAS the magnitude of the severe drought conditions continues to present threats beyond the control of the services, personnel, equipment, and facilities of any single local government and require the combined forces of a mutual aid region or regions to combat; and
WHEREAS under the provisions of section 8571 of the California Government Code, I find that strict compliance with various statutes and regulations specified in this order would prevent, hinder, or delay the mitigation of the effects of the drought.

NOW, THEREFORE, I, EDMUND G. BROWN JR., Governor of the State of California, in accordance with the authority vested in me by the Constitution and statutes of the State of California, in particular Government Code sections 8567 and 8571 of the California Government Code, do hereby issue this Executive Order, effective immediately.

IT IS HEREBY ORDERED THAT:

1. The Office of Emergency Services shall provide local government assistance as it deems appropriate for the purposes of providing temporary water supplies to households without water for drinking and/or sanitation purposes under the authority of the California Disaster Assistance Act, California Government Code section 8680 et seq. and California Code of Regulations, Title 19, section 2900 et seq.
2. The provisions of the Government Code and Public Contract Code applicable to state contracts and

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EXHIBIT "B"

procurement, including but not limited to, advertising and competitive bidding requirements, are hereby waived for the sole purpose of allowing state agencies and departments to purchase water for the protection of health, safety, and the environment.

3. The provisions of California Penal Code section 396 prohibiting price gouging in times of emergency are hereby reinstated as of the date of this Order. The 30-day time period limitation under subsection (b) is hereby waived. For the purposes of calculating the price differential, the price of goods or services shall be compared to the price in effect as of the date of this Order.

4. The State Water Resources Control Board, the Department of Water Resources, the Office of Emergency Services, and the Office of Planning and Research will assist local agencies with the identification of acute drinking water shortages in domestic water supplies, and will work with local agencies in implementing solutions to those water shortages. For any actions the listed state agencies take pursuant to this directive, for any actions taken by a local agency where the Office of Planning and Research concurs that local action is required, and for any necessary permits to carry out those actions, Division 13 (commencing with section 21000) of the Public Resources Code and regulations adopted pursuant to that Division are hereby suspended. This suspension will expire on December 31, 2014, except that actions started prior to that date shall not be subject to Division 13 for the time required to complete them.

This Executive Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

I FURTHER DIRECT that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given to this Order.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 18th day of September 2014.

EDMUND G. BROWN JR.
Governor of California

ATTEST:

DEBRA BOWEN
Secretary of State

October 13, 2014
Prepared by: T. Fournier/J. Davis
Submitted by: R. Jacobson/Cheryl Clary
Approved by: Paul Cook

CONSENT CALENDAR

AUGUST 2014 TREASURY REPORTS

SUMMARY:

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

- A. The Investment Summary Report for August 2014. This Investment Summary Report is in conformity with the 2014 Investment Policy and provides sufficient liquidity to meet estimated expenditures during the next six months, as outlined in Exhibit "A".
- B. The Monthly Interest Rate Swap Summary as of August 31, 2014, as outlined in Exhibit "B".
- C. The Summary of Payroll ACH payments in the total amount of \$1,474,933, as outlined in Exhibit "C".
- D. The August 31, 2014 Disbursement Summary of warrants 351010 through 351647, wire transfers, Workers' Compensation distributions, payroll withholding distributions, and voided checks in the total amount of \$16,506,738, as outlined in Exhibit "D".
- E. The Disclosure Report of Reimbursements to Board Members and Staff for August 2014, detailing payments or reimbursements for individual charges of \$100.00 or more per transaction, as outlined in Exhibit "E".

FISCAL IMPACTS:

As of August 31, 2014, the book value of the investment portfolio was \$301,718,479, with a 0.45% rate of return and a market value of \$301,741,729. Based on the District's June 30, 2014 quarterly real estate investment rate of return of 12.25%, the District's weighted average return for the fixed income and real estate investments was 2.74%.

As of August 31, 2014, the total notional amount of the interest rate swap portfolio was \$130 million of fixed payer swaps. Cash accrual in August from all swaps was negative \$585,262.

Payroll ACH payments totaled \$1,474,933, and wire transfers, all other ACH payments, and checks issued for debt service, accounts payable, payroll, and water purchases for August totaled \$16,506,738.

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

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

RECOMMENDATION:

THAT THE BOARD RECEIVE AND FILE THE TREASURER'S INVESTMENT SUMMARY REPORT, THE MONTHLY INTEREST RATE SWAP SUMMARY FOR AUGUST 2014, AND DISCLOSURE REPORT OF REIMBURSEMENTS TO BOARD MEMBERS AND STAFF; APPROVE THE AUGUST 2014 SUMMARY OF PAYROLL ACH PAYMENTS IN THE TOTAL AMOUNT OF \$1,474,933 AND APPROVE THE AUGUST 2014 ACCOUNTS PAYABLE DISBURSEMENT SUMMARY OF WARRANTS 351010 THROUGH 351647, WORKERS' COMPENSATION DISTRIBUTIONS, WIRE TRANSFERS, PAYROLL WITHHOLDING DISTRIBUTIONS AND VOIDED CHECKS IN THE TOTAL AMOUNT OF \$16,506,738.

LIST OF EXHIBITS:

- Exhibit "A" - Investment Summary Report
- Exhibit "B" - Monthly Interest Rate Swap Summary
- Exhibit "C" - Monthly Payroll ACH Summary
- Exhibit "D" - Monthly Summary of District Disbursements
- Exhibit "E" – Disclosure of Reimbursements to Board Members and Staff

08/31/14

SETTLEMENT	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION/ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	YTF%	ORIGINAL COST	CARRY VALUE	MARKET VALUE 8/31/2014	UNREALIZED GAIN/(LOSS)
07/16/14			10/01/14		LAIF	State of California Tsy.	\$50,000,000		0.240%		\$50,000,000.00	\$50,000,000.00	50,014,937.50	14,937.50
07/16/14			09/15/14		LAIF BABS	State of California Tsy.	8,043,206		0.240%		\$8,043,206.28	\$8,043,206.28	8,045,609.19	2,402.91
05/28/14	N/A	N/A	09/26/14	NR	FHLMC - Discount Note	Home Loan Mortgage Corp Discount Note	5,000,000	0.060%	0.061%		4,998,991.65	4,998,991.65	4,999,950.00	958.35
07/30/14	N/A	N/A	10/03/14	NR	FHLB - Discount Note	Fed Home Loan Bank Discount Note	8,000,000	0.040%	0.041%		7,999,422.40	7,999,715.64	7,999,840.00	124.36
08/27/14	N/A	N/A	11/19/14	NR	FHLB - Discount Note	Fed Home Loan Bank Discount Note	5,000,000	0.045%	0.046%		4,999,475.00	4,999,506.25	4,999,550.00	43.75
08/13/14	N/A	N/A	12/11/14	NR	FHLB - Discount Note	Fed Home Loan Bank Discount Note	5,000,000	0.065%	0.066%		4,998,916.67	4,999,088.20	4,999,350.00	261.80
08/13/14	N/A	N/A	01/30/15	NR	FHLB - Discount Note	Fed Home Loan Bank Discount Note	10,000,000	0.090%	0.091%		9,995,750.00	9,996,225.00	9,997,500.00	1,275.00
08/13/14	N/A	N/A	05/20/15	NR	FNMA - Discount Note	Fed Natl Mortgage Discount Note	10,000,000	0.130%	0.132%		9,989,888.89	9,990,575.00	9,991,700.00	1,125.00
08/13/14	N/A	N/A	06/09/15	NR	FHLMC - Discount Note	Home Loan Mortgage Corp Discount Note	10,000,000	0.150%	0.152%		9,987,500.00	9,988,291.67	9,989,700.00	1,408.33
08/13/14	N/A	N/A	07/29/15	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	15,000,000	0.125%	0.182%		14,991,750.00	14,992,197.86	14,990,850.00	(1,347.86)
03/04/14	N/A	N/A	08/28/15	Aaa/AA+/NR	FHLMC - Note	Fed Home Loan Mortgage Corp	2,000,000	0.500%	0.225%		2,008,140.00	2,005,421.66	2,006,320.00	898.34
03/04/14	N/A	N/A	08/28/15	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	8,000,000	0.375%	0.225%		8,017,720.00	8,011,802.44	8,014,720.00	2,917.56
05/28/14	N/A	N/A	09/10/15	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.750%	0.165%		5,101,550.00	5,080,807.87	5,078,050.00	(2,757.87)
10/17/12	One Time 2yr	10/09/14	10/09/15	Aaa/AA+/NR	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	0.480%	0.460%	0.466%	5,002,000.00	5,000,741.49	5,001,500.00	758.51
01/07/14	One Time	10/28/14	10/28/15	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.500%	0.300%	0.411%	5,008,050.00	5,005,154.93	5,002,850.00	(2,304.93)
12/18/12	Continuous	03/18/13	12/18/15	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	10,000,000	0.400%	0.425%	0.701%	9,992,500.00	9,996,760.27	10,000,000.00	3,239.73
05/27/14	N/A	N/A	12/21/15	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	0.375%	0.241%		5,010,450.00	5,008,680.98	5,005,400.00	(3,280.98)
01/15/13	N/A	07/15/13	01/15/16	NA/AA+/AAA	FHLB - Note	Fed Home Loan Bank	5,000,000	0.375%	0.390%		4,997,750.00	4,998,814.38	4,999,000.00	185.62
03/14/13	Continuous	09/07/13	03/07/16	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	4,444,444	0.470%	0.490%	0.730%	4,438,444.44	4,441,397.61	4,439,066.66	(2,330.95)
03/14/14	Continuous	06/10/14	03/10/16	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.350%	0.413%	0.874%	4,993,750.00	4,995,220.08	4,997,950.00	2,729.92
04/12/13	Continuous	07/12/13	04/12/16	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.410%	0.447%	0.851%	4,994,500.00	4,997,044.25	4,997,950.00	905.75
04/29/14	Continuous after	07/25/14	04/25/16	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.390%	0.448%	0.878%	4,994,250.00	4,995,137.39	4,992,350.00	(2,787.39)
05/20/13	Quarterly	10/29/13	04/29/16	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	0.500%	0.500%	0.500%	5,000,000.00	5,000,000.00	5,003,350.00	3,350.00
05/12/14	Continuous after	05/12/15	05/12/16	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	0.480%	0.480%	0.480%	5,000,000.00	5,000,000.00	4,998,050.00	(1,950.00)
12/19/13	Quarterly	11/20/13	05/20/16	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	0.520%	0.520%	0.520%	5,000,000.00	5,000,000.00	4,997,150.00	(2,850.00)
01/31/14	Continuous	03/27/14	06/27/16	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	0.500%	0.552%	0.552%	4,993,750.00	4,995,266.23	4,990,000.00	(5,266.23)
05/08/14	N/A	N/A	07/05/16	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	0.375%	0.484%		4,988,300.00	4,990,020.15	4,989,100.00	(920.15)
04/29/14	Continuous after	07/29/14	07/29/16	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.550%	0.550%	0.550%	5,000,000.00	5,000,000.00	4,997,750.00	(2,250.00)
02/11/14	Continuous after	08/11/14	08/11/16	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.570%	0.590%	0.590%	4,997,500.00	4,998,053.73	5,000,050.00	1,996.27
12/31/13	Quarterly	06/14/13	09/14/16	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.650%	0.759%	0.759%	4,985,500.00	4,989,080.97	4,996,600.00	7,519.03
03/14/13	Continuous	12/26/12	09/26/16	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.680%	0.683%	0.690%	4,999,500.00	4,999,707.43	4,999,500.00	(207.43)
12/03/13	One Time	11/25/14	11/25/16	Aaa/AA+/NR	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	0.750%	0.647%	0.716%	5,005,000.00	5,003,751.15	5,005,850.00	2,098.85
12/09/13	Quarterly	12/09/14	12/09/16	Aaa/AA+/NR	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	0.700%	0.727%	0.780%	4,996,000.00	4,996,970.80	4,981,900.00	(15,070.80)
12/19/13	Quarterly	06/19/14	12/19/16	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.750%	0.750%	0.750%	5,000,000.00	5,000,000.00	5,000,781.00	781.00
12/20/13	Quarterly	06/19/14	12/19/16	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.750%	0.755%	0.755%	4,999,250.00	4,999,424.66	5,000,781.00	1,356.34
12/27/13	Continuous after	06/24/14	12/27/16	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	0.750%	0.760%	0.760%	4,998,500.00	4,998,839.42	5,000,100.00	1,260.58
12/27/13	S Quarterly	06/27/14	12/27/16	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	2,500,000	0.500%	0.550%	0.550%	2,498,750.00	2,499,032.85	2,500,500.00	1,467.15
04/30/14	Quarterly	07/30/14	01/30/17	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	0.850%	0.850%	0.850%	5,000,000.00	5,000,000.00	5,002,900.00	2,900.00
03/13/14	Quarterly	06/13/14	03/13/17	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	0.875%	0.946%	1.719%	4,989,500.00	4,991,147.81	4,996,875.00	5,727.19
04/25/14	Continuous after	04/24/15	04/24/17	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.900%	0.976%	1.142%	4,988,750.00	4,990,013.70	5,009,000.00	18,986.30
04/30/14	Quarterly	07/28/14	04/28/17	Aaa/AA+/NR	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.000%	1.000%	1.000%	5,000,000.00	5,000,000.00	5,006,700.00	6,700.00
06/30/14	Quarterly	09/30/14	06/30/17	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.150%	1.113%	0.709%	5,005,500.00	5,005,183.85	4,987,450.00	(17,733.85)
08/28/14	Quarterly	11/25/14	08/25/17	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.125%	1.139%	1.139%	4,998,000.00	4,998,007.32	4,994,000.00	(4,007.32)
06/29/14	N/A	N/A	04/30/36	NR	Direct Muni	ETWD	1,123,185	4.570%	4.570%	4.570%	1,123,184.60	1,123,184.60	1,123,184.60	
SUB-TOTAL							\$294,110,835				\$294,130,989.93	\$294,122,465.56	\$294,145,714.95	\$23,249.39
RESTRICTED CASH (Swan Collateral Deposits)														
08/01/14					Collateral Deposit	Citi-Group	\$6,616,014		0.070%		\$6,616,013.78	\$6,616,013.78	6,616,013.78	
08/01/14					Collateral Deposit	Merrill Lynch	\$980,000		0.070%		\$980,000.00	\$980,000.00	980,000.00	
SUB-TOTAL							\$7,596,014				\$7,596,013.78	\$7,596,013.78	\$7,596,013.78	
TOTAL INVESTMENTS							\$301,706,849				\$301,727,003.71	\$301,718,479.34	\$301,741,728.73	
					Petty Cash						3,400.00			
					August	Bank of America					4,125,748.68			
											\$305,856,152.39			

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

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

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

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

Outstanding Variable Rate Debt

Net Outstanding Variable Rate Debt (Less \$130 million fixed-payer swaps)

Investment Balance:

Investment to Variable Rate Debt Ratio:

Portfolio - Average Number of Days To Maturity

\$339,700,000

\$209,700,000

\$305,856,152

146%

466

This Investment Summary Report is in conformity with the 2014 Investment Policy and provides sufficient liquidity to meet the next six months estimated expenditures

*S - Step up

	Investment Portfolio	Real Estate Portfolio (3)	Weighted Avg. Return
September	0.45%	12.25%	2.74%
July	0.43%	12.25%	2.67%
Change	0.02%		

IRVINE RANCH WATER DISTRICT
SUMMARY OF MATURITIES

08/31/14

DATE	TOTAL	%	LAIF	AGENCIES	COLLATERAL DEPOSIT	Direct Muni	Agency Discount Notes
08/14	\$65,639,220	21.77%	\$58,043,206		\$7,596,014		
09/14	\$5,000,000	1.66%					5,000,000
10/14	\$8,000,000	2.65%					8,000,000
11/14	\$5,000,000	1.66%					5,000,000
12/14	\$5,000,000	1.66%					5,000,000
01/15	\$10,000,000	3.31%					10,000,000
02/15							
03/15							
04/15							
05/15	\$10,000,000	3.31%					10,000,000
06/15	\$10,000,000	3.31%					10,000,000
07/15	\$15,000,000	4.97%					15,000,000
SUB-TOTAL	\$133,639,220	44.30%	\$58,043,206		\$7,596,014		\$68,000,000
13 Months - 3 YEARS							
08/1/2015 - 9/30/2015	\$15,000,000	4.97%		15,000,000			
10/1/2015 - 12/30/15	25,000,000	8.29%		25,000,000			
01/01/16 - 03/31/2016	14,444,444	4.79%		14,444,444			
04/01/16 - 06/30/2016	30,000,000	9.94%		30,000,000			
07/01/16 - 9/30/2016	25,000,000	8.29%		25,000,000			
10/01/16 - 12/31/2016	27,500,000	9.11%		27,500,000			
1/1/2017 - 3/31/2017	10,000,000	3.31%		10,000,000			
04/01/17-06/30/17	15,000,000	4.97%		15,000,000			
07/01/17 - 9/30/2017	\$5,000,000	1.66%		5,000,000			
04/30/2036	1,123,185	0.37%				1,123,185	
TOTALS	\$301,706,849	100.00%	\$58,043,206	\$166,944,444	\$7,596,014	\$1,123,185	\$68,000,000

% OF PORTFOLIO

19.24%

55.33%

2.52%

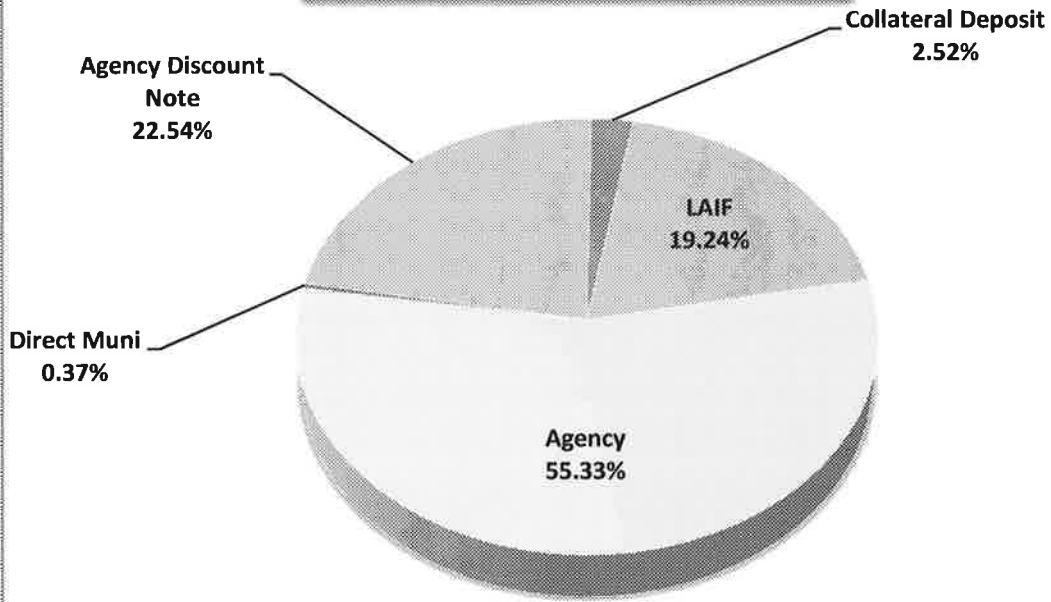
0.37%

22.54%

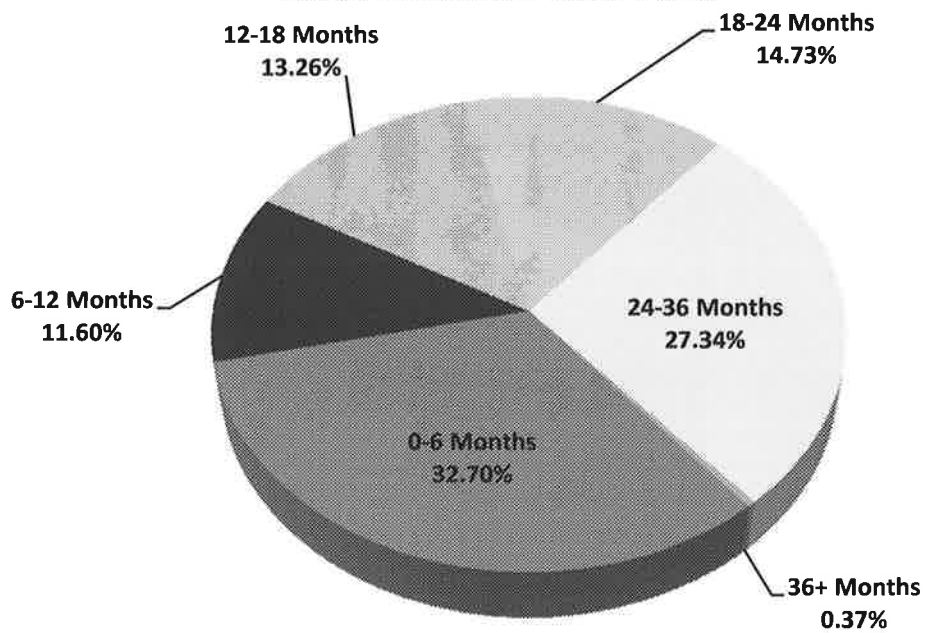
August 2014 INVESTMENT PORTFOLIO

August 31, 2014

Portfolio by Investment Type



Portfolio by Maturities



Irvine Ranch Water District
 Summary of Real Estate
 6/30/2014

	<u>ACQUISITION DATE</u>	<u>PROPERTY TYPE</u>	<u>OWNERSHIP INTEREST</u>	<u>ORIGINAL COST</u>	<u>RATE OF RETURN QUARTER ENDED Jun-14</u>
Sycamore Canyon	Dec-92	Apartments	Fee Simple	\$ 43,550,810	15.74%
Wood Canyon Villas	Jun-91	Apartments	Limited Partner	\$ 6,000,000	8.56%
ITC (230 Commerce)	Jul-03	Office Building	Fee Simple	\$ 5,739,845	5.32%
Waterworks Business Pk.	Nov-08	Research & Dev.	Fee Simple	\$ 8,630,577	4.93%
Sand Canyon Professional Center	Jul-12	Medical Office	Fee Simple	\$ 8,648,594	9.19%
				<u>\$ 72,569,826</u>	<u>12.25%</u>

**IRVINE RANCH WATER DISTRICT INVESTMENT SUMMARY REPORT
INVESTMENT ACTIVITY
August**

MATURITIES/SALES/CALLS

PURCHASES

DATE	SECURITY TYPE	PAR	YIELD	Settlement Date	Maturity Date	SECURITY TYPE	PAR	YIELD TO MATURITY
8/26/2014	FNMA - Discount Note	\$5,000,000	0.05%	8/13/2014	12/11/2014	FHLB - Discount Note	\$5,000,000	0.07%
8/28/2014	FHLB - Note	\$5,000,000	0.98%	8/13/2014	1/30/2015	FHLB - Discount Note	\$10,000,000	0.09%
				8/13/2014	5/20/2015	FNMA - Discount Note	\$10,000,000	0.13%
				8/13/2014	6/9/2015	FHLMC - Discount Note	\$10,000,000	0.15%
				8/13/2014	7/29/2015	FHLB - Note	\$15,000,000	0.18%
				8/27/2014	11/19/2014	FHLB - Discount Note	\$5,000,000	0.05%
				8/28/2014	8/25/2017	FHLMC - Note	\$5,000,000	1.14%

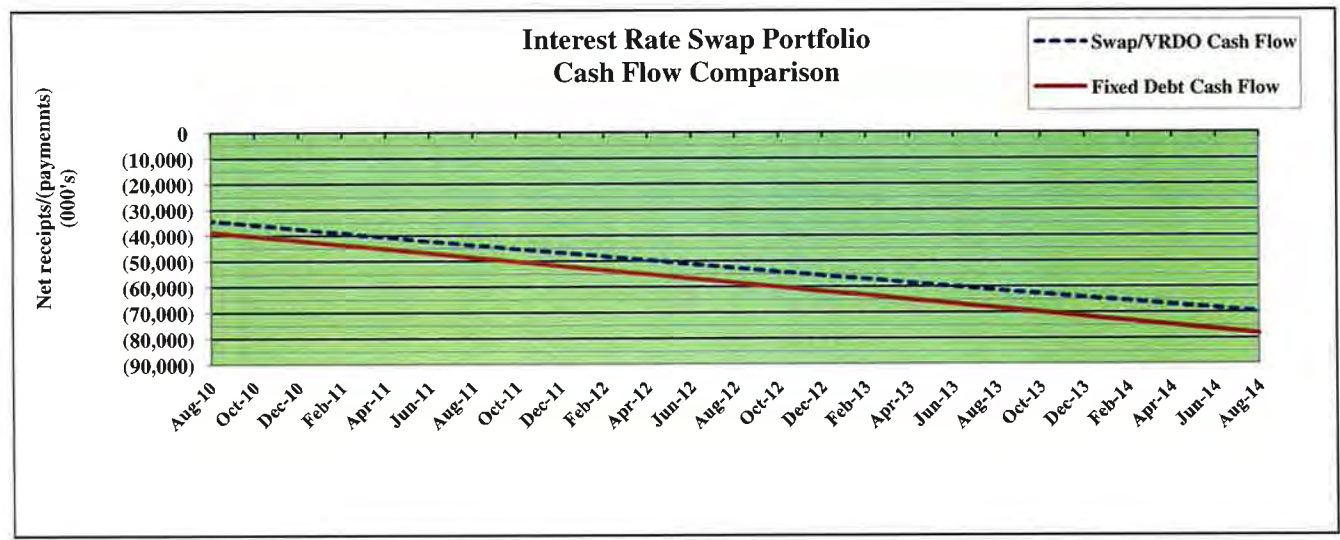
**IRVINE RANCH WATER DISTRICT
INTEREST RATE SWAP MONTHLY SUMMARY REPORT - DETAIL
August 31, 2014**

Exhibit "B"

								LIBOR Avg %			Prior Mo.		Current Mo.		12-Mo Avg	
								0.15%	0.16%	0.16%						
Current Fiscal Year Active Swaps								Cash Flow				(Since 6/06)		Mark to Market		
Effective Date	Maturity Date	Years to Maturity	Counter Party	Notional Amt	Type	Base Index	Fixed Rate	Prior Month	Current Month	Fiscal YTD	Cumulative Cash Flow	Current Mark to Market	Notional Difference			
Fixed Payer Swaps - By Effective Date																
6/4/2006	6/4/2019	4.8	ML	\$ 20,000,000	FXP	LIBOR	6.200%	\$ (104,107)	\$ (93,932)	\$ (198,039)	\$ (7,646,589)	\$ 15,458,388	\$ (4,541,612)			
6/4/2006	6/4/2019	4.8	CG	20,000,000	FXP	LIBOR	6.200%	(104,107)	(93,932)	(198,039)	(7,646,589)	15,459,143	(4,540,857)			
6/17/2006	6/17/2019	4.8	CG	30,000,000	FXP	LIBOR	6.140%	(154,633)	(139,526)	(294,159)	(11,334,330)	23,307,234	(6,692,766)			
3/10/2007	3/10/2029	14.5	ML	30,000,000	FXP	LIBOR	5.687%	(142,967)	(128,936)	(271,903)	(10,125,851)	18,252,735	(11,747,265)			
3/10/2007	3/10/2029	14.5	CG	30,000,000	FXP	LIBOR	5.687%	(142,967)	(128,936)	(271,903)	(10,125,851)	18,196,533	(11,803,467)			
Totals/Weighted Avgs		9.3		\$ 130,000,000			5.949%	\$ (648,781)	\$ (585,262)	\$ (1,234,043)	\$ (46,879,211)	\$ 90,674,033	\$ (39,325,967)			
Total Current Year Active Swaps				\$ 130,000,000				\$ (648,781)	\$ (585,262)	\$ (1,234,043)	\$ (46,879,211)	\$ 90,674,033	\$ (39,325,967)			

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

Current Fiscal Year - Total Swaps								Cash Flow				Mark to Market	
								Prior Month	Current Month	Fiscal YTD	Cumulative Cash Flow	Current Mark to Market	Notional Difference
Total Current Year Active & Terminated Swaps				\$ 130,000,000				\$ (648,781)	\$ (585,262)	\$ (1,234,043)	\$ (46,879,211)	\$ 90,674,033	\$ (39,325,967)



Cash Flow Comparison Synthetic Fixed vs. Fixed Rate Debt	
Cash Flow to Date	
Synthetic Fixed =	\$69,794,872
Fixed Rate =	\$78,175,166
Assumptions:	
- Fixed rate debt issued at 5.10% in Jun-06, and 4.93% in Mar-07 (estimated TE rates - Bloomberg)	
- 'Synthetic' includes swap cash flow + interest + fees to date	

Exhibit "C"

MONTHLY SUMMARY OF PAYROLL ACH PAYMENTS

August
2014

DATE	AMOUNT	VENDOR	PURPOSE
8/8/2014	734,392.51	BANK OF AMERICA	ACH Payments for Payroll
8/22/2014	740,540.67	BANK OF AMERICA	ACH Payments for Payroll
	<u><u>\$1,474,933.18</u></u>		

Exhibit "D"

IRWD Ledger Payment Register For 01-AUG-14 To 31-AUG-14 Report Date: 28-AUG-2014 18:09
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 1
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351010		01-AUG-14	UNITED STATES POSTIRVINE OFFICE		23,333.33	11-AUG-14	23,333.33	Reconciled
351011		05-AUG-14	ANTHEM BLUE CROSS	LOS ANGELES	1,089.40	13-AUG-14	1,089.40	Reconciled
351012		05-AUG-14	ANTHEM BLUE CROSS	LOS ANGELES	2,012.80	13-AUG-14	2,012.80	Reconciled
351013		05-AUG-14	ANTHEM BLUE CROSS	LOS ANGELES	415.62	13-AUG-14	415.62	Reconciled
351014		05-AUG-14	JCI JONES CHEMICALS INC	CINCINNATI	4,404.40	11-AUG-14	4,404.40	Reconciled
351015		07-AUG-14	Meserlian, Barkev M		241.05	20-AUG-14	241.05	Reconciled
351016		07-AUG-14	Akiyoshi, Eric S (Eric)		273.33	07-AUG-14	273.33	Reconciled
351017		07-AUG-14	Vargas, Gabriel A (Gabriel)		80.00	08-AUG-14	80.00	Reconciled
351018		07-AUG-14	Shih, Han-Tsuei (Josephine)		166.67	15-AUG-14	166.67	Reconciled
351019		07-AUG-14	Lewis, Lyndy R		72.80	12-AUG-14	72.80	Reconciled
351020		07-AUG-14	Hoolihan, Michael J (Michael)		401.81	19-AUG-14	401.81	Reconciled
351021		07-AUG-14	Rajewski, Rex (Rex)		200.00	12-AUG-14	200.00	Reconciled
351022		07-AUG-14	Reed, Shannon (Shannon)		5.04	12-AUG-14	5.04	Reconciled
351023		07-AUG-14	Johnson, Susanne		142.34	11-AUG-14	142.34	Reconciled
351024		07-AUG-14	ACCUSTANDARD INC		69.98	12-AUG-14	69.98	Reconciled
351025		07-AUG-14	AIRGAS-WEST, INC.		1,257.45	11-AUG-14	1,257.45	Reconciled
351026		07-AUG-14	AKM CONSULTING ENGINEERS, INC.		84,135.00	12-AUG-14	84,135.00	Reconciled
351027		07-AUG-14	ALBERS, GREGORY		5,439.48	13-AUG-14	5,439.48	Reconciled
351028		07-AUG-14	ALPHA TRAFFIC SERVICES, INC.		2,280.00	15-AUG-14	2,280.00	Reconciled
351029		07-AUG-14	AMERICAN WATER CHEMICALS INC.		2,245.50	11-AUG-14	2,245.50	Reconciled
351030		07-AUG-14	AMPCO SAFETY TOOLS		48.48	11-AUG-14	48.48	Reconciled
351031		07-AUG-14	APPLIED INDUSTRIAL TECHNOLOGIES - CA LLC		160.86	11-AUG-14	160.86	Reconciled
351032		07-AUG-14	ASSOCIATION OF CALIFORNIA WATER AGENCIES/JPIA		55,863.36	14-AUG-14	55,863.36	Reconciled
351033		07-AUG-14	AT&T		3,009.56	13-AUG-14	3,009.56	Reconciled
351034		07-AUG-14	AVALON BAY COMMUNITIES, INC.		959.10			Negotiable

IRWD Ledger Payment Register For 01-AUG-14 To 31-AUG-14 Report Date: 28-AUG-2014 18:09
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 2
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351035		07-AUG-14	BANK OF NEW YORK MELLON TRUST COMPANY NA		1,428.00	13-AUG-14	1,428.00	Reconciled
351036		07-AUG-14	BAVCO BACKFLOW APPARATUS & VALVE COMPANY		1,652.88	11-AUG-14	1,652.88	Reconciled
351037		07-AUG-14	BECKMAN COULTER INC		1,772.10	15-AUG-14	1,772.10	Reconciled
351038		07-AUG-14	BK FOUNTAIN WORKS		428.20	11-AUG-14	428.20	Reconciled
351039		07-AUG-14	BLACK & VEATCH CORPORATION		264,731.56	14-AUG-14	264,731.56	Reconciled
351040		07-AUG-14	BOYD & ASSOCIATES		155.00	11-AUG-14	155.00	Reconciled
351041		07-AUG-14	BURKE, WILLIAMS & SORENSEN, LLP		260.00	12-AUG-14	260.00	Reconciled
351042		07-AUG-14	CALIFORNIA BARRICADE INC		6,900.00	12-AUG-14	6,900.00	Reconciled
351043		07-AUG-14	CALIFORNIA URBAN WATER CONSERVATION COUNCIL		6,995.46	14-AUG-14	6,995.46	Reconciled
351044		07-AUG-14	CANON FINANCIAL SERVICES, INC		8,422.12	15-AUG-14	8,422.12	Reconciled
351045		07-AUG-14	CANON SOLUTIONS AMERICA, INC.		2,313.43	11-AUG-14	2,313.43	Reconciled
351046		07-AUG-14	CAPTIVE AUDIENCE MARKETING INC.		85.32	12-AUG-14	85.32	Reconciled
351047		07-AUG-14	CITY OF TUSTIN		83,005.42	12-AUG-14	83,005.42	Reconciled
351048		07-AUG-14	CLA-VAL COMPANY		9.26	11-AUG-14	9.26	Reconciled
351049		07-AUG-14	CLEARINGHOUSE		477.67	11-AUG-14	477.67	Reconciled

351050	07-AUG-14	CONDITION MONITORING SERVICES INC		515.17	11-AUG-14	515.17	Reconciled
351051	07-AUG-14	CONYBEARE INC		3,736.64	12-AUG-14	3,736.64	Reconciled
351052	07-AUG-14	CORRPRO COMPANIES INC		29,455.00	14-AUG-14	29,455.00	Reconciled
351053	07-AUG-14	CREDENTIAL CHECK CORPORATION		208.66	12-AUG-14	208.66	Reconciled
351054	07-AUG-14	D & H WATER SYSTEMS INC.		7,340.50	15-AUG-14	7,340.50	Reconciled
351055	07-AUG-14	DATAZEO, INC.		71.52	11-AUG-14	71.52	Reconciled
351056	07-AUG-14	DEX MEDIA INC.		74.25	14-AUG-14	74.25	Reconciled
351057	07-AUG-14	EAST ORANGE COUNTY WATER DISTRICT		3,236.24	11-AUG-14	3,236.24	Reconciled
351058	07-AUG-14	EISEL ENTERPRISES INC		1,621.73	14-AUG-14	1,621.73	Reconciled
351059	07-AUG-14	EEXECUTIVE LIGHTING & ELECTRIC		915.98	11-AUG-14	915.98	Reconciled

IRWD Ledger Payment Register For 01-AUG-14 To 31-AUG-14 Report Date: 28-AUG-2014 18:09
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 3
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351060		07-AUG-14	EXTERRAN ENERGY SOLUTIONS LP		4,429.44	12-AUG-14	4,429.44	Reconciled
351061		07-AUG-14	FARRELL & ASSOCIATES		699.62	15-AUG-14	699.62	Reconciled
351062		07-AUG-14	FASTENAL COMPANY		714.95	11-AUG-14	714.95	Reconciled
351063		07-AUG-14	FEDEX		173.69	14-AUG-14	173.69	Reconciled
351064		07-AUG-14	FERGUSON ENTERPRISES, INC.		1,516.32	11-AUG-14	1,516.32	Reconciled
351065		07-AUG-14	FIDELITY SECURITY LIFE INSURANCE COMPANY		6,055.99	15-AUG-14	6,055.99	Reconciled
351066		07-AUG-14	FIRE EXTINGUISHING SAFETY & SERVICE		539.57	11-AUG-14	539.57	Reconciled
351067		07-AUG-14	FIRST CHOICE SERVICES		926.55	14-AUG-14	926.55	Reconciled
351068		07-AUG-14	FISHER SCIENTIFIC COMPANY LLC		10,000.27	13-AUG-14	10,000.27	Reconciled
351069		07-AUG-14	FRANK LA PLACA EXTERMINATING INC		175.00	14-AUG-14	175.00	Reconciled
351070		07-AUG-14	GANAHL LUMBER CO.		5,618.97	15-AUG-14	5,618.97	Reconciled
351071		07-AUG-14	GRAINGER		680.25	12-AUG-14	680.25	Reconciled
351072		07-AUG-14	GRAYBAR ELECTRIC COMPANY		5,010.18	13-AUG-14	5,010.18	Reconciled
351073		07-AUG-14	HACH COMPANY		702.33	12-AUG-14	702.33	Reconciled
351074		07-AUG-14	HARRINGTON INDUSTRIAL PLASTICS LLC		4,585.00	11-AUG-14	4,585.00	Reconciled
351075		07-AUG-14	HOME DEPOT USA INC		1,077.49	14-AUG-14	1,077.49	Reconciled
351076		07-AUG-14	II FUELS INC		29,446.21	12-AUG-14	29,446.21	Reconciled
351077		07-AUG-14	INFOSYS LIMITED		380,700.00	14-AUG-14	380,700.00	Reconciled
351078		07-AUG-14	INTERNAL REVENUE SERVICE		100.00	21-AUG-14	100.00	Reconciled
351079		07-AUG-14	IRVINE CHAMBER OF COMMERCE		1,000.00	12-AUG-14	1,000.00	Reconciled
351080		07-AUG-14	IRVINE PIPE & SUPPLY INC		11,245.00	12-AUG-14	11,245.00	Reconciled
351081		07-AUG-14	IRVINE UNIFIED SCHOOL DISTRICT		40,113.41	14-AUG-14	40,113.41	Reconciled
351082		07-AUG-14	IRWD EMPLOYEE ASSOCIATION		690.00			Negotiable
351083		07-AUG-14	IRWD-PETTY CASH CUSTODIAN		1,022.20	08-AUG-14	1,022.20	Reconciled
351084		07-AUG-14	JOHN G. ALEVIZOS D.O. INC.		170.00	11-AUG-14	170.00	Reconciled
351085		07-AUG-14	JOHN MICHAEL COVAS		138.70	18-AUG-14	138.70	Reconciled
351086		07-AUG-14	KELLY SERVICES INC		1,104.38	11-AUG-14	1,104.38	Reconciled

IRWD Ledger Payment Register For 01-AUG-14 To 31-AUG-14 Report Date: 28-AUG-2014 18:09
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 4
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351087		07-AUG-14	KENT & AMY DAHLBERG		18,079.20	12-AUG-14	18,079.20	Reconciled
351088		07-AUG-14	KONECRANES INC		1,807.00	13-AUG-14	1,807.00	Reconciled
351089		07-AUG-14	LAGUNA BEACH COUNTY WATER DISTRICT		2,681.17	12-AUG-14	2,681.17	Reconciled
351090		07-AUG-14	MARKET-THINK LLC		4,357.50	14-AUG-14	4,357.50	Reconciled
351091		07-AUG-14	MC MASTER CARR SUPPLY CO		1,517.12	12-AUG-14	1,517.12	Reconciled

351092	07-AUG-14	MCR TECHNOLOGIES INC	9,107.01	15-AUG-14	9,107.01	Reconciled
351093	07-AUG-14	MOODY'S INVESTORS SERVICE INC	5,000.00	14-AUG-14	5,000.00	Reconciled
351094	07-AUG-14	MUTUAL PROPANE	73.29	12-AUG-14	73.29	Reconciled
351095	07-AUG-14	NCH CORPORATION	1,068.51	11-AUG-14	1,068.51	Reconciled
351096	07-AUG-14	NINYO & MOORE	1,666.50	11-AUG-14	1,666.50	Reconciled
351097	07-AUG-14	NOVELL INC	250.00	11-AUG-14	250.00	Reconciled
351098	07-AUG-14	OLIN CORPORATION	17,063.67	15-AUG-14	17,063.67	Reconciled
351099	07-AUG-14	ON ASSIGNMENT LAB SUPPORT	2,214.40	11-AUG-14	2,214.40	Reconciled
351100	07-AUG-14	ONESOURCE DISTRIBUTORS LLC	154.12	11-AUG-14	154.12	Reconciled
351101	07-AUG-14	ORANGE COAST PLUMBING	850.00	11-AUG-14	850.00	Reconciled
351102	07-AUG-14	ORANGE COUNTY SANITATION DISTRICT	83,994.15	12-AUG-14	83,994.15	Reconciled
351103	07-AUG-14	ORANGE COUNTY TREASURER	405.68	12-AUG-14	405.68	Reconciled
351104	07-AUG-14	ORANGE COUNTY VECTOR CONTROL DISTRICT	915.91	15-AUG-14	915.91	Reconciled
351105	07-AUG-14	PACIFIC GAS AND ELECTRIC COMPANY	5.91	12-AUG-14	5.91	Reconciled
351106	07-AUG-14	PAYNE & FEARS LLP	1,404.00	11-AUG-14	1,404.00	Reconciled
351107	07-AUG-14	PERKINELMER HEALTH SCIENCES INC	24,969.00	14-AUG-14	24,969.00	Reconciled
351108	07-AUG-14	PERS LONG TERM CARE	720.46	13-AUG-14	720.46	Reconciled
351109	07-AUG-14	PONTON INDUSTRIES INC	4,669.71	15-AUG-14	4,669.71	Reconciled
351110	07-AUG-14	PRAXAIR DISTRIBUTION INC	2,231.42	13-AUG-14	2,231.42	Reconciled

IRWD Ledger Payment Register For 01-AUG-14 To 31-AUG-14 Report Date: 28-AUG-2014 18:09
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 5
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351111		07-AUG-14	PRES-TECH MANUFACTURER'S REPRESENTATIVES, INC.		215.20	11-AUG-14	215.20	Reconciled
351112		07-AUG-14	PRINCIPAL LIFE INSURANCE		27,066.20	13-AUG-14	27,066.20	Reconciled
351113		07-AUG-14	PRUDENTIAL OVERALL SUPPLY		3,729.96	12-AUG-14	3,729.96	Reconciled
351114		07-AUG-14	QUALITY LAWN SERVICE		125.00	11-AUG-14	125.00	Reconciled
351115		07-AUG-14	R & R INDUSTRIAL SERVICES, INC.		1,804.53	14-AUG-14	1,804.53	Reconciled
351116		07-AUG-14	RAM AIR ENGINEERING INC		9,512.43	13-AUG-14	9,512.43	Reconciled
351117		07-AUG-14	REACH EMPLOYEE ASSISTANCE INC		879.20	12-AUG-14	879.20	Reconciled
351118		07-AUG-14	REED, JAMES D		1,954.04	14-AUG-14	1,954.04	Reconciled
351119		07-AUG-14	REFRIGERATION SUPPLIES		39.74	12-AUG-14	39.74	Reconciled
351120		07-AUG-14	REGENTS OF THE UNIVERSITY OF CALIFORNIA		1,000.00	19-AUG-14	1,000.00	Reconciled
351121		07-AUG-14	RMC WATER AND ENVIRONMENT		4,516.00	11-AUG-14	4,516.00	Reconciled
351122		07-AUG-14	RUMANTIER, DORYS		1,548.49	11-AUG-14	1,548.49	Reconciled
351123		07-AUG-14	SANDERS PAVING INC		10,475.00	15-AUG-14	10,475.00	Reconciled
351124		07-AUG-14	SANTA ANA BLUE PRINT		10.89	19-AUG-14	10.89	Reconciled
351125		07-AUG-14	SCHINDLER ELEVATOR CORPORATION		174.45	14-AUG-14	174.45	Reconciled
351126		07-AUG-14	SCIENTIFIC REFRIGERATION		1,009.29			Negotiable
351127		07-AUG-14	SHAMROCK SUPPLY CO INC		155.52	11-AUG-14	155.52	Reconciled
351128		07-AUG-14	SIGMA-ALDRICH INC		141.42	12-AUG-14	141.42	Reconciled
351129		07-AUG-14	SMITH, JEFFERY		57.94	13-AUG-14	57.94	Reconciled
351130		07-AUG-14	SOLARWINDS, INC		9,000.00	15-AUG-14	9,000.00	Reconciled
351131		07-AUG-14	SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT		6,256.40	15-AUG-14	6,256.40	Reconciled
351132		07-AUG-14	SOUTHERN CALIFORNIA EDISON COMPANY		335,822.56	11-AUG-14	335,822.56	Reconciled

IRWD Ledger Payment Register For 01-AUG-14 To 31-AUG-14 Report Date: 28-AUG-2014 18:09
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 6
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Cleared

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351133		07-AUG-14	SOUTHERN CALIFORNIA SECURITY CENTER, INC.		346.12	19-AUG-14	346.12	Reconciled
351134		07-AUG-14	SPARKLETT'S		327.26	15-AUG-14	327.26	Reconciled
351135		07-AUG-14	STATE FARM MUTUAL AUTOMOBILE INSURANCE COMPANY AS SUBROGEE FOR LISA DAUFFENBACH STETSON ENGINEERS INC.		2,860.09	11-AUG-14	2,860.09	Reconciled
351136		07-AUG-14	TESTAMERICA LABORATORIES, INC		52.50	12-AUG-14	52.50	Reconciled
351138		07-AUG-14	THE GAS COMPANY		1,292.03	14-AUG-14	1,292.03	Reconciled
351139		07-AUG-14	THYSSENKRUPP ELEVATOR CORPORATION		168.18	11-AUG-14	168.18	Reconciled
351140		07-AUG-14	TROPICAL PLAZA NURSERY INC		32,292.20	12-AUG-14	32,292.20	Reconciled
351141		07-AUG-14	TRUCPARCO		1,647.35	13-AUG-14	1,647.35	Reconciled
351142		07-AUG-14	UNDERGROUND SERVICE ALERT OF SOUTHERN CALIFORNIA		936.00	13-AUG-14	936.00	Reconciled
351143		07-AUG-14	UNITED SITE SERVICES OF CALIFORNIA INC		147.96	11-AUG-14	147.96	Reconciled
351144		07-AUG-14	UNITED STATES POST OFFICE		23,333.33	15-AUG-14	23,333.33	Reconciled
351145		07-AUG-14	URSO, MARY		141.37			Negotiable
351146		07-AUG-14	VERIZON CALIFORNIA INC		253.11	13-AUG-14	253.11	Reconciled
351147		07-AUG-14	VERIZON WIRELESS SERVICES LLC		725.66	13-AUG-14	725.66	Reconciled
351148		07-AUG-14	VWR INTERNATIONAL, LLC		6,151.25	14-AUG-14	6,151.25	Reconciled
351149		07-AUG-14	WATERLINE TECHNOLOGIES INC		5,680.00	13-AUG-14	5,680.00	Reconciled
351150		07-AUG-14	WAXIE'S ENTERPRISES, INC		409.01	12-AUG-14	409.01	Reconciled
351151		07-AUG-14	WECK LABORATORIES INC		2,980.00	13-AUG-14	2,980.00	Reconciled
351152		07-AUG-14	WESTERN EXTERMINATOR COMPANY		7,283.00	21-AUG-14	7,283.00	Reconciled

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 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 7
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351153		07-AUG-14	WIRELESS WATCHDOGS, LLC		924.00	26-AUG-14	924.00	Reconciled
351154		07-AUG-14	XEROX CORPORATION		1,476.00	13-AUG-14	1,476.00	Reconciled
351155		08-AUG-14	ACCUZIP, INC.		599.00	13-AUG-14	599.00	Reconciled
351156		08-AUG-14	ALEXANDER CONTRACT SERVICES INC		106,839.65	13-AUG-14	106,839.65	Reconciled
351157		08-AUG-14	AUTOZONE PARTS, INC.		301.33			Negotiable
351158		08-AUG-14	BATTERIES PLUS AND BATTERIES PLUS BULBS		777.28	15-AUG-14	777.28	Reconciled
351159		08-AUG-14	BK FOUNTAIN WORKS		416.50	11-AUG-14	416.50	Reconciled
351160		08-AUG-14	BRUCE NEWELL		1,316.00	26-AUG-14	1,316.00	Reconciled
351161		08-AUG-14	CLA-VAL COMPANY		668.18	11-AUG-14	668.18	Reconciled
351162		08-AUG-14	CONYBEARE INC		12,391.33	14-AUG-14	12,391.33	Reconciled
351163		08-AUG-14	ENVIRONMENTAL SCIENCE ASSOCIATES		16,137.34	14-AUG-14	16,137.34	Reconciled
351164		08-AUG-14	FERGUSON ENTERPRISES, INC.		4,395.60	11-AUG-14	4,395.60	Reconciled
351165		08-AUG-14	GJ AUTOMOTIVE EQUIPMENT CO INC		742.50	13-AUG-14	742.50	Reconciled
351166		08-AUG-14	GRAINGER		3,487.54	12-AUG-14	3,487.54	Reconciled
351167		08-AUG-14	HAAKER EQUIPMENT COMPANY		1,578.36	12-AUG-14	1,578.36	Reconciled
351168		08-AUG-14	HUNSAKER & ASSOCIATES IRVINE		1,232.00	11-AUG-14	1,232.00	Reconciled
351169		08-AUG-14	JCI JONES CHEMICALS INC		8,258.25	14-AUG-14	8,258.25	Reconciled
351170		08-AUG-14	LEE & RO, INC.		11,968.50	13-AUG-14	11,968.50	Reconciled
351171		08-AUG-14	MC MASTER CARR SUPPLY CO		1,893.08	12-AUG-14	1,893.08	Reconciled
351172		08-AUG-14	NATURES IMAGE INC		2,409.08	11-AUG-14	2,409.08	Reconciled
351173		08-AUG-14	ORANGE COUNTY AUTO PARTS CO		522.77	11-AUG-14	522.77	Reconciled

351174	08-AUG-14	PARKHOUSE TIRE INC		2,137.19	12-AUG-14	2,137.19	Reconciled
351175	08-AUG-14	POWER-ONE		500.00	13-AUG-14	500.00	Reconciled
		RENEWABLE ENERGY SOLUTIONS, LLC					
351176	08-AUG-14	RINCON TRUCK CENTER INC.		971.62	11-AUG-14	971.62	Reconciled
351177	08-AUG-14	SANDERS PAVING INC		10,837.00	15-AUG-14	10,837.00	Reconciled
351178	08-AUG-14	SANTA MARGARITA FORD		1,173.54	11-AUG-14	1,173.54	Reconciled
351179	08-AUG-14	THOMAS HARDER & CO		4,536.25	18-AUG-14	4,536.25	Reconciled
351180	08-AUG-14	UNITED PARCEL SERVICE INC		22.60	12-AUG-14	22.60	Reconciled

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 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 8
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351181		08-AUG-14	UTILITY SYSTEMS SCIENCE & SOFTWARE INC.		647.50	11-AUG-14	647.50	Reconciled
351182		13-AUG-14	DISPLAYWORKS	PURCHASE	53,148.55	14-AUG-14	53,148.55	Reconciled
351183		13-AUG-14	A & Y ASPHALT CONTRACTORS INC		18,777.00	19-AUG-14	18,777.00	Reconciled
351184		13-AUG-14	APD CONSULTANTS INC		18,504.37	22-AUG-14	18,504.37	Reconciled
351185		13-AUG-14	APPLIED TECHNOLOGY GROUP INC		2,292.00	18-AUG-14	2,292.00	Reconciled
351186		13-AUG-14	ARCADIS U.S., INC.		74,322.26	21-AUG-14	74,322.26	Reconciled
351187		13-AUG-14	AT&T		2,014.33	19-AUG-14	2,014.33	Reconciled
351188		13-AUG-14	AT&T		1,895.22	20-AUG-14	1,895.22	Reconciled
351189		13-AUG-14	AUTOZONE PARTS, INC.		129.52	18-AUG-14	129.52	Reconciled
351190		13-AUG-14	BADGER METER INC		51,564.61	22-AUG-14	51,564.61	Reconciled
351191		13-AUG-14	BATTERIES PLUS AND BATTERIES PLUS BULBS		345.22	20-AUG-14	345.22	Reconciled
351192		13-AUG-14	BRENNTAG PACIFIC INC		3,502.00	18-AUG-14	3,502.00	Reconciled
351193		13-AUG-14	C WELLS PIPELINE MATERIALS INC		5,111.43	21-AUG-14	5,111.43	Reconciled
351194		13-AUG-14	CARL WARREN & CO		737.04	18-AUG-14	737.04	Reconciled
351195		13-AUG-14	CITY OF COSTA MESA		18,975.00	21-AUG-14	18,975.00	Reconciled
351196		13-AUG-14	CITY OF IRVINE		26,750.00	19-AUG-14	26,750.00	Reconciled
351197		13-AUG-14	CITY OF NEWPORT BEACH		921.22	15-AUG-14	921.22	Reconciled
351198		13-AUG-14	CITY OF TUSTIN		2,113.00	20-AUG-14	2,113.00	Reconciled
351199		13-AUG-14	CLEAN ENERGY		1,651.43	20-AUG-14	1,651.43	Reconciled
351200		13-AUG-14	COASTAL IGNITION & CONTROLS, INC		1,047.59	19-AUG-14	1,047.59	Reconciled
351201		13-AUG-14	COMMERCIAL DOOR OF ORANGE COUNTY, INC.		3,380.17	20-AUG-14	3,380.17	Reconciled
351202		13-AUG-14	CONEYBEARE INC		1,421.20	18-AUG-14	1,421.20	Reconciled
351203		13-AUG-14	CR & R INCORPORATED		210.44	20-AUG-14	210.44	Reconciled
351204		13-AUG-14	CREATIVE ALLIANCE GROUP LLC		500.00	19-AUG-14	500.00	Reconciled
351205		13-AUG-14	DALEY & HEFT LLP		4,585.88	19-AUG-14	4,585.88	Reconciled
351206		13-AUG-14	DISCOVERY SCIENCE CENTER		7,587.72	19-AUG-14	7,587.72	Reconciled
351207		13-AUG-14	EI&C ENGINEERING INC		17,170.00			Negotiable

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 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 9
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351208		13-AUG-14	ELECTRICAL SYSTEMS ENGINEERING CO		2,800.00	18-AUG-14	2,800.00	Reconciled
351209		13-AUG-14	ENVIRONMENTAL SCIENCE ASSOCIATES		44,671.36	21-AUG-14	44,671.36	Reconciled
351210		13-AUG-14	FEDEX		358.63	20-AUG-14	358.63	Reconciled
351211		13-AUG-14	FISHER SCIENTIFIC COMPANY LLC		972.21	18-AUG-14	972.21	Reconciled
351212		13-AUG-14	FOUNTAIN VALLEY PAINTS		426.60	15-AUG-14	426.60	Reconciled
351213		13-AUG-14	GRAINGER		4,902.79	18-AUG-14	4,902.79	Reconciled
351214		13-AUG-14	GRAYBAR ELECTRIC COMPANY		2,099.76	18-AUG-14	2,099.76	Reconciled
351215		13-AUG-14	HARMSWORTH ASSOCIATES		3,354.00	20-AUG-14	3,354.00	Reconciled
351216		13-AUG-14	HDR ENGINEERING INC		38,243.00	21-AUG-14	38,243.00	Reconciled

351217	13-AUG-14	HILL BROTHERS CHEMICAL COMPANY	1,529.86	15-AUG-14	1,529.86	Reconciled
351218	13-AUG-14	HOME DEPOT USA INC	240.02	20-AUG-14	240.02	Reconciled
351219	13-AUG-14	II FUELS INC	27,855.03	19-AUG-14	27,855.03	Reconciled
351220	13-AUG-14	TNOVYZE	13,500.00	20-AUG-14	13,500.00	Reconciled
351221	13-AUG-14	IRVINE PIPE & SUPPLY INC	1,953.31	15-AUG-14	1,953.31	Reconciled
351222	13-AUG-14	JCI JONES CHEMICALS INC	2,188.83	18-AUG-14	2,188.83	Reconciled
351223	13-AUG-14	KELLY SERVICES INC	898.23	18-AUG-14	898.23	Reconciled
351224	13-AUG-14	KENNEDY/JENKS CONSULTANTS INC	1,738.25	18-AUG-14	1,738.25	Reconciled
351225	13-AUG-14	KENT & AMY DAHLBERG	6,447.60	20-AUG-14	6,447.60	Reconciled
351226	13-AUG-14	KONECRANES INC	366.00	19-AUG-14	366.00	Reconciled
351227	13-AUG-14	KS DIRECT LLC	2,775.60	15-AUG-14	2,775.60	Reconciled
351228	13-AUG-14	LCS TECHNOLOGIES, INC.	19,750.00	25-AUG-14	19,750.00	Reconciled
351229	13-AUG-14	LILLESTRAND LEADERSHIP CONSULTING, INC.	6,190.66			Negotiable
351230	13-AUG-14	MC MASTER CARR SUPPLY CO	1,469.39	18-AUG-14	1,469.39	Reconciled
351231	13-AUG-14	NATIONAL READY MIXED CONCRETE CO	2,232.40	18-AUG-14	2,232.40	Reconciled
351232	13-AUG-14	NATURALWELL, LLC	495.00	15-AUG-14	495.00	Reconciled
351233	13-AUG-14	NEPTUNE TECHNOLOGY GROUP, INC.	174,356.06	21-AUG-14	174,356.06	Reconciled
351234	13-AUG-14	NINYO & MOORE	30,165.37	20-AUG-14	30,165.37	Reconciled
351235	13-AUG-14	NOVELL INC	250.00	18-AUG-14	250.00	Reconciled

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

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351236		13-AUG-14	OLIN CORPORATION		16,113.38	21-AUG-14	16,113.38	Reconciled
351237		13-AUG-14	ON ASSIGNMENT LAB SUPPORT		2,176.72	18-AUG-14	2,176.72	Reconciled
351238		13-AUG-14	ORANGE COUNTY AUTO PARTS CO		303.88	15-AUG-14	303.88	Reconciled
351239		13-AUG-14	OUTSOURCE TECHNICAL LLC		22,540.00	21-AUG-14	22,540.00	Reconciled
351240		13-AUG-14	PACIFIC GAS AND ELECTRIC COMPANY		5.26	21-AUG-14	5.26	Reconciled
351241		13-AUG-14	PERKINELMER HEALTH SCIENCES INC		31,632.00	21-AUG-14	31,632.00	Reconciled
351242		13-AUG-14	PRAXAIR DISTRIBUTION INC		2,192.18	18-AUG-14	2,192.18	Reconciled
351243		13-AUG-14	PRO GROWERS INC		6,774.62	27-AUG-14	6,774.62	Reconciled
351244		13-AUG-14	R & R INDUSTRIAL SERVICES, INC.		1,177.00	21-AUG-14	1,177.00	Reconciled
351245		13-AUG-14	R&B AUTOMATION INC		10,521.60	20-AUG-14	10,521.60	Reconciled
351246		13-AUG-14	RAINBOW DISPOSAL CO INC		506.33	19-AUG-14	506.33	Reconciled
351247		13-AUG-14	RAM AIR ENGINEERING INC		1,467.38	15-AUG-14	1,467.38	Reconciled
351248		13-AUG-14	REAL GREEN INC.		31,938.75			Negotiable
351249		13-AUG-14	RINCON TRUCK CENTER INC.		3,790.33	15-AUG-14	3,790.33	Reconciled
351250		13-AUG-14	RINGCLEAR LLC		38.28	19-AUG-14	38.28	Reconciled
351251		13-AUG-14	SAFECHECKS		1,311.77	18-AUG-14	1,311.77	Reconciled
351252		13-AUG-14	SANTA MARGARITA FORD		195.71	18-AUG-14	195.71	Reconciled
351253		13-AUG-14	SEAL ANALYTICAL INC		10,009.29	22-AUG-14	10,009.29	Reconciled
351254		13-AUG-14	SECURTEC DISTRICT PATROL, INC.		9,000.00			Negotiable
351255		13-AUG-14	SHAMROCK SUPPLY CO INC		799.94	15-AUG-14	799.94	Reconciled
351256		13-AUG-14	SHERWIN WILLIAMS COMPANY		904.48	19-AUG-14	904.48	Reconciled
351257		13-AUG-14	SOUTH COAST WATER CO.		40.00	15-AUG-14	40.00	Reconciled
351258		13-AUG-14	SOUTH COAST WATER CO.		151.68	20-AUG-14	151.68	Reconciled
351259		13-AUG-14	SOUTHERN CALIFORNIA EDISON COMPANY		56,993.74	15-AUG-14	56,993.74	Reconciled

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

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

351260	13-AUG-14	SOUTHERN CALIFORNIA SECURITY CENTER, INC.	39.09	22-AUG-14	39.09	Reconciled
351261	13-AUG-14	TESTAMERICA LABORATORIES, INC	192.15	18-AUG-14	192.15	Reconciled
351262	13-AUG-14	TRIPAC MARKETING INC	943.27	15-AUG-14	943.27	Reconciled
351263	13-AUG-14	TROPICAL PLAZA NURSERY INC	72,011.24	19-AUG-14	72,011.24	Reconciled
351264	13-AUG-14	TRUCPARCO	1,447.22	19-AUG-14	1,447.22	Reconciled
351265	13-AUG-14	ULTRA SCIENTIFIC	109.51	19-AUG-14	109.51	Reconciled
351266	13-AUG-14	VERIZON CALIFORNIA INC	46.04	20-AUG-14	46.04	Reconciled
351267	13-AUG-14	VERTECH INDUSTRIAL SYSTEMS, LLC	7,230.00	21-AUG-14	7,230.00	Reconciled
351268	13-AUG-14	VULCAN MATERIALS COMPANY	1,340.03	18-AUG-14	1,340.03	Reconciled
351269	13-AUG-14	WASTE MANAGEMENT OF ORANGE COUNTY	2,323.26	18-AUG-14	2,323.26	Reconciled
351270	13-AUG-14	WAXIE'S ENTERPRISES, INC	183.90	18-AUG-14	183.90	Reconciled
351271	13-AUG-14	WECK LABORATORIES INC	225.00	15-AUG-14	225.00	Reconciled
351272	13-AUG-14	ZANETT COMMERCIAL SOLUTIONS, INC.	14,950.00	18-AUG-14	14,950.00	Reconciled
351273	13-AUG-14	Kelly, Cheryl D (Cheryl)	162.96	14-AUG-14	162.96	Reconciled
351274	13-AUG-14	Kessler, Christian L (Christian)	115.00	14-AUG-14	115.00	Reconciled
351275	13-AUG-14	Cascelli, Craig M (Craig)	1,987.73			Negotiable
351276	13-AUG-14	Navarro, Hector R	119.08	25-AUG-14	119.08	Reconciled
351277	13-AUG-14	Hankla, Jeremy	319.00	18-AUG-14	319.00	Reconciled
351278	13-AUG-14	Bonkowski, Leslie A (Leslie)	121.90	15-AUG-14	121.90	Reconciled
351279	13-AUG-14	Cortez, Malcolm A (Malcolm)	52.08			Negotiable
351280	13-AUG-14	Robinson, Mitchell S	106.84	14-AUG-14	106.84	Reconciled
351281	13-AUG-14	Weghorst, Paul A (Paul)	192.37			Negotiable
351282	13-AUG-14	Swan, Peer	813.09			Negotiable
351283	13-AUG-14	LaMar, Steven E	162.08	21-AUG-14	162.08	Reconciled
351284	13-AUG-14	Bonkowski, Thomas J (Thomas)	28.11	15-AUG-14	28.11	Reconciled

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 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 12
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351285		14-AUG-14	Martin, Didene J (De)		200.00			Negotiable
351286		14-AUG-14	Oldewage, Lars D (Lars)		21.50	15-AUG-14	21.50	Reconciled
351287		14-AUG-14	Colvin, Todd C (Todd)		37.32	25-AUG-14	37.32	Reconciled
351288		14-AUG-14	AT&T		122.00	18-AUG-14	122.00	Reconciled
351289		14-AUG-14	BIGWIG MONSTER, LLC		2,100.00	18-AUG-14	2,100.00	Reconciled
351290		14-AUG-14	BIOMAGIC INC		9,400.32	20-AUG-14	9,400.32	Reconciled
351291		14-AUG-14	BORCHARD SURVEYING & MAPPING, INC.		1,275.00	18-AUG-14	1,275.00	Reconciled
351292		14-AUG-14	CALIFORNIA BARRICADE INC		1,843.76	21-AUG-14	1,843.76	Reconciled
351293		14-AUG-14	CHAMBERS, ED		8.44	18-AUG-14	8.44	Reconciled
351294		14-AUG-14	CHO DESIGN ASSOCIATES, INC		4,200.00	19-AUG-14	4,200.00	Reconciled
351295		14-AUG-14	COAST PLUMBING HEATING AND AIR, INC		159.00	18-AUG-14	159.00	Reconciled
351296		14-AUG-14	EVANTEC CORPORATION		6,912.64	20-AUG-14	6,912.64	Reconciled
351297		14-AUG-14	EXECUTIVE LIGHTING & ELECTRIC		832.84	15-AUG-14	832.84	Reconciled
351298		14-AUG-14	HILL BROTHERS CHEMICAL COMPANY		2,430.50	15-AUG-14	2,430.50	Reconciled
351299		14-AUG-14	HOME DEPOT USA INC		345.64	20-AUG-14	345.64	Reconciled
351300		14-AUG-14	HOPKINS TECHNICAL PRODUCTS INC		540.57	19-AUG-14	540.57	Reconciled
351301		14-AUG-14	IRON MOUNTAIN INFORMATION MANAGEMENT INC		1,869.66	18-AUG-14	1,869.66	Reconciled
351302		14-AUG-14	IRVINE PIPE & SUPPLY INC		1,538.83	15-AUG-14	1,538.83	Reconciled
351303		14-AUG-14	JOHN G. ALEVIZOS D.O. INC.		767.84	19-AUG-14	767.84	Reconciled
351304		14-AUG-14	LAGUNA BEACH COUNTY WATER		1,459.04	26-AUG-14	1,459.04	Reconciled

351305	14-AUG-14	DISTRICT LEWIS OPERATING CORP	400.00	19-AUG-14	400.00	Reconciled
351306	14-AUG-14	LOS ANGELES TIMES	157.00	18-AUG-14	157.00	Reconciled
351307	14-AUG-14	LOWE'S HOME IMPROVEMENT WAREHOUSE INC	316.89			Negotiable

IRWD Ledger
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 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar) Page: 13
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351308		14-AUG-14	MC MASTER CARR SUPPLY CO		151.84	18-AUG-14	151.84	Reconciled
351309		14-AUG-14	NAVIGANT CONSULTING, INC		7,560.50	21-AUG-14	7,560.50	Reconciled
351310		14-AUG-14	NURSERY PRODUCTS LLC		24,323.30	20-AUG-14	24,323.30	Reconciled
351311		14-AUG-14	OLIN CORPORATION		5,721.35	21-AUG-14	5,721.35	Reconciled
351312		14-AUG-14	ON ASSIGNMENT LAB SUPPORT		2,176.72	18-AUG-14	2,176.72	Reconciled
351313		14-AUG-14	ONESOURCE DISTRIBUTORS LLC		9,442.69	20-AUG-14	9,442.69	Reconciled
351314		14-AUG-14	ORRICK, HERRINGTON & SUTCLIFFE LLP		60,000.00	20-AUG-14	60,000.00	Reconciled
351315		14-AUG-14	PACIFIC PARTS & CONTROLS INC		887.90	18-AUG-14	887.90	Reconciled
351316		14-AUG-14	FENCO ENGINEERING, INC.		11,968.00	19-AUG-14	11,968.00	Reconciled
351317		14-AUG-14	PURE EFFECT INC		7,811.96	22-AUG-14	7,811.96	Reconciled
351318		14-AUG-14	QUINCY COMPRESSOR LLC		2,376.58	18-AUG-14	2,376.58	Reconciled
351319		14-AUG-14	QUINN POWER SYSTEMS		358.80	18-AUG-14	358.80	Reconciled
351320		14-AUG-14	RBF CONSULTING		20,257.97	21-AUG-14	20,257.97	Reconciled
351321		14-AUG-14	SIMI VALLEY LANDFILL AND RECYCLING CENTER		504.90	18-AUG-14	504.90	Reconciled
351322		14-AUG-14	SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT		2,138.09	20-AUG-14	2,138.09	Reconciled
351323		14-AUG-14	SOUTH COAST WATER DISTRICT		2,481.00	18-AUG-14	2,481.00	Reconciled
351324		14-AUG-14	SOUTHERN COUNTIES LUBRICANTS LLC		860.87	18-AUG-14	860.87	Reconciled
351325		14-AUG-14	UNITED PARCEL SERVICE INC		31.49	18-AUG-14	31.49	Reconciled
351326		14-AUG-14	URS CORPORATION		40,165.50	21-AUG-14	40,165.50	Reconciled
351327		14-AUG-14	WASTE MANAGEMENT OF ORANGE COUNTY		502.58	18-AUG-14	502.58	Reconciled
351328		14-AUG-14	WATERLINE TECHNOLOGIES INC		5,680.00	21-AUG-14	5,680.00	Reconciled
351329		14-AUG-14	WESTERN EXTERMINATOR COMPANY		630.00	21-AUG-14	630.00	Reconciled
351330		21-AUG-14	ALPHA TRAFFIC SERVICES, INC.		3,050.00	27-AUG-14	3,050.00	Reconciled
351331		21-AUG-14	AMPCO SAFETY TOOLS		240.73	25-AUG-14	240.73	Reconciled

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Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351332		21-AUG-14	APCO GRAPHICS INC		375.97	25-AUG-14	375.97	Reconciled
351333		21-AUG-14	ARCADIS U.S., INC.		28,355.20	25-AUG-14	28,355.20	Reconciled
351334		21-AUG-14	AT&T		3,883.19	27-AUG-14	3,883.19	Reconciled
351335		21-AUG-14	AT&T		16.94	26-AUG-14	16.94	Reconciled
351336		21-AUG-14	AT&T		48.03	26-AUG-14	48.03	Reconciled
351337		21-AUG-14	BAKERSFIELD WELL & PUMP CO		140,261.86	27-AUG-14	140,261.86	Reconciled
351338		21-AUG-14	BATTERY SPECIALTIES		477.31			Negotiable
351339		21-AUG-14	BDC SPECIAL WASTE		207.20	26-AUG-14	207.20	Reconciled
351340		21-AUG-14	BECKER, DEBORAH		2,799.54	26-AUG-14	2,799.54	Reconciled
351341		21-AUG-14	BEST DRILLING AND PUMP, INC.		51,336.00	25-AUG-14	51,336.00	Reconciled
351342		21-AUG-14	BILL'S SWEEPING SERVICE INC		460.00	25-AUG-14	460.00	Reconciled
351343		21-AUG-14	BORCHARD SURVEYING & MAPPING, INC.		1,716.50			Negotiable
351344		21-AUG-14	BRITHINEE ELECTRIC		21,459.11	25-AUG-14	21,459.11	Reconciled
351345		21-AUG-14	CALIFORNIA BARRICADE INC		455.00	26-AUG-14	455.00	Reconciled

351346	21-AUG-14	CALIFORNIA MUNICIPAL STATISTICS INC	500.00				Negotiable
351347	21-AUG-14	CANON FINANCIAL SERVICES, INC	304.56	25-AUG-14	304.56		Reconciled
351348	21-AUG-14	CANON SOLUTIONS AMERICA, INC.	4,647.50	25-AUG-14	4,647.50		Reconciled
351349	21-AUG-14	CANON SOLUTIONS AMERICA, INC.	5,481.34	25-AUG-14	5,481.34		Reconciled
351350	21-AUG-14	CDW GOVERNMENT LLC	1,014.00	27-AUG-14	1,014.00		Reconciled
351351	21-AUG-14	CHEM TECH INTERNATIONAL INC	9,026.60	26-AUG-14	9,026.60		Reconciled
351352	21-AUG-14	CNC ENGINEERING, INC	3,522.50	27-AUG-14	3,522.50		Reconciled
351353	21-AUG-14	COASTAL IGNITION & CONTROLS, INC	1,413.50				Negotiable
351354	21-AUG-14	CONEYBEARE INC	37,997.18	25-AUG-14	37,997.18		Reconciled
351355	21-AUG-14	CORELOGIC INC	72.00	25-AUG-14	72.00		Reconciled
351356	21-AUG-14	COUNTY OF ORANGE	2,860.00	27-AUG-14	2,860.00		Reconciled
351357	21-AUG-14	COUNTY OF ORANGE	6,984.00	25-AUG-14	6,984.00		Reconciled
351358	21-AUG-14	COX COMMUNICATIONS	142.00	25-AUG-14	142.00		Reconciled
351359	21-AUG-14	CREDENTIAL CHECK CORPORATION	234.22	25-AUG-14	234.22		Reconciled
351360	21-AUG-14	DATA CLEAN CORPORATION	513.25	27-AUG-14	513.25		Reconciled

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 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351361		21-AUG-14	DEE JASPAR & ASSOCIATES, INC.		24,002.57	27-AUG-14	24,002.57	Reconciled
351362		21-AUG-14	DELL MARKETING LP		12,124.22	26-AUG-14	12,124.22	Reconciled
351363		21-AUG-14	DIRECTV INC		105.98	26-AUG-14	105.98	Reconciled
351364		21-AUG-14	EMA INC		34,081.85	25-AUG-14	34,081.85	Reconciled
351365		21-AUG-14	ENTERPRISE SECURITY, INC		2,678.31	26-AUG-14	2,678.31	Reconciled
351366		21-AUG-14	ENVIRON INTERNATIONAL CORP.		2,337.83	25-AUG-14	2,337.83	Reconciled
351367		21-AUG-14	ENVIRONMENTAL SCIENCE ASSOCIATES		11,462.57	26-AUG-14	11,462.57	Reconciled
351368		21-AUG-14	ESSCO PUMPS AND CONTROLS		2,480.00	26-AUG-14	2,480.00	Reconciled
351369		21-AUG-14	FARRELL & ASSOCIATES		461.72	25-AUG-14	461.72	Reconciled
351370		21-AUG-14	FEDEX		225.00	25-AUG-14	225.00	Reconciled
351371		21-AUG-14	FIRST AMERICAN TITLE CO.		9,000.00			Negotiable
351372		21-AUG-14	FIRST CHOICE SERVICES		176.85	25-AUG-14	176.85	Reconciled
351373		21-AUG-14	FISERV		13,079.52	25-AUG-14	13,079.52	Reconciled
351374		21-AUG-14	FISHER SCIENTIFIC COMPANY LLC		2,015.91	25-AUG-14	2,015.91	Reconciled
351375		21-AUG-14	FLEET SOLUTIONS LLC		4,316.25	25-AUG-14	4,316.25	Reconciled
351376		21-AUG-14	FOUNTAIN VALLEY PAINTS		222.48	22-AUG-14	222.48	Reconciled
351377		21-AUG-14	GEORGE YARDLEY CO INC		1,128.26	22-AUG-14	1,128.26	Reconciled
351378		21-AUG-14	GOLDMAN, SACHS & CO		21,490.63	26-AUG-14	21,490.63	Reconciled
351379		21-AUG-14	GRAINGER		2,416.01	25-AUG-14	2,416.01	Reconciled
351380		21-AUG-14	HARPER & ASSOCIATES ENGINEERING INC		2,071.25			Negotiable
351381		21-AUG-14	HDR ENGINEERING INC		22,854.30	25-AUG-14	22,854.30	Reconciled
351382		21-AUG-14	HILL BROTHERS CHEMICAL COMPANY		7,038.40	25-AUG-14	7,038.40	Reconciled
351383		21-AUG-14	HOME DEPOT USA INC		586.13	27-AUG-14	586.13	Reconciled
351384		21-AUG-14	HOPKINS TECHNICAL PRODUCTS INC		168.93	26-AUG-14	168.93	Reconciled
351385		21-AUG-14	II FUELS INC		29,567.07	25-AUG-14	29,567.07	Reconciled
351386		21-AUG-14	IRVINE PIPE & SUPPLY INC		91.25	22-AUG-14	91.25	Reconciled

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Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351387		21-AUG-14	IRVINE PIPE & SUPPLY INC		1,870.13	22-AUG-14	1,870.13	Reconciled

351388	21-AUG-14	IRWD-PETTY CASH CUSTODIAN	827.89	21-AUG-14	827.89	Reconciled
351389	21-AUG-14	JCI JONES CHEMICALS INC	2,225.58	25-AUG-14	2,225.58	Reconciled
351390	21-AUG-14	JOHN G. ALEVIZOS D.O. INC.	353.31	26-AUG-14	353.31	Reconciled
351391	21-AUG-14	KELLY SERVICES INC	750.98	25-AUG-14	750.98	Reconciled
351392	21-AUG-14	KONECRANES INC	3,816.50	26-AUG-14	3,816.50	Reconciled
351393	21-AUG-14	KS DIRECT LLC	1,665.36	22-AUG-14	1,665.36	Reconciled
351394	21-AUG-14	L. G. SUPPLY COMPANY	8,817.12	25-AUG-14	8,817.12	Reconciled
351395	21-AUG-14	LAGUNA BEACH COUNTY WATER DISTRICT	7,905.07	26-AUG-14	7,905.07	Reconciled
351396	21-AUG-14	LEADERSHIP TOMORROW	2,800.00			Negotiable
351397	21-AUG-14	MARKET-THINK LLC	4,095.00			Negotiable
351398	21-AUG-14	MC MASTER CARR SUPPLY CO	929.46	25-AUG-14	929.46	Reconciled
351399	21-AUG-14	MCBAIN SYSTEMS LP	550.00	25-AUG-14	550.00	Reconciled
351400	21-AUG-14	MRVOS, NIKOLA	464.16	25-AUG-14	464.16	Reconciled
351401	21-AUG-14	MSC INDUSTRIAL SUPPLY CO	1,447.47	26-AUG-14	1,447.47	Reconciled
351402	21-AUG-14	NATIONAL READY MIXED CONCRETE CO	671.80	25-AUG-14	671.80	Reconciled
351403	21-AUG-14	OCTA	5,321.00	25-AUG-14	5,321.00	Reconciled
351404	21-AUG-14	OLIN CORPORATION	16,947.14	25-AUG-14	16,947.14	Reconciled
351405	21-AUG-14	ON ASSIGNMENT LAB SUPPORT	1,896.64	25-AUG-14	1,896.64	Reconciled
351406	21-AUG-14	ONESOURCE DISTRIBUTORS LLC	4,348.17	25-AUG-14	4,348.17	Reconciled
351407	21-AUG-14	ORANGE COUNTY FIRE PROTECTION	330.00	22-AUG-14	330.00	Reconciled
351408	21-AUG-14	ORANGE COUNTY WATER DISTRICT	7,298.00	25-AUG-14	7,298.00	Reconciled
351409	21-AUG-14	OUTSOURCE TECHNICAL LLC	73,386.00	25-AUG-14	73,386.00	Reconciled
351410	21-AUG-14	PACIFIC GAS AND ELECTRIC COMPANY	24.18	26-AUG-14	24.18	Reconciled
351411	21-AUG-14	PACIFIC PARTS & CONTROLS INC	591.60	25-AUG-14	591.60	Reconciled
351412	21-AUG-14	PAPER DEPOT DOCUMENT DESTRUCTION LLC	956.00	22-AUG-14	956.00	Reconciled

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Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351413		21-AUG-14	PAYNE & FEARS LLP		6,693.00	25-AUG-14	6,693.00	Reconciled
351414		21-AUG-14	PINNACLE TOWERS LLC		615.79	25-AUG-14	615.79	Reconciled
351415		21-AUG-14	PONTON INDUSTRIES INC		797.04			Negotiable
351416		21-AUG-14	PTI SAND & GRAVEL INC		1,074.46	27-AUG-14	1,074.46	Reconciled
351417		21-AUG-14	PYRO-COMM SYSTEMS INC		295.00	22-AUG-14	295.00	Reconciled
351418		21-AUG-14	QUALITY LAWN SERVICE		240.00	22-AUG-14	240.00	Reconciled
351419		21-AUG-14	QUINCY COMPRESSOR LLC		8,443.44	26-AUG-14	8,443.44	Reconciled
351420		21-AUG-14	QUINN POWER SYSTEMS		9.60	25-AUG-14	9.60	Reconciled
351421		21-AUG-14	RAM AIR ENGINEERING INC		4,354.72	22-AUG-14	4,354.72	Reconciled
351422		21-AUG-14	SAN DIEGO FLUID SYSTEM TECH		6,501.06	25-AUG-14	6,501.06	Reconciled
351423		21-AUG-14	SANDERS PAVING INC		7,386.00			Negotiable
351424		21-AUG-14	SANTA ANA BLUE PRINT		457.54	22-AUG-14	457.54	Reconciled
351425		21-AUG-14	SANTA ANA WATERSHED PROJECT		2,923.00	25-AUG-14	2,923.00	Reconciled
351426		21-AUG-14	SECURTEC DISTRICT PATROL, INC.		600.00			Negotiable
351427		21-AUG-14	SIGMA-ALDRICH INC		565.68			Negotiable
351428		21-AUG-14	SOUTH COAST ANSWERING SERVICE		1,281.33	26-AUG-14	1,281.33	Reconciled
351429		21-AUG-14	SOUTH COAST WATER CO.		65.00	26-AUG-14	65.00	Reconciled
351430		21-AUG-14	SOUTHERN CALIFORNIA EDISON COMPANY		106,117.50	22-AUG-14	106,117.50	Reconciled
351431		21-AUG-14	SOUTHERN CALIFORNIA SECURITY CENTER, INC.		770.50	27-AUG-14	770.50	Reconciled
351432		21-AUG-14	SPATIAL WAVE, INC.		9,840.00	26-AUG-14	9,840.00	Reconciled
351433		21-AUG-14	STANDARD REGISTER		2,347.13	25-AUG-14	2,347.13	Reconciled

351434	21-AUG-14	COMPANY STANTEC CONSULTING SERVICES INC.	5,098.00	26-AUG-14	5,098.00	Reconciled
351435	21-AUG-14	STATE BOARD OF EQUALIZATION	8,454.00			Negotiable

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Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351436		21-AUG-14	STEEL UNLIMITED INC		1,490.40	25-AUG-14	1,490.40	Reconciled
351437		21-AUG-14	STEMAR EQUIPMENT & SUPPLY CO., INC		561.85	26-AUG-14	561.85	Reconciled
351438		21-AUG-14	TELEDYNE LEEMAN LABS		1,008.15	27-AUG-14	1,008.15	Reconciled
351439		21-AUG-14	TOXGUARD FLUID TECHNOLOGIES		1,281.63			Negotiable
351440		21-AUG-14	TRIDENT TOOL INC		13,495.00			Negotiable
351441		21-AUG-14	TROPICAL PLAZA NURSERY INC		33,675.97	25-AUG-14	33,675.97	Reconciled
351442		21-AUG-14	TRUGREEN LANDCARE LLC		18,800.00	25-AUG-14	18,800.00	Reconciled
351443		21-AUG-14	UNITED SITE SERVICES OF CALIFORNIA INC		152.31	25-AUG-14	152.31	Reconciled
351444		21-AUG-14	URS CORPORATION		39,321.50	25-AUG-14	39,321.50	Reconciled
351445		21-AUG-14	VERIZON CALIFORNIA INC		250.25	27-AUG-14	250.25	Reconciled
351446		21-AUG-14	VULCAN MATERIALS COMPANY		1,343.59	25-AUG-14	1,343.59	Reconciled
351447		21-AUG-14	VWR INTERNATIONAL, LLC		385.42	25-AUG-14	385.42	Reconciled
351448		21-AUG-14	WATERLINE TECHNOLOGIES INC		2,840.00	25-AUG-14	2,840.00	Reconciled
351449		21-AUG-14	WAXIE'S ENTERPRISES, INC		672.35	25-AUG-14	672.35	Reconciled
351450		21-AUG-14	WECK LABORATORIES INC		2,050.00	22-AUG-14	2,050.00	Reconciled
351451		21-AUG-14	WESTERN EXTERMINATOR COMPANY		7,907.00			Negotiable
351452		21-AUG-14	YORK INSURANCE SERVICES GROUP INC - CA		7,936.25	25-AUG-14	7,936.25	Reconciled
351453		21-AUG-14	YORKE ENGINEERING LLC		807.50	26-AUG-14	807.50	Reconciled
351454		25-AUG-14	CLEARINGHOUSE	PHOENIX	477.67	27-AUG-14	477.67	Reconciled
351455		25-AUG-14	INTERNAL REVENUE SERVICE	FRESNO	100.00			Negotiable
351456		25-AUG-14	IRWD EMPLOYEE ASSOCIATION	IRVINE	730.00			Negotiable
351457		25-AUG-14	PERS LONG TERM CARE	PASADENA	720.46			Negotiable
351458		25-AUG-14	JCI JONES CHEMICALS INC	CINCINNATI	5,505.50			Negotiable

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Payment Document : IRWD CHECK								
351459		27-AUG-14	COUNTY OF ORANGE	PURCHASE_P AY	13,616.00			Negotiable
351460		27-AUG-14	COUNTY OF ORANGE	PURCHASE_P AY	5,160.00			Negotiable
351461		27-AUG-14	COUNTY OF ORANGE	PURCHASE_P AY	5,160.00			Negotiable
351462		27-AUG-14	COUNTY OF ORANGE	PURCHASE_P AY	2,408.00			Negotiable
351463		28-AUG-14	Murphy, Alexander J (Alexander)		11.70			Negotiable
351464		28-AUG-14	Perez, Cesar (Cesar)		245.00			Negotiable
351465		28-AUG-14	Compton, Christine A		165.42			Negotiable
351466		28-AUG-14	Legault, Dan (Dan)		194.40			Negotiable
351467		28-AUG-14	Martin, Didene J (De)		225.00			Negotiable
351468		28-AUG-14	Leal, Eliberto (Eliberto)		240.00			Negotiable
351469		28-AUG-14	Blaska, Erika M (Erika)		101.09			Negotiable
351470		28-AUG-14	Sanchez, Fiona M		8.13			Negotiable

351471	28-AUG-14	(Fiona) Frost, Garrick A (Garrick)	13.78	Negotiable
351472	28-AUG-14	Ronin, Gretchen C (Gretchen)	118.72	Negotiable
351473	28-AUG-14	Hamer, James B (James)	156.00	Negotiable
351474	28-AUG-14	Withers, John B	28.00	Negotiable
351475	28-AUG-14	Lewis, Lyndy R	38.53	Negotiable
351476	28-AUG-14	Perez, Martin C (Martin)	108.00	Negotiable
351477	28-AUG-14	Matheis, Mary Aileen	120.96	Negotiable
351478	28-AUG-14	Hoffman, Michael S (Mike)	114.68	Negotiable
351479	28-AUG-14	Bornhoff, Mike (Mike)	190.00	Negotiable
351480	28-AUG-14	Bennett, Ray R (Ray)	167.37	Negotiable
351481	28-AUG-14	Sitzler, Roberta K (Roberta)	35.00	Negotiable
351482	28-AUG-14	Norman, Tammy	130.29	Negotiable
351483	28-AUG-14	Terrance Schreiner	250.00	Negotiable
351484	28-AUG-14	CITY OF IRVINE PAY	26,170.20	Negotiable

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Payment Document : IRWD CHECK								
351485	28-AUG-14	CITY OF IRVINE	PAY		7,640.41			Negotiable
351486	28-AUG-14	A & Y ASPHALT CONTRACTORS INC			24,550.00			Negotiable
351487	28-AUG-14	ACCUZIP, INC.			44.93			Negotiable
351488	28-AUG-14	AFLAC			7,159.94			Negotiable
351489	28-AUG-14	AIRGAS-WEST, INC.			1,980.10			Negotiable
351490	28-AUG-14	ALPHA TRAFFIC SERVICES, INC.			620.00			Negotiable
351491	28-AUG-14	AMERICAN GEOTECHNICAL, INC.			1,952.00			Negotiable
351492	28-AUG-14	ANDERSONPENNA PARTNERS, INC			41,340.00			Negotiable
351493	28-AUG-14	APPLIED INDUSTRIAL TECHNOLOGIES - CA LLC			61.62			Negotiable
351494	28-AUG-14	AQUA-METRIC SALES COMPANY			43,888.39			Negotiable
351495	28-AUG-14	ARCADIS U.S., INC.			34,305.00			Negotiable
351496	28-AUG-14	ARIABOD, MARIAM			148.08			Negotiable
351497	28-AUG-14	ASSOCIATION OF CALIFORNIA CITIES			3,000.00			Negotiable
351498	28-AUG-14	AT&T			5,217.92			Negotiable
351499	28-AUG-14	AT&T			49.42			Negotiable
351500	28-AUG-14	AUTOZONE PARTS, INC.			683.46			Negotiable
351501	28-AUG-14	AVISTA TECHNOLOGIES, INC			1,875.00			Negotiable
351502	28-AUG-14	BATTERIES PLUS AND BATTERIES PLUS BULBS			179.82			Negotiable
351503	28-AUG-14	BEST DRILLING AND PUMP, INC.			108,789.25			Negotiable
351504	28-AUG-14	BIGLER, BETH			25.16			Negotiable
351505	28-AUG-14	BILL'S SWEEPING SERVICE INC			575.00			Negotiable
351506	28-AUG-14	BLACK & VEATCH CORPORATION			293,402.11			Negotiable
351507	28-AUG-14	BRITHINEE ELECTRIC			117.51			Negotiable
351508	28-AUG-14	BRUCE NEWELL			1,316.00			Negotiable
351509	28-AUG-14	BURKE/WACO			1,981.22			Negotiable
351510	28-AUG-14	C WELLS PIPELINE MATERIALS INC			5,443.20			Negotiable
351511	28-AUG-14	C&K AUZENNE, LLC			11.29			Negotiable
351512	28-AUG-14	CALIFORNIA BARRICADE INC			3,185.00			Negotiable

IRWD Ledger Payment Register For 01-AUG-14 To 31-AUG-14 Report Date: 28-AUG-2014 18:09
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 21
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351513	28-AUG-14	CANON SOLUTIONS AMERICA, INC.			6,389.95			Negotiable
351514	28-AUG-14	CHANG, JONATHAN			20.83			Negotiable
351515	28-AUG-14	CHASE, RYAN			18.22			Negotiable

351516	28-AUG-14	CHEN, IVAN	22.76	Negotiable
351517	28-AUG-14	CITY OF NEWPORT BEACH	1,383.82	Negotiable
351518	28-AUG-14	CITY OF TUSTIN	1,054.11	Negotiable
351519	28-AUG-14	CNC ENGINEERING, INC	2,105.00	Negotiable
351520	28-AUG-14	COAST PLUMBING HEATING AND AIR, INC	59.95	Negotiable
351521	28-AUG-14	COLONIAL LIFE & ACCIDENT INSURANCE CO.	1,850.56	Negotiable
351522	28-AUG-14	CONRAD, AMY	44.21	Negotiable
351523	28-AUG-14	COX COMMUNICATIONS	3,253.10	Negotiable
351524	28-AUG-14	CREAN LUTHERAN HIGH SCHOOL	74,813.00	Negotiable
351525	28-AUG-14	DELORENZO, ANTHONY	16.31	Negotiable
351526	28-AUG-14	DEMARCO, JOSEPH	19.86	Negotiable
351527	28-AUG-14	E-Z UP DIRECT.COM LLC	1,103.17	Negotiable
351528	28-AUG-14	EMPLOYMENT DEVELOPMENT DEPARTMENT	6,049.10	Negotiable
351529	28-AUG-14	ENDRESS AND HAUSER INC	13,750.00	Negotiable
351530	28-AUG-14	ENVIRONMENTAL EXPRESS INC	2,811.94	Negotiable
351531	28-AUG-14	EXECUTIVE LIGHTING & ELECTRIC	1,079.59	Negotiable
351532	28-AUG-14	EXPRESSAIR	62.00	Negotiable
351533	28-AUG-14	FEDEX	626.73	Negotiable
351534	28-AUG-14	FIRST CHOICE SERVICES	1,320.81	Negotiable
351535	28-AUG-14	FISERV	309.75	Negotiable
351536	28-AUG-14	GARDENWARE	1,019.76	Negotiable
351537	28-AUG-14	GENERAL PUMP COMPANY INC	7,740.00	Negotiable
351538	28-AUG-14	GRAINGER	6,189.55	Negotiable
351539	28-AUG-14	GRAYBAR ELECTRIC COMPANY	2,448.66	Negotiable
351540	28-AUG-14	GREAT PACIFIC EQUIPMENT INC	2,550.00	Negotiable

IRWD Ledger Payment Register For 01-AUG-14 To 31-AUG-14 Report Date: 28-AUG-2014 18:09
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 22
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351541		28-AUG-14	GUPTA, ANGELA		660.31			Negotiable
351542		28-AUG-14	HAAKER EQUIPMENT COMPANY		159.44			Negotiable
351543		28-AUG-14	HACH COMPANY		461.82			Negotiable
351544		28-AUG-14	HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY		137.58			Negotiable
351545		28-AUG-14	HDR ENGINEERING INC		15,075.30			Negotiable
351546		28-AUG-14	HILL BROTHERS CHEMICAL COMPANY		15,638.80			Negotiable
351547		28-AUG-14	HOME DEPOT USA INC		1,397.98			Negotiable
351548		28-AUG-14	HOPKINS TECHNICAL PRODUCTS INC		1,523.13			Negotiable
351549		28-AUG-14	HYDRO-SCAPE PRODUCTS INC		1,353.18			Negotiable
351550		28-AUG-14	INDIAN SPRINGS MFG CO INC		177.45			Negotiable
351551		28-AUG-14	INDUSTRIAL METAL SUPPLY CO		1,230.16			Negotiable
351552		28-AUG-14	INFOSYS LIMITED		269,550.00			Negotiable
351553		28-AUG-14	IRVINE PIPE & SUPPLY INC		1,767.23			Negotiable
351554		28-AUG-14	IRWD-PETTY CASH CUSTODIAN		857.15			Negotiable
351555		28-AUG-14	JACOBS PROJECT MANAGEMENT CO.		26,600.00			Negotiable
351556		28-AUG-14	JCI JONES CHEMICALS INC		2,684.51			Negotiable
351557		28-AUG-14	JIN, HYUNSUN		29.88			Negotiable
351558		28-AUG-14	KELLY SERVICES INC		2,284.70			Negotiable
351559		28-AUG-14	KIMBALL MIDWEST		1,288.32			Negotiable
351560		28-AUG-14	KOELLER NEBEKER CARLSON & HALUCK, LLP		25,740.79			Negotiable
351561		28-AUG-14	LEIGHTON CONSULTING, INC.		10,481.70			Negotiable
351562		28-AUG-14	LEWIS INVESTMENT COMPANY, LLC		49,203.68			Negotiable
351563		28-AUG-14	MARVIN GARDENS LLC		2,825.36			Negotiable
351564		28-AUG-14	MBC APPLIED ENVIRONMENTAL		1,300.00			Negotiable

351565 28-AUG-14 SCIENCES
MC FADDEN-DALE 214.67 Negotiable
INDUSTRIAL

IRWD Ledger Payment Register For 01-AUG-14 To 31-AUG-14 Report Date: 28-AUG-2014 18:09
BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 23
Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351566		28-AUG-14	MC MASTER CARR SUPPLY CO		4,878.22			Negotiable
351567		28-AUG-14	MC MASTERS, CAROL K		140.64			Negotiable
351568		28-AUG-14	MEDORA CORPORATION		16,170.00			Negotiable
351569		28-AUG-14	MISCOWATER		8,781.56			Negotiable
351570		28-AUG-14	MOBILE MODULAR MANAGEMENT CORPORATION		972.00			Negotiable
351571		28-AUG-14	MORGAN COMPANY		93.08			Negotiable
351572		28-AUG-14	MSC INDUSTRIAL SUPPLY CO		272.13			Negotiable
351573		28-AUG-14	MUNICIPAL WATER DISTRICT OF ORANGE COUNTY		6,482.48			Negotiable
351574		28-AUG-14	NATIONAL READY MIXED CONCRETE CO		2,298.80			Negotiable
351575		28-AUG-14	NCL OF WISCONSIN INC		56.24			Negotiable
351576		28-AUG-14	NEWPORT WINDOW MAINTENANCE INC		2,314.00			Negotiable
351577		28-AUG-14	NGUYEN, TINA		31.34			Negotiable
351578		28-AUG-14	OEHLMAN, MARK		11.55			Negotiable
351579		28-AUG-14	OLIN CORPORATION		8,520.29			Negotiable
351580		28-AUG-14	OLSON HAGEL FISHBURN, LLP		643.10			Negotiable
351581		28-AUG-14	ONESOURCE DISTRIBUTORS LLC		248.92			Negotiable
351582		28-AUG-14	ORANGE COUNTY AUTO PARTS CO		746.38			Negotiable
351583		28-AUG-14	ORANGE COUNTY FIRE PROTECTION		7,114.37			Negotiable
351584		28-AUG-14	OUTSOURCE TECHNICAL LLC		22,540.00			Negotiable
351585		28-AUG-14	OWNES, JOY		75.24			Negotiable
351586		28-AUG-14	PAC RIM ENGINEERING		3,062.50			Negotiable
351587		28-AUG-14	PACIFIC HYDROTECH CORPORATION		14,880.75			Negotiable
351588		28-AUG-14	PACIFIC HYDROTECH CORPORATION		282,734.25			Negotiable
351589		28-AUG-14	PAULUS ENGINEERING INC		87,157.56			Negotiable
351590		28-AUG-14	PENTAIR VALVES & CONTROLS US LP		2,591.31			Negotiable
351591		28-AUG-14	PIEPER, KATHLEEN		40.06			Negotiable

IRWD Ledger Payment Register For 01-AUG-14 To 31-AUG-14 Report Date: 28-AUG-2014 18:09
BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 24
Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351592		28-AUG-14	PIVOT INTERIORS INC		5,981.58			Negotiable
351593		28-AUG-14	PONTON INDUSTRIES INC		6,828.15			Negotiable
351594		28-AUG-14	PRAXAIR DISTRIBUTION INC		2,251.95			Negotiable
351595		28-AUG-14	PRE-PAID LEGAL SERVICES INC		1,400.61			Negotiable
351596		28-AUG-14	PRINCE-AULD, AMY		94.00			Negotiable
351597		28-AUG-14	PTI SAND & GRAVEL INC		1,400.21			Negotiable
351598		28-AUG-14	QUALITY LAWN SERVICE		290.00			Negotiable
351599		28-AUG-14	QUINCY COMPRESSOR LLC		6,227.28			Negotiable
351600		28-AUG-14	R C FOSTER CORPORATION		112,570.25			Negotiable
351601		28-AUG-14	RAHMATI, MICHAEL		30.37			Negotiable
351602		28-AUG-14	RAM AIR ENGINEERING INC		1,279.89			Negotiable
351603		28-AUG-14	RANCHO MADERAS APTS		60.00			Negotiable
351604		28-AUG-14	RANCHO TIERRA APTS		5.59			Negotiable
351605		28-AUG-14	RESPONSE ENVELOPE,		3,487.09			Negotiable

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
351606	28-AUG-14	INC	SAN CARLO APTS		265.58			Negotiable
351607	28-AUG-14		SAN MARINO APTS		3.45			Negotiable
351608	28-AUG-14		SANDERS PAVING INC		84,264.00			Negotiable
351609	28-AUG-14		SANTA ANA BLUE PRINT		2,787.46			Negotiable
351610	28-AUG-14		SANTA MARGARITA FORD		263.65			Negotiable
351611	28-AUG-14		SECOND IMAGE NATIONAL, INC		279.02			Negotiable
351612	28-AUG-14		SECURTEC DISTRICT PATROL, INC.		1,950.00			Negotiable
351613	28-AUG-14		SIGMA-ALDRICH INC		862.57			Negotiable
351614	28-AUG-14		SIVAJI, VIJAY		35.86			Negotiable
351615	28-AUG-14		SNYDER, ABIGAIL		26.14			Negotiable
351616	28-AUG-14		SOUTH BAY FOUNDRY, INC		4,665.60			Negotiable
351617	28-AUG-14		SOUTHERN CALIFORNIA EDISON COMPANY		124,998.07			Negotiable
351618	28-AUG-14		SPATIAL WAVE, INC.		47,081.00			Negotiable

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

Payment Register For 01-AUG-14 To 31-AUG-14 Report Date: 28-AUG-2014 18:09
 Account: Checking AP and PR Page: 25
 Payment Currency: USD (US Dollar)
 Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351619	28-AUG-14		STANFORD COURT APTS		30.69			Negotiable
351620	28-AUG-14		STETSON ENGINEERS INC.		4,067.84			Negotiable
351621	28-AUG-14		STINGLEY, RICHARD		47.88			Negotiable
351622	28-AUG-14		SWAMINATHAN, DENNI		70.51			Negotiable
351623	28-AUG-14		TEKDRUALICS		1,053.24			Negotiable
351624	28-AUG-14		TESTAMERICA LABORATORIES, INC		402.15			Negotiable
351625	28-AUG-14		TETRA TECH, INC		48,728.70			Negotiable
351626	28-AUG-14		THE FURMAN GROUP		10,125.00			Negotiable
351627	28-AUG-14		TRI-AGRICULTURAL DIV		26.25			Negotiable
351628	28-AUG-14		TROPICAL PLAZA NURSERY INC		1,682.76			Negotiable
351629	28-AUG-14		TRUCPARCO		4,652.33			Negotiable
351630	28-AUG-14		TRUGREEN LANDCARE LLC		46,215.20			Negotiable
351631	28-AUG-14		UNITED PARCEL SERVICE INC		45.20			Negotiable
351632	28-AUG-14		UNITED SITE SERVICES OF CALIFORNIA INC		478.25			Negotiable
351633	28-AUG-14		URS CORPORATION		14,470.00			Negotiable
351634	28-AUG-14		US BANK NAT'L ASSOCIATION NORTH DAKOTA		51,201.70			Negotiable
351635	28-AUG-14		VERITEXT CORP.		2,647.35			Negotiable
351636	28-AUG-14		VERIZON CALIFORNIA INC		293.29			Negotiable
351637	28-AUG-14		VRIDE INC		41,131.86			Negotiable
351638	28-AUG-14		WALTERS WHOLESALE ELECTRIC		1,593.47			Negotiable
351639	28-AUG-14		WALTON MOTORS & CONTROLS INC		5,055.81			Negotiable
351640	28-AUG-14		WASTE MANAGEMENT OF ORANGE COUNTY		1,096.67			Negotiable
351641	28-AUG-14		WATERLINE TECHNOLOGIES INC		5,680.00			Negotiable
351642	28-AUG-14		WATKINS A COLLISION		1,435.65			Negotiable
351643	28-AUG-14		WAXIE'S ENTERPRISES, INC		2,055.64			Negotiable
351644	28-AUG-14		WECK LABORATORIES INC		1,324.00			Negotiable

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

Payment Register For 01-AUG-14 To 31-AUG-14 Report Date: 28-AUG-2014 18:09
 Account: Checking AP and PR Page: 26
 Payment Currency: USD (US Dollar)
 Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
351645	28-AUG-14		WESTERN EXTERMINATOR COMPANY		1,549.00			Negotiable
351646	28-AUG-14		WILLIAMS, DAVID		523.88			Negotiable
351647	28-AUG-14		WOLTERS KLUWER LAW & BUSINESS		268.38			Negotiable

Payment Document Subtotal: 6,631,307.14 4,145,055.79

Payment Document : IRWD Wire

Payment Number	Date	Supplier Name	Site	Payment Amount	Status
10554	08-AUG-14	CALPERS	SACRAMENTO	367,373.09	Negotiable
10555	06-AUG-14	YORK INSURANCE SERVICES GROUP INC - CA	PAY	3,475.22	Negotiable
10556	12-AUG-14	YORK INSURANCE SERVICES GROUP INC - CA	PAY	8,907.10	Negotiable
10557	13-AUG-14	INTERNAL REVENUE SERVICE	FRESNO	154,008.39	Negotiable
10558	13-AUG-14	FRANCHISE TAX BOARD	SACRAMENTO	41,936.95	Negotiable
10559	13-AUG-14	EMPLOYMENT DEVELOPMENT DEPARTMENT	W SACRAMENTO	10,409.77	Negotiable
10560	13-AUG-14	ORDONEZ, CYNTHIA MARIE	DESERT HOT SPR	500.17	Negotiable
10561	13-AUG-14	CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES	SACRAMENTO	2,376.90	Negotiable
10562	13-AUG-14	EMPLOYEE BENEFIT SPECIALIST, INC	PAY	11,279.43	Negotiable
10563	13-AUG-14	GREAT WEST	DENVER	95,159.17	Negotiable
10564	13-AUG-14	EMPLOYEE BENEFIT SPECIALIST, INC	PAY	20,183.44	Negotiable
10565	18-AUG-14	PCL CONSTRUCTION, INC.	TEMPE	1,851,705.00	Negotiable
10566	18-AUG-14	PCL CONSTRUCTION, INC.	ESR 141511.1	205,745.00	Negotiable
10567	18-AUG-14	BANK OF NEW YORK MELLON TRUST COMPANY NA	NEWARK	176,110.00	Negotiable

IRWD Ledger Payment Register For 01-AUG-14 To 31-AUG-14 Report Date: 28-AUG-2014 18:09
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 27
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD Wire								
10568		18-AUG-14	BANK OF NEW YORK MELLON TRUST COMPANY NA	NEWARK	729.17			Negotiable
10569		18-AUG-14	SUMITOMO MITSUI BANKING CORPORATION	NEW YORK	1,701.37			Negotiable
10570		18-AUG-14	BANK OF NEW YORK MELLON TRUST COMPANY NA	NEWARK	880.25			Negotiable
10571		18-AUG-14	BANK OF NEW YORK MELLON TRUST COMPANY NA	NEWARK	4,657.20			Negotiable
10572		18-AUG-14	SUMITOMO MITSUI BANKING CORPORATION	NEW YORK	670.19			Negotiable
10573		18-AUG-14	U.S. BANK NATIONALPAY ASSOCIATION		1,687.69			Negotiable
10574		18-AUG-14	BANK OF AMERICA	SAN FRANCISCO	2,304.17			Negotiable
10575		19-AUG-14	YORK INSURANCE SERVICES GROUP INC - CA	PAY	4,526.78			Negotiable
10576		22-AUG-14	INTERNAL REVENUE SERVICE	FRESNO	158,264.69			Negotiable
10577		22-AUG-14	FRANCHISE TAX BOARD	SACRAMENTO	43,530.15			Negotiable
10578		22-AUG-14	EMPLOYMENT DEVELOPMENT DEPARTMENT	W SACRAMENTO	10,426.33			Negotiable
10579		22-AUG-14	ORDONEZ, CYNTHIA MARIE	DESERT HOT SPR	500.17			Negotiable
10580		22-AUG-14	CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES	SACRAMENTO	2,376.90			Negotiable
10581		22-AUG-14	EMPLOYEE BENEFIT SPECIALIST, INC	PAY	10,226.93			Negotiable
10582		22-AUG-14	GREAT WEST	DENVER	92,659.86			Negotiable
10583		26-AUG-14	CALPERS	SACRAMENTO	83,772.17			Negotiable
10584		26-AUG-14	MUNICIPAL WATER DISTRICT OF ORANGEVALLEY COUNTY	FOUNTAIN	98,773.77			Negotiable
10585		26-AUG-14	MUNICIPAL WATER DISTRICT OF ORANGEVALLEY COUNTY	FOUNTAIN	1,020,369.00			Negotiable

IRWD Ledger Payment Register For 01-AUG-14 To 31-AUG-14 Report Date: 28-AUG-2014 18:09

BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 28
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD Wire								
10586		26-AUG-14	MERRILL LYNCH CAPITAL SERVICES, INC	CHARLOTTE	210,000.00			Negotiable
10587		26-AUG-14	YORK INSURANCE SERVICES GROUP INC - CA	PAY	11,372.32			Negotiable
10588		28-AUG-14	FILANC-BALFOUR BEATY JV	WEST COVINA	2,749,881.69			Negotiable
10589		28-AUG-14	BANK OF NEW YORK MELLON TRUST COMPANY NA	NEWARK	468.75			Negotiable
10590		28-AUG-14	U.S. BANK NATIONALST. ASSOCIATION	LOUIS	9,262.86			Negotiable
10591		28-AUG-14	CALPERS	SACRAMENTO	84,197.89			Negotiable
10592		28-AUG-14	BANK OF NEW YORK MELLON TRUST COMPANY NA	NEWARK	1,593,950.00			Negotiable
10593		28-AUG-14	MERRILL LYNCH CAPITAL SERVICES, INC	CHARLOTTE	650,000.00			Negotiable
10594		28-AUG-14	J.R. FILANC CONSTRUCTION COMPANY INC.	ESCONDIDO	86,546.99			Negotiable
Payment Document Subtotal:					9,882,906.92			
Bank Account Subtotal :					16,514,214.06		4,145,055.79	
Report Count : 679	Report Total:				16,514,214.06		4,145,055.79	
Total Disbursements								

*** End of Report ***

IRWD Ledger

Void Payment Register

Report Date: 28-AUG-2014 18:10

Include Zero Amount Payments: Yes
 Display Payee Address: No

Period From: 01-AUG-14

Page: 1
 To: 31-AUG-14
 Date: Void Date

Bank: Bank of America N.A.

Branch: Los Angeles

Account: Checking AP and PR

Bank Account Currency: USD

Payment Currency: USD (US Dollar)

Payment Number	Date	Payee Name	Site	Address	Payment Amount	Void Date
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Payment Document: IRWD CHECK

349528	05-JUN-14	WASTE MANAGEMENT OF ORANGE	PAY		1,096.67	21-AUG-14
350923	31-JUL-14	HILL BROTHERS CHEMICAL COMP	ORANGE		6,379.59	13-AUG-14

Payment Document Subtotal 7,476.26

Bank Account Subtotal 7,476.26

Report Count: 2

Report Total 7,476.26 Total Voids

*** End of Report ***

\$ 16,514,214.06	Total Disbursements
<7,476.26>	Total Voids
<u>\$ 16,506,737.80</u>	Total

Exhibit "E"

IRWD Gov Code 53065.5 Disclosure Report

Payment or Reimbursements for Individual charges of \$100 or more per transaction for services or product received.

01-AUG-14 to 31-AUG-14

NAME	CHECK	CHECK DATE	TRANSACTION	ITEM DESCRIPTION	EXPENSE JUSTIFICATION
Blaska, Erika	351469	28-Aug-14	101.09	Other(Misc)	Meeting supplies for Sprinkler Timer Workshop
Bonkowski, Leslie	351278	13-Aug-14	121.90	Other(Misc)	Meeting supplies for Board members and Shadetree Partnership events
Bornhoff, Mike	351479	28-Aug-14	190.00	Membership/Certification	CWEA Electrical Technician Grade IV Certificate
Hamer, James	351473	28-Aug-14	156.00	Membership/Certification	CWEA membership renewal
Hankla, Jeremy	351277	13-Aug-14	156.00	Membership/Certification	CWEA membership renewal
Hoffman, Michael	351478	28-Aug-14	114.68	Membership/Certification	Operations & Maintenance of Wastewater Collections I certification
Hoolihan, Michael	351020	7-Aug-14	197.37	Other(Misc)	Breakfast for eight people attending ESRI Conf., San Diego, 7/16/2014
Kessler, Christian	351274	13-Aug-14	115.00	Membership/Certification	Professional Engineers license renewal
Leal, Eliberto	351468	28-Aug-14	240.00	Membership/Certification	CWEA Collection System Maintenance Grade II certification
Legault, Dan	351466	28-Aug-14	194.40	Other(Misc)	Safety shoes reimbursement
Martin, Didene	351467	28-Aug-14	225.00	Other(Misc)	Safety glasses reimbursement
Norman, Tammy	351482	28-Aug-14	130.29	Other(Misc)	Meeting supplies for All Hands Meeting
Perez, Cesar	351464	28-Aug-14	245.00	Membership/Certification	CWEA Mechanical Technologist Grade III certification
Perez, Martin	351476	28-Aug-14	108.00	Other(Misc)	Safety shoes reimbursement
Rajewski, Rex	351021	7-Aug-14	200.00	Other(Misc)	Safety shoes reimbursement
Swan, Peer	351282	13-Aug-14	508.00	Airfare	Southwest airlines roundtrip to Sacramento, attending ACWA Board mtg. 7/24/2014
Swan, Peer	351282	13-Aug-14	194.40	Lodging	One nights stay at Citizen Hotel Sacramento, attending ACWA Board mtg. 7/24/2014
Terrance Schreiner	351483	28-Aug-14	250.00	Membership/Certification	CWEA Electrical/Instrumentation Grade IV certification
Weghorst, Paul	351281	13-Aug-14	140.39	Other(Misc)	Purchased iPad keyboard - Office supplies
Total Amount: \$ 3,587.52					

October 13, 2014

Prepared by: Tony Mossbarger

Submitted by: Cheryl Clary

Approved by: Paul Cook 

CONSENT CALENDAR

ANNUAL MICROSOFT ENTERPRISE AGREEMENT SOFTWARE MAINTENANCE RENEWAL

SUMMARY:

The District's Microsoft Enterprise Agreement Software Maintenance Agreement provides for upgrades and maintenance on all of the Microsoft software used by the District, as well as discounted pricing for software maintenance and licenses to local and state government entities. This agreement will expire on November 30, 2014 and staff is recommending the Board authorize staff to renew the annual Microsoft Enterprise Agreement in the amount of \$107,000 effective December 1, 2014 through November 30, 2015.

BACKGROUND:

The District participates in the Microsoft Enterprise Agreement for state and local Governments, which provides for software upgrades and maintenance for all Microsoft software used by the District as well as discounted pricing for software maintenance on existing licenses and new licenses. The District uses Microsoft Windows Desktop operating system, Microsoft Office (Word, Excel, PowerPoint, Access, Visio, and Project), Microsoft SQL Data Base, and Microsoft Server operating system software. The agreement covers all versions of the Microsoft software products purchased and allows the District to upgrade to new versions as they become available.

In addition to the software maintenance, the agreement provides on-line training for a majority of the software products as well as training class vouchers for technical training provided by Microsoft certified training partners. Additionally, the agreement provides for use of Microsoft Office software by staff on their home computers through the Home Use Program. Employees are able to download this software for a nominal fee and also install it for personal use.

Staff recommends the Board authorize staff to renew of the Microsoft Enterprise Agreement for the period beginning December 1, 2014 and ending November 30, 2015 in the amount of \$107,000.00.

FISCAL IMPACTS:

Microsoft Enterprise Agreement Software Maintenance is included in the approved FY 2014-15 operating budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on October 7, 2014.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE STAFF TO RENEW THE ANNUAL MICROSOFT ENTERPRISE AGREEMENT EFFECTIVE DECEMBER 1, 2014 THROUGH NOVEMBER 30, 2015 IN THE AMOUNT OF \$107,000.

LIST OF EXHIBITS.

None.

October 13, 2014

Prepared by: J. Corey/K. Welch

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

Approved by: Paul Cook *PC*

CONSENT CALENDAR

AUGMENTATION OF THE EXISTING PET CONTROL PROGRAM FOR VIREO AT PARK PLACE APARTMENT HOMES

SUMMARY:

Staff has received a request from the SARES-REGIS Group, a developer and provider of commercial and residential real estate services, that IRWD provide its concurrence with a City of Irvine waiver of the conditional ban on pets for a limited number of units to be constructed at the Vireo at Park Place Apartment Homes (Vireo) located on Michelson Drive adjacent to the San Joaquin Marsh. SARES-REGIS has agreed to financially contribute to IRWD's San Joaquin Marsh Feral Animal Monitoring and Trapping Program (Feral Animal Program) and has further agreed to include approved pet restriction language in the disclosure statements within apartment lease agreements. The funds that are provided by SARES-REGIS will be used to offset IRWD's costs for the Feral Animal Program. Staff recommends the Board:

- Approve SARES-REGIS Group's request for IRWD to concur with a City of Irvine waiver of the conditional ban on pets for up to 156 units at Vireo;
- Accept reimbursement from SARES-REGIS in the amount of \$8,112 to offset IRWD's costs for the Feral Animal Program as a result of pets being allowed at 156 Vireo units; and
- Authorize the General Manager to approve pet restriction language in the prospective tenant disclosure statements in lease agreements and inform SARES-REGIS that IRWD reserves the right to rescind its concurrence with the waiver of the conditional ban on pets if the number of units with pets exceeds 156 units, if animal control becomes an issue in the future or if Feral Animal Program costs exceed the designated funding.

BACKGROUND:

Several condominium and apartment properties have been developed adjacent to the San Joaquin Marsh along Carlson Avenue between Campus Drive, Michelson Drive and Jamboree Road as shown in Exhibit "A". During the initial entitlement of the properties adjacent to the Marsh and through subsequent City actions, IRWD requested that pets be banned from the projects because of concerns that stray animals could enter the Marsh and negatively impact wildlife.

In January 2005, IRWD staff received a request that the pet restriction be waived for the 534-unit Watermarke Condominium Project on Carlson Avenue. The request proposed actions including specific language in the apartment/condominium covenants, codes and restrictions (CC&Rs), modification to disclosure statements regarding pets and development of an IRWD-managed Feral Animal Monitoring and Trapping Program that would be funded by the property owners.

On April 11, 2005, the IRWD Board of Directors approved the CC&Rs, disclosure statements and pet restriction language; accepted \$50,000 in funding for IRWD's Feral Animal Program for the Watermarke Condominiums and agreed to waive the City's ban on pets. Subsequently, IRWD's environmental consultant, Harmsworth Associates, completed thorough feral animal monitoring in the Marsh and determined that there was no evidence of feral animals. Staff routinely monitors the Marsh and to date has not found any problems with escaped or feral animals in the Marsh.

In June 2010, the Board approved the Irvine Company's (TIC) request to waive the pet restrictions for its Villa Siena Apartments, located on Carlson Avenue. The Board approved revisions to the pet restriction language in the existing lease agreements, accepted \$75,000 in funding for Villa Siena's participation in the Feral Animal Program for 1,441 units (\$52/unit) and agreed to waive the City's conditional ban on pets. Subsequently, the City modified Conditional Use Permit 87-CP-0829 and Mitigation Measure 45b.5, allowing pets at the Villa Siena Apartment Community.

In July 2012, the Board approved a request by TIC to allow up to 297 units to keep pets at the Park Place Apartment Homes, located on Michelson Drive. The Board approved a waiver of the City's conditional ban on pets for up to 297 of the total 989 units, accepted \$15,500 in funding to augment the Feral Animal Program, approved revisions to the pet restriction language in the lease agreements, and informed TIC that IRWD reserves the right to rescind the waiver of the conditional ban on pets if the number of units with pets at Park Place exceeds 297, if animal control becomes an issue in the future or if Feral Animal Program maintenance costs exceed the designated funding. Subsequently, the City modified Conditional Use Permit 87-CP-0829 and Mitigation Measure 45b.5, allowing pets at Park Place.

Vireo at Park Place Apartment Homes:

In August 2014, IRWD received a request from the SARES-REGIS Group for 156 of the proposed 520 units at Vireo to be allowed pets. The Vireo development, located on Michelson Drive as shown in the location map provided as Exhibit "B", is included in the existing Conditional Use Permit 87-CP-0829 which was previously modified by the City to allow pets at the Villa Siena and Park Place Apartment Communities. SARES-REGIS proposes to provide \$8,112 to support IRWD's Feral Animal Program. This amount is based on the \$52 per unit rate assessed for Villa Siena and Park Place. If approved, the number of Vireo units that would be allowed to keep pets will not exceed 156. SARES-REGIS will include disclosure statements regarding pet restrictions in its lease agreements consistent with the language in the existing Park Place lease agreement, and Mitigation Measure 45b.5 of the Conditional Use Permit 87-CP-0829.

Staff has reviewed the SARES-REGIS request and has determined that it is consistent with IRWD's previous approach and provides sufficient funding to support the Feral Animal Program for the number of units proposed. Staff recommends informing SARES-REGIS that IRWD reserves the right to rescind its concurrence with the waiver of the conditional ban on pets for Vireo Apartments if animal control becomes an issue in the future or if the Feral Animal Program maintenance cost exceeds the designated funding.

FISCAL IMPACT:

The payment of \$8,112 by the SARES-REGIS Group will provide funding to offset IRWD's costs for the Feral Animal Monitoring and Trapping Program as a result of the 156 units being allowed to keep pets at Vireo.

ENVIRONMENTAL COMPLIANCE:

The SARES-REGIS Group, as the owner of Vireo, will process the required documentation with the City to modify the existing environmental documents associated with the development.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on October 6, 2014.

RECOMMENDATION:

THAT THE BOARD APPROVE SARES-REGIS GROUP'S REQUEST FOR IRWD TO CONCUR WITH A CITY OF IRVINE WAIVER OF THE CONDITIONAL BAN ON PETS FOR UP TO 156 UNITS AT THE VIREO AT PARK PLACE APARTMENT HOMES; ACCEPT \$8,112 IN FUNDING TO SUPPORT THE SAN JOAQUIN MARSH FERAL ANIMAL MONITORING AND TRAPPING PROGRAM; AUTHORIZE THE GENERAL MANAGER TO APPROVE PET RESTRICTION LANGUAGE IN THE TENANT DISCLOSURE STATEMENTS IN LEASE AGREEMENTS; AND INFORM THE SARES-REGIS GROUP THAT IRWD RESERVES THE RIGHT TO RESCIND ITS CONCURRENCE WITH THE WAIVER OF THE CONDITIONAL BAN ON PETS IF THE NUMBER OF UNITS WITH PETS AT VIREO EXCEEDS 156 UNITS, IF ANIMAL CONTROL BECOMES AN ISSUE IN THE FUTURE OR IF FERAL ANIMAL PROGRAM COSTS EXCEED THE DESIGNATED FUNDING.

LIST OF EXHIBITS:

- Exhibit "A" – Location Map of Condominium and Apartment Properties Adjacent to San Joaquin Marsh
- Exhibit "B" – Location Map of proposed Vireo at Park Place Apartment Homes

EXHIBIT "A"

CONDOMINIUM AND APARTMENT PROPERTIES ADJACENT TO THE SAN JOAQUIN MARSH

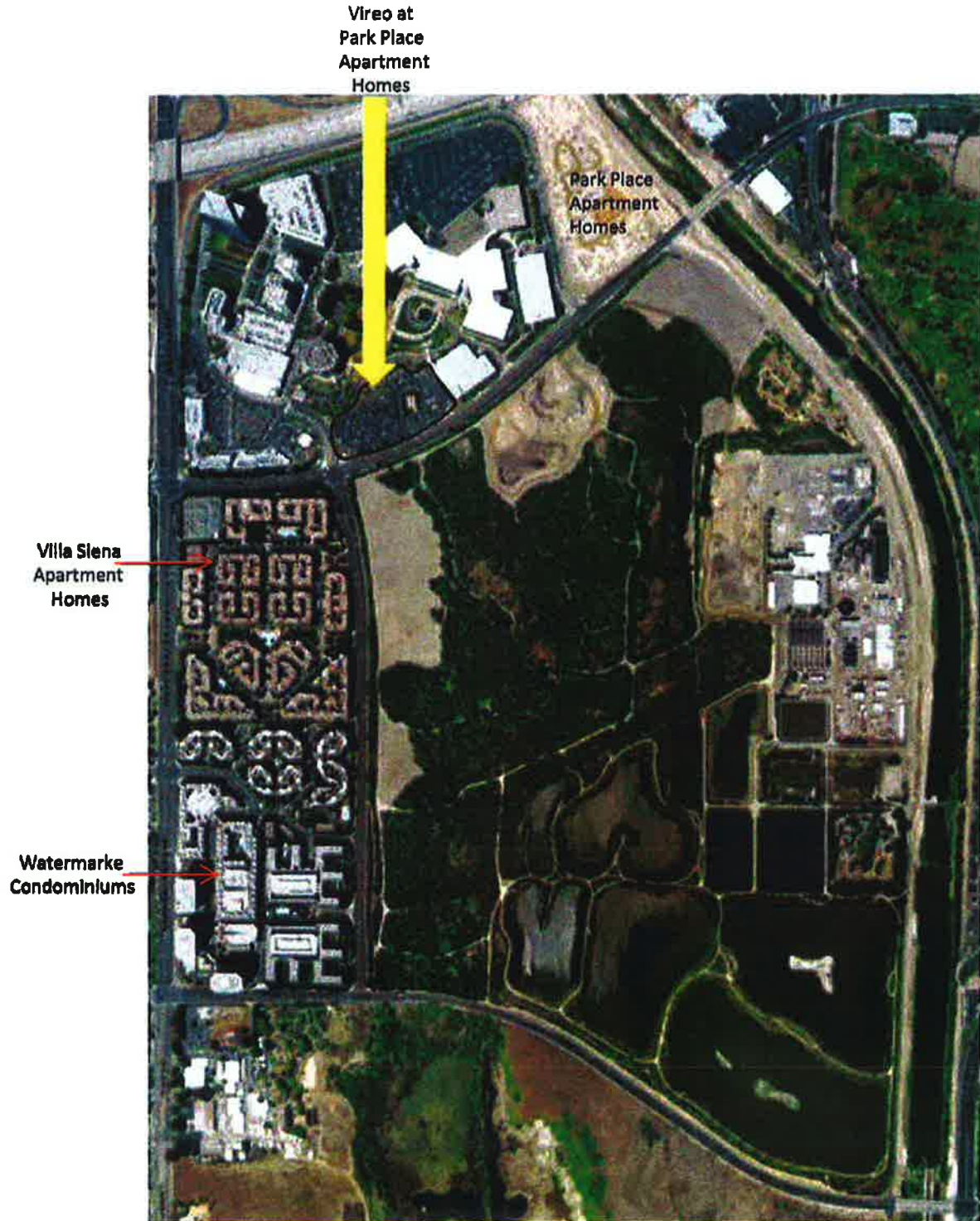


EXHIBIT "B"

VIREO AT PARK PLACE APARTMENT HOMES



October 13, 2014

Prepared by: Christopher Smithson

Submitted by: Cheryl Clary

Approved by: Paul Cook 

CONSENT CALENDAR

COST OF SERVICE AND RATE STUDY CONSULTANT SELECTION

SUMMARY:

As part of the rate setting process for FY 2014-15, staff developed an internal rate study to ensure the District's rate setting practice was consistent with industry cost of service principles and all legal requirements. In addition, the District is legally required to complete an external rate study every 10 years. To meet this requirement, staff created a Request for Proposal (RFP) to perform a Cost of Service and Rate Design Study prior to the rate setting process for FY 2015-16.

The purpose of the external review is to meet legal requirements, provide the District with an affirmation of existing processes, and provide an opportunity to consider alternatives that meet the Board's objectives including:

- Providing water, sewer, and recycled service at rates that are fair and equitable;
- Charging rates that are consistent with industry-accepted cost of service principles, satisfy future revenue requirements, and meet all state law requirements (including Propositions 218 and 26); and
- Providing these services while fairly and equitably allocating costs appropriately to those benefitting from them.

Staff recommends that the Board authorize the General Manager to execute a Professional Services Agreement with Carollo Engineers, Inc. in the amount of \$99,200 to implement a Cost of Service and Rate Study.

BACKGROUND:

As part of the Fiscal Year (FY) 2014-15 budget and rate setting process, District staff prepared a cost of service analysis in order to ensure the rate setting practice is consistent with industry cost of service principles and state law requirements. The analysis provided a review of District costs and a comparison to industry standards while identifying a need to consider:

- Alternative rate setting practices for both the commodity and fixed service charge for recycled water that will promote moving from potable to recycled water; and
- Alternatives for setting the untreated water rate that takes into consideration Irvine Lake water availability.

Purpose of the External Cost of Service and Rate Study

The purpose of the requested services associated with the External Cost of Service and Rate Study is to provide the District with a recommended rate framework for its system services that are consistent with industry-accepted cost of service principles, satisfy future revenue requirements, and meet all state law requirements (particularly Propositions 218 and 26). External rate studies are also required to be completed every 10 years.

In the scope of services included in the RFP, the consultants were directed to develop a Cost of Service and Rate Study that included the following elements of a rate structure:

- Cost-based to ensure rates can be set at a level that provides funding to meet the District's revenue requirements;
- Equitable and reasonable, not discriminatory or preferential; proportionately allocating the costs of providing service among the customer classes;
- Promote water use efficiency through a budget-based tiered structure or similar allocation structure;
- Easy to understand and administer;
- Consistent with applicable law; and
- Structured to appropriately utilize fixed charges (e.g., meter charges) to recover fixed costs.

Consultant Selection Process:

In August 2014, staff issued an RFP to seven firms for the Cost of -Service and Rate Study. Proposals were received from four firms including Black & Veatch, Carollo, HF&H Consultants LLC, and Raftelis Financial Consultants, Inc. Staff completed a thorough evaluation of the proposals and recommends the selection of Carollo Engineers, Inc. to complete the study. Key strengths of the Carollo team and its proposal are as follows:

- Significant experience in cost of service and rate design studies;
- Clearly identified objectives including the development of innovative alternatives designed to address concerns identified by the Board; and
- The strongest project understanding, technical knowledge, and a detailed project approach which include a schedule that meets the requirements of the RFP.

Staff recommends awarding a Professional Services Agreement to Carollo Engineers, Inc. in the amount of \$99,200 for the Cost of Service and Rate Study. Carollo's proposal is attached as Exhibit "A".

FISCAL IMPACTS:

Funding for Cost of Service and Rate Design Study is included in the approved FY 2014-15 operating budget.

ENVIRONMENTAL COMPLIANCE:

This activity is exempt from the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15268, Ministerial Projects.

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on October 7, 2014.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH CAROLLO ENGINEERS, INC. IN THE AMOUNT OF \$99,200 FOR THE COST OF SERVICE AND RATE STUDY.

LIST OF EXHIBITS:

Exhibit "A" – Carollo Engineers, Inc. Scope of Work and Fee Proposal

September 2014



Proposal for Cost of Service and Rate Design Study



California Drought Monitor

August 26, 2014



June 3, 2014



December 31, 2013



October 1, 2013



September 3, 2013



Intensity:

D0 - Abnormally Dry

D1 - Moderate Drought

D2 - Severe Drought

D3 - Extreme Drought

D4 - Exceptional Drought

Source: <http://droughtmonitor.unl.edu/Home/StateDroughtMonitor.aspx?CA>

September 15, 2014

Mr. Christopher Smithson
Irvine Ranch Water District
15600 Sand Canyon
Irvine, CA 92618

Subject: Cost of Service and Rate Design Study

Dear Mr. Smithson:

The Irvine Ranch Water District (IRWD) provides safe drinking water reliable sewage collection and treatment, groundbreaking recycled water programs, and environmentally sound urban runoff treatment. To maintain this strong legacy, IRWD will undertake development of a cost-of-service and rate design study aimed at fiscal sustainability, ratepayer equity, and environmental stewardship. We view this study as much more than just a rate calculation analysis; rather, it is an opportunity to intellectually engage with IRWD staff and the local community to fully and collaboratively address your legal, rate design, and customer equity challenges.

Several key issues and challenges must be addressed during the cost of service and rate design study, including:

- Drought conditions impact to cost allocations, cost recovery, and customer equity.
- Available adjustments to enhance customer equity under continued changes to consumption.
- Funding of future fiscal, operational, and capital impacts and considerations.
- How to address recent Proposition 218 and 26 court cases (Palmdale, SDCWA, Castiac, San Juan Capistrano, etc)

By carefully addressing these challenges, your study will provide a cohesive roadmap for equitable and full cost recovery from system users.

We will build on the strong technical foundation prepared by IRWD staff and focus our efforts on collaboratively reviewing all aspects of your rates and cost of service process. We have assembled a team that is ideally suited to assist you with this study. Our team has served over 300 municipal agencies throughout the country and co-authored the two industry manuals on utility rate setting. Recently, we have successfully completed similar studies for many of your neighbors and peer agencies, such as the San Diego County Water Authority, the Orange County Sanitation District, and the San Francisco Public Utilities Commission.

We view this study as our partnership with the IRWD team, the Board, and the local community. At the completion of this study, you will be able to move forward with confidence that the study will be as much your work as it is ours, and will reinforce IRWD's previous financial and rate efforts that support the your operations and reflects the community values.

For this pursuit, Carollo is not in a joint venture with any other firm, nor are we teamed with any subconsultants. There are no personnel or organizational conflicts of interests.

Mr. Christopher Smithson
Irvine Ranch Water District
September 15, 2014
Page 2

Carollo maintains insurance to protect both our client and our firm against the types of claims that may be alleged to result from our services on this project. We carry the following insurance:

Coverage	Limits	Carrier
General Liability	\$1,000,000	Hanover Insurance Company
Workers' Compensation	Statutory	Massachusetts Bay Insurance Company
Employer's Liability	\$1,000,000	Massachusetts Bay Insurance Company
Automobile	\$1,000,000	Protective Insurance Company
Professional Liability	In excess of \$5,000,000	Continental Casualty Company (CNA)
Umbrella	In excess of \$1,000,000	AIG

We look forward to helping you with this important endeavor. Should you have any questions in regard to this proposal, please contact the Robb at 714-593-5100.

Sincerely,


CAROLLO ENGINEERS, INC.



Vice President

Enclosure: Proposals

EXECUTIVE SUMMARY



Carollo has provided similar studies for utilities throughout the nation. Our approach affords us a clean legal record on both Proposition 218 or 26 challenges. Beyond being industry leaders in the rate setting process, we also provides Irvine Ranch Water District (IRWD) with unmatched engineering knowledge that proves crucial in achieving defensible and equitable rates.

Carollo Engineers, Inc. (Carollo) has performed similar studies for utilities throughout California. Recently, our project team has completed or is in the process of completing financial and rate projects for the Cities of San Francisco and Riverside, Marin Municipal Water District, Orange County Sanitation District (OCS), and San Diego County Water Authority (SDCWA). While no two agencies are exactly alike, there are similarities such as development or refinement budget based rates and wholesale rates. Furthermore, we will utilize this broad expertise to backstop the work already performed by IRWD and to bring unique insights to address the identified opportunities and challenges.

KEY CHALLENGE – LEGAL COMPLIANCE: The environment surrounding retail and wholesale water rates (Proposition 218 and Proposition 26) has been becoming increasingly litigious. Recent cases such as Palmdale Water District, Castaic, San Juan Capistrano, and Metropolitan are prime examples of what not to do and the potential legal challenges. The onus (burden of proof) is on the Agency to show that the rates are in fact reasonable and clearly demonstrate the cost of service. With an evolving legal environment and changing water demands, it a key challenge for IRWD to understand potential pitfalls and clearly maneuver the legal minefield.

APPROACH: A sound and defensible approach, is IRWD's first and only line of defense to potential cost-of-service lawsuits. Our engineering backstop will provide IRWD with greater confidence that the proposed water rates will clear Proposition 218 and 26 requirements. Additionally, this approach provides for greater clarity and transparency in communicating to the Board or other stakeholders. Rather than relying on the use of industry standards, we identify and illustrate IRWD's specific demands and utilization of the system for a more defensible and tailored result. Numbers alone are much harder for both courts and the public to understand.

Carollo developed a short summary of recent Proposition 218 and 26 rulings. Although, the legal environment surrounding water rates is in continuous flux, agencies need to know that their rates adhere to legal rate requirements. Unlike the successful challenges against Palmdale Water District, San Juan Capistrano, and even Metropolitan Water District, **Carollo's approach has been affirmed in the California Appellate Court.**

Proposition 218 and 26 have become increasingly litigious and pose a clear legal and financial hurdle to the rate setting process. In addition, any study can be challenged as the onus is on IRWD. As such, it is paramount for IRWD to have a trusted and tested approach and administrative record.

Our approach and dedication to cost-of-service is something we believe sets us apart from the completion.

KEY CHALLENGE - DEMAND & SUPPLY FORECASTING: Forecasting IRWD's potential demand variability is a key challenge in accurately forecasting revenue requirements and calculating cost of service rates. IRWD's drinking water comes primarily from: local groundwater (48 percent) and imported water (27 percent). In addition, IRWD has a robust recycled water program, accounting for 21 percent of supplies. Every drop of recycled water used for irrigation or other non-potable purposes saves drinking water. However, given the variability in weather and the potential of continued droughts, it is necessary to be proactive in understanding the potential revenue risks and fluctuations under various demand and supply forecasts.

APPROACH: Carollo will analyze historical water demands using advanced statistical software. In addition, Carollo will run risk (Monte Carlo) simulations. Throughout the cost of service forecast, we are faced with uncertainty, ambiguity, and variability. Despite access to historical billing information, there is no method to accurately predict the future demands. As such, Carollo utilizes Monte Carlo simulations to illustrate all the possible outcomes of key decisions and assess the impact of risk (i.e., water demands or source of supplies), allowing for better decision making and fiscal management under uncertainty.

KEY CHALLENGE - RATE PAYER EQUITY: Aside from the legal and financial hurdles, the eventual rate structure must to address ratepayer equity. Although equity can readily be addressed, fairness is one's perception of equity. Equity needs to be addressed for in all facets of the analysis, including but not limited to monthly service charges, recycled water, pumping, and urban runoff.

APPROACH: The underlying question that this study seeks to answer is, “Who pays, how much, and why?” True justification of equitable and cost-of-service rates is only possible if a thorough and detailed financial needs assessment or forecast is performed. Should key elements of the financial analysis be overlooked, the reliability of the developed rates and financial forecast is greatly diminished.

Rate studies cannot be performed in a vacuum. Our a tailored approach is designed to most efficiently and productively accomplish the desired objectives, such as providing refinement to the existing financial and rate models. Our approach focuses on fusing Carollo's depth of rate, financing, and engineering expertise with IRWD's input of future operational and strategic goals to provide optimal results. As a team, we will work with your award winning staff (such as Ms. Sanchez) to find the best and most appropriate solutions that fit IRWD, not industry standards.


While we anticipate no major issues, as there is a need for additional resources, Carollo has a sizable team available to immediately assist. Given the quick timeline and sizable scope, this will enable the agency to address what needs to be addressed, without extending the timeline.

As part of our approach, we will integrate IRWD's existing and familiar financial and rate design models and collaboratively work to develop a tailored and user-friendly model. Carollo will build “what-if” scenarios and dashboards to enable a quick and easy evaluation of various assumptions and variables.

Carollo's expertise, breadth of experience, and engineering support allows for us to create a nexus between how the system was designed and is being utilized by different users to create a defensible and logical approach to rate design and cost recovery. As we do not simply rely on the use of industry standards, we can specifically pinpoint and illustrate who pays, how much, and why.

Furthermore, the model will include a series of sensitivity analyses, including primary and secondary relationships of key variables, such as the impact of the proposed rates on consumption behavior (conservation) or revenue and expenditure variances associated with varying source of supply assumptions. As the model will integrate the currently separate models, this approach will provide a streamlined method to identify and focus our efforts on key variables. Additionally, Carollo will integrate its Scenario Manager to easily track and compare previously developed scenarios.

EXPERIENCE & QUALIFICATIONS



Carollo is the nation's largest environmental engineering firm specializing exclusively in the planning, design, and construction of water and wastewater facilities. Having performed financial planning and rate studies for utilities of all sizes, Carollo brings the largest variety of real-world experience to your address your specific issues.

NATIONAL WATER AND WASTEWATER EXPERTS

For over 80 years Carollo has provided water and wastewater system planning and financial services to utilities throughout California. Collectively, Carollo has delivered over 20,000 successful projects, and our proposed team for this study has provided financial planning and management services for well over 300 utilities. Our comprehensive financial studies for public agencies include cost of service rate setting, financial planning, financial modeling, cost allocations, resource economic studies, and asset management.

Carollo has developed award-winning strategic master plans, as well as the financing strategies required to implement them. Integrating master planning and CIP needs with financial analyses proves crucial when developing appropriate funding levels, and Carollo has successfully provided utilities nationwide with these services, as shown by our experience demonstrated within this proposal.

BUSINESS SOLUTIONS GROUP

From our experiences, our experts understand the unique hurdles that public agencies face. Given the existing operational, capital, and financial challenges, it is important for utilities to continue to implement creative technical solutions; however, these solutions must be executed within the context of sound financial, legal, and innovative business practices to be successful in the short- and long-term. Our goal is to provide utilities with the necessary information and advice to allow them to provide successful creative solutions.

Carollo's BSG is comprised of industry-leading professionals who have proven and practical experience delivering innovative business practices to the public sector.

Financial and Management Services

Similar to the cost of service analysis described in the RFP, Carollo has developed financial and management studies for over 300 agencies of all sizes. A utility must set fees to not only recover revenue needs, but to also equitably distribute costs among its customers. In addition, adopted financial structures should reflect both policy objectives and community values. Combining our financial expertise with our engineering perspective allows Carollo to take our analysis further and to provide our clients with detailed, supportable rates based on the functional design of the utility system. This approach ultimately provides equity and defensibility to the financial plan and rate study.

COMPREHENSIVE FINANCIAL PLANNING EXPERIENCE

Our coupled financial and engineering expertise provides us with the unique ability to efficiently allocate rates in a fair and equitable way, thus reducing potential Proposition 26 and 218 concerns. Our technical expertise, paired with proven financial strategies, will benefit you by allowing us to anticipate and meet the specific objectives for this study. While not a complete list, the matrix below demonstrates the breadth and depth of our financial services expertise. Project experience and references for some of our most relevant projects are located in our References section.

									
	Capital Planning	Capital Funding Strategy	Cost-of-Service Rate Structure Analysis	Revenue Requirements	Fiscal Policy Review	Connection/Impact Fees	Financial Modeling	Bond Coverage Evaluation	Stakeholder Involvement/Public Outreach

City of Carlsbad, CA	●	●	●	●	●	●	●	●	●
City of Chula Vista, CA	●	●	●	●	●	●	●	●	●
City of Oceanside, CA	●	●	●	●	●	●	●	●	●
City of Portland, OR	●	●	●	●	●	●	●	●	●
City of Riverside, CA	●	●	●	●	●	●	●	●	●
City of Sacramento, CA	●	●	●	●	●	●	●	●	●
City of San José, CA	●	●	●	●	●	●	●	●	●
City of Scottsdale, AZ	●	●	●	●	●	●	●	●	●
City of Simi Valley, CA	●	●	●	●	●	●	●	●	●
El Toro Water District, CA			●	●	●	●	●	●	●
Inland Empire Utilities Agency, CA	●	●	●	●	●	●	●	●	●
Irvine Ranch Water District, CA	●	●	●	●	●	●	●	●	●
King County, WA	●	●	●	●	●	●	●	●	●
Marina Coast Water District, CA	●	●	●	●	●	●	●	●	●
Orange County Sanitation District, CA	●	●	●	●	●	●	●	●	●
Rodeo Sanitation District, CA	●	●	●	●	●	●	●	●	●
Sacramento County Department of Water Resources, CA	●	●	●	●	●	●	●	●	●
San Diego County Water Authority, CA	●	●	●	●	●	●	●	●	●
San Francisco Public Utility Commission, CA	●	●	●	●	●	●	●	●	●
Santa Ana Watershed Project Authority, CA	●	●	●	●	●	●	●	●	●
Santa Margarita Water District, CA	●	●	●	●	●	●	●	●	●
Western Riverside County Regional Wastewater Authority, CA	●	●	●	●	●	●	●	●	●

PROJECT TEAM AND EXPERIENCE

Trusted Expertise. Proven Results.

Our team will be an extension of your staff and will work in close collaboration with you to peer-review the existing cost of service and rate design analyses, and develop comprehensive recommendations following our internal review and collaborative process.

Understanding Legal Requirements

In light of recent legal case law, more than ever, IRWD needs to develop defensible and transparent rates for their water utilities. Recent cases such as Palmdale Water District, Castiac, and San Juan Capistrano, are prime examples of what not to do. IRWD needs a trusted and tested advisor to provide a defensible cost of service analysis. Carollo's combined financial and engineering expertise cross over to provide accurate financial results based on sound engineering and cost causation foundation. With this unique principle, unlike some other firms, Carollo has not lost a case on the grounds of cost of service (Proposition 218 or 26).

Proven Legal Understanding: We understand Proposition 218 and recent legal opinions and the potential implications of these challenges. Our combined financial and engineering approach is necessary to achieve IRWD's desired result of detailing a defensible cost of service framework and validating IRWD's existing work. With a true engineering basis providing the foundation of the analysis, IRWD can pinpoint the specific attributes of the system related to providing various water demands. This approach set us apart, as it has provided Carollo a clean legal record.

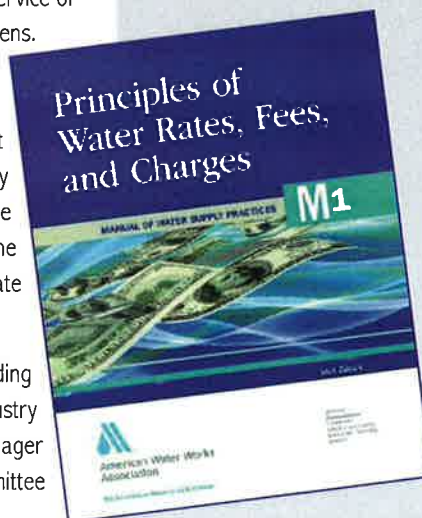
Collaborative Peer-Review

Comprehensive Understanding: Too often, cost of service or rate studies are only approached from a single (financial) lens. Financial planning from this single lens fails to account for the true capital and infrastructure realities of the agency. Our team and approach addresses the full picture. A perfect example of this is IRWD's existing recycled water system. By understanding how both plants are designed (to provide baseline and peak capacity) and existing limitations on the system, we can design rates that more equitably allocate these costs to the appropriate users.

Trusted Experts & Communicators: Beyond providing a strong technical basis, our team is comprised of industry leaders in cost of service and rate design. Our project manager is a member of the AWWA Rates and Charges Committee

Carollo provides a unique offering of financial and engineering expertise. As this project is to review potable, raw, and recycled water, as well as wastewater, this insight and expertise of our team allows for a multifaceted approach, which garners a more comprehensive, accurate, and defensible result.

and a co-author of M1 Rates Manual. The proposed study team presented within this proposal has also worked with well over 150 agencies, and their Board's to clearly communicate complex issues by translating them into laymen's terms. We have also presented to and facilitated large committees and workshops to provide clarity, transparency, and understanding. Additionally, Our team has published extensively on cost of service rate setting and regularly presents at industry conferences. The figure on the following page emphasizes the unique breadth and perspective that we will bring to this study.



Writing the Book on Financial Solutions

Robert is a featured author in the industry standard *Principles of Water Rates, Fees, and Charges M1 Manual*, and has written the chapter *User Fee Supported Stormwater Fees* for WEF.

The map below illustrates our team's ability to deliver sound and legally defensible financial services nationwide.



KEY TEAM MEMBERS

Local Presence

Our team is comprised of a comprehensive team that will interact with IRWD at various layers of the organization. Our team's local presence provides ultimate flexibility and clarity to fully address key issues face-to-face, rather than solely relying on web-meetings. We intend this to be a collaborative and peer review driven process.

The success of this project lies in the experience and abilities of the project team.

A successful project team must demonstrate practical and relevant experience in all of the technical aspects of the project, a well-conceived project approach, and a commitment to the project goals. We have dedicated a team to your project that will fulfill these requirements in totality.

A comprehensive team and integrated approach provides for added synergies and enhanced project clarity. Our team is illustrated in the project organization chart on the next page. For brevity, we have provided bios for our team with full resumes located in the Appendix.

Project Manager

Robert Grantham

Robert Grantham has 16 years of experience and has developed rates and integrated long-range financial plans for nearly 150 agencies throughout California and the United States. He has extensive experience developing joint powers authorities, developing reorganization programs for regional water and wastewater agencies, and has assisted with water and wastewater agencies issues nearly \$2.5 billion in new debt. He is currently completing or has recently completed financial consulting services for SDCWA, Sacramento Regional County Sanitation District (SRCSD), and the cities of San Francisco and San Jose.

Robert is an industry leader for utility rate and fee setting. Our financial model was highlighted in the WEF journal as cutting edge integration of financial and capital integration planning; and has since become the benchmark model that many consultants use to make their own. He is an active member of the AWWA Rates and Charges Committee and a contributing author to the M1 Rates Manual. He is an expert in Proposition 218 and 26 compliance and applicable case law.

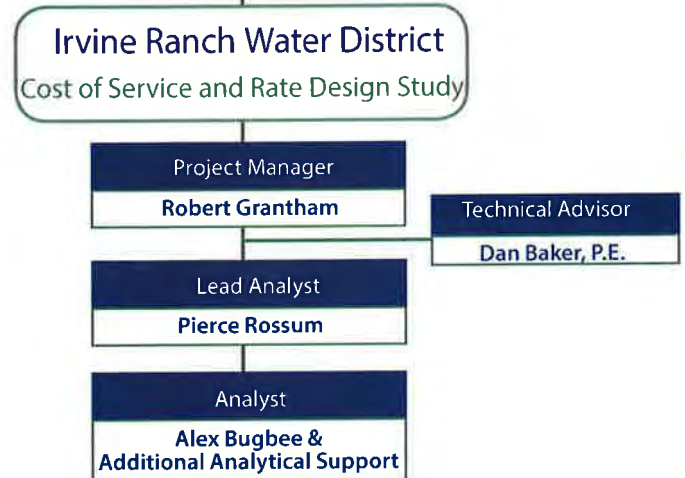
Robert will be responsible for directing the overall activities of the project and meeting the budget and schedule requirements. He will be responsible for the commitment of resources, as well as the technical accuracy of the work. Robert will play the critical role of “devils advocate”, questioning each assumption and methodology. This role means that difficult questions are posed and answered prior to getting to the public or Board. Robert will not be reassigned without prior written approval from IRWD.

Lead Analyst

Pierce Rossum

With seven years of experience and two BA degrees in Economics and Psychology, Pierce Rossum has served as lead financial analyst for over 50 cost of service and financial planning studies. He brings a depth of knowledge and expertise in Proposition 218 compliance, rate structure design, and a strong financial modeling background.

Pierce has provided rate consulting services to many of the IRWD's peer agencies, as well as those with budget-based rate structures. While being an expert modeler, Pierce has peer-reviewed numerous agency's financial, cost-of-service, and rate design models including the San Diego County Water Authority's. His economics and statistics background, as well as development of previous rate analyses work has made him keenly aware that one rational decision cannot be made without affecting another. The practical implementation of this understanding (multivariate statistics) helps understand the



relationships between variables and their relevance to the actual problem being studied, such as drought rates. His approach to developing financial plans and rate structures will help promote the overall defensibility of any recommended rate adjustment and IRWD's ownership of final decisions that can be easily communicated to the public.

Pierce will work directly your staff and the rest of the team to lead the analysis. While web-conferences can be utilized for progress updates and quick questions, this process is meant to be highly collaborative to fully flesh out many key issues. Pierce's local presence will enable all questions to be answered thoroughly face-to-face, to ensure a comprehensive understanding. Pierce will be responsible for the day-to-day production of the study. Per the RFP, Pierce will not be reassigned without prior written approval from IRWD.

Analyst

Alex Bugbee

Alex Bugbee is a financial analyst with five years of experience in utility rates, asset management, and engineering. During his tenure at Carollo, Alex has performed rate analysis for a number of agencies in California, including the cities of Oceanside, Riverside, and Arcadia, as well as SDCWA and the San Francisco Public Utilities Commission (SFPUC). His previous experience includes extensive work in production and financial budgeting in the construction aggregates industry, as well as engineering design for mining and processing activities and on site civil projects.

Alex will support the team with data processing, financial analysis, capital funding, and rate setting alternatives.

As necessary, Carollo may bring on additional analytical and engineering support to provide additional resources to make sure all milestones and deliverables are met.

The table below shows each team member's projected percentage of time they will contribute to this project. No key personnel assigned to this project will be reassigned without prior written approval from IRWD.

Technical Advisor

Dan Baker, P.E.

With more than 20 years of experience in business and management consulting for water utilities throughout the United

States. His experience as a professional civil and environmental engineer and rate consultant provides him with the unique insight to understand his clients' engineer, business, and technology goals.

Dan will support the team drawing from his expertise in a wide range of areas including rate-setting, asset management, operations and maintenance management, master planning, and capital program development.

Staff Availability

Name	Role	Project Availability
Robb Grantham	Project Manager	30%
Pierce Rossum	Lead Analyst	50%
Alex Bugbee	Analyst	40%
Dan Baker, P.E.	Technical Advisor	15%

PROJECT APPROACH AND TIMELINE

Project Understanding

Carollo will provide IRWD with a recommended rate framework for its system services that are consistent with industry accepted cost of service principles, satisfy revenue requirements, and meet all State law requirements, including Proposition 218 and 26.

Given the recent case law, Carollo's engineering backstop approach will provide IRWD greater confidence that the proposed water rates will meet Proposition 218 and 26 requirements. Additionally, this provides for greater clarity and transparency in communicating to the public or Board, as we do not hide behind industry standards, rather we identify and illustrate IRWD's specific needs.

Following your completion of an internal cost of service and rate study, potential opportunities were identified to be analyzed along with a comprehensive peer-review of IRWD's existing models and recommendations.

Carollo will support staff, legal counsel, and the Board in developing a consensus throughout the process and on any recommended financial plan and rate structure modifications. We will use workshops to clearly communicate and illustrate the needs of the system and the benefits to various users.

SCOPE OF WORK

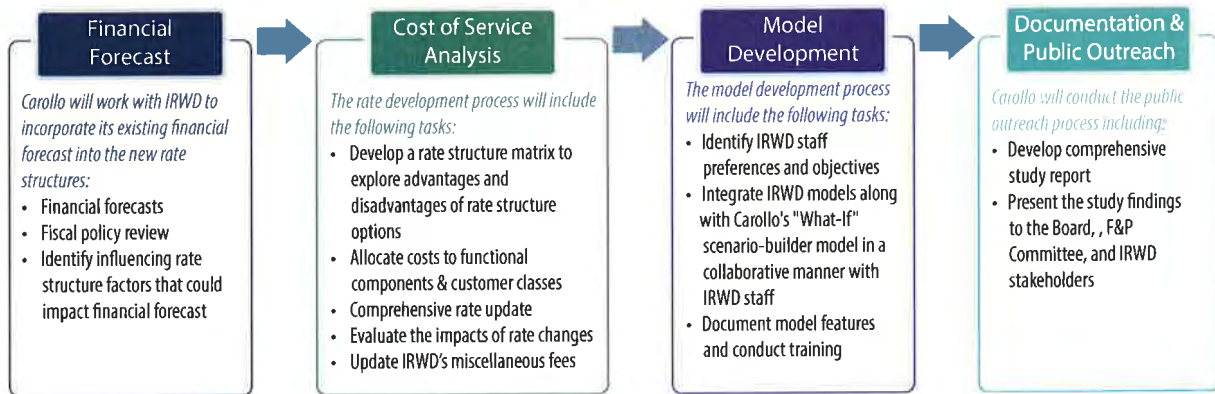
This approach and scope adheres to the seven outlined study requirements as defined in the Request for Proposals (RFP), as well as builds from our extensive cost-of-service, engineering, and Proposition 218 expertise. As IRWD seeks to review existing practices and explore potential opportunities/adjustments, through a collaborative study process, Carollo will develop a comprehensive cost of service and rate design study. This process must: 1) establish a rate structure that is equitable; 2) fund the forecasted operation and maintenance (O&M) and capital plans; and, 3) produce a sound and defensible record to address Proposition 218 and 26, as well as account for recent case law.

TASK 1: PROJECT MANAGEMENT & MEETINGS

This task includes all project management activities required to secure adherence to the schedule and budget. Carollo will include monthly invoicing, progress reports, progress meetings and meeting notes. As part of the task, a kick-off meeting will be held at IRWD to review project objectives and introduce key members of the project team.

We will hold a project kick-off meeting with IRWD staff. The meeting will outline key objectives, determine priorities, and, if necessary, modify the scope of work. The meeting will also serve as a review point for the study data. In advance of the kick-off meeting, Carollo will submit a detailed data request.

Example of our proposed detailed work flow



As with any data-driven analysis, our approach begins with gathering the necessary cost and consumption data to complete the rate study. Having implemented a water budget rate structure, IRWD's existing and historical revenue and billing data will be analyzed as a proxy of future projections; and will provide a critical understanding of how your customers have modified water consumption based on the continued reductions of water allocations. However, past consumption or financials are not indicative of future results. This is especially true when developing and implementing refinements to rate structures. Given the advancements in conservation efforts and other possible water demand/supply and financial factors, Carollo will work hand-in-hand with Ms. Sanchez and others to provide greater context and perspective to the analyzed data and forecasts.

While Carollo envisions this project as a collaborative process with IRWD staff, our goal is to provide a management plan that streamlines the process in order to adhere to the desired project schedule and to minimize time requirements placed on staff.

TASK 2: PROPOSED MODIFICATIONS TO THE REVENUE REQUIREMENTS

Carollo will review the methodology and development of the revenue requirements to be used in the study and make recommendations for improvement as needed. Review of the structure for development of revenue requirements will include:

1. Revenue sources including, but not limit to, service charges and commodity rates;
2. Appropriate allocation of operating and overhead costs among the services for expense components such as supply, pumping, treatment, transmission and distribution, Operations and Maintenance (O&M), General and Administrative (G&A), renewal and replacement

This task will include a review of existing report and financial models, in addition to data requested in Task 1. Building from IRWD's existing financial model, Carollo will review the existing revenue requirement forecasts and explore possible recommendations for improvement. Importantly, the financial

model modified to enable the interplay between the agency's water demand and rate design model. The revenue requirements review will include funding of policy objectives, operations, capital, and R&R needs. Furthermore, the analysis will illustrate impact of potential variability in water demand, weather, and capital replacement (Task 6).

Policy Review

Carollo will review your existing fiscal policies to provide adequate financial safeguards against unknown revenue impacts related to the proposed rate structure. Fiscal policies, including financial reserves, are an essential building block for any effective utility financial plan and rate study. Moreover, in presenting any proposed modifications to IRWD's Board or staff, it will be critical to provide context for possible rate increases based on sound fiscal policies. We will discuss policy objectives and potential rate impacts. These policies will include, but will not be limited to, appropriate reserve requirements to be maintained on an annual basis for operations, capital projects, emergencies, and rate stabilization. Specifically, we will determine minimum balances and how funds can be used to minimize the impact on rates due to unexpected revenues shortfalls.

Financial Needs Forecast

Building from IRWD's existing financial planning, the financial review and analysis will focus primarily on revenue sufficiency over the both short and long term perspectives. Revenue sufficiency will fund your projected operating, capital, policy, regulatory, and asset management needs. Although IRWD reviews rates annually, it is essential to look long term to provide adequate funding of projects beyond the normal time horizon to mitigate potential rate shocks and account for the system's infrastructure needs.

Scenario Planning and Model Development

On top of the Agency's existing model, Carollo will provide an integrated "what-if" scenario-builder (or dashboard) to allow staff to test multiple side-by-side financial and rate structure outcomes. Furthermore, Carollo will integrate IRWD's existing

and separate financial and rate design models. In addition to a streamlined approach, this will allow the models to instantly interact with one another. A prime example of this are changes to tier allotments may reduce consumption (Rate Design model) and thus the need to purchase additional imported water (Revenue Requirements Model).

As part of the collaborations, Carollo can also make additional financial model modifications based on IRWD's staff preferences. Following the completion of this study, you will receive a copy of the tailored rate model, built within Microsoft® Excel. In addition to the familiarity gained during development of the model, Carollo will provide an easy-to-follow training session to necessary staff.

TASK 3: CONDUCT COST OF SERVICE ANALYSES

Carollo will perform an overall analysis of the functionalization, classification, and allocation of costs. The analysis will make recommendation as appropriate for improvement consistent with industry standards, best practices, and State law – most notably Proposition 218 and 26. The prepared cost of service study will provide a clear, written analysis of the utilized methodology and the basis for allocating the costs of providing potable water, collecting and treating sewage, producing and distribution recycled and other non-potable water, and implementing urban runoff source control and treatment programs among the various customer classes. The analysis will:

1. Identify various direct costs included in IRWD's budget and make recommendation for any changes necessary to ensure direct operation costs are properly aligned with the appropriate service;
2. Evaluation existing overhead distribution formulas and/or propose different formulas, develop recommendation that will support/improve equity in the application of overhead costs;
3. Prepare a standardized cost of service study, which demonstrates the costs of providing the different services utilizing industry accepted practices for the functionalization, classification and allocation of costs to customer classes, along with any recommended changes;
4. Provide that all costs have been allocated among property owners and customer service in a fair and equitable manner, and that the methodology used is documented and justified consistent with State law; and
5. Provide that the methodology is incorporated into the cost of service stud for determination of cost responsibility in order to establish that each gee, including a rate, charge, or surcharge, for any product, commodity, or service to recover the cost of providing public utility service to public schools is determined on the basis of the same

objective criteria and methodology applicable to comparable non-public users, based on customer classes established in consideration of service characteristics, demand patterns, and other relevant factors.

The results of this task will be summarized in a cost of service report providing a clear and written analysis of the methodology and basis used for allocating the cost of service, and any associated spreadsheet models used in Microsoft Excel, with instructions and training on their use.

The calculated revenue requirements will be allocated to each customer class based on the calculated usage, capacity, and treatment requirements by billable constituent. For water these billable constituents will likely include customer service, base water demand, peak water demand, and urban runoff. Billable constituents for sewer will likely include flow, BOD, and TSS. As various revenue and demand projections are analyzed, the cost-of-service analysis will evaluate the impacts of these various scenarios. All proposed rate structures will adhere to Proposition 218 requirements and sound cost-of-service, ratemaking principles.

Allocation of Costs to Functional Categories

Carollo will develop a cost allocation based on IRWD's unique system and consider the American Water Works Association (AWWA) methodologies. The proposed allocations will reviewed for conformance with established statutory regulations. Carollo will review and incorporate your current asset and accounting records. Line-item expenditures will be allocated to customer service, base water usage, and peak water usage. As necessary to address specific customer factors or demands, Carollo will create additional cost allocation factors or customer classes. Finally, these costs will be assigned to fixed and variable categories in order to develop defensible monthly fixed charges.

All billable constituents will be allocated to each customer class based on calculated capacity and treatment requirements.



To account for water accounts that are underutilizing their purchased capacity in the system, but still fully paying for that capacity in the monthly service charge, Carollo will account for the underutilization and create a leaseback system. This unused capacity will be leased to those users over-utilizing their capacity as a way to avoid costs associated with serving excess capacity.

Customer Data Analysis

Carollo will conduct a statistical analysis of your past historical billing and consumption records. Due to the variable nature of the water demands, and IRWD's recent allotment reduction, it is important to evaluate a multi-year trend and determine potential revenue lulls during low-usage years. We will use advanced statistical software (IBM SPSS) to quickly and more efficiently analyze existing customer-billing records and provide usable information, such as consumption breakpoints used in developing a recommendation. This step is essential to analyze potential inequities (i.e. the need for additional customer classes) and further potential reductions to water allotments.

We will examine the usage data and calibrate billing records against actual rate revenues to prevent over or under estimation of IRWD's customer base. This is a critical step in setting appropriate and sufficient rates. In addition, we perform sensitivity analyses related to possible water rationing or growth not occurring as projected. These results will flow through to the revenue requirements and funding analysis to determine potential impacts to revenues and overall revenue stability.

For sewer, Carollo will perform a mass balance analysis that compares actual flows and strengths received at the treatment plants versus those calculated based on existing rate assumptions and billed flows. Previous flow and loading assumptions may need to be adjusted to reflect increased indoor efficiency (i.e. low-flow toilets and fixtures). As such, treatment plants have been faced with a decreasing flows and increasing strengths. As sewer usage is not metered, the mass balance calculation truth-tests the existing flow and loading assumptions and will recalibrate them as necessary.

TASK 4: PROPOSED CHANGES TO CURRENT RATES

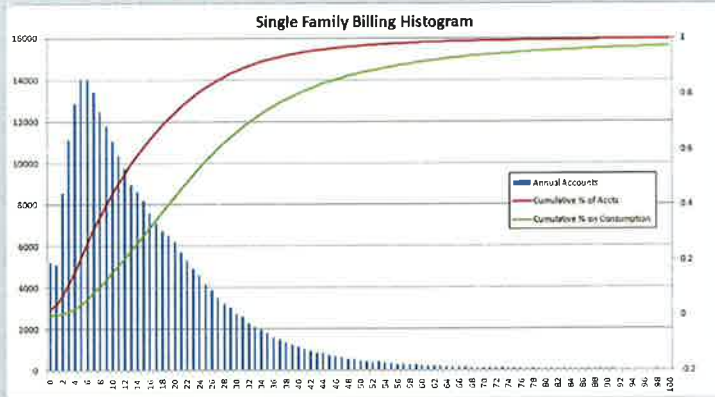
Carollo will prepare a rate design study that provides a clear, written analysis of the basis upon which the rates are calculated, including an analysis of rate classes to eliminate and/or add classes as appropriate. As part of this review, Carollo will:

1. Review composition and construction of all customer classes, and recommend any changes (See customer data analysis);

2. Provide that the recommended rate structure comply with all laws, regulations, and agency policies, are documented, and are developed in compliance with Proposition 218 and 26.
3. Evaluate IRWD's current budget based tiered water rate structure, including such factors that determine a customer's water budget and factors that determine the tier widths and prices, and recommend any appropriate changes. Included in this analysis, Carollo will review the existing allocation and recovery of urban runoff.
4. Evaluate IRWD's current untreated rate structure for agricultural customer and consider rate-setting alternatives.
5. Review IRWD's current pumping rate structure and consider alternatives that fairly allocate costs and provide a more uniform pumping rate structure.
6. Evaluate other sewer rate structures, including a base and volumetric charge, as an alternative to IRWD's current structure for residential customers. Carollo will develop a matrix that details the pros and cons of making a change, and make a recommendation based on the best and most appropriate approach.
7. Review of the cost of service for providing recycled water on a wholesale basis to other water purveyors, as well as the cost of recycled water service for retail customers. The Study will evaluate whether IRWD should continue its existing providing approach for retail service, including the risks and benefits of any change to that approach.
8. Demonstrate any alternative rate structure that is easy to understand and administer, promotes conservation and revenue stability, and can be accommodated with the existing IRWD billing system
9. Prepare and provide IRWD rate models in Microsoft Excel for the associated rates and fees necessary to provide potable water, collect and treat sewage, produce and distribute recycled and other non-potable water, and implement urban runoff source control and treatment programs that may be used by IRWD on a going forward basis.

To account for the more detailed alternatives (untreated rate structure, urban run-off, recycled water wholesale/retail rates), Carollo will analyze the existing and planned infrastructure and system as it was designed and is being utilized to enhance equities and cost recovery. By creating a logical nexus between the infrastructure, its design, and use, Carollo can create a rate structure that complies with Proposition 218 and 26 and can be easily understood and communicated to the Board and stakeholders.

Any proposed adjustments to the existing budget based rates structure will be evaluated and designed to generate sufficient revenues, improve equity, while being clear and easy to administer.



This histogram visually communicates usage patterns and potential conservation reductions due to changes in rates or structure. Usage thresholds can be overlaid to illustrate how pricing and demands converge.

We will meet IRWD staff to review and evaluate potential rate structure alternatives that promote an equitable allocation of costs among customer groups. Based on our past experience with creating and modifying budget-based rate structure and managing disparate customer groups, we will guide you through this review. Carollo will develop an easy to understand matrix that outlines:

- Advantages and disadvantages of each rate structure alternative.
- Nexus between each rate structure and system costs and overall equity between customer classes.
- Effect of rate structures on revenue stability.
- Ability and effectiveness of rate structures to meet IRWD's policy objectives.
- Administrative ease.
- Potential for legal challenges.

Carollo's entire process will be designed to comply with Proposition 218 and recent case law, including Palmdale, Castaic, and San Juan Capistrano. For each proposed rate structure, the matrix will illustrate both qualitative and quantitative advantages, including achievement of policy objectives and revenue risk.

TASK 5: DROUGHT RATES

Carollo will evaluate and recommend alternatives for IRWD to consider on how to adjust its water pricing structure in the event of a drought, water shortage, or governmental action to encourage demand reductions. These potential modifications may include adjustments to the allocation formulas and/or tiers. Carollo will prepare a report and written analysis, including excel based spreadsheet models, that can be used to evaluate and estimate the impacts of such changes on water demands and revenues by customer class.

TASK 6: SENSITIVITY ANALYSIS/RATE WORKSHOPS

Once the rate models have been developed, Carollo will conduct a sensitivity analysis within the models. This step will examine different scenarios that might occur within the next five years. Carollo will conduct a workshop with senior staff to identify which

rate scenarios are financial sustainable and legally justifiable for IRWD. During the workshops, water conservation based rates, sewer, and recycled rate structures, the legal options associated with Proposition 218 and 26, and the drought pricing program will be reviewed.

Anytime a customer is being immediately impacted, it is critical that the Board and staff fully understand reasoning behind the recommendations and the potential impacts to its ratepayers. Throughout the process, in close collaboration with IRWD staff, we will examine different revenue and demand sensitivity scenarios. For the purposes of this proposal, it is assumed that Carollo will make three presentations to the Finance & Personnel committee or Board of Directors. The first meeting will be used to orient the Board on the study process, cost of service methodology, and outlining of key issues. The second presentation will follow preparation of draft recommendations and report where Carollo will present the finding to the Board.

Carollo will run Monte Carlo simulations to test the revenue and expenditure impact of probable demand conditions, including various drought levels. Rather than evaluating scenarios one at a time, a Monte Carlo simulation enables us to evaluate a range of impacts and risk factors. This analysis is a critical and important tool for decision-making.

As this is a collaborative process, Carollo also plans to hold a minimum of three (3) meetings with IRWD's upper management. In addition, it is expected that Carollo will meet with IRWD's Project Manager (Mr. Smithson) and Conservation Manager to review on-going process and flesh out desired analyses. The general format of the meetings is workshop style to encourage and facilitate discussion of key issues and further advance the study.

TASK 7: REPORTS

Carollo will include preparation of a draft and final summary report and presentation to the Finance and Personnel Committee and Board of Directors meeting.

A draft and final version of a summary report will be prepared to present the methodology, process, and findings of the cost of service and water rate study and its recommendations. This report will document the agency's revenue requirements, cost-of-service methodology, and the proposed structure to support the Proposition 218 process. Specifically, the report will contain elements and analyses regarding your current rate structure; existing and recommended customer allocations; the potential of conservation and its impact on revenue sufficiency; and the impact of potential drought rates. Comments on the draft report will be incorporated into a final report.

UNDERSTANDING LEGAL COMPLIANCE AND POTENTIAL PITFALLS

Are your rates legally defensible? Will these rates be equitable and proportionally allocated? Do they meet all industry standards? These are all key questions that you should be asking your consultant. Fortunately, Carollo has developed hundreds of legally defensible cost of service studies. We protect our clients with sound financial services that provide consistency with industry setting principles, as well as peace of mind. The table below highlights the good and not so good outcomes of some recent cost of service rate studies.

Court Case	Decision	Impact
Proposition 218		
<p>Griffith v. Pajaro Valley Water Management Agency Carollo served as the Agency's expert witness and rate consultant to defend the district to a successful conclusion.</p>	<p>The California Court of Appeal affirmed the agency's rate consultant cost-of-service report and accepted the agency's methodology and evidence that all groundwater users benefit from its services, not sure those in the coastal area where supplemental water supplies are piped.</p>	<p>The appellate court provided clarification regarding what constitutes a Proposition 218 water service fee or charge and who should be notified of a protest hearing for such a fee or charge.</p>
<p>City of Palmdale v. Palmdale Water District Competitor Project</p>	<p>The court found the district failed to demonstrate proportionality. The proposed budget based rates for one customer class were not proportionate to the cost of providing water service in violation of Proposition 218.</p>	<p>Recognized that budget based water rates and tiered rate structures do not (inherently) violate Proposition 218 and that Article X may be harmonized with constitutional rate proportionality requirements of Proposition 218.</p>
<p>Capistrano Taxpayers Assn v. City of San Juan Capistrano Competitor Project</p>	<p>The City failed to carry its burden of establishing credible evidence that the rate increases were proportional to the costs of providing water services to its customers, as the Administrative Record did not contain "any specific financial cost data to support the substantial rate increases," and because, "the City also failed to identify any support in the record for the inequality between tiers depending on the category of use."</p>	<p>Public agencies must work with their rate consultants to establish a clear, understandable, and compelling record for the courts that demonstrate that new rates will result in water savings, that new rates are equitable, and that higher water users place a disproportionate burden on water systems, particularly in the cost of new supplies, and therefore warrant higher rates.</p>
Proposition 26		
<p>Newhall County Water District v. Castaic Lake Water Agency Competitor Project</p>	<p>Concluded that the rates are inconsistent with industry standards and do not provide a measure of Castaic's reasonable cost of providing the wholesale water service. The rates were not proportional to Castaic's costs to produce and deliver water to Newhall and would provide a cross-subsidization.</p>	<p>Given the Challenged Rates were found to be divorced from the Retailers' burdens on or benefits from product and service the rates violate Proposition 26, unless approved by the voters as taxes.</p>

Project Schedule

Understanding that this analysis will be utilized in IRWD’s budget process, Carollo is committed providing recommendations to the Committee and Board by January 2015. Per the RFP, Carollo assumes a start of October 2014, following award of the contract. Our proposed project schedule is presented in the time table below. If selected, Carollo will work with IRWD to formalize the project schedule, including key deliverables, Director level meetings, and Board/Committee workshops. Meetings between Carollo and IRWD project staff (Mr. Smithson and Ms. Sanchez) are not detailed in the project schedule, as these meeting will occur as necessary to encourage collaboration and develop a comprehensive understanding of proposed recommendations.

Task	October	November	December	January
1 - Project Management & Meetings	● ● ● ● ●			
2 - Propose Modifications to the Revenue Requirement	■			
3 - Cost of Service Analysis		■		
4 - Rate Review, Development, Comparisons, and Refinement		■		
5 - Development of Risk Scenarios, Cost Impact, and Rates associated with Drought conditions		●		
6 - Sensitivity Analysis / Rate Workshops		● ● ● ●		
7 - Reports and Board Presentations		●	● ◆	◆ ●

◆ Draft Report	● Kick-off/Progress Meeting
◆ IRWD Comments	● Senior Staff Workshops
◆ Final Report	● Board/Committee Presentation

REFERENCES

Proven Project Experience

Provided in this section are a sampling of recent projects similar to those required in this RFP. We encourage you to call any of the clients to better understand the expertise and commitment of our project team. The table below highlights the key elements of our most relevant projects. Full project descriptions can be found in the Appendix, along with some of our client letters of recommendation.

Agency/Project Title/Reference	Project Elements
<p>San Diego County Water Authority, California; Cost of Service Rate and Charge Study</p> <p>Mr. David Shank, Financial Planning Manager, Phone: 858-522-6676 Dates: 5/2013 - 6/2014 (on-time) Project Fee: \$135,000 (on-budget) Team Involvement: Robert Grantham, Project Manager; Pierce Rossum, Lead Financial Consultant</p>	<p>Carollo developed an independent rate model and reviewed SDCWA's existing cost of service methodology to confirm the appropriateness of the existing structure and for compliance with AWWA cost of service standards and industry best practice. Additionally, we were requested to compare the rates and charges with Board policies and California legal requirements.</p> <ul style="list-style-type: none"> • Additional project elements: • Established the revenue requirement, allocated it to rate categories, and determined the rates to equitably collect these costs • Determined that the existing methodology yields an appropriate and reasonable method for allocating costs.
<p>Orange County Sanitation District, California, OCSD Rate Work</p> <p>Ms. Angela Brandt, Accounting Supervisor, Phone: 714-593-7576 Dates: 7/2012 - 3/2013 (on-time) Project Fee: \$110,000 (on-budget) Team Involvement: Robert Grantham, Principal-in-Charge; Pierce Rossum, Lead Financial</p>	<p>Carollo developed the current cost allocations that assign O&M and capital costs to flow, biochemical oxygen demand (BOD), and total suspended solids (TSS). This process included a rate advisory committee made up of citizens and businesses to help gain customer support for the new system.</p> <p>Additional project elements:</p> <ul style="list-style-type: none"> • Developed the tie between property tax use codes and the current equivalent dwelling unit assumptions for customer categories. • Assisted OCSD in maintaining their "business friendly" image by developing pay-as-you-go supplemental capital facilities capacity charges for large industrial clients.
<p>City of Riverside, California, Riverside Rate Work</p> <p>Mr. Brent Mason, Finance Director, Phone: 951-826-5660 Dates: 8/2013 - 6/2014 (on-time) Project Fee: \$150,000 (on-budget) Team Involvement: Robert Grantham, Project Director; Alex Bugbee, Financial Lead</p>	<p>Carollo completed an Integrated Master Plan for the City of Riverside (City) that evaluated and recommended system and treatment plant improvements and culminated in revised user rate and connection fees for the City.</p> <p>Additional project elements:</p> <ul style="list-style-type: none"> • Developed Proposition 218 approved cost allocations and a five-year user rate and connection fee schedule, which enabled the City to come into compliance with their bond covenants and finance the needed capital improvements. • Assisted the City issue debt in 2009 and 2014, which included presenting alongside City staff during the bond rating presentations to Moody's and Standard & Poor's.

COST PROPOSAL



Project Fee

As requested in the RFP, we have provided a detailed cost spreadsheet including number of hours and associated cost for each staff classification as it relates to tasks identified in the Scope of Work. Our estimated cost is \$99,199. This information is presented in the table below.

It is our understanding that selection for this project will be based on qualifications, including experience of the project team, and that budget estimates will not be the sole consideration. Following our selection to accomplish the work, we welcome the opportunity to sit down IRWD staff to discuss the project in greater detail, further redefine the scope, and finalize a budget and cost to accomplish this work. Given the compressed time frame and extensive requested Scope of Work, Carollo's estimated labor breakdown details our commitment of necessary resources to successfully accomplish this analysis.

Task	Estimated Hours by Classification	Cost by Classification	Total Cost by Task
Task 1 - Project Management & Meetings Monthly reporting, status updates, and kick-off meeting	Project Manager = 12 Senior Analyst = 24 Analyst = 4; Word Processing = 0	Project Manager = \$276 Senior Analyst = \$200 Analyst = \$174; Word Processing = \$122	\$8,836
Task 2 - Propose Modifications to the Revenue Requirement Review of Current Rates, Revenue, and Policy Objectives. Development and Integration of Rate Model and Revenue Requirements	Project Manager = 12 Senior Analyst = 48 Analyst = 32; Word Processing = 0	Project Manager = \$276 Senior Analyst = \$200 Analyst = \$174; Word Processing = \$122	\$18,544
Task 3 - Conduct Cost of Service Analysis Cost Allocation, Consumption / Billing Analysis, Mass Balance Analysis, and Proposition 218/26 Review	Project Manager = 16 Senior Analyst = 40 Analyst = 12; Word Processing = 0	Project Manager = \$276 Senior Analyst = \$200 Analyst = \$174; Word Processing = \$122	\$14,551
Task 4 - Propose Changes to Current Rates Rate Review, Development, Comparisons, and Refinement	Project Manager = 12 Senior Analyst = 32 Analyst = 4; Word Processing = 0	Project Manager = \$276 Senior Analyst = \$200 Analyst = \$174; Word Processing = \$122	\$10,441
Task 5 - Drought Pricing Development of Risk Scenarios, Cost Impact, and Rates associated with Drought conditions	Project Manager = 8 Senior Analyst = 16 Analyst = 8; Word Processing = 0	Project Manager = \$276 Senior Analyst = \$200 Analyst = \$174; Word Processing = \$122	\$6,822
Task 6 - Sensitivity Analysis / Rate Workshops Evaluation of Revenue and Rate Sensitivity and Rate Workshops with Senior Staff (3)	Project Manager = 24 Senior Analyst = 40 Analyst = 8; Word Processing = 8	Project Manager = \$276 Senior Analyst = \$200 Analyst = \$174; Word Processing = \$122	\$17,548
Task 7 - Reports and Board Presentations Board or F&P Committee Presentations (3) and development of Draft and Final Cost of Service Report	Project Manager = 32 Senior Analyst = 48 Analyst = 10; Word Processing = 12	Project Manager = \$276 Senior Analyst = \$200 Analyst = \$174; Word Processing = \$122	\$22,457

Total Estimated Cost of this Project: \$99,200

This budget is premised on a estimated delivery of a Preliminary Draft in December 2014 with presentation of recommendations in January 2015.



Robert Grantham

PROJECT MANAGER

Experience by the Numbers

16
Years of Experience
in Financial Analyses
and
Rate Studies

150+
Provided Financial
and Rate Services for
over 150 agencies.

Field of Expertise/Work Experience

Robert Grantham has developed rates and integrated long-range financial plans for well over 150 different agencies comparable in size and complexity. He has extensive experience developing joint powers authorities, developing reorganization programs for regional water and wastewater agencies, and has assisted with water and wastewater agencies issues nearly \$2.5 billion in new debt. He is currently completing or has recently completed financial consulting services for the cities of San Francisco and San Jose, California; and Las Vegas, Nevada; as well as San Diego County Water Authority and Sacramento Regional County Sanitation District, California. He is an expert in Proposition 218 requirements and applicable case law and cost of service principles.

Years of Experience: 16

Education

- BA Government and History, Hackman Scholarship, Franklin and Marshall College, 1998

Relevant Project Experience

- San Diego County Water Authority, California – Rate and Capacity Fee Study.
- San Francisco Public Utilities Commission, California – Rate Update and Connection Fee Study.
- Orange County Sanitation District, California – Rate and Capital Facilities Capacity Charge Study.
- City of Oceanside, California – Comprehensive Rate Study.
- Santa Ana Watershed Project Authority, California – Regional Cost Allocation Study.
- Santa Margarita Water District, California – Water and Wastewater Cost of Service and Rate Design Study.
- Alameda County Water Agency, California – Asset Management Program.
- City of Austin, Texas – Feasibility Analysis.
- City of Barstow, California – Utility Rate Study.
- City of Carlsbad, California – Water Cost of Service and Rate Design Study.
- City of Chula Vista, California – Wastewater Cost of Service and Rate Design Study.
- Clark County Water Reclamation District, Nevada – Feasibility Analysis.

- City of Del Mar, California – Cost of Service Rate and Connection Fee Study.
- Denver Metro Wastewater Reclamation District, Colorado – Design-Build Financial Sufficiency Analysis.
- City of Las Vegas, Nevada – Wastewater Cost of Service Rate Study.
- Greenfield Water Reclamation, Arizona – Regional Cost Sharing Plan.
- City and County of Honolulu, Hawaii – Multiple Bond Issuances and Asset Management Program.
- King County, Washington – Recycled Water Feasibility Rate Analysis.
- City of Modesto, California – Water Rate and Connection Charge and Stormwater Study.
- City of Oceanside, California - Water Utilities Financial Plan (water, stormwater, wastewater).
- City of Riverside, California – Wastewater Master Plan and Wastewater Bond Issuance.
- Sacramento Regional County Sanitation District, California – Sewer Rate and Fee Study.
- City of Sacramento, California – Water and Sewer Utility Rate Model Development and Capital Funding Study.
- City of Sacramento, California – Cost of Service Stormwater Study.
- Sacramento County Department of Water Resources, California – Organizational Assessment Study.
- Sacramento County Water Agency, California – Water Economic and Rate Study.
- City of Scottsdale, Arizona – Water, Wastewater, and Reclaimed Water Rate Study.
- Western Municipal Water District, California – Capital Facilities Charge.
- Western Municipal Water District, California – Water Resource Planning Analysis.
- Western Riverside County Regional Wastewater Authority, California – Plant Expansion Alternatives Evaluation and Cost Sharing Plan.



Pierce Rossum

LEAD ANALYST

Experience by the Numbers

7
Years of Experience
in Financial Analyses
and
Rate Studies

50+
Deliverable more than
50 cost of service
and financial planning
studies

Field of Expertise/Work Experience

With seven years of experience and B.A. degrees in Economics and Psychology, Pierce Rossum has served as project manager or lead financial consultant for over 50 cost of service studies. He brings a depth of knowledge and expertise in Proposition 26 and 218 compliance, rate structure design, and brings strong financial modeling, statistical, and economic background.

His previous work developing financial and economical models has made him keenly aware that one rational decision cannot be made without affecting another. This approach helps promote the overall defensibility of any cost of service recommendation, recommended rate adjustments, and an Agency's ownership of final decisions that can be easily communicated to the public.

Years of Experience: 7

Education

- BA Economics, Claremont McKenna College, Claremont, CA, 2008
- BA Psychology, Claremont McKenna College, Claremont, CA, 2008

Relevant Project Experience

- Lead financial consultant for San Diego County Water Authority (SDCWA), California, CY2014 Cost-of-Service Rate and Charges Study. The study to analyzed and confirmed the appropriateness and legality of the water rates and charges methodology and calculated the CY2014 water rates and charges. Responsible for the development of an independent rate model and reviewed SDCWA's existing cost-of-service methodology for compliance with the American Water Works Association (AWWA) cost-of-service standards and industry best practices.
- Lead financial consultant for San Francisco Public Utilities Commission (SFPUC), California, Utility Rate Consulting. Reviewing SFPUC's financial forecasts models and fiscal policies to update cost-of-service rates and charges. Developing analysis to separate costs of wastewater and stormwater charges within SFPUC's combined system to implement new stormwater charge in compliance with Proposition 218.
- Lead financial consultant for Orange County Sanitation District (OCSD), California, Wastewater Rate Study. Responsible for the development of a financial and rate model that

updated and analyzed OCSD's cost-of-service wastewater rates. The study analyzed shifts in costs due to recent capital investments, the appropriate recovery of costs from high-strength and/or high-volume users, and updated the capital facilities charges based on current costs and growth conditions.

- Project Manager for the City of Arcadia, California, Water and Sewer Rate Study. Analyzed the impact of potential water demand forecasts and developed an integrated source of supply analysis to reflect the different costs associated with various sources of supply. Created a budget-based rate structure, which integrated the source of supply analysis to reward customer conservation and water use efficiency.
- Lead financial consultant for a comprehensive cost of service and rate design study for the Marin Municipal Water District. Developed a financial, cost of service, and rate design model to analyze the need for potential revenue and rate impacts under various funding scenarios. Modified the agency's existing rate structures, including enhancements to their existing budget-based rates.
- Lead financial consultant for the Cost-of-Service and Engineer's Report for Pajaro Valley Water Management Agency, California. Responsible for the development of a financial and rate model that updated and analyzed the Agency's pumping augmentation and delivered water charges. Facilitated monthly collaborative meetings with a 14 member Ad Hoc Finance Committee to prepare rate recommendations.
- Lead financial consultant for San Diego County Water Authority (SDCWA), California, CY2014 Cost-of-Service Rate and Charges Study. The study to analyzed and confirmed the appropriateness and legality of the water rates and charges methodology and calculated the CY2014 water rates and charges. Responsible for the development of an independent rate model and reviewed SDCWA's existing cost-of-service methodology for compliance with the American Water Works Association (AWWA) cost-of-service standards and industry best practices.
- Technical advisor for the City of Oceanside, California, Financial Study. Assisted in the development and review of a financial model, which enabled the client to better forecast future cash flows and fund balances based on past performance and expected rate changes.



Alex Bugbee

ANALYST

Experience by the Numbers

5

Years of Experience
in utility and asset
management
studies

10+

Provided utility rates
analysis and asset
management studies

Field of Expertise/Work Experience

Alex Bugbee is a financial analyst with five years of experience in utility rates, asset management, and engineering. Alex has performed rate analyses for a number of agencies in California, including the cities of Oceanside and Upland, as well as the Rodeo Sanitary District, San Diego County Water Authority, and San Francisco Public Utilities Commission. His previous experience includes extensive work in production and financial budgeting in the construction aggregates industry, as well as engineering design for mining and processing activities and on site civil projects.

Years of Experience: 5

Education

- BS Mining Engineering, Pennsylvania State University, 2009

Relevant Project Experience

- Lead analyst on a comprehensive Wastewater Financial Plan and Rate Study for the City of Riverside, California, Sewer Division. In that project, he developed a funding strategy for the updated wastewater CIP, assessed the impacts of CIP funding on the wastewater Division's finances, and performed cost of service analysis to validate the Division's sewer service rates and capacity fees.
- Analyst on a Financial Plan and Rate and Fee Study for the Marina Coast Water District (MCWD), California. He updated user rates and capacity charges for water and wastewater, developing unique rates and fees for each of the MCWD's service areas. Responsibilities included consumption analysis, financial model development, cost of service evaluation, rate design, and calculation of capacity fees.
- Analyst for the Financial Study for the City of Oceanside, California. He developed a financial model for the Solid Waste Department, which allows the client to predict future cash flows and fund balances based on past performance and expected rate changes in order to optimize the rate impact to customers and develop accurate operational budgets. He provides continued support to the client and makes model modifications as deemed necessary. He also provided as-needed support to the Water and Wastewater Departments including maintenance, updating, and modifications of existing financial models. He also worked

with the departments to revamp the models to improve user interface and functionality.

- Analyst for the San Francisco Public Utilities Commission, California, Capacity Charge Update. He updated the capacity charges for water and wastewater. His responsibilities included analyzing the results of a variety of calculation methods for the capacity charge.
- Analyst for the San Diego County Water Authority, California, Capacity Fee Study. He performed data analysis and assisted in the development of a capacity fee model.
- Analyst for the City of Upland, California, Water Rate Study. His responsibilities included analysis of usage and financial data and assisting in the development of a financial model for the City's Water Utility. He also performed a cost-of-service analysis in order to design fixed and variable water rates for various customer classes.
- Analyst for the Rodeo Sanitary District (RSD), California, Financial Analysis of Wastewater Operations as part of the Comprehensive Wastewater Master Plan. He developed a financial model to analyze the impact of the proposed CIP on RSD's finances and on customer rates. He also assisted in the creation of an integrated CIP funding strategy designed to provide sufficient funding while minimizing the effects on customer rates.
- Analyst for the development of budget-based rates for the City of Arcadia. Evaluated the agency's revenue requirements and numerous rate structure alternatives. Created an integrated cost-of-service analysis based on the City's source of supplies and proposed budget based rate structure to address cost-of-service and customer equity concerns.



Dan Baker, P.E.

TECHNICAL ADVISOR

Experience by the Numbers

23

Years of Experience in financial planning and asset management studies

150+

Provided financial analysis and asset management studies

Field of Expertise/Work Experience

Dan Baker is a principal consultant with experience in business and management consulting for water and wastewater utilities throughout the United States. His education and experience as a professional civil and environmental engineer provides him with the insight to understand his clients' engineering, business, and technology goals. He has managed numerous complex planning and implementation projects for large utilities and municipalities that have drawn on his expertise in a wide range of areas including performance assessments, asset management, operations and maintenance management, information systems, master planning, system optimization, and capital program development. His relevant experience includes

Years of Experience: 23

Education

- MS Civil and Environmental Engineering, Massachusetts Institute of Technology, 1997
- BS Civil and Environmental Engineering, Villanova University, 1994
- BA Honors Program, Villanova University, 1994

Registration:

- Professional Civil Engineer, California

Relevant Project Experience

- Assistant project manager for the Biosolids Cost Study for the Irvine Ranch Water District (IRWD) and Orange County Sanitation District (OCS), California. The project involved development of alternate, consensus-based rates for the operations and maintenance (O&M), capital, and equity buy-in costs for OCS's collection and treatment of solids from the IRWD Michelson Water Reclamation Plant. He assisted in development of treatment mass balance and O&M/capital cost models to reach an equitable, agreed-upon, cost sharing methodology for both agencies.
- Project manager for the Water Utilities Department Information Technology Master Plan (ITMP) for the City of Oceanside, California. He developed a complete update of the ITMP to include a technology assessment, strategic goals, organization and governance recommendations, and five-year project plan for all information systems used by the Water Utilities Department. In association with the ITMP project updates, the financial master plans and rate models were revised and updated.
- Technical advisor for the Recycled Water System Master Plan Project for the Carlsbad Municipal Water District, California. The District's existing recycled water system serves an average day demand of 4.4 mgd of recycled water, and master plan recommendations included a \$111 million capital improvement program (CIP) to serve an ultimate system of 9.3 mgd. He provided quality control, technical guidance, and deliverables review of the complete set of master plan documents.
- Project manager for the Sewer Service Charges Adjustment Project for the City of Los Angeles Bureau of Sanitation (LABOS), California. He assisted the LABOS in developing levels-of-service goals and measures, as well as a financial plan and schedule, that supported the successful passing of sewer service charge adjustments over a 10-year period from 2013 to 2022. The project included extensive public outreach to neighborhood committees, environmental groups, business community, and council members.
- Project manager for development of a financial model and cost-benefit analysis of water systems for the Pechanga Development Corporation, California. The model compared future alternatives for potable water, sewer, and recycled water services for the Pechanga Indian Reservation and Casino. The cost analysis included capital and operations and maintenance cost estimates for various facility and infrastructure improvements over a 25-year timeframe.
- Lead consultant for development of an integrated financial model for the Chino Desalting Facilities for the Chino Basin Desalter Authority member agencies—the City of Ontario, Jurupa Community Services District, and Western Municipal Water District, California. The financial model included cash flow projections of monthly capital improvement expenditures for each of the member agencies.
- Project manager for a special bond evaluation and rate study analysis for the Diamondhead Water and Sewer District, Mississippi. He provided overall management and quality assurance for development of an updated rate model to determine the financial impact of obtaining \$16 million in revenue bonds and evaluate the District's capacity to meet all necessary bond covenants.

Cost of Service Rate and Charge Study

San Diego County Water Authority, California



Project Description:

San Diego County Water Authority (SDCWA) hired Carollo to develop an independent rate model as well as to review their existing cost of service methodology to confirm the appropriateness of the existing structure, and for compliance with AWWA cost of service standards and industry best practice. Additionally, we were requested to compare the rates and charges with Board policies and California legal requirements.

Carollo established the revenue requirement, allocated it to rate categories, and determined the rates to equitably collect these costs. Based on independent review, we determined that the amount of money reasonably anticipated to be generated through SDCWA's proposed water rates and charges, when combined with other SDCWA revenues, was reasonable to recover the costs of SDCWA's activities.

Ultimately, Carollo determined that the existing methodology yields an appropriate and reasonable method for allocating costs. The manner in which each of the rates and charges were allocated to SDCWA's member agencies bore a fair, reasonable, and logical relationship to each member agency's burdens on or benefits from SDCWA services.

Reference:

Mr. David Shank, Financial Planning Manager,
858-522-6676

Type of Work Performed:

Peer model review, cost of service analysis; connection fees; wholesale water rates

Dates: 5/2013 - 6/2014 (on-time)

Project Fee: \$135,000 (on-budget)

Team Involvement:

Robert Grantham, Project Manager; Pierce Rossum, Lead Financial Consultant

OCSD Rate Work

Orange County Sanitation District, California



Project Description:

In response to user rates based on flow only, Carollo developed the current cost allocations that assign O&M and capital costs to flow, biochemical oxygen demand (BOD), and total suspended solids (TSS). This process included a rate advisory committee made up of citizens and businesses to help gain customer support for the new system.

Because Orange County Sanitation District (OCSD) user rates are collected on the property tax bill, we developed the tie between property tax use codes and the current equivalent dwelling unit assumptions for customer categories.

In order to help OCSD be business friendly, we developed the current supplemental capital facilities capacity charge that enables large industrial users to pay their capacity charges on a "pay-as-you-go" basis.

To simplify the administration and the collection of capital facility capacity charges, we developed a three-tiered commercial category charge because more than 20 OCSD service area cities/agencies collect the charges for OCSD at their permit counters.

Reference:

Ms. Angela Brandt, Accounting Supervisor,
714-593-7576

Type of Work Performed:

Wastewater rates; connection fees

Dates: 7/2012 - 3/2013 (on-time)

Project Fee: \$110,000 (on-budget)

Team Involvement:

Robert Grantham, Project Manager; Pierce Rossum, Lead Financial Consultant

Utility Rate Study

San Francisco Public Utilities Commission, California



Project Description:

San Francisco Public Utilities Commission (SFPUC) has aggressively sought to implement environmentally and socially conscious programs, while undertaking critical capital investments to maintain long-term system reliability. In upcoming years, SFPUC requires significant increases in rate revenue due to major improvements of the existing system to maintain long-term system reliability.

A detailed cost of service analysis evaluated expenses including O&M, administration costs, and existing and future debt service related to construction of facilities. These costs were then categorized according to their benefit and attributed to various customer classes, based on existing billing data and demand patterns.

After determining the annual revenue requirement, we developed and evaluated multiple rate recovery alternatives along with acceptable levels of revenue increase, as discussed with SFPUC and the Rate Fairness Board, before ultimately delivering recommendations. Throughout this process, it was important that members involved in public outreach were actively engaged. The proposed water and wastewater rates were designed to provide sufficient funding of current annual costs in addition to the roughly \$7.5 billion, multi-year Water and Sewer System Improvement Plans.

Reference:

Mr. Crispin Hollings, Director of Financial Planning, 415-487-5235

Type of Work Performed:

Cost of service analysis; wastewater rates; storm drainage fees

Dates: 2/2013 - 5/2014 (on-time)

Project Fee: \$400,000 (on-budget)

Team Involvement:

Robert Grantham, Project Manager; Pierce Rossum, Financial Analyst; Alex Bugbee, Analyst

Riverside Rate Work

City of Riverside, California



Project Description:

In 2008 and 2014, Carollo completed an Integrated Master Plan for the City of Riverside (City) that evaluated and recommended system and treatment plant improvements and culminated in revised user rate and connection fees for the City.

The project included development of a \$700 million capital improvement plan; cost allocations; and a five-year user rate and connection fee schedule that went through the Proposition 218 approval process. Without this effort, the City would not have been able to come into compliance with their bond covenants and finance the needed capital improvements.

Finally, as part of the capital funding process, Carollo assisted the City issue debt in 2009 and 2014. This process included presenting alongside City staff during the bond rating presentations to Moody's and Standard & Poor's.

Reference:

Mr. Brent Mason, Finance Director, 916-826-5750

Type of Work Performed:

User rate and connection fees; wastewater rates; capital alternatives analysis; bond issuance

Dates: 8/2013 - 6/2014 (on-time)

Project Fee: \$150,000 (on-budget)

Team Involvement:

Robert Grantham, Project Director; Alex Bugbee, Financial Lead

Wastewater Rate and Connection Fees Study

Sacramento Regional County Sanitation District/Sacramento Area Sewer District, California



Project Description:

The Sacramento Regional County Sanitation District (SRCSD) faces over \$2 billion in regulatory upgrades to its treatment processes for pathogen and ammonia removal. Consequently, SRCSD must increase rates from roughly \$20 per month to nearly \$70 per month by 2020 due to projected debt service and operational expenditures.

The change to the treatment process required SRCSD to completely restructure its rates and impact fees in order to equitably and proportionally recover upgrade costs from ratepayers. The functional costs categories included flow, BOD₅, TSS, ammonia, and pathogens. The rate methodology recognizes the unique nature of SRCSD's industrial discharges, preventing these users from being overcharged from pathogen and ammonia removal.

The team developed a financial model designed to be a central planning tool for SRCSD's capital planning and financial leaders. The model was featured by Water Environment Federation (WEF) as a cutting-edge planning tool.

Reference:

Mr. Mike Huot, Senior Civil Engineer, 916-212-2867

Type of Work Performed:

Wastewater rates; connection fees; capital alternatives analysis

Dates: 4/2013 - 10/2013 (on-time)

Project Fee: \$250,000 (on-budget)

Team Involvement:

Robert Grantham, Financial Study Manager; Pierce Rossum, Financial Analyst

Comprehensive Rate Study

City of Oceanside, California



Project Description:

Carollo developed near- and long-term financial forecasts, updated the capital facilities charges, and analyzed the retail and wholesale rate structures for water, wastewater, and recycled water for the City of Oceanside (City). The rate structures were developed in compliance with Proposition 218 and wholesale contract requirements.

The project included a Citizen's Advisory Committee (CAC) process designed to provide an overview of the facilities master plan and financial and rate program, facilitate open discourse, and garner buy-in from the Utilities Commission and Council.

The financial analysis evaluated bond sizing and timing. Carollo worked with City staff to prioritize projects based on sound engineering judgment, funding availability, and to optimize bond issuances.

The team developed a financial planning model in close collaboration with staff. An optimization module was incorporated in order to facilitate holistic decisions with respect to water resources, wastewater treatment and disposal, and energy demands and production. The model incorporates wholesale user allocations and invoices, reducing the administrative burden for annual invoicing.

Reference:

Ms. Cari Dale, Water Utilities Director, 760-435-5827

Type of Work Performed:

Financial forecasts; connection fees; rates; system valuation

Dates: 7/2013 - 6/2014 (on-time)

Project Fee: \$150,000 (on-budget)

Team Involvement:

Robert Grantham, Project Manager; Alex Bugbee, Analyst; Pierce Rossum, Quality Control



CITY OF OCEANSIDE

WATER UTILITIES DEPARTMENT

September 17, 2012

To Whom It May Concern:

It is my pleasure to recommend Robb Grantham and Carollo Engineers. Robb's performance working as financial and rate consultant for the City of Oceanside has proven that he will be a valuable addition to any company.

I have worked with Robb at various agencies for over four years on multiple projects and, based on his work, I would rank him as an outstanding consultant. He is professional, responsible and is consistently responsive to our needs.

Robb distinguished himself by creating an exceptionally well-researched and well-designed water and wastewater rate model that is dynamic enough to serve us well into the future. Robb's responsiveness to our needs has been exemplified time and again as he accommodates shifting priorities and changes in philosophy that are an unavoidable challenge in working with municipalities. His presentations to staff, our Utilities Commission and committees, and City Council have been well-written and professional. Robb has excellent analytical and communication skills that serve him well in conveying complex information in a manner everyone can understand. And it is his willingness to make himself available to us when needed that separates him from many others in the field.

If I can be of any further assistance, or provide you with any further information, please do not hesitate to contact me at (760) 435-5827.

Sincerely,

A handwritten signature in blue ink, appearing to read "Cari Dale".

Cari Dale
Water Utilities Director



Department of Public Works

September 17, 2012

Subject: Letter of Recommendation for Robert Grantham

To whom it may concern:

I recommend Robert Grantham based on his successful engagement with the City of Chula Vista, California. We have been working together to develop a Wastewater Financial Plan and Cost of Service Rate Study. This project addresses cost recovery and the integration of capital planning with asset management. We have been engaged on this effort since January of 2012.

The quality of the work has been excellent, due largely to Robb's expertise in many facets of rate establishment, policy, and business practices. His expertise is coupled with an attention to detail. Robb has also been responsive and thorough in all communications. He has made himself available to attend all necessary meetings in person, providing us the reassurance of a trusted advisor.

In addition to delivering superb technical services, Robb has led our team to an enhanced understanding-- and enthusiasm-- for the subject matter. My overall satisfaction rating is very high with the work he has performed up to now, and I would gladly rehire Robert Grantham. Please feel free to contact me if I can provide any further information.

Sincerely,



Roberto Yago
Sr. Civil Engineer



CITY OF CARLSBAD
FINANCE DEPARTMENT

June 21, 2012

Subject: Letter of recommendation for Rob Grantham

To whom it may concern:

I would like to express my sincere gratitude and recommendation of Robb Grantham based on his successful engagement with the City of Carlsbad, California. The assignment was to prepare a Cost of Service Study and analyze existing water and sewer rates, create a flexible rate model which could be used during drought and non-drought periods, make recommendations, prepare a report, and implement and train staff in the use of the model. This rate model was created with staff input throughout the process, to ensure that it reflected the needs and characteristics of Carlsbad utility customers.

Robb and his staff also attended numerous City meetings, including public meetings where a new tiered rate structure was being considered. Robb and his staff assisted the City during a time when many changes were occurring in California due to the drought, and they were vital in communicating with the Board of Directors, the public, and staff in order to successfully implement new utility rates.

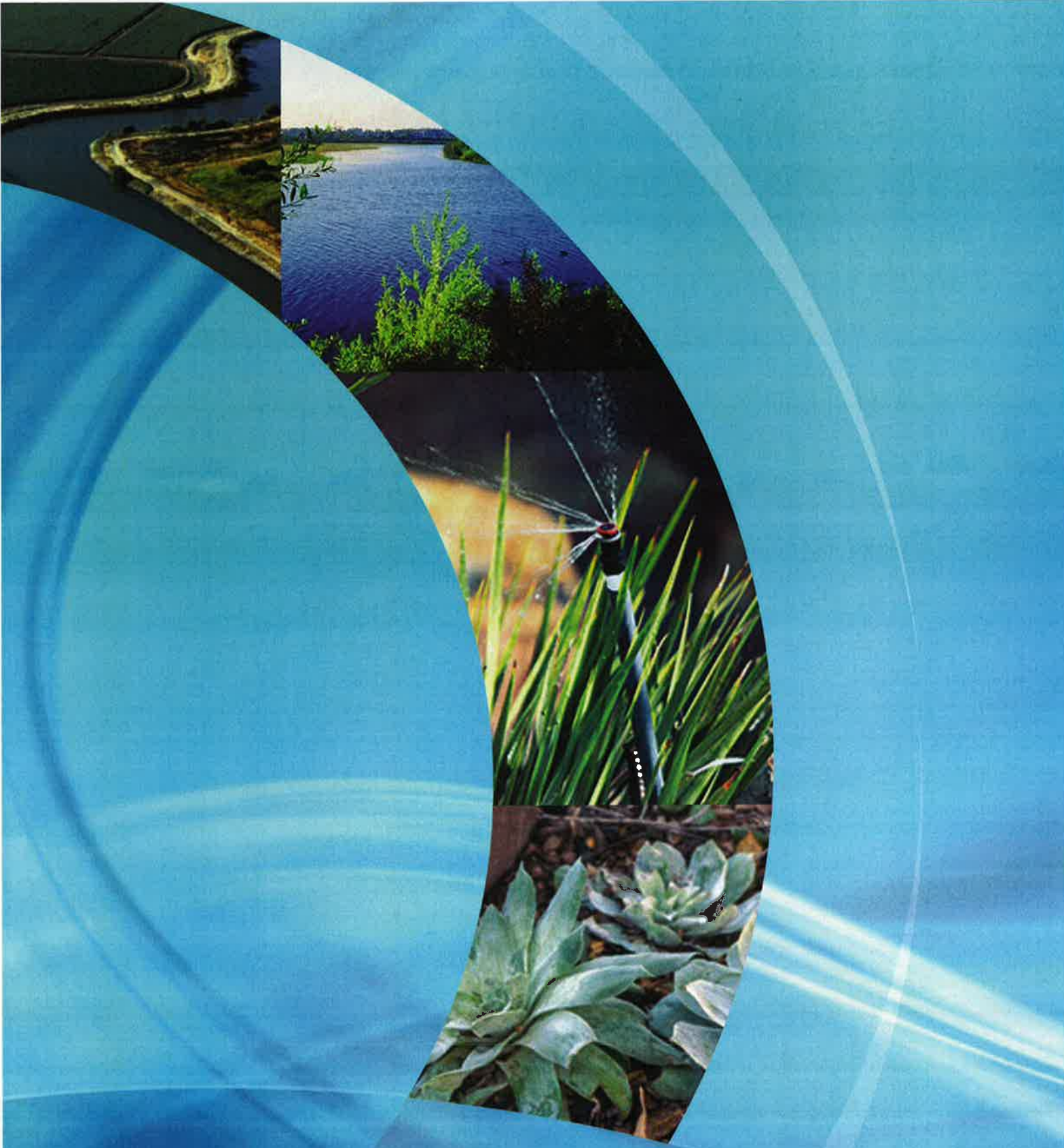
In addition to the high level of expertise of the subject matter (legal, procedural, political, best practices, and technical), the most notable characteristic which differentiates Robb is the outstanding responsiveness and thoroughness of communication throughout the entire process. No matter what time of day or what the subject matter was, Robb was available to provide assistance and guidance. He checked in often and made us feel like we were a priority.

We have used the model successfully and it is my sincere hope that when it comes time to update the information, we will once again have the pleasure to have such a valuable resource as Robb Grantham on our team.

Sincerely,

Helga Stover – City of Carlsbad Senior Accountant





carollo
Engineers...Working Wonders With Water®

October 13, 2014

Prepared by: Tanja Fournier

Submitted by: Rob Jacobson/Cheryl Clary

Approved by: Paul Cook

CONSENT CALENDAR

2014 DEFERRED COMPENSATION PLAN PROVIDER CONTRACT RENEWAL AND INVESTMENT REVIEW

SUMMARY:

Recently, staff and the District's deferred compensation plan (Plan) consultant, Hyas Group (Hyas), performed an in-depth review of the District's Plan. Primary objectives were to:

- Evaluate services currently provided by the District's Plan record keeper, Great-West Financial;
- Seek enhanced services where available;
- Reduce Plan expenses; and
- Determine participant satisfaction with the Plan's administration.

As a result of the review and fee negotiations, Great-West has agreed to reduce record keeping fees from 0.20% to 0.11%, (\$84,600 vs. \$46,500) calculated on the average annual balance in the Plan. Based on the Plan balance on March 31, 2014 of \$42.0 million, the fee reduction will result in annual Plan savings of approximately \$38,100. Staff recommends that the Board approve retaining Great-West Retirement Services as record keeper for the District's deferred compensation plan for a ten-year period at a total fee not to exceed 0.11%, calculated on the average annual assets in the Plan.

BACKGROUND:

Deferred Compensation Program and Investment Provider Review:

In April 2004, the District transitioned its deferred compensation plan from Lincoln National and entered into a 10-year agreement with Great-West as the sole record keeper for its Plan. Since that time, assets in the Plan have grown from approximately \$21.0 million to approximately \$42.0 million.

In May, 2014, the District's deferred compensation consultant, Hyas, issued a formal Request for Information (RFI) to Great-West. The RFI requested comprehensive information including Great-West's updated corporate structure, clientele, plan services, fees structures and investment options. Hyas compared Great-West's proposed fee structures with similar sized plans that have recently been reviewed and negotiated to ensure the proposal received from Great-West is competitive in the current market.

As a result of the Plan review and pricing negotiations, Great-West has agreed to reduce record keeping fees from 0.20% to 0.11%. Based on the current Plan balance of approximately \$42.0 million, this will result in a reduction of annual record keeping expense from \$84,600 to \$46,500, which is a \$38,100 reduction annually. Additionally, Hyas reviewed all investment options in the Plan and has provided three different fund restructuring scenarios that will each result in lower

fees charged by certain mutual fund companies while still providing revenue-sharing from the funds that will cover the record-keeping expenses for the Plan. Staff and Hyas also reviewed an alternate means of paying the record-keeping expenses which would result in changing all mutual funds offered in the Plan to non-revenue-sharing share classes and instead pass the expense of 0.11% (2.75% quarterly) directly to participants on a quarterly basis. This would result in slightly lower expense ratios being charged by some of the mutual fund companies and fees being deducted from participants' accounts by liquidating shares of employees' mutual funds each quarter on a pro-rata basis (typically fractional shares) among each of their investments. Staff does not recommend this method of paying the record-keeping expense, and instead recommends continuing to use the revenue received from the mutual funds to pay Plan costs. The Investment Structure and Cost Scenarios are attached as Exhibit "A".

Based on analysis and discussions with Hyas regarding the proposed scenarios, staff recommends that the District select Scenario No. 2 which will result in the following changes to the Plan:

- A new 10-year agreement with Great-West providing an annual fee reduction for the Plan of approximately \$38,100 (based on current Plan assets);
- The removal of the underperforming Davis New York Venture Fund and mapping of assets to the Vanguard 500 Index Fund;
- The removal of the PIMCO Total Return Fund due to the long-time lead manager's resignation from the firm and below average performance, and mapping the funds to the Metropolitan West Total Return Fund;
- The substitution of the Invesco Stable Value Fund with the Putnam Stable Value Fund which has outperformed Invesco over the one-, three-, five- and 10-year time periods;
- The addition of Index funds to the Small Cap, Mid Cap, and International asset classes; and
- The substitution of some current fund options with lower expense ratio versions of the same funds to reduce costs to participants where possible.

Additionally, Great-West has agreed to discontinue charging the \$50 annual fee for participants who use the Ameritrade self-directed brokerage option and has reduced the managed account fees as follows:

Participant Balance	Current	New
<\$100,000	0.65%	0.50%
≥\$100,000 to \$250,000	0.55%	0.40%
>\$250,000 to \$400,000	0.45%	0.30%
>\$400,000	0.35%	0.20%

Employee Satisfaction Survey:

In June 2014, as part of the deferred compensation program review, staff sent a satisfaction survey to employees. The purpose of the survey was to determine satisfaction with Great-West's services as well as additional information and educational topics that employees would like included in future quarterly educational meetings. The survey results indicated employees are very satisfied with the service level of Great-West and District staff. Areas that employees requested additional educational information included:

- The Plan's pre-mixed (asset allocation) portfolios and managed account services;
- Utilization of the self-directed brokerage account option;
- Retirement savings catch-up provisions offered in the 457 Plan; and
- Tools to assist with determining retirement readiness.

Staff and Great-West have begun developing presentation material to address the requested information and will share it with employees at upcoming quarterly meetings.

FISCAL IMPACTS:

Based on the March 31, 2014 Plan balance of \$42 million, a reduction in the Great-West recordkeeping fees from 0.20% to 0.11% will result in annual savings of approximately \$38,100 (\$84,600 vs. \$46,500).

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on October 7, 2014.

RECOMMENDATION:

THAT THE BOARD APPROVE THE RETENTION OF GREAT-WEST RETIREMENT SERVICES AS RECORD-KEEPER FOR THE DISTRICT'S DEFERRED COMPENSATION PLAN FOR A PERIOD OF 10 YEARS AT A TOTAL FEE NOT TO EXCEED 0.11%, CALCULATED ON THE AVERAGE ANNUAL ASSETS IN THE PLAN.

LIST OF EXHIBITS:

Exhibit "A" – Proposed Plan Fund Menu and Fee Structure Scenarios

Irvine Ranch Water District

457 Deferred Compensation and 401(a) Defined Contribution Plans Investment Structure and Cost Scenarios

September 2014

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Section 1

IRVINE RANCH WATER DISTRICT

457 Deferred Compensation and 401(a) Defined Contribution Plans

Investment Structure and Cost Scenarios - September 2014

Summary

On May 30, 2014, Irvine Ranch Water District (IRWD) issued a Request for Information (RFI) to the incumbent recordkeeper, Great West Retirement Services (GWRS), seeking service and fee improvements for the 457 Deferred Compensation Plan (457 Plan) and the 401(a) Defined Contribution Plan (401 Plan) (Collectively, the Plans). Preliminary findings suggest GWRS is willing to provide enhancements to both Plans, mainly in the area of reduced recordkeeping fees. In order for the Plans to realize any direct cost savings as a result of the proposed fee reductions, fund share classes will have to be changed to reduce the amount of excess revenue share that is generated by the Plans.

Analysis

In order to assess the potential impact of the new fee proposals, we modeled three new cost scenarios (Scenarios New, Scenario 1 and Scenario 2), and compared them to the current fee and fund structure. A description of each modeled cost scenario is as follows:

Scenario New: This scenario assumes the acceptance of the GWRS 10-year recordkeeping bid at 0.12% on assets and no changes to the investment menu.

Scenario 1: This scenario assumes the acceptance of the GWRS 10-year recordkeeping bid at 0.12%, with several share class changes in the investment menu. Specifically we are suggesting that the PIMCO Total Return, Munder Mid Cap Core Growth and Munder Veracity Small Cap Value move to lower cost, no revenue share versions of each respective fund. We also assumed the mapping of Baron Small Cap, Diamond Hill Large Cap and Invesco Stable Value to lower cost share classes as well as the addition of index funds in the mid cap, small cap and international categories. In addition, we are recommending terminating the Davis NY Venture Fund and mapping the assets to the Vanguard 500 Index Fund. It should also be noted that in October of this year, Vanguard will automatically map all plans using the Signal share class to the Vanguard Admiral share class. There will be no changes to the expenses as a result of the Vanguard automatic mapping. Finally, Invesco Stable Value will lower their management fee to 0.20% from 0.25% if IRWD signs a new investment management agreement.

Scenario 2: This scenario assumes the acceptance of the GWRS 10-year recordkeeping bid at 0.11% and the required use of Putnam Stable Value. This scenario has several share class changes in the investment menu as well as two fund terminations. Specifically, we are suggesting that Munder Mid Cap Core Growth move to a lower cost, no revenue share version of the fund. We also assumed mapping of Baron Small Cap, Diamond Hill Large Cap and Growth Fund of America to lower cost share classes as well as the addition of index funds in the mid cap, small cap and international categories. In addition, we are recommending terminating Davis NY Venture and mapping the assets to Vanguard 500 Index. It should also be noted that in October of this year, Vanguard will automatically map all plans using the Signal share class to the Vanguard Admiral share class. There will be no changes to the expenses as a result of the Vanguard mapping. Due to management turnover of PIMCO Total Return

IRVINE RANCH WATER DISTRICT

457 Deferred Compensation and 401(a) Defined Contribution Plans

Investment Structure and Cost Scenarios - September 2014

Bond, we are recommending the replacement of this option with Metropolitan West Total Return I. Finally, this scenario assumes moving Invesco Stable Value to Putnam Stable Value.

The following charts outline the annual cost difference across both plans for each scenario proposed:

TOTAL COST AS % OF ASSETS		Current Fee	New Fee	Scenario 1	Scenario 2
a.	Investment Cost	0.51%	0.51%	0.47%	0.47%
b.	Revenue Share: Recordkeeping	0.20%	0.12%	0.12%	0.11%
c.	Revenue Share: Excess	0.03%	0.11%	0.017%	0.006%
d.	Brokerage Account Fee	0.004%	-	-	-
e.	Managed Account Fee	0.033%	0.025%	0.025%	0.025%
f.	Total Cost as a % of Assets	0.775%	0.763%	0.633%	0.615%
g.	Annual Cost Reduction	-	1.5%	18.3%	20.6%

TOTAL COST IN \$		Current Fee	New Fee	Scenario 1	Scenario 2
h.	Investment Cost	\$214,191	\$214,191	\$199,067	\$200,280
i.	Revenue Share: Recordkeeping	\$84,545	\$50,727	\$50,727	\$46,500
j.	Revenue Share: Excess	\$13,309	\$47,127	\$7,203	\$2,415
k.	Brokerage Account Fee	\$1,750	-	-	-
l.	Managed Account Fee	\$13,844	\$10,649	\$10,649	\$10,649
m.	Total Cost	\$327,639	\$322,694	\$267,646	\$259,843
n.	Annual Cost Reduction	-	\$4,945	\$59,993	\$67,796

The proposed recordkeeping fee of 0.12% represents a 0.08% decrease in administration charges. This equates to about a \$34,000 annually across both plans. Scenario 2 would result in about \$38,000 in reduced recordkeeping charges due to the 0.11% stable value fund recordkeeping offer. Cost reduction numbers can be found on Line i; corresponding revenue share excess increases/decreases are on Line j.

As provided in the tables, the fund changes suggested under Scenario 1, lead to a reduction in total cost of 18% for a combined total annual cost savings of about \$60,000. Scenario 2, using Putnam Stable Value and a lower recordkeeping fee results in a fee decrease of 21% or about \$68,000. The lower recordkeeping fee is offset by the slightly higher investment cost (Line h) and lower excess revenue share (Line j) that comes from the Putnam Stable Value Fund.

IRVINE RANCH WATER DISTRICT

457 Deferred Compensation and 401(a) Defined Contribution Plans

Investment Structure and Cost Scenarios - September 2014

One additional point to consider in the evaluation of the scenarios is that the Putnam Stable Value has historically been a better performing stable value fund than the Invesco option with similar portfolio and risk characteristics. Despite the slightly higher investment cost, Putnam has been able to outperform Invesco over all time periods evaluated.

The table below illustrates the gross of fee performance for both products.

Fund	6/30/14 Gross Rate	1 Year	3 Year	5 Year	10 Year
Invesco Stable Value	1.44%	1.48%	1.82%	2.46%	3.31%
Putnam Stable Value	1.91%	1.90%	2.36%	3.04%	3.82%
<i>Difference</i>	<i>0.47%</i>	<i>0.42%</i>	<i>0.54%</i>	<i>0.58%</i>	<i>0.51%</i>

In addition to the proposed recordkeeping and investment cost reductions, GWRS proposed eliminating the \$50 per account fee for the brokerage option and reducing the cost of the managed account program. The brokerage reduction equates to \$1,750 per year, and the managed account adjustment from 0.65% to 0.50% equates to about \$3,200 savings for participants using this service.

Conclusion

Participants should see a decrease in overall plan costs as a result of the contract negotiations. GWRS is reducing their recordkeeping charge from the current 0.20% to either 0.12% or 0.11%, depending on which stable value fund used. Since the recordkeeping fee is paid through revenue share, the mechanism to take advantage of the reduced recordkeeping fee would be to change to lower cost, lower revenue share funds where available. In the Scenario 1 and 2 cost options we attempted to retain most of the current funds while offering lower cost share classes in a number of asset categories.

Both scenarios presented results in a meaningful annual cost savings. Since the savings is primarily derived from asset-based fees, as assets grow, the cost savings in dollar terms should be larger. As you project the savings out over a multiple year contract, the dollar amount actually reaches well into the six figures.

Section 2

Irvine Ranch Water District
Current Fee Structure

Asset Class	Fund Name	Ticker	Assets	Total Fees	Revenue Share	Total Expense	Total Rev. Share
Stable Value	INVESCO Stable Value 0.60%	-	\$8,975,863	0.60%	0.35%	\$53,855	\$31,416
Core Bond	PIMCO Total Return Admin	PTRAX	\$1,860,772	0.71%	0.25%	\$13,211	\$4,652
Large Value	Diamond Hill Large Cap I	DHLRX	\$1,683,515	0.80%	0.00%	\$13,468	\$0
Large Blend	Vanguard 500 Index Signal	VIFSX	\$1,597,280	0.05%	0.00%	\$799	\$0
Large Blend	Davis New York Venture A	NYVTX	\$1,964,070	0.88%	0.35%	\$17,284	\$6,874
Large Growth	Growth Fund of America R4	RGAEX	\$3,350,150	0.68%	0.35%	\$22,781	\$11,726
Mid Value	Hotchkis and Wiley Mid-Cap Value I	HWMIX	\$3,165,482	1.07%	0.25%	\$33,871	\$7,914
Mid Growth	Munder Mid Cap Core Growth Y	MGOYX	\$1,983,263	1.15%	0.25%	\$22,808	\$4,958
Small Value	Munder Veracity Small-Cap Value Y	VSVIX	\$1,749,005	1.25%	0.25%	\$21,863	\$4,373
Small Growth	Baron Small Cap Retail	BSCFX	\$2,480,393	1.31%	0.40%	\$32,493	\$9,922
International Blend	Harbor International Instl	HAINX	\$3,057,056	0.74%	0.00%	\$22,622	\$0
Asset Allocation	Conservative Profile	-	\$1,766,506	0.71%	0.24%	\$12,542	\$4,240
Asset Allocation	Moderate Profile	-	\$3,384,591	0.74%	0.21%	\$25,046	\$7,141
Asset Allocation	Aggressive Profile	-	\$2,487,465	0.78%	0.19%	\$19,402	\$4,639
Brokerage	Brokerage	-	\$2,766,964	0.00%	0.00%	\$0	\$0
Total:			\$42,272,372			\$312,045	\$97,853
Managed Acct Fee:						\$13,844	-
Brokerage Fee:						\$1,750	-
Total Cost:							0.78%

Current Great West Fee:	0.20%	\$84,545
Current Revenue Share:	0.23%	\$97,853
Administration Fee:	0.00%	\$0

Excess Revenue Share: 0.03% \$13,309

Irvine Ranch Water District
Current Fund Menu - New Fee Structure

Asset Class	Fund Name	Ticker	Assets	Total Fees	Revenue Share	Total Expense	Total Rev. Share
Stable Value	INVESCO Stable Value 0.60%	-	\$8,975,863	0.60%	0.35%	\$53,855	\$31,416
Core Bond	PIMCO Total Return Admin	PTRAX	\$1,860,772	0.71%	0.25%	\$13,211	\$4,652
Large Value	Diamond Hill Large Cap I	DHLRX	\$1,683,515	0.80%	0.00%	\$13,468	\$0
Large Blend	Vanguard 500 Index Signal	VIFSX	\$1,597,280	0.05%	0.00%	\$799	\$0
Large Blend	Davis New York Venture A	NYVTX	\$1,964,070	0.88%	0.35%	\$17,284	\$6,874
Large Growth	Growth Fund of America R4	RGAEX	\$3,350,150	0.68%	0.35%	\$22,781	\$11,726
Mid Value	Hotchkis and Wiley Mid-Cap Value I	HWMIX	\$3,165,482	1.07%	0.25%	\$33,871	\$7,914
Mid Growth	Munder Mid Cap Core Growth Y	MGOYX	\$1,983,263	1.15%	0.25%	\$22,808	\$4,958
Small Value	Munder Veracity Small-Cap Value Y	VSVIX	\$1,749,005	1.25%	0.25%	\$21,863	\$4,373
Small Growth	Baron Small Cap Retail	BSCFX	\$2,480,393	1.31%	0.40%	\$32,493	\$9,922
International Blend	Harbor International Instl	HAINX	\$3,057,056	0.74%	0.00%	\$22,622	\$0
Asset Allocation	Conservative Profile	-	\$1,766,506	0.71%	0.24%	\$12,542	\$4,240
Asset Allocation	Moderate Profile	-	\$3,384,591	0.74%	0.21%	\$25,046	\$7,141
Asset Allocation	Aggressive Profile	-	\$2,487,465	0.78%	0.19%	\$19,402	\$4,639
Brokerage	Brokerage	-	\$2,766,964	0.00%	0.00%	\$0	\$0
Total:			\$42,272,372			\$312,045	\$97,853
Managed Acct Fee:						\$10,649	
Brokerage Fee:						\$0	
Total Cost:						0.763%	

Proposed Great West Fee:	0.12%	\$50,727
Current Revenue Share:	0.23%	\$97,853
Administration Fee:	0.00%	\$0

Excess Revenue Share: 0.11% \$47,127

Irvine Ranch Water District

Scenario 1 - 10 Year Contract + Invesco Stable Value

Asset Class	Fund Name	Ticker	Assets	Total Fees	Revenue Share	Total Expense	Total Rev. Share
Stable Value	INVESCO Stable Value 0.50%	-	\$8,975,863	0.50%	0.30%	\$44,879	\$26,928
Core Bond	PIMCO Total Return Instl	PTTRX	\$1,860,772	0.46%	0.00%	\$8,560	\$0
Large Value	Diamond Hill Large Cap Y	DHLYX	\$1,683,515	0.65%	0.00%	\$10,943	\$0
Large Blend	Vanguard 500 Index Signal	VIFSX	\$1,597,280	0.05%	0.00%	\$799	\$0
Large Blend	Map to Vanguard 500 Index	VIFSX	\$1,964,070	0.05%	0.00%	\$982	\$0
Large Growth	Growth Fund of America R4	RGAEX	\$3,350,150	0.68%	0.35%	\$22,781	\$11,726
Mid Value	Hotchkis and Wiley Mid-Cap Value I	HWMIX	\$3,165,482	1.07%	0.25%	\$33,871	\$7,914
Mid Blend	Vanguard Mid Cap Index Admiral	VIMAX	\$0	0.09%	0.00%	\$0	\$0
Mid Growth	Munder Mid Cap Core Growth R6	MGOSX	\$1,983,263	0.89%	0.00%	\$17,651	\$0
Small Value	Munder Veracity Small-Cap Value R6	MVSSX	\$1,749,005	1.13%	0.00%	\$19,764	\$0
Small Blend	Vanguard Small Cap Index Admiral	VSMAX	\$0	0.09%	0.00%	\$0	\$0
Small Growth	Baron Small Cap Instl	BSFIX	\$2,480,393	1.05%	0.15%	\$26,044	\$3,721
International Blend	Vanguard Total International Stock Admiral	VTIAX	\$0	0.14%	0.00%	\$0	\$0
International Blend	Harbor International Instl	HAINX	\$3,057,056	0.74%	0.00%	\$22,622	\$0
Asset Allocation	Conservative Profile	-	\$1,766,506	0.58%	0.12%	\$10,218	\$2,178
Asset Allocation	Moderate Profile	-	\$3,384,591	0.62%	0.10%	\$21,078	\$3,475
Asset Allocation	Aggressive Profile	-	\$2,487,465	0.68%	0.08%	\$16,806	\$1,989
Brokerage	Brokerage	-	\$2,766,964	0.00%	0.00%	\$0	\$0
Total:			\$42,272,372			\$256,997	\$57,930
Managed Acct Fee:						\$10,649	
Brokerage Fee:						\$0	
Total Cost:						0.63%	

New Great West Fee:	0.120%	\$50,727
Revenue Share:	0.137%	\$57,930
Administration Fee:	0.00%	\$0

Excess Revenue Share: 0.02% \$7,203

Key:

- Funds in green indicate move to cheaper share class from current menu.
- Funds in red indicate a change in fund from current menu.
- Funds in blue indicate revenue share fund which rebates revenue share to participants
- Funds in dark blue indicate new funds in asset class.

Irvine Ranch Water District

Scenario 2 - 10 Year Contract + Putnam Stable Value

Asset Class	Fund Name	Ticker	Assets	Total Fees	Revenue Share	Total Expense	Total Rev. Share
Stable Value	Putnam Stable Value 0.50%	-	\$8,975,863	0.50%	0.25%	\$44,879	\$22,440
Core Bond	MetWest Total Return I	MWTIX	\$1,860,772	0.45%	0.10%	\$8,373	\$1,861
Large Value	Diamond Hill Large Cap Y	DHLYX	\$1,683,515	0.65%	0.00%	\$10,943	\$0
Large Blend	Vanguard 500 Index Signal	VIFSX	\$1,597,280	0.05%	0.00%	\$799	\$0
Large Blend	Map to Vanguard 500 Index	VIFSX	\$1,964,070	0.05%	0.00%	\$982	\$0
Large Growth	Growth Fund of America R5	RGAFX	\$3,350,150	0.39%	0.05%	\$13,066	\$1,675
Mid Value	Hotchkis and Wiley Mid-Cap Value I	HWMIX	\$3,165,482	1.07%	0.25%	\$33,871	\$7,914
Mid Blend	Vanguard Mid Cap Index Admiral	VIMAX	\$0	0.09%	0.00%	\$0	\$0
Mid Growth	Munder Mid Cap Core Growth R6	MGOSX	\$1,983,263	0.89%	0.00%	\$17,651	\$0
Small Value	Munder Veracity Small-Cap Value Y	VSVIX	\$1,749,005	1.25%	0.25%	\$21,863	\$4,373
Small Blend	Vanguard Small Cap Index Admiral	VSMAX	\$0	0.09%	0.00%	\$0	\$0
Small Growth	Baron Small Cap Instl	BSFIX	\$2,480,393	1.05%	0.15%	\$26,044	\$3,721
International Blend	Vanguard Total International Stock Admiral	VTIAX	\$0	0.14%	0.00%	\$0	\$0
International Blend	Harbor International Instl	HAINX	\$3,057,056	0.74%	0.00%	\$22,622	\$0
Asset Allocation	Conservative Profile	-	\$1,766,506	0.58%	0.11%	\$10,218	\$1,899
Asset Allocation	Moderate Profile	-	\$3,384,591	0.62%	0.09%	\$21,078	\$3,141
Asset Allocation	Aggressive Profile	-	\$2,487,465	0.68%	0.08%	\$16,806	\$1,892
Brokerage	Brokerage	-	\$2,766,964	0.00%	0.00%	\$0	\$0
		Total:	\$42,272,372			\$249,194	\$48,915
Managed Acct Fee:						\$10,649	
Brokerage Fee:						\$0	
Total Cost:						0.615%	

New Great West Fee:	0.110%	\$46,500
Revenue Share:	0.116%	\$48,915
Administration Fee:	0.00%	\$0

Excess Revenue Share: 0.006% \$2,415

Key:

- Funds in green indicate move to cheaper share class from current menu.
- Funds in red indicate a change in fund from current menu.
- Funds in blue indicate revenue share fund, which rebates revenue share to participants.
- Funds in dark blue indicate new funds in asset class.

Section 3



Invesco Stable Value Trust

Stable Value

Available exclusively to qualified retirement plans

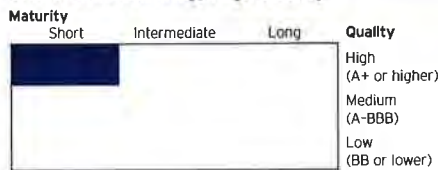
Key Facts

Category	Stable Value
Type of Management	Actively Managed
Fund Inception Date	03/30/1988
Performance Start Date	03/31/1988
CUSIP	46X587XX5
Tax ID (EIN)/Plan #	84-1142974/001
Share Class	Class C
Total Net Assets (\$mil)	\$6,267.53
Share Price (NAV)	\$1.00
Annual Portfolio Turnover*	14.50%

*As of 12/31/2013

Fund Style

Short-Term Maturity, High Quality



■ Primary Weighting

The map illustrates areas in which the fund typically invests, not necessarily within a limited period of time.

Fees¹ and Expenses²

Management Fee*	N/A
Annual Fund Operating Expenses	0.00%
Acquired Fund Expenses	0.06%
Wrap Expenses	0.23%
Total Annual Expense Ratio*	0.29%

*The Total Annual Expense Ratio does not include the management fee or any client service fees that may be paid to third party administrators. Contact your Plan Sponsor to obtain the management fee in effect for your plan and the names of any third parties receiving any client servicing fees for this fund. Read the Important information section for more about fees and expenses.

Fund management

Fund Trustee and Investment Manager

The trustee and investment manager for the Fund is Invesco National Trust Company, a limited purpose national trust bank.

Fund Sub-Advisor

Invesco Advisers, Inc.

Portfolio Management

Team Managed - Invesco Fixed Income

Investment objective

The primary investment objective of the Fund will be to seek the preservation of principal and to provide interest income reasonably obtained under prevailing market conditions and rates, consistent with seeking to maintain required liquidity.

Investor profile

The Invesco Stable Value Trust may be appropriate for investors who seek little fluctuation in the value of their invested principal, a competitive interest rate, and a low level of overall risk.

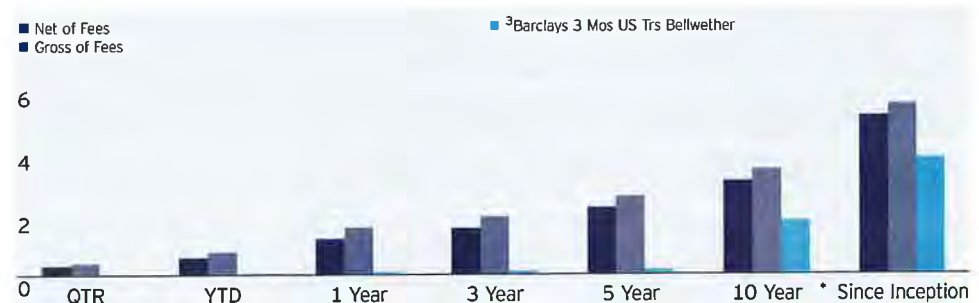
Investment strategy

The Fund's returns are based on returns generated by an actively-managed, highly diversified portfolio of investment grade, fixed and floating rate securities. The Fund may invest in such securities directly or indirectly through commingled investment vehicles (the "building block strategy"). This building block strategy may provide greater diversification than could be achieved by investing in individual bonds. This building block strategy also may reduce the unintended impact on portfolio characteristics created by participant cash flow.

The Sub-Advisor takes diversification a step further by retaining unaffiliated managers to manage a portion of the portfolio, whether directly or indirectly through commingled investment vehicles. The style diversification provided by unaffiliated managers may lead to improved consistency. The minimum average credit rating of the Fund's investments (or if such investments are interests in commingled investment vehicles, the underlying investments held by such vehicles) must be Aa3/AA- by Moody's/S&P or an equivalent as determined by another NRSRO (as defined below). Duration, maturity selection, spread volatility, sector and security selection are each potential sources of return.

In addition to the fixed income investments above, the Fund may enter into security investment contracts (sometimes called "wrap agreements") issued by banks and insurance companies. These contracts are linked to the Fund's fixed income investments and are generally intended to allow for plan participant transactions to be effected at book value and the amortization of underlying fixed income gains and losses over a specified period of time through adjustments to the future contract interest crediting rate (which is the rate earned by investors in the Fund). The investment contracts provide that the adjustments to the interest crediting rate will not result

Performance as of 06/30/2014



	QTR	YTD	1 Yr	3 Yr	5 Yr	10 Yr	*Since Inception
Net of Fees	0.28	0.54	1.12	1.46	2.11	2.95	5.00
Gross of Fees	0.36	0.71	1.48	1.82	2.46	3.31	5.37
³ Barclays 3 Mos US Trs Bellwether	0.01	0.04	0.07	0.09	0.13	1.67	3.65

*Since Inception performance is as of the first full month the fund was open. Total return assumes reinvestment of dividends and capital gains for the periods indicated. Past performance is no guarantee of future results. Gross performance has been calculated before the deduction of investment management and client service fees, but after the deduction of all other expenses applicable to the fund. Net Performance has been calculated after the deduction of the Total Annual Expense Ratio of the fund as well as a hypothetical management fee of 0.35%. Investment return and principal value will vary and you may have a gain or loss when you sell shares. Visit invesconationaltrust.com for most recent month end performance. Amounts withdrawn may not be transferred to a competing option for 90 days after withdrawal.

For Consultant, Broker Dealer, Institutional Investor or Existing Plan Sponsor & their participants' use only.

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Important information

The Invesco Collective Trust Funds are bank collective trust funds for which Invesco National Trust Company serves as trustee and investment manager. They are available exclusively to qualified retirement plans. The funds are not FDIC insured or registered with the Securities and Exchange Commission. Fund investors and potential investors are strongly encouraged to review the funds' Declaration of Trust for additional information regarding the operation and investment objectives of the funds.

Invesco Distributors, Inc., is the US distributor for the Invesco Collective Trust Funds. Both Invesco National Trust Company and Invesco Distributors, Inc. are indirect, wholly-owned subsidiaries of Invesco Ltd.

Material presented is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. This does not constitute an offer or solicitation of any security or product, nor constitute a recommendation of the suitability of any investment strategy for a particular investor.

When evaluating whether a fund is appropriate for your investment goals, fund performance, fees and expenses are only a few of the criteria you should consider. You may also consider the investment objective, strategy and risks.

¹Management fees vary by Plan and may include client service fees payable to third parties at the discretion of your Plan Sponsor. This negotiated fee can fluctuate daily based on the various asset level breakpoints reached at the time the daily fee accrual is calculated for each Plan. Contact your Plan Sponsor to obtain the management fee negotiated for your retirement Plan, the names of any third parties being paid and the amount of the fee paid to those third parties

²Fund Operating expenses are annualized as of the most recent year end. Operating expenses may include: portfolio valuation and accounting, transfer agency, custody, annual report and audit fees. The investment manager does not assess any fee in connection with the purchase or redemption of units of the fund.

This fund invests in other funds/investment vehicles. There are expenses ("Acquired Fund Expenses") associated with those investments, such as sub-adviser fees, which are estimated. The acquired fund expenses are included in the total fund expense ratio. All acquired fund expenses for the underlying funds/vehicles in existence for greater than one year are as of the prior calendar year end audited financial statements. All funds/vehicles less than one year are unaudited and as of the most recent period.

There are fees associated with financial institutions providing wrapped investment contracts. These fees are included in the operating expenses of the fund and are reflected in the gross crediting rate, gross and net performance. All wrap fees for funds that are greater than one year are as of the prior calendar year end. All funds less than one year are as of the most recent period.

³The Barclays U.S. Treasury Bellwethers 3-Month Index is tracked by Barclays to provide performance for the three-month U.S. Treasury Bill. An investment cannot be made directly in an index.

⁴Portfolio composition statistics are subject to change and current holdings may differ. It should not be assumed that any of the holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the holdings.

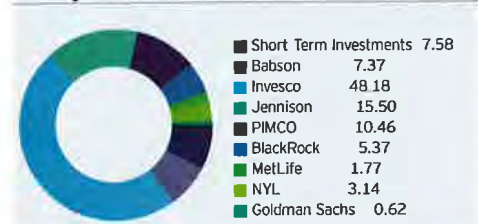
Investment Products offered are: NOT FDIC-Insured, May Lose Value, Not Bank Guaranteed.

Portfolio Composition⁴

Asset Allocation % TNA



Manager Diversification % TNA



Portfolio Characteristics

Effective Duration (years)	2.70
Crediting Rate	1.44%
Yield to Maturity	1.15%
Number of Securities	4,393

Wrap Provider Exposure

Contract Issuer	Portfolio %	Moody's Rating	S&P Rating	Fitch Rating
Monumental	20.22%	A1	AA-	AA-
Prudential Ins Co	14.81%	A1	AA-	A+
Metropolitan Life	13.23%	Aa3	AA-	AA-
American General Life Ins	12.78%	A2	A+	A+
ING Life & Annuity	7.76%	A3	A-	A-
State Street Bank	7.45%	Aa3	AA-	AA-
MassMutual	7.38%	Aa2	AA+	AA+
Pacific Life Ins	5.46%	A1	A+	A+
New York Life	3.16%	Aaa	AA+	AAA
	92.26%			

* Ratings Source: Standard & Poor's, Moody's or Fitch, as applicable. Ratings are measured on a scale that generally ranges from AAA (highest) to D (lowest); ratings are subject to change without notice. If securities are rated differently by the rating agencies, the higher rating is applied. Not Rated (NR) indicates the debtor was not rated, and should not be interpreted as indicating low quality. For more information on the rating methodology, please visit standardandpoors.com; www.moody's.com or www.fitchratings.com.

Investment strategy continued

in a future interest crediting rate that is less than zero. In general, if the contract value of the investment agreements exceeds the market value of the underlying investments (including accrued interest), the investment contract issuer becomes obligated to pay that difference to the Fund in the event that permitted plan participant redemptions result in a total contract liquidation. The circumstance under which payments are made and the timing of payments between the Fund and the contract issuer may vary based on the terms of the investment contracts, and the investment contract issuer's obligation to pay is subject to significant conditions relating to, among other things, the types and frequency of redemptions from or by the Fund.

Although the above strategy of combining an actively managed fixed income portfolio with investment contracts is currently the primary strategy of the Fund, the Fund may also invest in traditional guaranteed investment contracts (GICs) or insurance company separate account contracts as defined in the investment guidelines.

Valuation and Reporting

The Fund's assets will be valued and reported in accordance with the Declaration of Trust and the provisions of and any amendments to ASC 825, Financial Instruments, ASC 820, Fair Value Measurements and Disclosures, and ASC 946-210, Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined Contributions Health and Welfare and Pension Plans (FSP AAG INV-1 and SOP 94-4-1), and other standards of financial accounting and reporting, if any, applicable to the Fund's investments.

Sector Allocation % TNA

Short Term Investments**	10.37
U.S. Treasury Securities	36.43
U.S. Government Agencies	1.54
Non-U.S. Government Agencies	0.51
Corporate Bonds	14.41
Asset Backed Securities	16.70
Mortgage Backed Securities	11.52
Commercial Mortgage Backed Securities	8.52
Total	100.00

Quality Allocation* % TNA

Short Term Investments**	10.65
Aaa	74.68
Aa	2.42
A	8.08
Baa	4.17
Total	100.00

**Includes cash and cash equivalents held in underlying investments.

Product profile
Q2 | 2014

Putnam Stable Value Fund

Fund inception date
2/28/91

Total portfolio assets
\$5.6B

Portfolio characteristics

as of 6/30/14	Putnam Stable Value
Weighted Average Maturity	2.88
Gross Crediting Rate	1.91%
Wrap and GIC Issuers	11
Number of Contracts	28
Total Underlying Securities	657
Market/Book Value	101.6%

Data as of fiscal year end

Fiscal Year End	12/31/13
Management Fee	0.00%
Wrap Fee*	0.16%
Legal/Audit Fee	0.00%
Total Expense Ratio	0.16%
CUSIP	74686Q108

The expense ratio is for the fiscal year ended 12/31/13 and is subject to change.
*Please see p.2 for additional information.

Portfolio issuers as of 6/30/14

Wrap Providers

Prudential Life	22.1%
Pacific Life	20.1%
Mass Mutual	16.9%
JP Morgan Chase Bank	0.5%

Cash and Cash Equivalents

Putnam Money Market	6.3%
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Traditional GICs

Jackson National Life	8.8%
Principal Life	9.4%
Protective Life	7.0%
Metropolitan Life	4.2%
Prudential Life	2.7%
New York Life	1.5%
Security Life of Denver (ING)	0.5%

Percent of Portfolio	100.0%
-----------------------------	---------------

Objective

- Deliver intermediate-bond-like returns while seeking to maintain a stable net asset value

Product highlights

- Seeks to maintain the stability of a money market fund while offering returns similar to those of intermediate-term bonds: 50-75 basis points above the benchmark over a full interest-rate cycle
- Consistency, liquidity, and stability are essential to the portfolio construction process, which emphasizes diversifying the sources of returns, industries, and issuers within the portfolio
- Utilizes the full opportunity set within the stable value universe, including cash alternatives, GICs, managed synthetics, and constant duration synthetics

Portfolio management

Steven A. Horner, CFA Portfolio Manager Industry since 1991	D. William Kohli Co-Head of Fixed Income Industry since 1987
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Annualized portfolio performance as of 6/30/14 (Gross of fees)

	(%)	BofA Merrill Lynch U.S. 3 Month Treasury Bill Index (%)
Q2	0.48	0.01
YTD	0.95	0.02
1 Year	1.90	0.05
3 Years	2.36	0.07
5 Years	3.04	0.11
10 Years	3.82	1.63

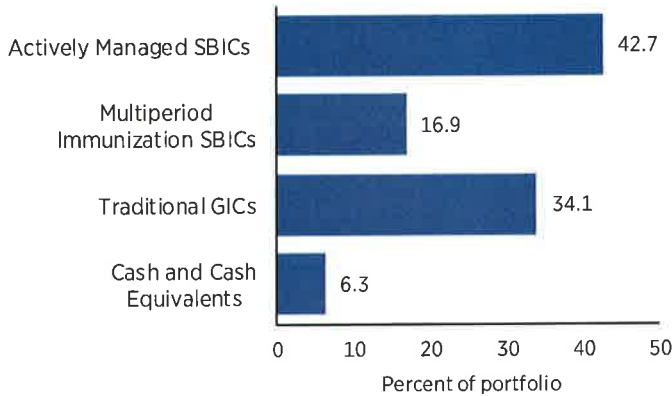
Periods less than one year are not annualized.

Data is historical. Past performance is not a guarantee of future results. More recent returns may be higher or lower than those shown. Investment returns and principal value will fluctuate and you may have a gain or a loss when you sell your shares. All performance is shown gross of fees. For the most recent month end performance information please contact Putnam Investments.

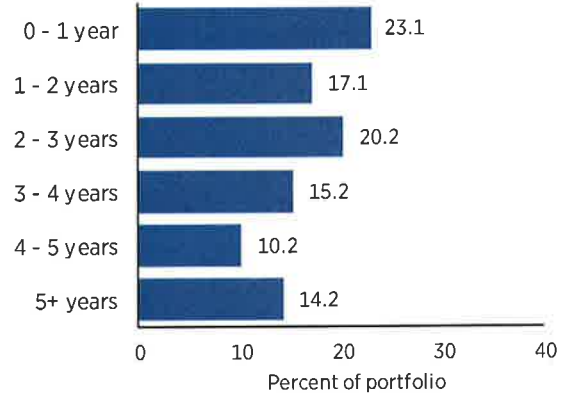
Not FDIC insured. May lose value. No bank guarantee.

Portfolio details as of 6/30/14

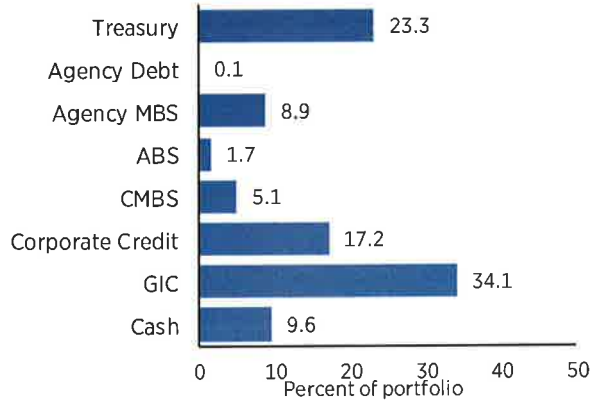
Portfolio structure



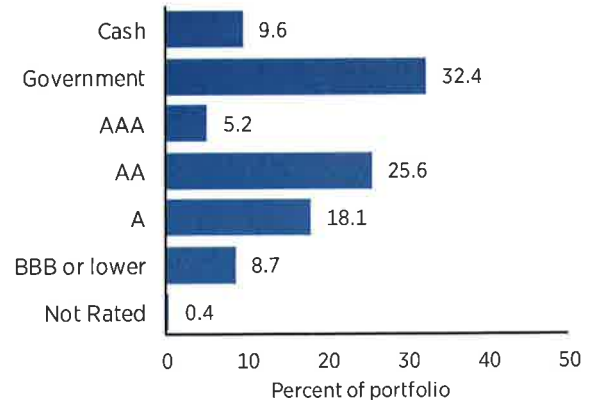
Duration distribution



Portfolio sectors



Quality



Total Cash shown within the Sector & Quality distributions reflects the cash position outside of the wrap plus any cash held within the wrap. Credit qualities are shown as a percentage of net assets. A bond rated BBB or higher (A-3 or higher, for short-term debt) is considered investment grade. This chart reflects the security ratings provided by Standard & Poor's. Short-term cash bonds rated A-1+ are included in the AAA-rating category. Ratings and portfolio credit quality will vary over time. The fund itself has not been rated by an independent rating agency. Plan Sponsors whose plans are invested in the Stable Value Fund and would like additional information on the fund's investments, including certain monthly information, can contact Putnam Investments. Other parties, such as prospective investors, may also obtain this information at Putnam's discretion.

Calendar year performance (%)

Account Name	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Stable Value Fund (gross of fees)	1.96	2.40	3.76	4.35	2.98	4.90	5.10	4.86	4.73	4.73
BofA Merrill Lynch U.S. 3 Month Treasury Bill Index	0.07	0.11	0.10	0.13	0.21	2.06	5.00	4.85	3.07	1.33

Data is historical. Past performance is not a guarantee of future results. More recent returns may be higher or lower than those shown. Investment returns and principal value will fluctuate and you may have a gain or a loss when you sell your shares. All performance is shown gross of fees. For the most recent month end performance information please contact Putnam Investments.

Section 4

Davis NY Venture A NYVTX

Portfolio

Morningstar Category™
Large Blend

Total Assets \$ Bil
20.1

Benchmark
Russell 1000 TR USD

Annual Turnover
7%

Category Avg Turnover
61%

Yield TTM
0.57%

Assets In Top 10 Holdings
42.35%

Stock Holdings (Long) 73

Stock Holdings (Short) —

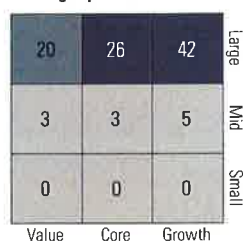
Bond Holdings (Long) 2

Bond Holdings (Short) —

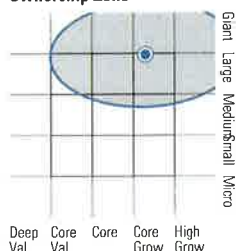
Other Holdings (Long) 1

Other Holdings (Short) —

Holding Style



Ownership Zone



0-10 10-25 25-50 >50

Style Details

Avg Market Cap USD 53,315 mil

Benchmark Market Cap USD 52,225 mil

Category Avg Market Cap USD 97,838 mil

Market Capitalization (Size)	% of Portfolio	% Bmark	% Cat Avg
Giant	44.19	44.91	69.71
Large	44.21	32.83	11.14
Medium	11.16	20.41	16.35
Small	0.44	1.85	2.67
Micro	0.00	0.01	0.13

Value Measures

	Stock Portfolio	Bmark	Cat Avg
Price/Prospective Earnings*	17.69	17.25	15.97
Price/Book*	1.90	2.34	2.40
Price/Sales*	1.45	1.62	1.88
Price/Cash Flow*	7.07	7.56	5.34
Dividend Yield %*	1.34	2.21	2.57

Growth Measures

	Stock Portfolio	Bmark	Cat Avg
Long-Term Earnings %	11.55	10.36	6.44
Historical Earnings %	11.97	9.16	0.85
Sales Growth %	8.52	3.40	0.65
Cash-Flow Growth %	9.19	6.47	5.96
Book-Value Growth %	8.74	6.89	-6.17

* Forward-looking based on historical data. Style and Market Cap Breakdown and Value and Growth Measures are calculated only using the long position holdings of the portfolio.

Investment Style History 04-30-2014

Year	Style	% Equity
2014		97.92
2013		96.36
2012		99.77
2011		97.52
2010		96.29

Style Box Detail calculations do not include the fund's short positions (if any).

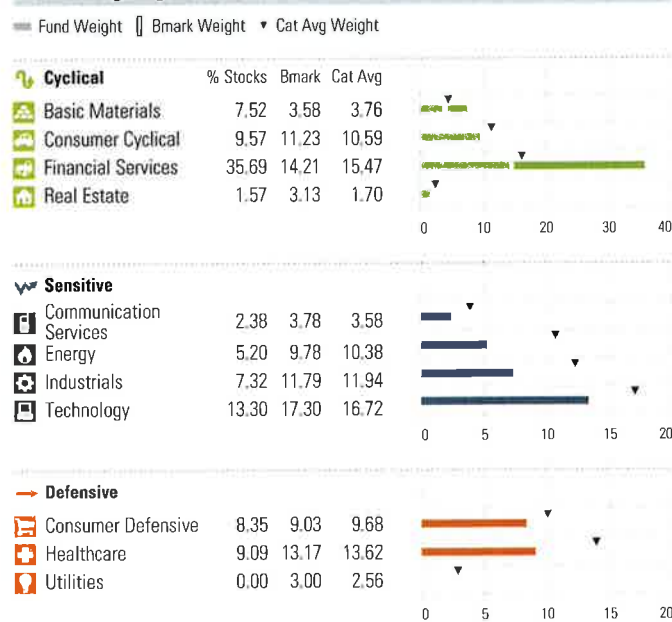
Asset Allocation 04-30-2014



Equity Portfolio Financial Metrics

	% of Portfolio	% Bmark	% Cat Avg
ROIC	11.48	13.64	16.08
Wide Moat Coverage	50.50	46.25	59.53
Narrow Moat Coverage	45.83	44.49	34.53
No Moat Coverage	3.68	9.26	5.95
Financial Health	—	—	—
Profitability	—	—	—
Growth	—	—	—
Cash Return %	43.70	11.10	19.95
Free Cashflow Yield Ex-financials	0.04	0.04	0.05
D/C Ratio	37.08	36.62	34.95

Sector Weightings 04-30-2014



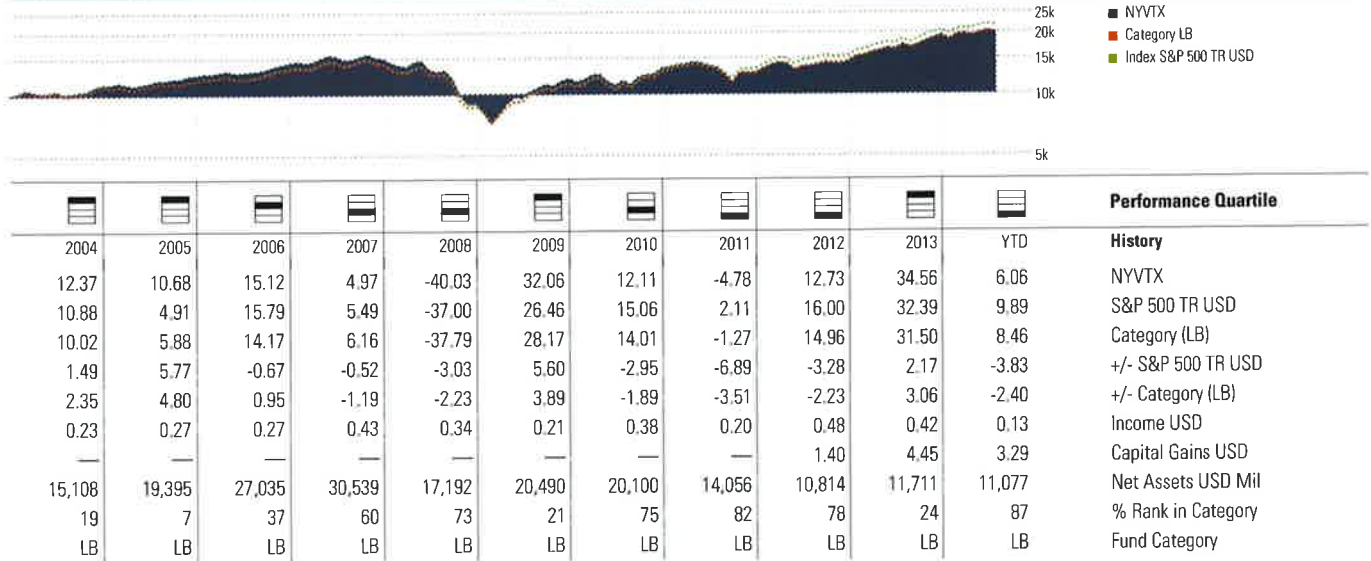
Country data is calculated only using the long position holdings of the portfolio.

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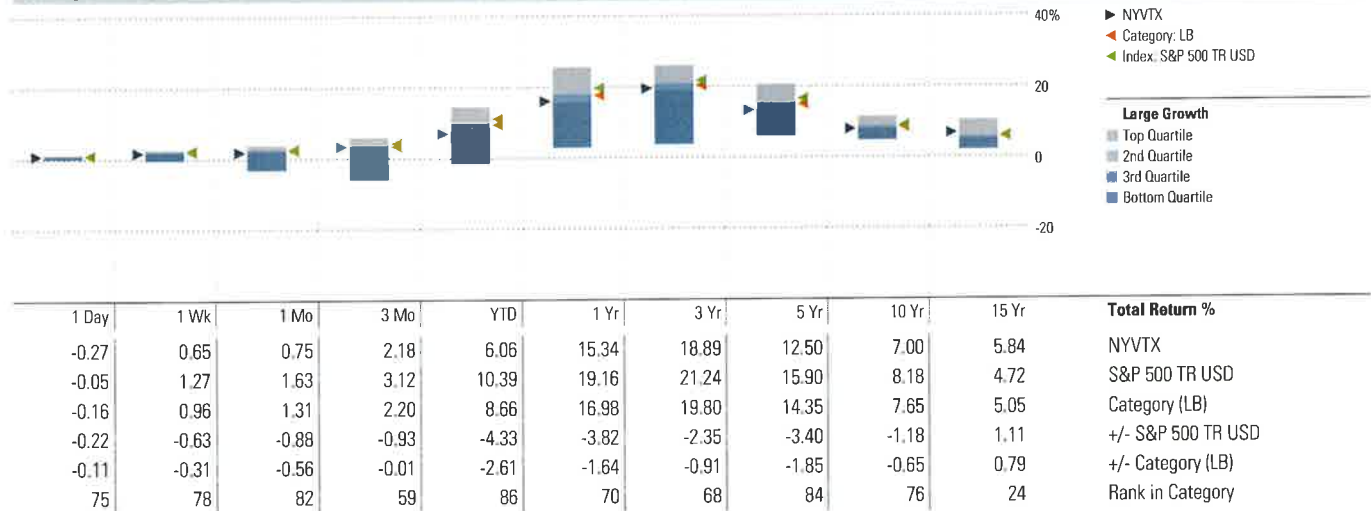
Davis NY Venture A NYVTX

Performance

Growth of 10,000 08-31-2014



Trailing Total Returns 09-19-2014



Tax Analysis 08-31-2014

	1 Mo	3 Mo	6 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	Since Incpt
Pretax Return	2.90	3.24	4.92	6.06	20.74	17.56	13.77	7.19	5.91	11.93
Tax-adjusted Return	-1.99	-3.57	-2.00	-0.94	11.60	13.51	11.35	5.97	4.90	8.53
% Rank in Category	92	98	99	99	95	92	94	84	25	—
Tax Cost Ratio	—	—	—	—	2.96	1.87	1.18	0.66	0.63	—
Potential Cap Gains Exposure %	50.27									

Vanguard 500 Index Admiral VFIAX

Portfolio

Morningstar Category™
Large Blend

Total Assets \$ Bil
185.2

Benchmark
Russell 1000 TR USD

Annual Turnover
3%

Category Avg Turnover
61%

Yield TTM
1.79%

Assets In Top 10 Holdings
17.40%

Stock Holdings (Long)
505

Stock Holdings (Short)
—

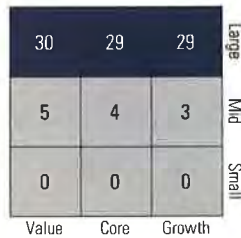
Bond Holdings (Long)
0

Bond Holdings (Short)
—

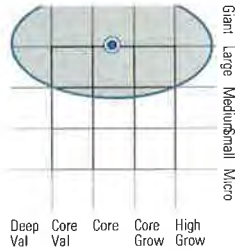
Other Holdings (Long)
8

Other Holdings (Short)
—

Holding Style



Ownership Zone



● Weighted Average of holdings

● 75% of fund's stock holdings

0-10 10-25 25-50 >50

Style Details

Avg Market Cap USD
70,253 mil

Benchmark Market Cap USD
52,225 mil

Category Avg Market Cap USD
97,838 mil

Market Capitalization (Size)	% of Portfolio	% Bmark	% Cat Avg
Giant	51.30	44.91	69.71
Large	36.29	32.83	11.14
Medium	12.42	20.41	16.35
Small	0.00	1.85	2.67
Micro	0.00	0.01	0.13

Value Measures

	Stock Portfolio	Bmark	Cat Avg
Price/Prospective Earnings*	17.48	17.25	15.97
Price/Book*	2.43	2.34	2.40
Price/Sales*	1.72	1.62	1.88
Price/Cash Flow*	7.60	7.56	5.34
Dividend Yield %*	2.27	2.21	2.57

Growth Measures

	Stock Portfolio	Bmark	Cat Avg
Long-Term Earnings %	10.11	10.36	6.44
Historical Earnings %	8.27	9.16	0.85
Sales Growth %	3.04	3.40	0.65
Cash-Flow Growth %	6.15	6.47	5.96
Book-Value Growth %	7.46	6.89	-6.17

* Forward-looking based on historical data Style and Market Cap Breakdown and Value and Growth Measures are calculated only using the long position holdings of the portfolio.

Investment Style History 08-31-2014

Year	Style	% Equity
2014		99.56
2013		99.37
2012		99.87
2011		99.79
2010		99.76

Style Box Detail calculations do not include the fund's short positions (if any).

Asset Allocation 08-31-2014



	% Net	% Short	% Long	Bmark	Cat Avg
Cash	0.44	—	0.44	0.00	2.35
US Stock	97.85	—	97.85	98.52	92.10
Non US Stock	1.71	—	1.71	1.48	5.30
Bond	0.00	—	0.00	0.00	0.74
Other	0.00	—	0.00	0.00	-0.48

Equity Portfolio Financial Metrics

	% of Portfolio	% Bmark	% Cat Avg
ROIC	14.52	13.64	16.08
Wide Moat Coverage	48.04	46.25	59.53
Narrow Moat Coverage	43.82	44.49	34.53
No Moat Coverage	8.13	9.26	5.95
Financial Health	—	—	—
Profitability	—	—	—
Growth	—	—	—
Cash Return %	13.27	11.10	19.95
Free Cashflow Yield Ex-financials	0.04	0.04	0.05
D/C Ratio	35.80	36.62	34.95

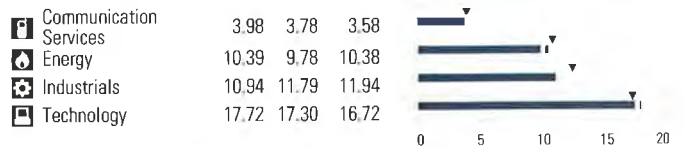
Sector Weightings 08-31-2014

■ Fund Weight □ Bmark Weight ▼ Cat Avg Weight

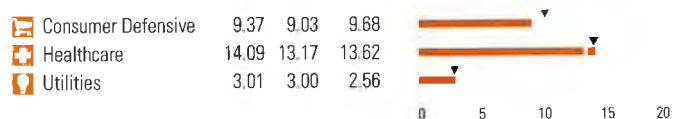
Cyclical



Sensitive



Defensive



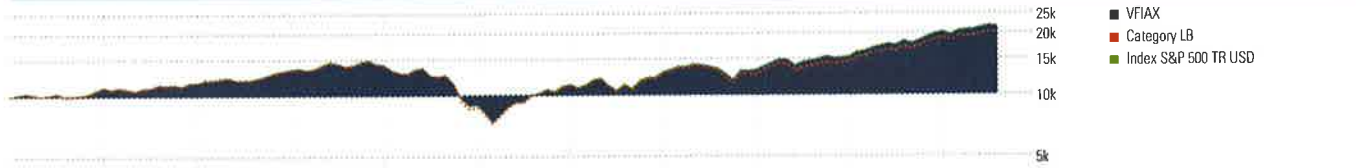
Country data is calculated only using the long position holdings of the portfolio.

A-20

Vanguard 500 Index Admiral VFIAX

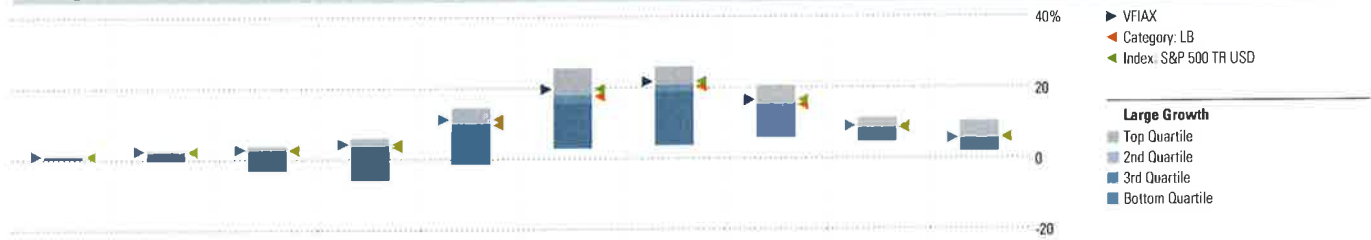
Performance

Growth of 10,000 08-31-2014



Performance Quartile											History
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	YTD	
10.82	4.87	15.75	5.47	-36.97	26.62	15.05	2.08	15.96	32.33	9.85	VFIAX
10.88	4.91	15.79	5.49	-37.00	26.46	15.06	2.11	16.00	32.39	9.89	S&P 500 TR USD
10.02	5.88	14.17	6.16	-37.79	28.17	14.01	-1.27	14.96	31.50	8.46	Category (LB)
-0.06	-0.04	-0.05	-0.02	0.03	0.16	-0.01	-0.03	-0.04	-0.06	-0.03	+/- S&P 500 TR USD
0.80	-1.01	1.58	-0.69	0.82	-1.55	1.04	3.36	1.00	0.83	1.40	+/- Category (LB)
2.04	2.08	2.25	2.60	2.59	2.20	2.08	2.39	2.86	3.13	2.48	Income USD
—	—	—	—	—	—	—	—	—	—	—	Capital Gains USD
22,412	38,028	46,467	37,113	23,009	28,380	51,438	51,925	59,749	82,357	113,803	Net Assets USD Mil
34	57	21	49	37	52	29	17	35	42	22	% Rank in Category
LB	LB	LB	LB	LB	LB	LB	LB	LB	LB	LB	Fund Category

Trailing Total Returns 09-19-2014



1 Day	1 Wk	1 Mo	3 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	Total Return %
-0.04	1.27	1.63	3.11	10.36	19.10	21.20	15.87	8.17	4.71	VFIAX
-0.05	1.27	1.63	3.12	10.39	19.16	21.24	15.90	8.18	4.72	S&P 500 TR USD
-0.16	0.96	1.31	2.20	8.66	16.98	19.80	14.35	7.65	5.05	Category (LB)
0.01	0.00	0.00	0.00	-0.03	-0.05	-0.04	-0.03	-0.01	-0.01	+/- S&P 500 TR USD
0.12	0.31	0.32	0.92	1.69	2.12	1.40	1.52	0.52	-0.33	+/- Category (LB)
19	23	37	25	20	24	27	18	28	—	Rank in Category

Tax Analysis 08-31-2014

	1 Mo	3 Mo	6 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	Since Incpt.
Pretax Return	4.00	4.68	8.82	9.85	25.18	20.56	16.85	8.37	4.77	4.90
Tax-adjusted Return	4.00	4.47	8.39	9.42	24.13	19.93	16.34	7.94	—	4.48
% Rank in Category	24	29	22	22	17	21	15	19	—	—
Tax Cost Ratio	—	—	—	—	0.84	0.53	0.44	0.39	—	—
Potential Cap Gains Exposure %	37.72									

Metropolitan West Total Return Bond I MWTIX

Portfolio

Morningstar Category™
Intermediate-Term Bond

Total Assets \$ Bil
36.0

Benchmark
Barclays US Agg Bond TR USD

Annual Turnover
255%

Category Avg Turnover
242%

Yield TTM
2.42%

Assets in Top 10 Holdings
19.16%

Stock Holdings (Long)
1

Stock Holdings (Short)
0

Bond Holdings (Long)
1,234

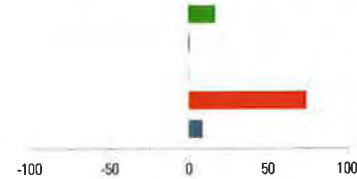
Bond Holdings (Short)
9

Other Holdings (Long)
110

Other Holdings (Short)
3

Asset Allocation 06-30-2014

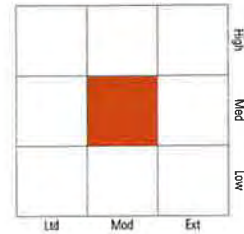
Asset Allocation



	% Net	% Short	% Long	Bmark	Cat Avg
Cash	16.91	0.00	16.91	—	6.85
US Stock	0.05	0.00	0.05	—	-0.01
Non US Stock	0.00	0.00	0.00	—	0.08
Bond	74.34	0.06	74.40	—	90.36
Other	8.71	0.02	8.73	—	2.73

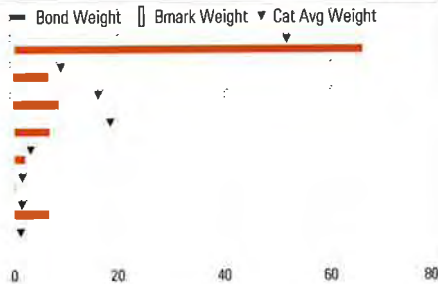
Style Details 06-30-2014

Fixed-Income Style



Credit Quality

Credit Quality	% Bond	Bmark	Cat Avg
AAA	65.87	—	50.93
AA	7.13	—	8.73
A	9.08	—	15.69
BBB	7.20	—	17.86
BB	2.64	—	2.96
B	0.82	—	1.43
Below B	7.04	—	1.32
Not Rated	0.22	—	1.08



Credit Quality is calculated only using the long position holdings of the portfolio

Fixed-Income Style History

Year	Style	% Bonds
2014	■ ■ ■ ■ ■	74.34
2013	■ ■ ■ ■ ■	90.64
2012	■ ■ ■ ■ ■	90.69
2011	■ ■ ■ ■ ■	90.30
2010	■ ■ ■ ■ ■	88.95

Bond Statistics

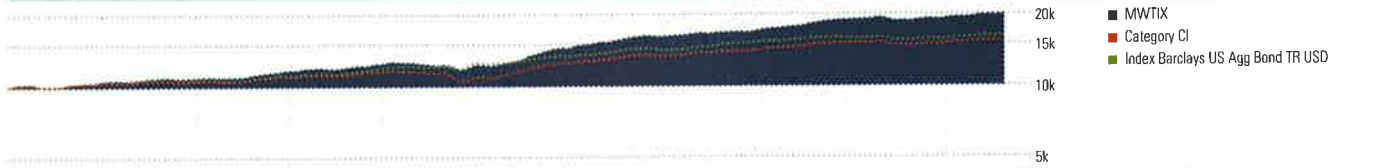
Statistic	Value
Average Effective Duration (Years)	4.66
Average Effective Maturity (Years)	7.89
Average Credit Quality	BBB
Average Weighted Coupon	3.61
Average Weighted Price	100.83

A-22

Metropolitan West Total Return Bond I MWTIX

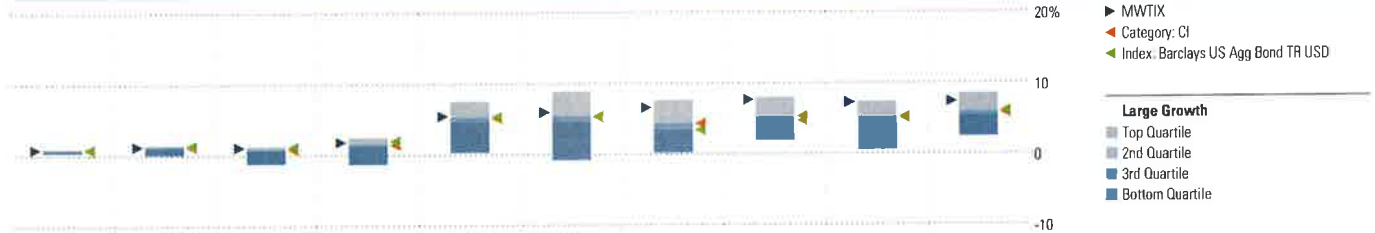
Performance

Growth of 10,000 09-30-2014



												Performance Quartile
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	YTD		History
5.37	3.31	7.21	6.48	-1.28	17.30	11.65	5.52	11.54	0.50	4.35		MWTIX
4.34	2.43	4.33	6.97	5.24	5.93	6.54	7.84	4.21	-2.02	4.10		Barclays US Agg Bond TR USD
3.91	1.80	4.15	4.70	-4.70	13.97	7.72	5.86	7.01	-1.42	4.01		Category (CI)
1.03	0.88	2.88	-0.49	-6.52	11.37	5.11	-2.32	7.33	2.52	0.25		+/- Barclays US Agg Bond TR USD
1.46	1.51	3.07	1.77	3.41	3.33	3.94	-0.34	4.53	1.93	0.33		+/- Category (CI)
0.61	0.57	0.51	0.50	0.53	0.61	0.50	0.48	0.44	0.33	0.20		Income USD
—	—	—	—	0.17	—	0.17	0.08	0.22	0.06	—		Capital Gains USD
834	911	1,242	2,030	1,998	3,311	5,368	9,168	13,532	14,682	20,948		Net Assets USD Mil
8	3	2	18	40	26	4	70	6	8	37		% Rank in Category
CI	CI	CI	CI	CI	CI	CI	CI	CI	CI	CI		Fund Category

Trailing Total Returns 10-07-2014



1 Day	1 Wk	1 Mo	3 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	Total Return %
0.28	0.69	0.56	1.32	5.07	5.60	6.21	7.25	6.89	7.00	MWTIX
0.31	0.83	0.62	1.50	4.97	4.81	2.93	4.17	4.75	5.66	Barclays US Agg Bond TR USD
0.23	0.66	0.25	0.94	4.70	4.95	3.89	4.81	4.55	5.39	Category (CI)
-0.03	-0.15	-0.06	-0.18	0.10	0.79	3.28	3.08	2.14	1.33	+/- Barclays US Agg Bond TR USD
0.05	0.02	0.31	0.38	0.37	0.65	2.32	2.45	2.34	1.61	+/- Category (CI)
35	56	9	22	37	30	5	3	2	—	Rank in Category

Tax Analysis 09-30-2014

	1 Mo	3 Mo	6 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	Since Incpt.
Pretax Return	-0.55	0.31	2.48	4.35	4.95	5.71	7.26	6.77	6.90	6.96
Tax-adjusted Return	-0.63	0.06	1.93	3.53	3.69	4.01	5.42	4.74	—	4.59
% Rank in Category	15	10	13	28	22	6	3	2	—	—
Tax Cost Ratio	—	—	—	—	1.20	1.60	1.72	1.90	—	—
Potential Cap Gains Exposure %	3.25									

A-23

PIMCO Total Return Admin PTRAX

Portfolio

Morningstar Category™
Intermediate-Term Bond

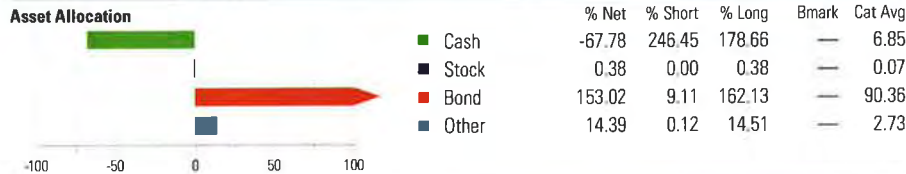
Total Assets \$ Bil
201.6

Benchmark
Barclays US Agg Bond TR USD

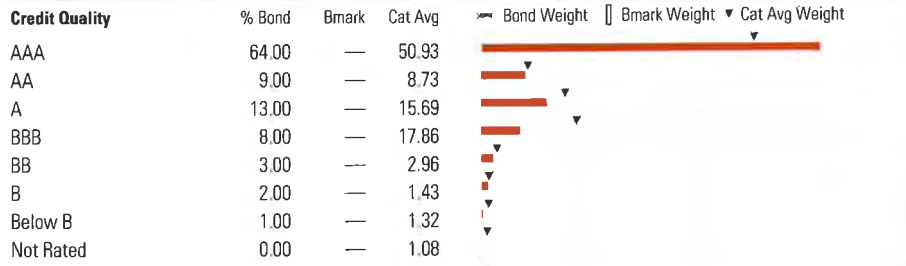
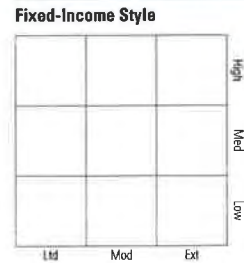
Annual Turnover 227% **Category Avg Turnover** 242% **Yield TTM** 1.86% **Assets in Top 10 Holdings** 71.55%

Stock Holdings (Long) 1 **Stock Holdings (Short)** 0 **Bond Holdings (Long)** 16,889 **Bond Holdings (Short)** 7 **Other Holdings (Long)** 703 **Other Holdings (Short)** 140

Asset Allocation 06-30-2014



Style Details 03-31-2010

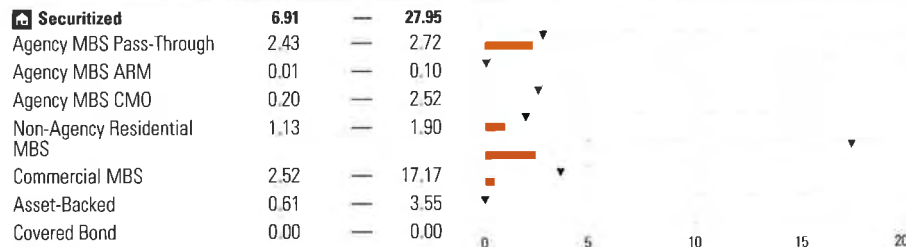
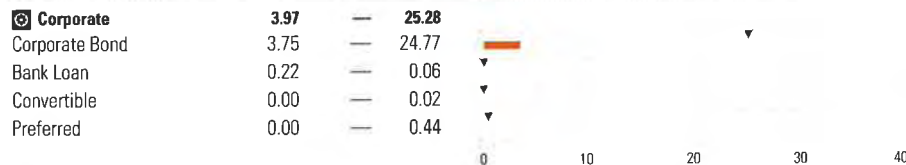
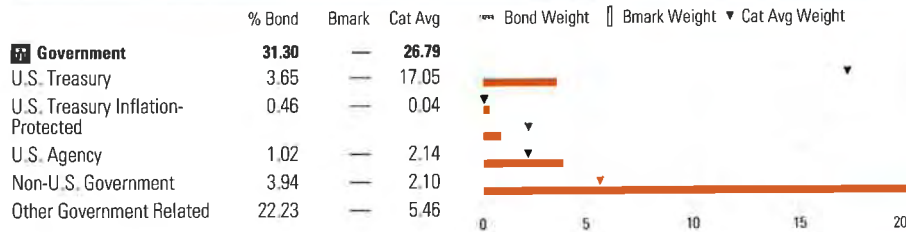


Credit Quality is calculated only using the long position holdings of the portfolio.

Fixed-Income Style History

Year	Style	% Bonds
2014	High Mod	153.02
2013	High Mod	140.56
2012	High Mod	146.60
2011	High Mod	220.10
2010	High Mod	120.99

Fixed-Income Sector Weightings 06-30-2014



Municipal 1.14 — 1.07

Cash & Equivalents 14.17 — 11.38

Other 42.51 — 7.52

Bond Statistics

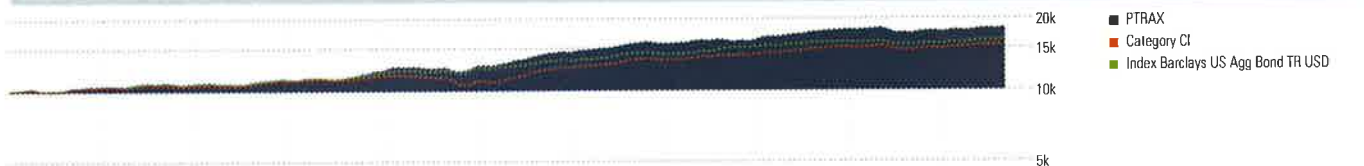
Statistic	Value
Average Effective Duration (Years)	4.97
Average Effective Maturity (Years)	5.29
Average Credit Quality	Not Rated
Average Weighted Coupon	3.82
Average Weighted Price	—

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PIMCO Total Return Admin PTRAX

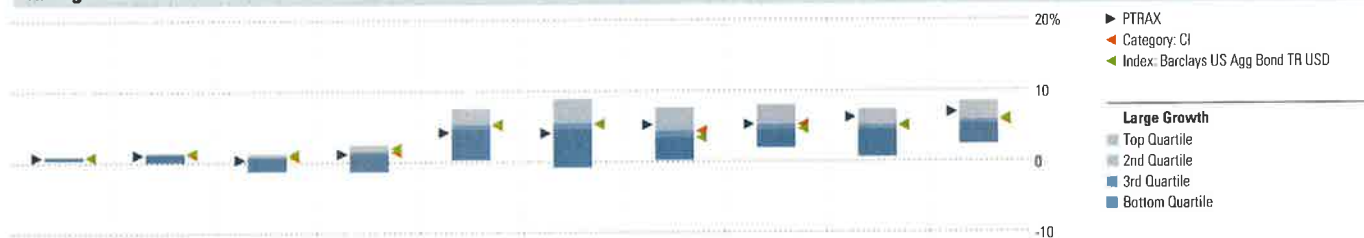
Performance

Growth of 10,000 09-30-2014



											Performance Quartile
2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	YTD	History
4.88	2.63	3.74	8.81	4.55	13.55	8.56	3.91	10.08	-2.17	3.14	PTRAX
4.34	2.43	4.33	6.97	5.24	5.93	6.54	7.84	4.21	-2.02	4.10	Barclays US Agg Bond TR USD
3.91	1.80	4.15	4.70	-4.70	13.97	7.72	5.86	7.01	-1.42	4.01	Category (CI)
0.54	0.20	-0.60	1.84	-0.69	7.62	2.02	-3.94	5.87	-0.14	-0.96	+/- Barclays US Agg Bond TR USD
0.97	0.83	-0.41	4.11	9.24	-0.43	0.85	-1.96	3.08	-0.74	-0.88	+/- Category (CI)
0.23	0.36	0.46	0.51	0.52	0.57	0.32	0.40	0.45	0.24	0.15	Income USD
0.33	0.08	0.04	0.07	0.49	0.11	0.54	—	0.27	0.07	—	Capital Gains USD
17,013	18,448	19,877	22,644	23,466	30,268	33,685	31,439	33,471	28,193	24,882	Net Assets USD Mil
16	10	64	2	13	47	28	88	13	68	83	% Rank in Category
CI	CI	CI	CI	CI	CI	CI	CI	CI	CI	CI	Fund Category

Trailing Total Returns 10-07-2014



1 Day	1 Wk	1 Mo	3 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	Total Return %
0.19	0.58	-0.14	0.66	3.74	3.60	4.77	4.81	5.82	6.53	PTRAX
0.31	0.83	0.62	1.50	4.97	4.81	2.93	4.17	4.75	5.66	Barclays US Agg Bond TR USD
0.23	0.66	0.25	0.94	4.70	4.95	3.89	4.81	4.55	5.39	Category (CI)
-0.12	-0.25	-0.76	-0.83	-1.23	-1.21	1.84	0.64	1.07	0.87	+/- Barclays US Agg Bond TR USD
-0.04	-0.08	-0.39	-0.28	-0.96	-1.35	0.89	0.01	1.27	1.15	+/- Category (CI)
74	74	92	77	83	84	25	48	9	6	Rank in Category

Tax Analysis 09-30-2014

	1 Mo	3 Mo	6 Mo	YTD	1 Yr	3 Yr	5 Yr	10 Yr	15 Yr	Since Incpt.
Pretax Return	-0.96	-0.43	1.88	3.14	3.04	4.31	4.81	5.73	6.45	6.84
Tax-adjusted Return	-1.02	-0.64	1.42	2.50	2.02	2.85	3.14	3.79	4.38	4.53
% Rank in Category	54	60	45	62	63	21	54	12	7	—
Tax Cost Ratio	—	—	—	—	0.98	1.39	1.59	1.83	1.95	—
Potential Cap Gains Exposure %	1.84									

19
A-25

PS
October 13, 2014
Prepared by: M. Cortez
Submitted by: K. Burton
Approved by: Paul Cook

CONSENT CALENDAR

PORTOLA SPRINGS 16-INCH RECYCLED WATER PIPELINE
FINAL ACCEPTANCE

SUMMARY:

The Portola Springs 16-inch Recycled Water Pipeline project is complete. The contractor, TE Roberts, Inc., has completed the required work and all punch list items. The project has received final inspection and acceptance of construction is recommended.

BACKGROUND:

The original "Lambert Reach" of the Irvine Lake Pipeline (ILP) was constructed in 1977 to supply ILP water to Lambert Reservoir and to provide irrigation of various agriculture properties in the vicinity. As part of the development of Portola Springs, the ILP was converted to Zone C recycled water and a temporary aboveground pipeline segment was installed to provide both a loop connection between the ILP and the new Zone C system and a secondary source to the Zone C Reservoir in Tomato Springs.

The project improvements included the installation of 1,200 linear feet of permanent 16-inch pipeline and appurtenances to replace the temporary aboveground pipeline segment located on the University of California Agriculture & Natural Resources South Coast Field Station between Ridge Valley and Lambert Road, the removal of the existing aboveground recycled water pipeline, and the reconstruction of the existing road over the pipe trench. TE Roberts, Inc. was awarded the construction contract on June 23, 2014, and finished construction of the project on September 3, 2014, seven weeks ahead of the contract completion date of October 22, 2014.

Project Title:	Portola Springs 16-inch Recycled Water Pipeline
Project No.:	30433 (4951)
Design Engineer:	MBF Consulting
Construction Management by:	IRWD Staff
Contractor:	TE Roberts, Inc.
Original Contract Cost:	\$184,665.90
Final Contract Cost:	\$169,271.00
Original Contract Days:	120
Final Contract Days:	71
Final Change Order Approved On:	September 8, 2014

FISCAL IMPACTS:

Project 30433 (4951) is included in the FY 2014-15 Capital Budget. The existing budget and Expenditure Authorization are sufficient to fund the final payment for the project.

ENVIRONMENTAL COMPLIANCE:

This project is exempt from the California Environmental Quality Act (CEQA) and in conformance with California Code of Regulation, Title 14, Chapter 3, Section 15282 in that the installation of the new pipeline and demolition of the existing pipeline as set forth in Section 21080.21 of the Public Resources Code, is less than one mile (or 5,280 feet) in length. A Notice of Exemption for the project was filed on December 13, 2013.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD ACCEPT CONSTRUCTION OF THE PORTOLA SPRINGS 16-INCH RECYCLED WATER PIPELINE, PROJECT 30433 (4951); AUTHORIZE THE GENERAL MANAGER TO FILE A NOTICE OF COMPLETION; AND AUTHORIZE THE PAYMENT OF THE RETENTION 35 DAYS AFTER THE DATE OF RECORDING THE NOTICE OF COMPLETION.


LIST OF EXHIBITS:

None.

October 13, 2014

Prepared by: A. Murphy/M. Cortez

Submitted by: K. Burton

Approved by: Paul Cook 

CONSENT CALENDAR

SAN JOAQUIN MARSH CAMPUS PAVING BID REJECTION AND BUDGET INCREASE

SUMMARY:

The San Joaquin Marsh Campus Paving project will install asphaltic concrete paving and drainage improvements in the main parking lot of the San Joaquin Marsh Campus and vehicle access gates on Riparian View. Staff recommends that the Board:

- Reject all bids received on September 3, 2014 for the San Joaquin Marsh Campus Paving project, and
- Authorize a budget increase in the amount of \$83,600, from \$231,000 to \$314,600, for the San Joaquin Marsh Campus Paving project 11788.

BACKGROUND:

San Joaquin Marsh Campus Paving:

The existing main parking lot of the San Joaquin Marsh Campus is composed of loose gravel, while the walking paths between buildings and the fire access roadway are composed of decomposed granite. These materials were originally selected for use at the Campus to match the aesthetics of the San Joaquin Marsh. Portions of the parking lot and walking paths to the Campus have degraded over time, and a small area of the parking lot was recently paved over with asphaltic concrete to improve access to the Campus for disabled and elderly visitors. Campus tenants and visitors have made positive comments on the pavement improvements.

Initial Bid Opening, Bid Rejection, and Re-bid:

The San Joaquin Marsh Campus Paving project was initially designed to install asphaltic concrete pavement and storm drain improvements in the main parking lot, as well as at the entrance ramp into the overflow parking lot. The construction plans and specifications were completed in August 2014 and the project was advertised for bid to a select list of seven paving contractors. The bid opening was held on September 3, 2014, with three contractors submitting bids that ranged from \$173,324 to \$190,476. The bids were significantly higher than the engineer's estimate of \$134,217; the September 3, 2014 Bid Summary is included as Exhibit "A". After reviewing the bids, staff concluded that the construction cost to install the proposed storm drain improvements in Riparian View and in the overflow parking lot was the primary reason for the high bid amounts. Staff conferred with legal counsel, and as allowed by the contract documents, recommends that the Board reject all bids received on September 3, 2014 because they were much higher than the engineer's estimate.

Staff consequently revised the construction plans to reduce the scope of work by eliminating the proposed paving and storm drain improvements for the overflow parking lot and entrance ramp. The design consultant, APD Consulting, revised the plans and the project was readvertised for bid to the same seven paving contractors on September 11, 2014. The engineer's estimate for the revised plans is \$73,704. The second bid opening was held on September 24, 2014, with bids received from four contractors: All American Asphalt, A&Y Company, Century Paving and Hillcrest Contracting. Century Paving is the apparent low bidder with a bid of \$78,456; the September 24, 2014 Bid Summary is included as Exhibit "B". Staff reviewed Century's bid and determined that it is fair and responsive.

A location map of the reduced San Joaquin Marsh Campus Paving project is attached as Exhibit "C". The construction contract for the reduced scope of work will be awarded to Century Paving in the amount of \$73,704 under the authority of the General Manager pursuant to the District's procurement policy.

Riparian View Vehicle Access Gates:

Riparian View is currently closed to through traffic with portable traffic barricades near Gate 14 and by a locked manual double-swing gate north of the entrance driveway to the San Joaquin Marsh Campus. This project will construct automated vehicle access control gates on a concrete island median to replace the aforementioned facilities and allow controlled public and employee access to the Marsh Campus from Michelson Drive. The gate locations are shown on Exhibit "D". The proposed gates are similar to a parking structure or railroad crossing gate where the gate arm pivots open from a closed horizontal position to the open vertical position. The gates will operate on a timer and will be initially set to be open on weekdays during the normal MWRP business hours of 7:00 a.m. to 4:00 p.m., and closed during all other times including weekends. When closed, staff and agencies (e.g., Orange County Fire Authority, Irvine Police Department, Orange County Flood Division) will have emergency access to the road via keypad and a KNOX switch, similar to the existing condition at Gate 2 near the Fleet Services Building. Access for pedestrians and cyclists will not be precluded at any time. Traffic loops will allow vehicles to exit the area between the two gates automatically when the gates are in the closed position. Speed bumps sited on the approaches to the gates will control vehicle speeds when the gates are open.

APD Consultants completed the construction plans and specifications in September 2014 and the project was advertised for bid to a select list of nine contractors. The bid opening was held October 1, 2014, with bids received from GCI Construction and Schuler Engineering Corporation. Schuler is the apparent low bidder with a bid of \$88,787; the engineer's estimate is \$70,773. The Bid Summary is included as Exhibit "E". Staff reviewed Schuler's bid and determined that it is fair and responsive. The construction of the Riparian View Vehicle Access Gates will be awarded to Schuler Engineering Corporation in the amount of \$88,787 under authority of the General Manager pursuant to the District's procurement policy.

FISCAL IMPACTS:

Project 11788 (5226) is included in the FY 2014-15 capital budget. On January 29, 2014, the San Joaquin Wildlife Sanctuary Board authorized the funding of half of the construction costs for the parking lot paving improvements. A budget increase is requested to fund the construction and engineering support services for the project as shown in the table below:

Project No.	Current Budget	Addition <Reduction>	Total Budget
11788 (5226)	\$231,000	\$83,600	\$314,600

ENVIRONMENTAL COMPLIANCE:

This project is exempt from the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15301 which provides exemption for minor alterations of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. A Notice of Exemption was filed with the County of Orange on March 11, 2014.

COMMITTEE STATUS:

This item was not reviewed by Committee.

RECOMMENDATION:

THAT THE BOARD REJECT ALL BIDS RECEIVED ON SEPTEMBER 3, 2014 FOR THE SAN JOAQUIN MARSH CAMPUS PAVING PROJECT AND AUTHORIZE A BUDGET INCREASE IN THE AMOUNT OF \$83,600 FROM \$231,000 TO \$314,600 FOR THE SAN JOAQUIN MARSH CAMPUS PAVING, PROJECT 11788 (5226).

LIST OF EXHIBITS:

- Exhibit "A" – SJM Campus Paving September 3, 2014 Bid Summary
- Exhibit "B" – SJM Campus Paving September 24, 2014 Re-Bid Summary
- Exhibit "C" – SJM Campus Paving Location Map
- Exhibit "D" – Riparian View Vehicle Access Gates Location Map
- Exhibit "E" – Riparian View Vehicle Access Gates Bid Summary

EXHIBIT "A"

Bid Opening: Wednesday, September 3, 2014 @ 2:00 pm

Irvine Ranch Water District Bid Summary For
San Joaquin Marsh Campus Paving Project
PR 11788 (5226)

Entered By: J.K. Irey

Item No.	Description	Qty	Unit	Engineer's Estimate		1 A&Y Asphalt Contractors Norco, CA		2 Hillcrest Contracting, Inc. Corona, CA		3 Sanders Paving Garden Grove, CA	
				Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
1	Bonds, Insurance, Mobilization, Demobilization and Cleanup	1	LS	\$12,120.00	\$12,120.00	\$15,000.00	\$15,000.00	\$14,000.00	\$14,000.00	\$15,000.00	\$15,000.00
2	Construct 4" AC Paving over native as shown on the plans	15,285	SF	\$4.00	\$61,140.00	\$5.45	\$83,303.25	\$5.00	\$76,425.00	\$6.40	\$97,824.00
3	Furnish and Install Railroad Ties as shown on the plans	105	LS	\$10.00	\$1,050.00	\$24.00	\$2,520.00	\$30.00	\$3,150.00	\$38.00	\$3,990.00
4	Construct Miscellaneous Concrete Improvements as shown on the plans	1	LS	\$2,740.00	\$2,740.00	\$6,000.00	\$6,000.00	\$1,600.00	\$1,600.00	\$5,757.00	\$5,757.00
5	Furnish and Install Storm Drain Improvements as shown on the Plans	1	LS	\$33,610.00	\$33,610.00	\$54,200.00	\$54,200.00	\$71,000.00	\$71,000.00	\$53,130.00	\$53,130.00
6	Furnish and Install Traffic Rated Concrete Electrical Pull Box as shown on the plans	1	LS	\$1,050.00	\$1,050.00	\$1,000.00	\$1,000.00	\$600.00	\$600.00	\$1,200.00	\$1,200.00
7	Prepare Record Drawings	1	LS	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
	Subtotal:				\$112,710.00		\$163,023.25		\$167,775.00		\$177,901.00
Alternative Bid Items:											
A-1	Install Gravel Bags as shown on the Erosion Control Plan.	1	LS		\$1,250.00		\$3,400.00		\$7,000.00		\$3,400.00
A-2	Install Chain Link Fence with gravel bag base as shown on the Erosion Control Plan	1	LS		\$1,250.00		\$3,600.00		\$3,400.00		\$6,900.00
A-3	Protect Storm Drain Inlets as shown on Erosion Control Plan	1	LS		\$1,250.00		\$1,100.00		\$3,900.00		\$1,000.00
A-4	Install Stabilized Construction Entrance with Shaker Plates as shown on Erosion Control Plan	1	LS		\$1,250.00		\$2,200.00		\$4,800.00		\$1,275.00
	Sub-Total, Bid Items 1 thru 7 + A1-A4				\$5,000.00		\$10,300.00		\$19,100.00		\$12,575.00
	Adjustment (+ or -)				\$16,506.50		\$0.00		\$0.00		\$0.00
	Total Amount of Bid				\$134,216.50		\$173,323.25		\$186,875.00		\$190,476.00
						Item Delivery Dates:		Item Delivery Dates:		Item Delivery Dates:	
						None		Pipe: 15 Days		Storm Drain Material: 14 Days	
						Manufacturers:		Manufacturers:		Manufacturers:	
						Asphalt/Concrete: All American Asphalt		Asphalt/Concrete: All American Asphalt		Asphalt: R.J. Noble Co.	
						Subcontractors:		Subcontractors:		Subcontractors:	
						None		Storm Drain: AM Construction		Temporary Fence: Stump Fence Co. Storm Drain: Shoffeitt Pipeline	

EXHIBIT "B"

Bid Opening: REBID Wednesday, September 24, 2014 @ 2:00 pm

Irvine Ranch Water District Bid Summary For
San Joaquin Marsh Campus Paving Project - REBID
PR 11788 (5226)

Entered By: J.K. Irey

Item No.	Description			Engineer's Estimate		1 Century Paving La Mirada, CA		2 A&Y Company Norco, CA		3 Hillcrest Contracting Corona, CA		4 All American Asphalt Corona, CA	
		Qty	Unit	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
1	Bonds, Insurance, Mobilization, Demobilization and Cleanup	1	LS	\$12,120.00	\$12,120.00	\$2,500.00	\$2,500.00	\$6,500.00	\$6,500.00	\$10,000.00	\$10,000.00	\$30,000.00	\$30,000.00
2	Construct 4" AC Paving over native as shown on the plans	11,257	SF	\$4.00	\$45,028.00	\$3.00	\$33,771.00	\$4.27	\$48,067.39	\$5.00	\$56,285.00	\$4.25	\$47,842.25
3	Furnish and Install Railroad Ties as shown on the plans	105	LS	\$10.00	\$1,050.00	\$27.00	\$2,835.00	\$40.00	\$4,200.00	\$31.00	\$3,255.00	\$31.25	\$3,281.25
4	Construct Miscellaneous Concrete Improvements as shown on the plans	1	LS	\$2,740.00	\$2,740.00	\$1,925.00	\$1,925.00	\$1,000.00	\$1,000.00	\$2,000.00	\$2,000.00	\$5,800.00	\$5,800.00
5	Furnish and Install Storm Drain Improvements as shown on the Plans	1	LS	\$33,610.00	\$33,610.00	\$34,500.00	\$34,500.00	\$18,200.00	\$18,200.00	\$33,000.00	\$33,000.00	\$22,300.00	\$22,300.00
6	Furnish and Install Traffic Rated Concrete Electrical Pull Box as shown on the plans	1	LS	\$1,050.00	\$1,050.00	\$1,925.00	\$1,925.00	\$1,000.00	\$1,000.00	\$600.00	\$600.00	\$3,151.50	\$3,151.50
7	Prepare Record Drawings	1	LS	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
Sub-Total of Bid Items					\$96,598.00		\$78,456.00		\$79,967.39		\$106,140.00		\$113,375.00
Adjustment (+ or -)					\$0.00		\$0.00		\$0.00		\$0.00		\$0.00
Total Amount of Bid					\$96,598.00		\$78,456.00		\$79,967.39		\$106,140.00		\$113,375.00
				Item Delivery Dates:		Item Delivery Dates:		Item Delivery Dates:		Item Delivery Dates:			
				Electrical Pull Boxes: 14 days		None Anticipated		Storm Drains: 10 days		Traffic Rated Pull Box: 14 days			
				Storm Drains: 14 days									
				Manufacturers:		Manufacturers:		Manufacturers:		Manufacturers:			
				Asphalt: Vulcan Materials		Asphalt/Concrete: All American Asphalt		Asphalt/Concrete: All American Asphalt		Asphalt/Concrete: All American Asphalt		Asphalt/Concrete: All American Asphalt	
				Subcontractors:		Subcontractors:		Subcontractors:		Subcontractors:			
				Storm Drain Plumbing: Central Plumbing		None		Storm Drains: AM Construction		Storm Drain: SRD Engineering			
				Manhole Adjustments: EBS Utilities Adjusting						Electrical: California Pro Eng.			

EXHIBIT "C"

**SAN JOAQUIN MARSH CAMPUS PAVING
LOCATION MAP**



OVERFLOW PARKING LOT

SAN JOAQUIN MARSH CAMPUS

MAIN PARKING LOT

Legend


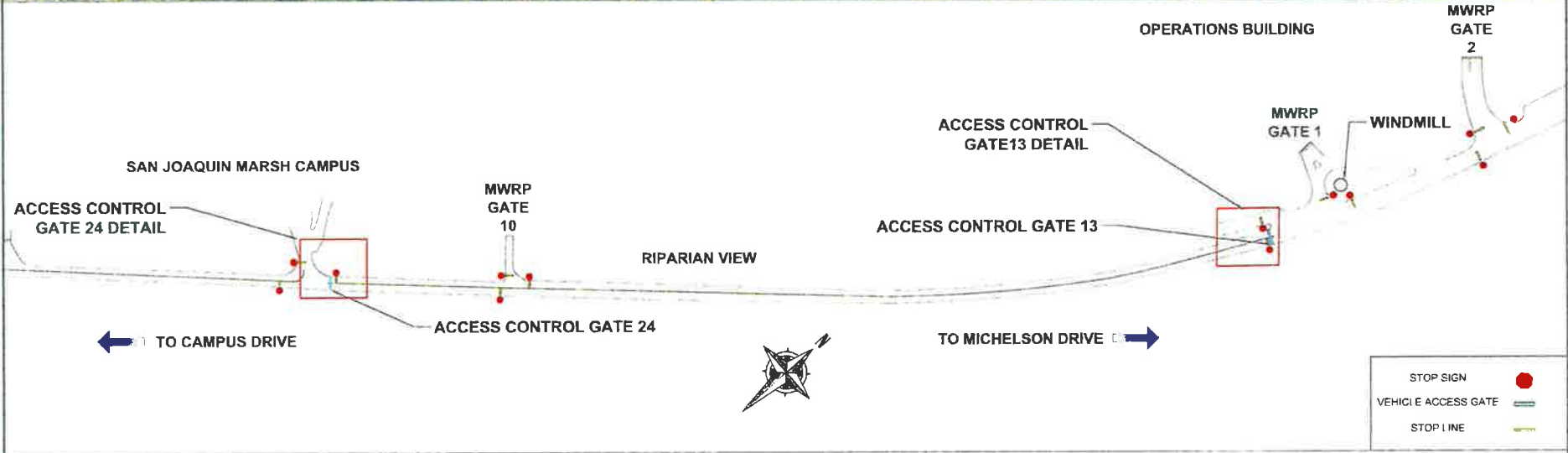
 LIMITS OF AC PAVING

EXHIBIT "D"



NO.	DATE	REVISIONS	APPROVED	DESIGN				
				AM				
				AM				
				AM				
				AM				
				AM				



IRVINE RANCH WATER DISTRICT

IRVINE RANCH WATER DISTRICT

RIPARIAN VIEW VEHICLE ACCESS GATE

PROJECT 11/18

LOCATION MAP

EXHIBIT "E"

Bid Opening: Wednesday, October 1, 2014 @ 2:00 pm

Irvine Ranch Water District Bid Summary For
Riparian View Vehicle Access Gates
PR 11788 (5226)

Entered By: J.K. Irey

Item No.	Description	Qty	Unit	Engineer's Estimate		1 Schuler Engineering Corona, CA		2 GCI Construction San Clemente, CA	
				Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
1	Bonds, Insurance, Mobilization, Demobilization and Cleanup	1	LS	\$13,131.03	\$13,131.03	\$1,000.00	\$1,000.00	\$13,000.00	\$13,000.00
2	Construct concrete curb and sidewalk (i.e. concrete island median at Gate 13 and Gate 24	1	LS	\$10,634.00	\$10,634.00	\$15,000.00	\$15,000.00	\$10,000.00	\$10,000.00
3	Furnish and install all electrical improvements at Gate 13 and Gate 24 including entry and exit gates and area lights	1	LS	\$35,418.00	\$35,418.00	\$55,800.00	\$55,800.00	\$49,000.00	\$49,000.00
4	Replace asphalt concrete paving around Gate 13 and Gate 24	330	SF	\$5.50	\$1,815.00	\$11.50	\$3,795.00	\$24.00	\$7,920.00
5	Slurry seal and restripe asphalt around Gate 13 and Gate 24	1,249	SF	\$3.42	\$4,274.70	\$8.00	\$9,992.00	\$3.60	\$4,496.40
6	furnish and install four (4) prefabricated speed bumps and two (2) speed limit signs at Gate 13 and Gate 24	1	LS	\$4,500.00	\$4,500.00	\$2,200.00	\$2,200.00	\$8,500.00	\$8,500.00
7	Prepare Record Drawings	1	LS	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
Sub-Total of Bid Items						\$70,772.73		\$88,787.00	\$93,916.40
Adjustment (+ or -)								\$0.00	
Total Amount of Bid						\$70,772.73		\$88,787.00	\$93,916.40
						Item Delivery Dates:		Item Delivery Dates:	
						Dooking 1601 Vehicle Access Gates (4): 30 Days		Dooking 1601 Vehicle Access Gates (4): 42 Days	
						Lithonia KAD LED 1 63B350/50K area light and mounting pole (2): 35 Days		Lithonia KAD LED 1 63B350/50K area light & mounting pole (2): 42 Days	
						Manufacturers:		Manufacturers:	
						Gate Operator: Door King		Dooking 1601 Vehicle Access	
						Light: Lithonia			
						Speed Bump: Speed bumps and humps.com			
						Subcontractors:		Subcontractors:	
						Electrical: Ray's Electrical Shop		Electrical: JGM Contracting	
						Paving & Flatwork: Hardy & Harper		Paving & Concrete: Hardy & Harper	
						Gate Operator: California Gage		Slurry Seal: Doug Martin Contracting	
								Access Gates: Gate & Automation Specialist	
								Signs & Striping: Canon Coatings	

October 13, 2014
Prepared by: B. Stewart
Submitted by: K. Burton
Approved by: Paul Cook

CONSENT CALENDAR

MICHELSON WATER RECYCLING PLANT PROTECTIVE COATINGS
FINAL ACCEPTANCE

SUMMARY:

The Michelson Water Recycling Plant (MWRP) Protective Coatings project is complete. The contractor, Parada Painting, Inc., has completed the required work and all punch list items. The project has received final inspection and acceptance of construction is recommended.

BACKGROUND:

Staff identified several equipment and features located at MWRP that required new coating. The new coatings were required to enhance worker safety, aesthetics, and protect equipment against weathering. The items that were coated included electrical and mechanical equipment exposed to the elements and pipes in high visibility areas. The MWRP Phase 2 Expansion construction management team administered and inspected the work. Parada Painting, Inc. was awarded the project on October 24, 2012 and completed the project on August 25, 2014. The project is ready for final acceptance by the Board.

Project Title:	MWRP Protective Coatings
Project No.:	21123 (3799)
Construction Management by:	IRWD Staff
Contractor:	Parada Painting, Inc.
Original Contract Cost:	\$95,585.00
Final Contract Cost:	\$390,957.79
Original Contract Days:	182
Final Contract Days:	652
Final Change Order Approved On:	April 21, 2014

FISCAL IMPACTS:

Project 21123 (3799) is included in the FY 2014-15 Capital Budget. The existing budget and Expenditure Authorization are sufficient to fund the final payment for the project.

ENVIRONMENTAL COMPLIANCE:

This activity is categorically exempt from the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15301 (b) which provides exclusion for minor alteration of public facilities.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD ACCEPT CONSTRUCTION OF THE MICHELSON WATER RECYCLING PLANT PROTECTIVE COATINGS, PROJECT 21123 (3799); AUTHORIZE THE GENERAL MANAGER TO FILE A NOTICE OF COMPLETION; AND AUTHORIZE THE PAYMENT OF THE RETENTION 35 DAYS AFTER THE DATE OF RECORDING THE NOTICE OF COMPLETION.

LIST OF EXHIBITS:

None.

05
October 13, 2014

Prepared by: J. Smyth/M. Cortez

Submitted by: K. Burton *KAB*

Approved by: Paul Cook

CONSENT CALENDAR

BAKER PIPELINE CATHODIC PROTECTION UPGRADES CAPITAL BUDGET ADDITION

SUMMARY:

The Baker Pipeline Cathodic Protection Upgrades project will construct cathodic protection system improvements for the pipeline at four sites including three replacement anode beds, one new anode bed, and one new rectifier. On September 18, 2014, the Santiago Aqueduct Commission (SAC) authorized the construction award. Staff recommends that the Board authorize the addition of Project 11802 to the FY 2014-15 Capital Budget in the amount of \$574,700.

BACKGROUND:

Recent cathodic protection surveys on the Baker pipeline identified the segment from the rectifier at Hicks Canyon Haul Road (SAC-30) to the rectifier at Portola Parkway (SAC-43) as being under-protected. On June 20, 2013, the Santiago Aqueduct Commission authorized the SAC General Manager to execute a contract with RBF Consulting to evaluate the under-protected pipe segment and make recommendations for improvements. During the work, the SAC-4 (Irvine Regional Park) anode bed was tested and found to be depleted, so the site was added to RBF's scope of work.

The Preliminary Design Report was received and filed on March 20, 2014 with the following cathodic protection upgrade recommendations for the Baker Pipeline:

1. Anode bed replacements at SAC-4 (Irvine Regional Park), SAC-30 (Hicks Canyon Haul Road), and SAC-43 (Portola Parkway). The rectifiers were previously replaced in 2004 and are in good condition;
2. A new anode bed and rectifier at SAC-34 (Portola Springs); and
3. Perform a continuity survey between SAC-30 and SAC-43 following startup of the upgrades.

Construction Award:

On March 20, 2014, the SAC authorized RBF to complete the Final Design. RBF completed the design in July and the project was advertised for construction on July 21, 2014, to a select list of four contractors: American Construction and Supply, Cathodic Dynamics, Farwest Corrosion Control, and GMC Electrical. The bid opening occurred on August 21, 2014, with bids received from American Construction and Farwest Corrosion. The other two contractors, GMC Electrical and Cathodic Dynamics, did not submit bids citing their lack of well drilling capability and an inability to bond the project, respectively. American Construction was the low bidder with a bid amount of \$442,500; the engineer's estimate was \$472,350. On September 18, 2014, the SAC

waived an irregularity in American Construction’s bid and authorized the SAC General Manager to:

- Execute a construction contract with American Construction in the amount of \$442,500;
- Execute Variance No. 2 in the amount of \$14,925 to RBF for construction phase services;
- Execute a Professional Services Agreement with CNC Engineering in the amount of \$9,390 for construction survey staking; and
- Execute a Professional Services Agreement with Ninyo and Moore in the amount of \$7,441 for geotechnical engineering services.

Project Costs:

A summary of the total project cost is shown below; the cost for IRWD to administer the construction of this project on behalf of the SAC is included in the total project cost.

Construction (American Construction, SCE)	\$454,400
Construction Phase Engineering Services (RBF, Ninyo & Moore, CNC, Environmental)	\$ 38,100
Construction Administration and Inspection (IRWD)	\$ 30,000
Contingency (10%)	<u>\$ 52,200</u>
	<u>\$574,700</u>

The total project cost will be shared by each member of the SAC based on capacity ownership (percentage). A summary of the pro-rata share of costs is shown below:

Capacity Owners	Capacity	Cost Allocation
EOCWD	2.58%	\$ 14,827.26
TIC	0.64%	\$ 3,678.08
County of Orange	1.62%	\$ 9,310.14
IRWD	28.42%	\$163,329.74
SMWD	22.28%	\$128,043.16
TCWD	13.71%	\$ 78,791.37
ETWD	8.54%	\$ 49,079.38
MNWD	22.21%	\$127,640.87
Total	100.00%	\$574,700.00

FISCAL IMPACTS:

Staff requests the addition of Project 11802 (5530) to the FY 2014-15 Capital Budget in the amount of \$574,700 to fund the construction phase of this project as shown in the table below:

Project No.	Current Budget	Addition <Reduction>	Total Budget
11802 (5530)	\$0	\$574,700	\$574,700

ENVIRONMENTAL COMPLIANCE:

This project is exempt from the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15301 which provides exemption for minor alterations of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination. A Notice of Exemption for the project was filed with the County of Orange on December 13, 2013.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE ADDITION OF PROJECT 11802 (5530) TO THE FISCAL YEAR 2014-15 CAPITAL BUDGET IN THE AMOUNT OF \$574,700 FOR THE BAKER PIPELINE CATHODIC PROTECTION UPGRADES, PROJECT 11802 (5530).

LIST OF EXHIBITS:

None.

08
October 13, 2014
Prepared by: S. Toland/R. Mori
Submitted by: K. Burton (KLB)
Approved by: Paul Cook (Signature)

ACTION CALENDAR

BAKER WATER TREATMENT PLANT
CONSTRUCTION PHASE SERVICES VARIANCE

SUMMARY:

The Baker Water Treatment Plant is a regional, multi-agency project between El Toro Water District, IRWD, Moulton Niguel Water District, Santa Margarita Water District, and Trabuco Canyon Water District. During the budgeting process for construction management of the Baker Plant, staff anticipated the need for additional construction inspection services. Staff recommends that the Board authorize the General Manager to execute Variance No. 1 in the amount of \$412,375 with HDR Engineering, Inc. for additional construction inspection services to support the construction of the Baker Plant.

BACKGROUND:

The construction of the Baker Plant was awarded to PCL Construction, Inc. on January 6, 2014 and construction is well underway. Construction phase services are currently being performed by a blended team comprised of staff and consultants from multiple engineering firms.

During the budgeting process for the construction management of the project, staff anticipated that two construction inspectors would be necessary to provide adequate inspection coverage of the project. The first construction inspector was anticipated to be needed immediately upon start of construction, and the second construction inspector was anticipated to be needed once the contractor was fully mobilized and progressing with simultaneous construction activities in multiple process areas.

Staff selected the first construction inspector from HDR through a Request for Proposals procurement process, which included post-proposal interviews of multiple construction inspectors from five different engineering firms. Staff deferred the selection of the second inspector to a later date as the availability of the second inspector could not be guaranteed at the time of the initial selection process.

In July 2014, PCL began simultaneous construction work in multiple process areas including Area 200 – Forebay, Area 300 – Treatment Building, Area 400 – CT Basin, Area 500 – Product Water Pump Station, Area 700 – Chemical Storage, and Area 800 – Dewatering Facilities. In addition to working on multiple process areas, PCL’s schedule also shows multiple pipeline and mechanical equipment installation activities beginning in August 2014 and continuing through 2015. PCL recently added discipline-specific supervisors to the onsite staff, including a dedicated concrete supervisor and pipeline supervisor, in addition to PCL’s overall project superintendent and project manager in an effort to advance more work simultaneously. The increased work efforts and increased contractor requests for inspection have established an increased demand on the first construction inspector, resulting in the need to fill the second construction inspector role.

Selection Process for Second Construction Inspector:

In July 2014, staff requested the consulting firms currently providing construction management services for the project to submit proposals for potential candidates for the second construction inspector position. Arcadis, Jacobs Project Management Company, and HDR each submitted proposals presenting one or more candidates for the position. Staff reviewed each of the proposals and recommends selection of a candidate from HDR based on the following criteria:

- The candidate's resume establishes extensive experience as a construction inspector for large water and sewage treatment plant projects;
- Selection of another construction inspector from HDR maintains a single source of responsibility for all project inspection needs and enables the inspection work load to be more consistently managed and efficiently distributed;
- The candidate's proposed billing rate is lower than the rate previously established in the construction management budget; and
- The candidate was previously offered by another consulting firm during the selection process for the first construction inspector, and at that time, staff rated the candidate as the second highest rated candidate.

Although staff had previously interviewed the candidate during the initial selection process, staff recently conducted an additional interview to reconfirm his experience and commitment to the project. That interview reaffirmed staff's selection of the recommended candidate to fill the position of the second construction inspector.

HDR's Variance No. 1 is attached as Exhibit "A". The Baker Project Committee unanimously approved this variance. Staff recommends approval of Variance No. 1 in the amount of \$412,375 with HDR for additional construction inspection services.

FISCAL IMPACTS:

Project 11747 (5027) is included in the FY 2014-15 Capital Budget. The existing budget and Expenditure Authorization are sufficient to fund Variance No. 1.

ENVIRONMENTAL COMPLIANCE:

This project is subject to the California Environmental Quality Act (CEQA) and an Environmental Impact Report (EIR) was prepared in conformance with California Code of Regulations Title 14, Chapter 3, Article 7. The Final EIR was certified and adopted by the Board in April 2011. Addenda No. 1 and No. 2 to the EIR were prepared in accordance with Section 15164 of the CEQA Guidelines and were approved by the Board in February 2012, and March 2013, respectively.

COMMITTEE STATUS:

This item was reviewed by the Engineering and Operations Committee on September 23, 2014.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 1 IN THE AMOUNT OF \$412,375 WITH HDR ENGINEERING, INC. FOR THE BAKER WATER TREATMENT PLANT, PROJECT 11747 (5027).

LIST OF EXHIBITS:

Exhibit "A" – HDR Variance No. 1

EXHIBIT "A"



September 9, 2014

Mr. Scott Toland, P.E.
Senior Engineer
Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, CA 92618

Re: Request for Additional Staffing – Baker WTP Construction Management Staff Augmentation

Dear Mr. Toland:

HDR is pleased to commit Robert Peters to the Baker Project as the second construction inspector. Mr. Peters' proposed billing rate is \$125 per hour. Per the direction of the District, we have established a budget based on the assumption that Mr. Peters' assignment will start October 1, 2014 and continue through the remainder of the project duration (approximately 19 months), as further summarized in the following table:

Role	Name	Hourly Rate	Project Hours	Project Total
Inspector #2	Robert Peters	\$125.00	3299	\$412,375
Variance #1 Total				\$412,375

As requested in the District's RFP, the billing rates stated above are inclusive of Other Direct Costs (ODCs), computer/communication charges, vehicles, travel, per diem, personal protective equipment and annual escalation through the anticipated project duration of 19 months, with expected start in October 2014. Inspector overtime as required by the project will be billed at the hourly billing rate stated above. It is understood that IRWD will provide office space, office phone, access to office supplies, color copier/printer/scanner and internet access. HDR's field staff will provide their own computer and cell phone for use in the field office.

Mr. Peters has the experience and requisite skills to support you and supplement HDR's Senior Construction Inspector on the Baker WTP project. Thank you for the continuing opportunity to meet your staffing needs and to assist you in the successful completion of your project.

If you have any questions or need additional information, please contact me at the phone number below or Sean Hoss at 951.206.9722.

Sincerely,

HDR Engineering, Inc.

David A. Ludwin, P.E.
Senior Vice President

hdrinc.com

3230 El Camino Real, Suite 200, Irvine, CA 92602
T 714.730.2300 F 714.730.2301

IRVINE RANCH WATER DISTRICT PROFESSIONAL SERVICES VARIANCE

Project Title: Baker Water Treatment Plant

Project No.: 11747 (5027)

Date: August 27, 2014

Purchase Order No.: 517593

Variance No.: 1

Originator: IRWD ENGINEER/CONSULTANT Other (Explain) _____

Description of Variance (*attach any back-up material*):

Additional construction inspection services to support the construction of the Baker WTP.

Engineering & Management Cost Impact:

Classification	Manhours	Billing Rate	Labor \$	Direct Costs	Subcon. \$	Total \$
Construction Inspector	3299	\$ 125	\$412,375			\$412,375
Total \$ =						\$412,375

Schedule Impact:

Task No.	Task Description	Original Schedule	Schedule Variance	New Schedule
1	Additional Construction Inspection Services	N/A	N/A	N/A

Required Approval Determination:

<p>Total Original Contract \$ <u>1,253,936</u></p> <p>Previous Variances \$ <u>0</u></p> <p>This Variance \$ <u>412,375</u></p> <p>Total Sum of Variances \$ <u>412,375</u></p> <p>New Contract Amount \$ <u>1,666,311</u></p> <p>Percentage of Total Variances to Original Contract <u>32.8%</u></p>	<p><input type="checkbox"/> General Manager: Single Variance less than or equal to \$30,000.</p> <p><input type="checkbox"/> Committee: Single Variance greater than \$30,000, and less than or equal to \$60,000.</p> <p><input type="checkbox"/> Board: Single Variance greater than \$60,000.</p> <p><input checked="" type="checkbox"/> Board: Cumulative total of Variances greater than \$60,000, or 30% of the original contract, whichever is higher.</p>
--	---

ENGINEER/CONSULTANT: HDR Engineering Inc.
Company Name

IRVINE RANCH WATER DISTRICT

[Signature]
IRWD Project Manager 9/9/14
Date

[Signature]
Department Director 9/10/14
Date


[Signature]
Engineer s/Consultant's Management 9-9-14
Date

General Manager/Comm./Board _____
Date

October 13, 2014

Prepared by: R. Bennett/K. Welch

Submitted by: F. Sanchez/P. Weghorst

Approved by: Paul Cook 

ACTION CALENDAR

PETERS CANYON CHANNEL WATER CAPTURE AND REUSE PIPELINE PROJECT ENVIRONMENTAL COMPLIANCE VARIANCE NO. 1

SUMMARY:

On November 25, 2013, the Board authorized a Professional Services Agreement with Environmental Science Associates (ESA) to prepare an Initial Study/Mitigated Negative Declaration (IS/MND) for the Peters Canyon Channel Water Capture and Reuse Pipeline Project. The project will divert nuisance surface and groundwater flows with high selenium concentrations from selected tributaries to Peters Canyon Channel and deliver them to the Orange County Sanitation District (OCS D) for treatment and reuse. Additional environmental compliance work is needed beyond the original budgeted scope of work to fully evaluate project impacts and to develop mitigation strategies for the operation of the San Joaquin Marsh. To accommodate this work, ESA has prepared a variance to the Professional Services Agreement. Staff recommends that the Board:

- Approve an increase to the FY 2014-15 Capital Budget in the amount of \$96,200 to Project 21163 (4985) for additional environmental compliance work; and
- Authorize the General Manager to execute Variance No. 1 in the amount of \$91,664 with ESA.

BACKGROUND:

In 2002 the Environmental Protection Agency declared the Newport Bay/San Diego Creek watershed impaired and established a Total Maximum Daily Load (TMDL) of 5 µg/l for selenium. Discharges into the watershed which exceed the water quality standard of 5 µg/l are regulated pursuant to the Regional Water Quality Control Board's (RWQCB) Order No. R8-2007-004. Staff has been working with the City of Irvine (Irvine), City of Tustin (Tustin), Orange County Flood Control District (OCFCD), County of Orange (County) and the California Department of Transportation (CalTrans), collectively referred to as the "Funding Parties", to develop a feasible project to reduce discharges with high concentrations of selenium into the watershed. Currently most high concentration flows are discharged to Peters Canyon Channel (a tributary to San Diego Creek), while CalTrans currently discharges its flows to an IRWD sewer under a temporary special discharge permit.

Project Description:

The Peters Canyon Channel Water Capture and Reuse Pipeline Project would collect nuisance groundwater and surface water flows with high concentrations of nitrate and selenium from the Peters Canyon Channel and transport this water to OCS D for treatment and reuse. The location of the proposed project facilities is shown in Exhibit "A". The project would include installation of a pipeline conveyance system with diversion structures that begin on the west side of Peters

Canyon Channel near Walnut Avenue at the CalTrans Ground Water Treatment Facility (GWTF). From the GWTF, an 8-inch pressure pipeline would carry about 490 gallons per minute (gpm) across Peters Canyon Channel and proceed downstream along the east side of Peters Canyon Channel to Barranca Parkway. In this reach, the pressure pipeline would increase to 16-inch and divert approximately 1,130 gpm of additional flows from Como Channel, Edinger Circular Drain and Valencia Drain. At Barranca Parkway the pressure pipeline, containing total flows of approximately 1,620 gpm, would again cross Peters Canyon Channel, parallel the east side of San Diego Creek and discharge into the Main Street sewer for treatment by OCSD and reuse by the Orange County Water District (OCWD).

Peters Canyon Pipeline Agreement:

On November 25, 2013, the Board approved an agreement with the Funding Parties which established the terms for the design, construction, operation and maintenance of the Peters Canyon Pipeline Project. Key terms of the agreement include:

- The Funding Parties will pay all project related capital costs. Capital costs include all environmental review, design and construction costs;
- IRWD will provide an annual funding contribution for operation and maintenance (O&M) of the project up to \$60,000 per year (in 2013 dollars) and any O&M costs greater than IRWD's commitment, including environmental mitigation, will be paid by the Funding Parties;
- IRWD will design, construct, own, operate and maintain the project for 20 years;
- IRWD will receive 32% of the project's selenium credits to offset the District's selenium discharges to the San Diego Creek watershed including the Marsh;
- IRWD will be the lead agency for performing environmental review in compliance with the California Environmental Quality Act (CEQA) and will be responsible for securing the necessary permits and rights-of-way for the project; and
- IRWD will not be responsible for any consequences, including the loss of grant funding, which may occur as a result of any delays to the project.

Project Benefits:

The project would provide the following benefits to IRWD and the Funding Parties:

- Compliance with the RWQCB requirement to limit point discharges of selenium within the San Diego Creek/Newport Bay Watershed during low flows;
- The generation of Selenium Credits which can be used throughout the San Diego Creek watershed including the Marsh;
- Elimination of CalTrans discharges with high selenium concentrations to the Michelson Water Recycling Plant;

- Eligibility for treatment through the OCSD Urban Runoff Program at no cost (except flows from CalTrans);
- A supplemental water supply for reuse by OCWD in recharging the Orange County groundwater basin;
- Ability to make use of \$4,300,000 in grants that have been secured for implementation of the project; and
- Lower concentrations of selenium in flows diverted to the Marsh.

Potential Project Impacts:

The project will have potential impacts on the Marsh if not adequately mitigated. These potential impacts are associated with reduced flows being available in San Diego Creek for diversion to the Marsh. Potential impacts at the Marsh include:

- IRWD's forbearance of its non-consumptive 5.0 cfs water right in order to maximize project diversions during low flow periods;
- Reduced flows in and out of the wetland facilities;
- Changes in water quality;
- Increased residence times of flows through the ponds;
- Unknown changes in selenium sequestration and bioavailability; and
- Unknown impacts to fish, wildlife and habitat.

The complex and interrelated combination of project benefits and potential impacts have resulted in the need to perform additional environmental evaluations and to develop flexible mitigation strategies that will maximize project benefits while protecting the Marsh.

Environmental Compliance Variance No. 1:

At the same time that the agreement with the Funding Parties was approved, the Board also approved a Professional Services Agreement with ESA to prepare an IS/MND to satisfy environmental review requirements for the project. ESA's scope of work included preparation of a Reduced Discharge Technical Report to evaluate the downstream effects of diverting flows from Peters Canyon Channel. Staff has identified the need for ESA to perform additional work to more fully evaluate the project and to develop mitigation strategies for impacts on the operations of the Marsh. These additional work activities include the following:

- A water quality task will estimate the reduction in selenium load associated with the proposed project on the water quality of Peters Canyon Channel, San Diego Creek and inflows to the Marsh. This analysis will include a review of all available water quality data and an estimation of selenium and nitrogen loading to the Marsh;

- A revised diversion task will allow the Peters Canyon diversions to be estimated as a function of the stream flow in Peters Canyon. In addition, it will analyze historic stream flow data from Peters Canyon Channel and San Diego Creek and will include an analysis of the influence of stream losses on the project's potential impact on the Marsh;
- An impact analysis task will assess the potential effects of the Peters Canyon Project diversions on available stream flow and selenium loading to the Marsh. It will include a comprehensive water balance and an estimate of the Peters Canyon Project diversions impacts on residence time, selenium sequestration and nitrogen removal at the Marsh;
- A task for the identification of mitigation strategies will identify various strategies to mitigate the potential impact of the Peters Canyon Project diversions on the Marsh. These mitigation strategies will include, but may not be limited to, recirculation of flows, reduction of project diversions, providing a supplemental water supply and termination of project diversions; and
- An enhanced Reduced Discharge Technical Report will include a comprehensive description of the above tasks.

ESA's original scope of work did not include time and resources associated with addressing the above work, and at staff's request, ESA has submitted a variance for the additional work. Staff has negotiated several cost reductions with ESA in the variance scope of work and staff considers the resulting costs to be reasonable. Staff recommends the Board authorize the General Manager to execute Variance No. 1 for the scope of work as provided in Exhibit "B". The execution of the variance will not require an addendum to the Peters Canyon Pipeline Agreement and all costs associated with the variance work will be reimbursed to IRWD by the Funding Parties.

FISCAL IMPACTS:

Project 21163 (4985) is included in the FY 2014-15 Capital Budget. The cost for ESA to perform the additional work under Variance No. 1 is \$91,664. Staff requests an increase to the FY 2014-15 Capital Budget in the amount of \$96,200 to Project 21163 (4985) including contingency. All costs associated with the variance work will be reimbursed to IRWD by the Funding Parties.

Project No.	Current Budget	Addition <Reduction>	Total Budget
21163(4985)	\$10,844,700	\$96,200	\$10,940,900

ENVIRONMENTAL COMPLIANCE:

The preparation of the IS/MND is necessary for the construction and operation of the Peters Canyon Pipeline Project in compliance with the California Environmental Quality Act (CEQA) of 1970 (as amended), codified at California Public Resources Code Sections 21000 et. seq., and the State CEQA Guidelines in the Code of Regulations, Title 14, Division 6, Chapter 3.

COMMITTEE STATUS:

This item was reviewed by the Engineering and Operations Committee on September 23, 2014.

RECOMMENDATION:

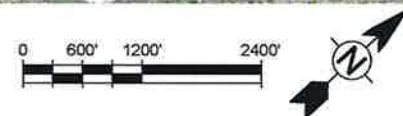
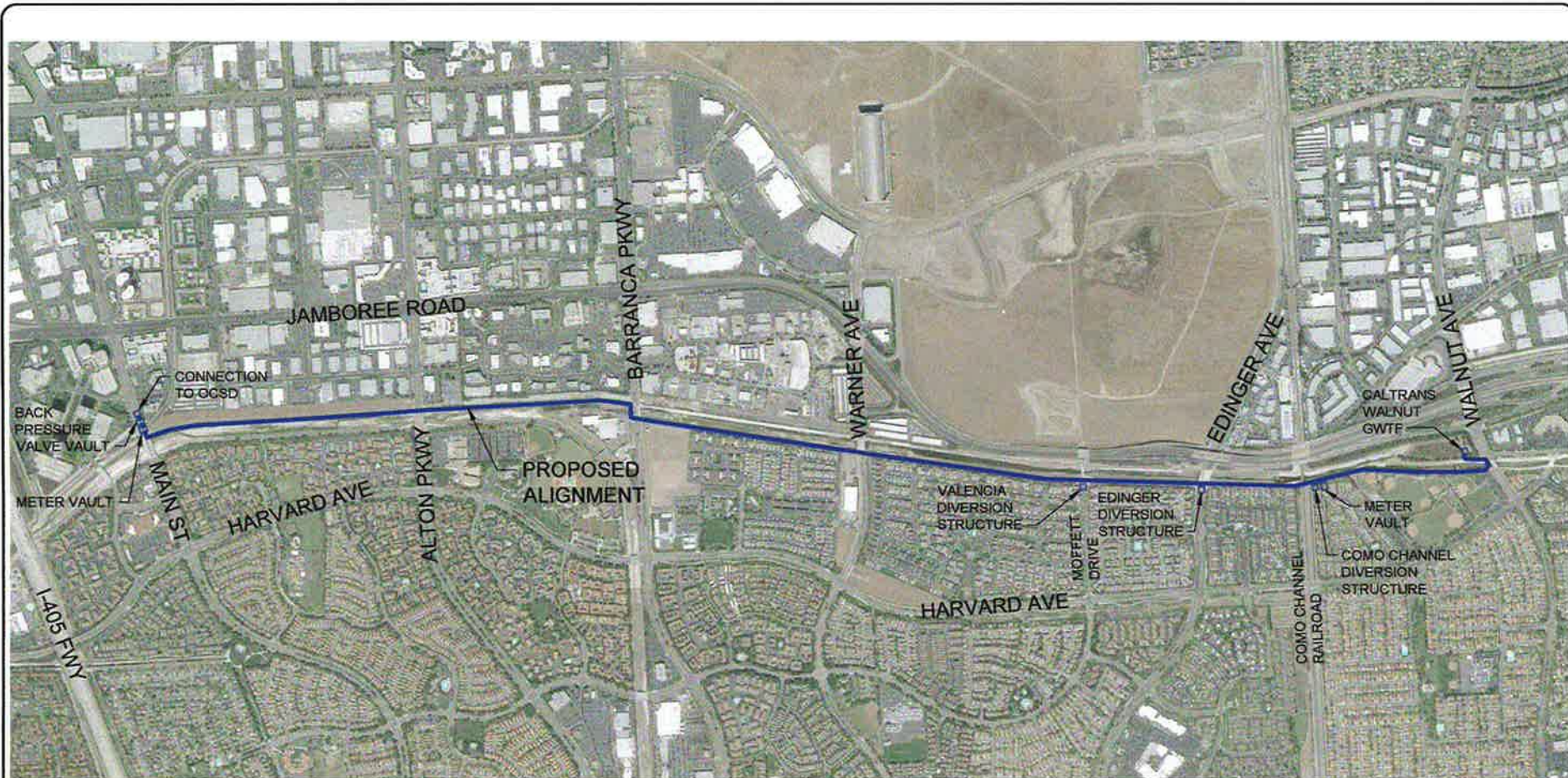
THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO APPROVE AN INCREASE TO THE FY 2014-15 CAPITAL BUDGET IN THE AMOUNT OF \$96,200 TO PROJECT 21163 (4985) FOR ADDITIONAL ENVIRONMENTAL REVIEW WORK AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 1 IN THE AMOUNT OF \$91,664 WITH ENVIRONMENTAL SCIENCE ASSOCIATES.

LIST OF EXHIBITS:


Exhibit "A" – Project Location

Exhibit "B" – ESA Scope of Work, Budget and Schedule for Variance No. 1

Exhibit "A"



5/29/2014 9:53:35 AM - P:\093981\15-09398-1402\CAD\CONCEPTUAL\C-703-SITELAYOUT.DWG - SEBHATU, ELIAS

 TETRA TECH www.tetratech.com 17885 Von Karmen Ave, Suite 500 Irvine, CA 92614 Tel: (949) 809-5000 Fax: (949) 809-5010	IRVINE RANCH WATER DISTRICT PETERS CANYON CHANNEL WATER CAPTURE AND REUSE PIPELINE	Project No.: 135-09398-14002 Date: JUNE 2014
	OVERALL ALIGNMENT	Designed By: CH
	FIGURE 1	

Bar Measures 1 inch

Copyright: Tetra Tech

EXHIBIT "B"



626 Wilshire Boulevard
Suite 1100
Los Angeles, CA 90017
213.599.4300 phone
213.599.4301 fax

www.esassoc.com

date September 19, 2014
to Ray Bennett
from Jennifer Jacobus, Nick Garrity
subject Professional Service Variance No. 1: Request to Modify Scope of Work for Peters Canyon Project

ESA is preparing the CEQA compliance documentation for the Peters Canyon Channel Water Capture and Reuse Pipeline Project. To support the analysis of Project impacts, our approved scope of work includes technical analyses and reports, including a Reduced Discharge Technical Report to evaluate the effects of diverting discharges to, and reducing flow in, Peters Canyon Channel. During the course of preparing the CEQA documentation and the technical analyses, IRWD has requested tasks that are not included in ESA's approved scope of work.

The Reduced Discharge Technical Report originally included the following tasks: (1) summarizing Peters Canyon Channel (PCC), San Diego Creek (SDC), and San Joaquin Marsh (SJM) hydrology; (2) a flow depth analysis to quantify the change in water levels downstream of diversion points within PCC and SDC, and (3) a reduced low flow impact analysis focusing on in-stream riparian habitat and SJM operations. The analysis has been completed as described in the original scope of work. In addition, ESA has completed additional tasks requested by IRWD, as described below, and which have been included in the Draft Technical Report submitted to IRWD on August 20, 2014. IRWD has requested additional tasks as described herein that would add analyses to the Draft Technical Report and allow for publication of the Mitigated Negative Declaration and Initial Study (IS/MND).

Part 1: Additional Scope of Work – Completed To-Date

Task 2.1 Reduced Discharge Technical Report (Preliminary Findings July 2, 2014)

Prior to submitting the Draft Technical Report, ESA presented preliminary findings to IRWD in PowerPoint format to allow opportunity for early feedback and direction. The development of this presentation was not included in the original scope of work. In response to the preliminary findings, IRWD requested that ESA augment its scope of work with the following tasks, which were incorporated into a report of preliminary findings submitted on July 2, 2014.

1. Water Quality: The original scope of work did not include analyses related to water quality. ESA estimated the Selenium (Se) load reduction to PCC and SDC, including the Se load reduction in the SJM inflow using

the Se concentration values from the Orange County (OC) Watersheds 2012 Lower Peters Canyon Wash Se Mass Balance Study and an approach similar to the IRWD 2011 Draft Cienega Selenium and Nitrogen Removal Project – Streamflow Analysis. This required review and analysis of available existing water quality data for PCC, SDC, and SJM; Se load calculations; and investigation and estimates of SJM water quality treatment functions.

2. **Refine Diversion Estimate:** The flow depth analysis completed per the original scope of work was based on conservative assumptions that the diversion rate equaled the maximum pump capacities at each diversion point (total 2.6 cfs) and that PCC/SDC is a neutral system with respect to groundwater influence and groundwater/surface water interaction (neither gaining nor losing). IRWD requested that the analysis of project impacts to downstream flow volume and depth be refined to provide more detailed estimates of the Project diversion rate and its relationship to flow in Peters Canyon Channel as follows:
 - Vary the Project diversion rate based upon flow at PCC @ Barranca, instead of assuming a constant value of 2.6 cfs, using available data from the OC Watersheds 2012 Mass Balance Study and OC 2013 measurements.
 - Vary the Project diversion rates' effect on flow volume at PCC @ Barranca assuming that PCC is losing for some portion of the time (e.g., for flows less than 4 cfs).

The analysis involved review of available flow data, development of an analysis approach to estimate flow losses; regenerating results on a daily time step; and assessing and summarizing the refined results.

3. **Impact Analysis:** ESA further assessed the following potential effects of reduced flow volumes on the SJM as recalculated per Task 2 above:
 - Estimated reduced SJM inflow based on Project diversion and compare to (1) the historic SJM inflow and (2) IRWD's estimated "minimum SJM inflow" on an annual/seasonal basis.
 - Compared Project-related vs. historic SJM inflow volumes on a monthly basis.
 - Calculated change in residence time in the SJM due to reduced inflow.
 - Assessed potential effect of reduced inflow on SJM water levels by performing a water balance analysis (e.g., balance between evaporation and inflow).
 - Detailed the relationship between Se and TN removal and SJM inflow to assess effect on treatment efficiency. As part of the original scope of work, ESA analyzed the relationship between flow and treatment efficiency based on annual removal data. ESA refined this prior relationship using monthly data to better evaluate effects of the project on water quality and treatment efficiency.
4. **Mitigation:** Based on the results of Tasks 1-3 above, one or more of the following approaches to developing mitigation measures may be required. These were described in the report of preliminary findings and served as the starting point for discussions with IRWD with respect to acceptable and feasible mitigation.
 - Enhance management of SJM to internally recirculate water in the marsh ponds using the existing pumps to offset potential effects of increased hydraulic residence time in SJM. This requires consultation and coordination with IRWD operations staff to understand existing circulation infrastructure and potential solutions for recirculation within the existing system. Potential management actions to achieve the desired/required recirculation and end results would be developed.

- Manage and limit diversions to maintain historic minimum flow to SJM. This would require (i) development of operational guidelines for purposes of CEQA evaluation and (ii) estimation of Se load reduction with managed diversion to inform IRWD.
- Operate diversions within an adaptive management plan (AMP) (i.e., with the possibility of SJM inflows below the historic minimum). For the purposes of CEQA evaluation, the AMP framework could include:
 - i. Monitoring program for SJM water quality and flows (e.g., SDC at intake and weir)
 - ii. Pilot experiment to test minimum flow
 - iii. Triggers for modifying diversion operation
 - iv. Evaluation and decision process

Task 2.1 Reduced Discharge Technical Report (Draft Submitted August 20, 2014)

ESA met with IRWD on July 11, 2014 to discuss the report of preliminary findings from July 2, 2014. As a result of discussions, IRWD requested that ESA augment its scope of work to include the following tasks to be included in the Draft Technical Report, which was first submitted on August 11, 2014 and then revised and resubmitted on August 20, 2014. Additional analyses completed for the Draft Technical Report are listed below.

5. Refined SJM selenium removal/sequestration estimate as follows:
 - Added data to Figure 4, Selenium Removal Efficiency, and refined the relationship. IRWD provided additional data collected since 2007; ESA removed outlier data points as appropriate and justifiable.
 - Obtained and analyzed MWRP dewatering discharge and selenium concentration data; accounted for selenium load due to dewatering in SJM outflow.
 - Addressed re-circulation within the selenium removal/sequestration estimate by deriving and applying an equation to calculate additional selenium removal resulting from re-circulation.
6. Updated the analysis and provided results for the full-year (i.e., 12 months) in addition to the dry season (April through September) and for both the 1999-2013 and 2009-2013 study periods:
 - Accounted for (i.e., removed) storm flows and performed analysis for the full-year.
 - Used OCSD's definition of wet weather to determine when project diversions would not occur.
 - Prepared appendix of results for full-year and dry season, 1999-2013, and full-year and dry season, 2009-2013. Digital copies of all analyses also were provided to IRWD.
7. Analyzed the entire available record of PCC and SDC flow data and assessed how the study period over which SJM flow data is available (1999 – 2013) compares to the driest period on record:
 - Prepared cumulative flow plots for PCC and SDC to assess changes in flow over time.
 - Analyzed average dry season flow by year and for different periods of record.
 - Assessed and documented how the 2009-2013 study period appropriately represents the driest period on record for the analysis.
8. Analyzed SJM nitrogen removal efficiency:
 - Analyzed nitrogen monitoring data and nitrogen removal efficiency and inflow relationship. The results showed no significant relationship between nitrogen removal and inflow under existing operations.
 - To complete the analysis, ESA will assess the nitrogen load reduction due to the Project diversions and add a discussion to the Technical Report related to the nitrogen load reductions and the Project's

benefit. This analysis has not been completed and will be part of the revised Draft Technical Report to be submitted under Part 2 below.

9. Draft Technical Report: ESA incorporated the analyses described above as well as the following items. These discussions will be further developed in the revised Draft Technical Report to be submitted under Part 2 below:
- Expanded discussion of project effect on IRWD's water right.
 - Expanded discussion to address potential impacts to University of California at Irvine (UCI) Marsh.
 - Expanded mitigation measure to include other options, if necessary, such as potentially taking one or more ponds offline and operating it as shorebird pond; and considering a replacement water supply.

Task 9. Project Management and Coordination

10. As part of the project initiation task, ESA was tasked with coordinating with the County of Orange to prepare and file a County Property Encroachment Permit with the County Property Permits Department. The County Property Encroachment Permit was deemed necessary in order to obtain legal site access to conduct the surveys on the project site. As part of this task, ESA prepared and filed the encroachment application letter request, application form, insurance forms, and required maps and project plans. In addition, the permit was required to be obtained in person at the County Property Permits Department. In order to expedite the process, repeated coordination efforts were required between ESA and the County Property Permit Department and then with the Permit Inspector. ESA anticipated this effort required an additional 8 hours.

Preparation of a the additional tasks requested above (1 through 9) for the Draft Technical Report necessitated additional internal and external coordination and communication, in the form of meetings, teleconferences and written correspondence, as well and quality control reviews (QA/QC). As such, we request an additional 10 hours for project management.

Part 2: Additional Scope of Work – To be Completed

Task 2.1 Reduced Discharge Technical Report

11. ESA will provide a second round of revisions and additional analyses per IRWD's direction to complete a final draft report. Revisions will include comments from IRWD and Orange County. We anticipate that subsequent comments and revisions to this final draft report will be limited to edits related to the Mitigation/AMP section. In addition to editorial comments and comments that require minor adjustments to the technical analysis, the following items will be addressed. ESA will also provide additional discussion of potential impacts associated with degraded water quality and subsequent effects, in turn, on Se sequestration.
12. Evapotranspiration (ET) Data and Analysis: IRWD has ET data that can be used instead of ET data from Long Beach. ESA will request IRWD's ET data and review to determine differences. ESA will adjust or qualify the water balance as needed, pending the outcome of the ET data review. ESA will confirm that project conditions inflow outpaces ET, even when IRWD ET data is considered.
13. Further development of Adaptive Management Plan (AMP) Approach: For purposes of CEQA, ESA will describe the appropriate goals, performance criteria, thresholds and hierarchy of management actions to be included in the AMP. The AMP will be illustrated with a flow chart/decision tree. The discussion of the AMP will be revised in the final Draft Technical Report accordingly with input from IRWD and ESA hydrologists,

water quality scientists, and biologists. ESA will adapt the AMP approach presented in the Technical Report into mitigation measures for inclusion in the IS/MND and/or reference the Technical Report

- a. Water quality monitoring: ESA will develop a general monitoring program concept, goals, performance criteria for maintaining water quality, and an approach to develop thresholds. For example, the program concept will describe what should be monitored, where, and how frequently; describe baseline monitoring; and identify thresholds to be developed that trigger management actions such as when recirculation would be initiated. ESA will describe IRWD's existing monitoring program and determine what additional monitoring would be required for purposes of the AMP. ESA also will work with IRWD and the partner agencies to gather information regarding existing or planned monitoring by the Nitrogen and Selenium Management Program that may be complimentary or useful for the Project AMP.
- b. Recirculation: In addition to the re-circulation plan and assessment already described in report, ESA will describe an approach to developing criteria and thresholds that determine when recirculation would start and stop and how to determine if re-circulation is successful. In addition, if recirculation is not successful, criteria and thresholds for triggering additional management actions also will be conceptually described.
- c. Pond operation and management: In place of the current mitigation measure to take a pond offline, which limits management actions and likely has impacts, ESA will develop a broader mitigation measure for modified pond management and operations. The modified pond management option will include temporarily taking ponds offline for short periods of time similar to existing operations (currently for maintenance purposes). As a component of the AMP, this would include a description of parameters and criteria that could be developed related to pond operation that would determine when such an action would be acceptable. Criteria would include requirements such as limiting changes in the wetted area or perimeter of a pond to historic levels or historic range of variability, in order to avoid impacts associated with sediment exposure and reduction in wetland/riparian habitat. ESA will coordinate with IRWD's SJM managers to develop the approach to this component of the AMP.
- d. Reduce diversions: ESA will update the AMP discussion in the report to allow for partial reductions in project diversions based on RWQCB requirements for City of Irvine discharges into Como Channel and PCW (Culver, Jeffrey, and Jamboree). The City of Irvine has provided the data to be used to calculate the minimum diversions currently required by RWQCB for City of Irvine, including those required for Se credits. ESA will describe the thresholds to be developed that would trigger a management action to reduce diversion. ESA assumes that the reduced discharge analysis will not need to be repeated for the reduced diversion scenario and that a qualitative discussion and approximation of project effects under a reduced diversion scenario will suffice for the IS/MND.
- e. Alternative water supplies: ESA will refine the description of using alternative water supplies to replace the reduced inflow to SJM in the current report based on input provided by IRWD. We assume IRWD will identify and provide the basis for one or more feasible scenarios for replacement water supply. ESA will consult with IRWD staff regarding implementation of such

scenarios and will describe the thresholds to be developed that would trigger a management action to supply replacement water to the SJM. ESA will describe the scenarios as appropriate for the IS/MND. We assume that these scenarios will be limited to the following alternative water supply sources: Sand Canyon Channel, Lower San Diego Creek, UCI Box Culvert, MWRP wells and/or imported water. For Sand Canyon Channel, Lower San Diego Creek and the UCI Box Culvert, we assume some assessment of impact may be required and limited to the following:

- Sand Canyon Channel: based on conceptual design information provided by IRWD (e.g., pump and intake configuration and footprint and pipeline alignment), ESA will estimate potential habitat impact acreages, if any, and construction impacts. We anticipate that potential impacts of reduced discharge from Sand Canyon and water quality considerations can be discussed qualitatively (e.g., by referring to impact discussions for San Diego Creek and comparing any water quality data for Sand Canyon to San Diego Creek). ESA will identify mitigation measures as needed, which we anticipate will be limited to construction period mitigation measures (e.g., similar to mitigation measures developed for the Peter's Canyon pipeline) and identifying a potential habitat mitigation area if necessary (e.g., enhancement of the area South of Campus Blvd. and west of San Diego Creek).
- Lower Sand Diego Creek and UCI Box Culvert: ESA assumes that the concept, impact assessment, and mitigation measures for these alternative supply scenarios would be similar to the Sand Canyon Channel approach described above. ESA will estimate potential habitat impact acreages, if any, and provide an impact analysis and mitigation measures as described above, if necessary.

Cost Estimate and Schedule

The attached **Table 1** provides our level of effort and associated cost estimate for the tasks described above. Our current authorized budget for CEQA compliance for the Project is \$128,926. The additional budget requested to implement the above-mentioned scope of work is \$63,499 for tasks completed to-date (Part 1) and \$42,426 for additional tasks requested by IRWD (Part 2). The total new authorized budget would be \$234,851.

Our contract ceiling of \$143,187 includes an optional task and budget for NEPA-related technical work and coordination. Since it has been determined that NEPA compliance is not required for the project, we request those funds (\$14,261) be made available to support the scope of work described above, to offset the additional budget requested for tasks completed to-date as shown in Table 1. The modified project budget of \$234,851 would exceed the contract ceiling by \$91,664. Thus our request is for a Professional Services Variance in the amount of **\$91,664**.

ESA acknowledges that the level of effort required to prepare a CEQA-only document is less than a NEPA-ready CEQA document. We estimate a 15 percent reduction in the level of effort required to prepare the Administrative Draft Initial Study. This savings has been accounted for in our request as an offset for some out-of-scope work performed to-date for the Reduced Discharge Technical Report.

Upon receiving a notice to proceed (NTP) for Part 2, ESA will work to complete Tasks 11 through 13 within six (6) weeks. These are the tasks required to support and complete the IS/MND.

Thank you for your consideration of this request. If you have any questions about our scope, assumptions, or level of effort do not hesitate to call me at 213-599-4300.

Best Regards,

A handwritten signature in black ink that reads "Jennifer Jacobus". The signature is written in a cursive, flowing style.

Jennifer Jacobus
Senior Managing Associate, Southern California Water Practice Group

TABLE 1: PRICING PROPOSAL
ESA Labor Detail and Expense Summary
Peters Canyon Channel Water Capture and Reuse Pipeline - Professional Services Variance 1

Task Number / Description	Garrity I Dir	Jacobus III MA/TA	Gragg II MA/TA	Pohl III Dir	Ainsworth II Dir	Subtotal	WPI/Graphics: JaFolla		Total Hours	Total Labor Price
							Project Tech	Subtotal		
Hourly Billing Rate	\$187.78	\$175.41	\$149.60	\$220.66	\$208.32		\$	114		
Part 1: Completed To-Date										
Task 2.1 Reduced Discharge Technical Report										
	12	10	4			\$ 4,606	-	\$ -	26	\$ 4,606
1	6		20			\$ 4,119	-	\$ -	26	\$ 4,119
2	6	-	20			\$ 4,119	-	\$ -	26	\$ 4,119
3	20		56			\$ 12,133	-	\$ -	76	\$ 12,133
4	12	2	20			\$ 5,596	-	\$ -	34	\$ 5,596
5	10		28	-	-	\$ 6,067	-	\$ -	38	\$ 6,067
6	21		36	-	-	\$ 9,329	-	\$ -	57	\$ 9,329
7	6		20	-	-	\$ 4,119	-	\$ -	26	\$ 4,119
8	6		12	-	-	\$ 2,922		\$ -	18	\$ 2,922
9	16	8	16	-	-	\$ 6,801	4	\$ 458	44	\$ 7,259
Task 9 Project Management and Coordination										
10	6	12	-			\$ 3,232	-	\$ -	18	\$ 3,232
Subtotal Completed To-Date										\$ 63,499
Less Reallocated Budget from Optional NEPA Task										\$ (14,261)
Total Completed To-Date										\$ 49,238
Part 2: To Be Completed										
Task 2.1 Reduced Discharge Technical Report										
11	24	16	16			\$ 9,707	4	\$ 458	60	\$ 10,165
12	8		16			\$ 3,896		\$ -	24	\$ 3,896
13	Further development of Adaptive Management Plan Approach									
	8	8	4	8	2	\$ 5,686		\$ -	30	\$ 5,686
	8	8	8	2		\$ 4,544		\$ -	26	\$ 4,544
	8	8	8	2	2	\$ 4,960		\$ -	28	\$ 4,960
	8	8	8			\$ 4,102		\$ -	24	\$ 4,102
	8	8	16	2	16	\$ 9,074		\$ -	50	\$ 9,074
Total To Be Completed										\$ 42,426
Total Hours	193	88	308	14	20		8		631	
Subtotals - Labor Costs	\$ 36,242	\$ 15,436	\$ 46,077	\$ 3,089	\$ 4,166	\$ 100,404	\$ 915	\$ -		\$ 91,664
Percent of Effort - Labor Hours Only	30.6%	13.9%	48.8%	2.2%	3.2%		1.3%		100.0%	
Percent of Effort - Total Project Cost	39.5%	16.8%	50.3%	3.4%	4.5%		1.0%			100.0%

ESA Non-Labor Expenses

Reimbursable Expenses (see Attachment A for detail)

\$ -

ESA Equipment usage (see Attachment A for detail)

\$ -

Subtotal ESA Non-Labor Expenses

\$ -

TOTAL - Variance 1

\$ 91,664

Total Executed Contract Ceiling

\$ 143,187

TOTAL - Modified Project Price

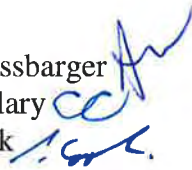
\$ 234,851

October 13, 2014

Prepared by: Tony Mossbarger

Submitted by: Cheryl Clary

Approved by: Paul Cook



ACTION CALENDAR

UTILITY BILLING SYSTEM MANAGED SUPPORT SERVICES

SUMMARY:

The District successfully went “live” with its new Oracle Customer Care and Billing (CC&B) utility billing software solution in August 2014. The post go-live support period of three months is nearing completion at the end of October. While IRWD staff has been trained to operating the system, additional staff training is required to provide the technical support required to keep the system running efficiently. Accordingly, staff recommends the Board approve the retention of Infosys Limited to provide additional support and training services, and authorize the General Manager to execute a professional services contract for an amount not to exceed \$595,000 to provide managed support services for the period from November 1, 2014 to July 31, 2015.

BACKGROUND:

Oracle CC&B Software System Implementation:

In April 2013, staff began the process to implement the Oracle CC&B utility billing software solution. The system went live successfully in August 2014. The implementation of the system included a three-month post go-live support period with the system implementer, Infosys. During this period Infosys has been providing assistance to correct minor defects and making changes to adjust the system configuration. Infosys is also proactively monitoring the system for potential issues and providing support to IRWD staff.

The transition of support from Infosys to IRWD staff is currently underway, but this process will not be completed during the three-month post go-live support period. Based on the technical skills and experience required to effectively support the utility billing system, staff will need additional training to complete the transition to provide internal support for the system.

Managed Support Services:

Utilities that have implemented the Oracle CC&B solution typically retain the system implementer to provide a managed support services. This arrangement allows the utilities' technical staff to transition into the primary application and maintenance support role. Staff from both IRWD and Infosys will continue working together to provide support, but gradually will shift the primary support role from Infosys to IRWD. Staff requested a proposal from Infosys to provide applications support and maintenance for a period of nine months. The proposed solution from Infosys, included as “Exhibit A”, utilizes a support model that will allow for a gradual transition of support to IRWD technical staff based on the proposed schedule.

Based on the District's experience utilizing Infosys to implement and provide initial support services for the CC&B system, staff believes that they have the knowledge and expertise necessary to provide the additional support required for the system. Infosys employs consultants that specialize in implementing and supporting the CC&B solution and have unique knowledge of the District's specific configuration and customizations. Infosys also has the bench strength with its offshore resources to quickly mobilize resources in the event of any major issues with the CC&B system.

IRWD technical staff will provide primary or Level 1 support for the CC&B system, logging all of the support requests and incidents in the service desk system for tracking and resolution. Secondary or Level 2 support will be provided on-site by a core team of two Infosys resources. The team will monitor and analyze CC&B system performance, provide day to day planning and production control, resolve operational issues and assist with prioritizing system issues. Additional Infosys resources will be available from the offshore team to provide Level 3 support that includes analysis for change requests, developing and testing system changes and to provide an extended/flex team for additional work on enhancements or needed support.

Infosys proposed a fixed fee of \$595,000 for nine months. This includes 80 hours per month for minor system enhancements. Additional staffing required for a sudden surge in the number of support incidents per month or for a major enhancement, will be billed on a time and materials basis. Support will gradually transition from Infosys to IRWD technical staff over the proposed nine-month term.

Staff requests that Board authorize the General Manager to execute a professional services contract in an amount not to exceed \$595,000, with Infosys Limited to provide managed support services for the District's Oracle CC&B utility billing software for the period from November 1, 2014 to July 31, 2015.

FISCAL IMPACTS:

The recommended contract cost not to exceed \$595,000 is not included in the FY 2014-15 Operating Budget.

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on October 7, 2014.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT FOR AN AMOUNT NOT TO EXCEED \$595,000 WITH INFOSYS LIMITED.

LIST OF EXHIBITS:

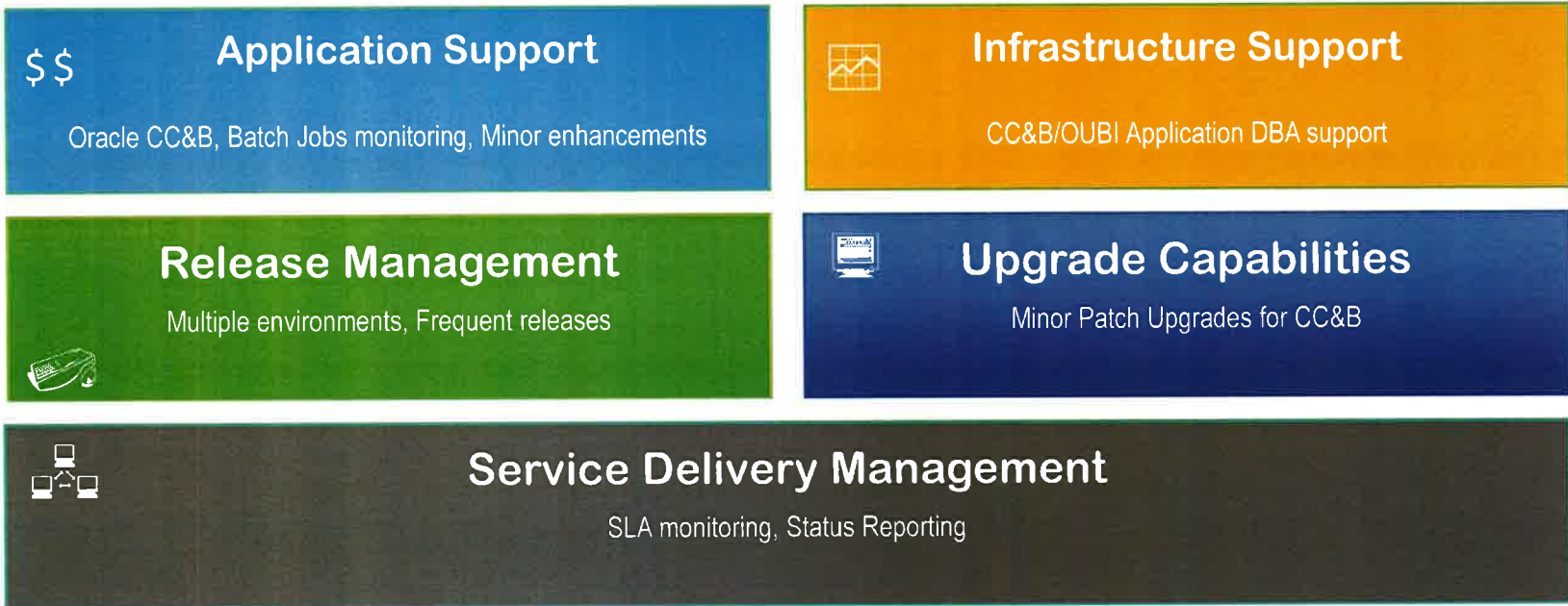
Exhibit "A" – Infosys Limited Proposal

ICE: Application Support and Maintenance

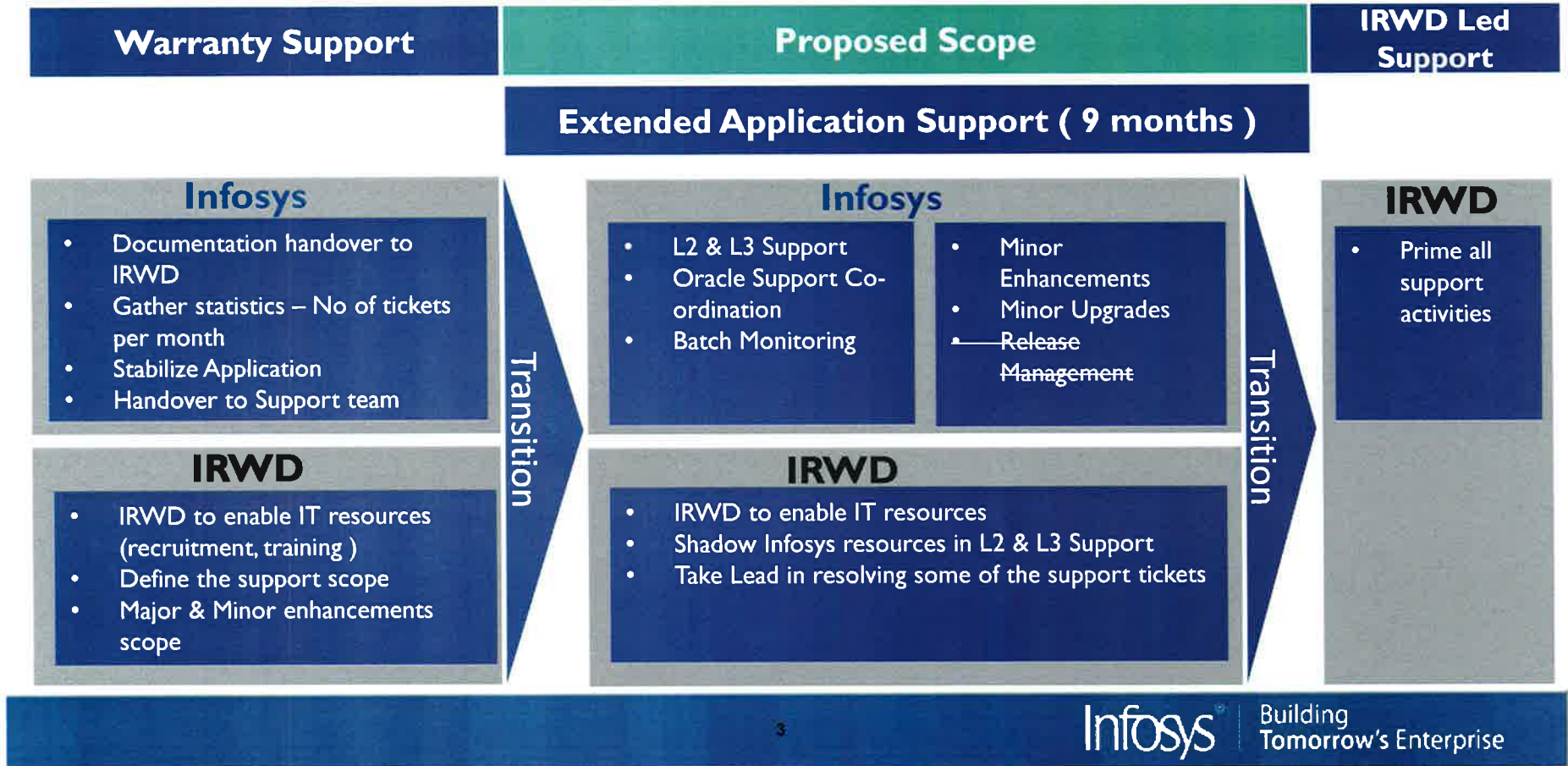


Infosys[®] | Building Tomorrow's Enterprise

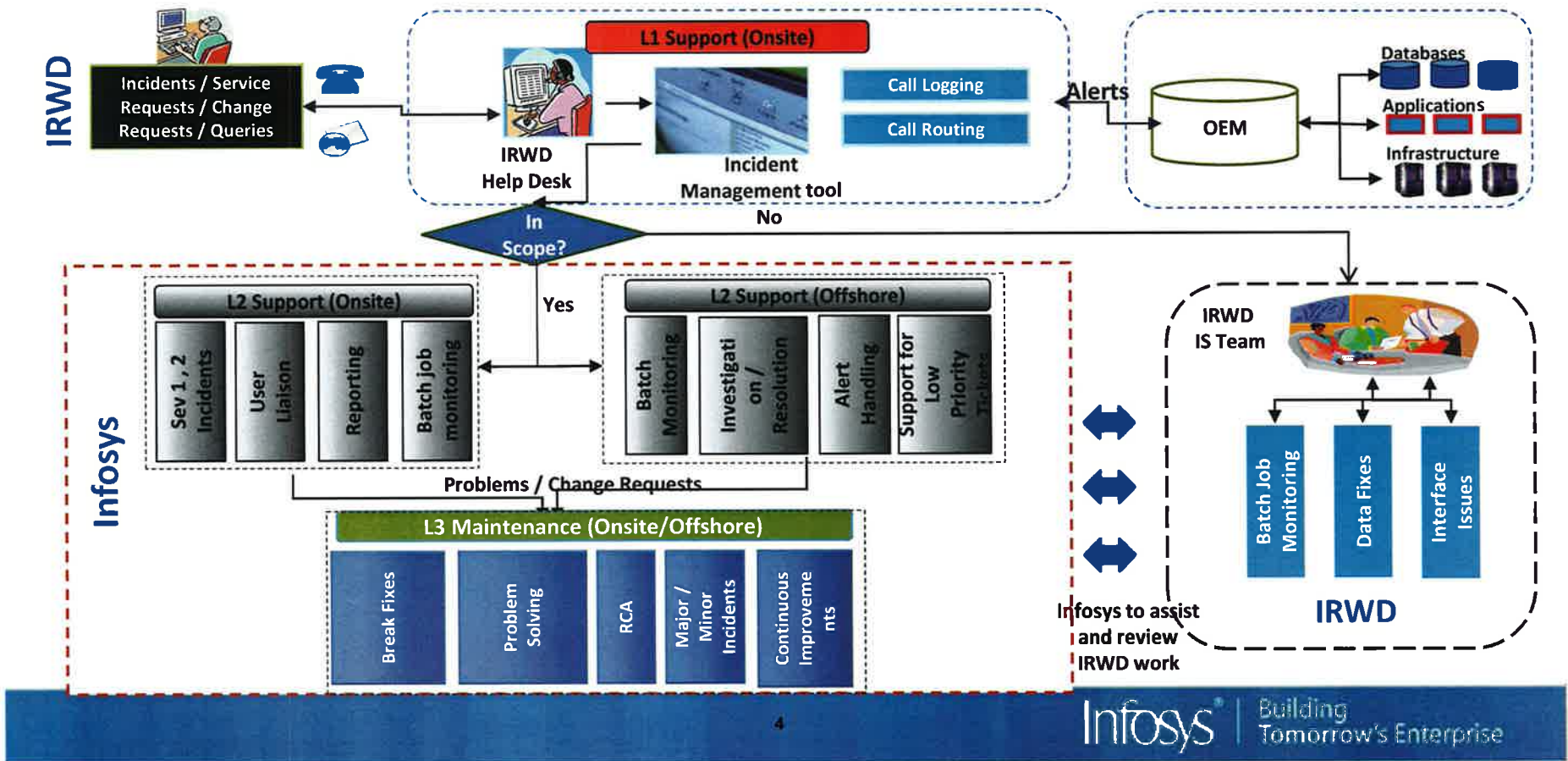
High Level scope for Application Support & Maintenance



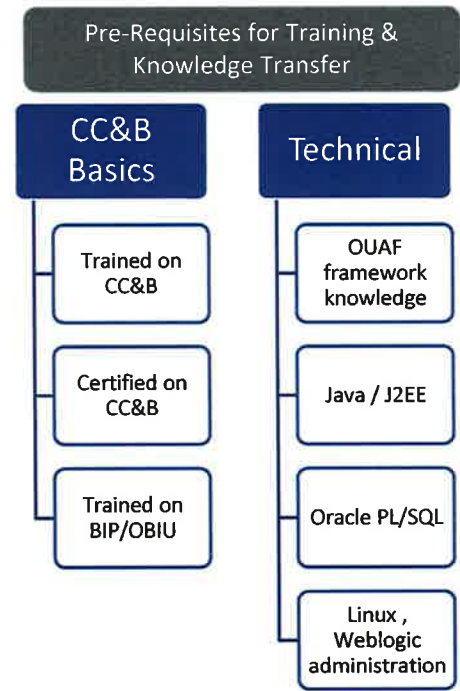
Solution Proposed



Support Model (A Co-Sourced Team)



Transition Schedule and Pre-Requisites



Staffing Model

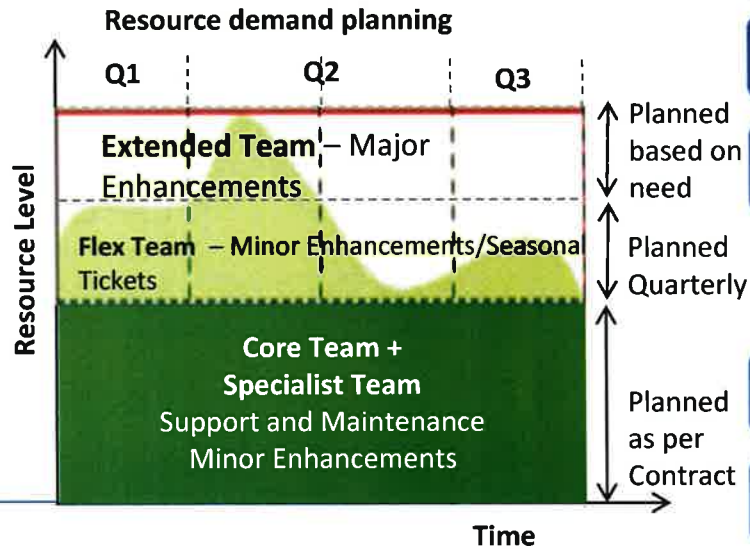
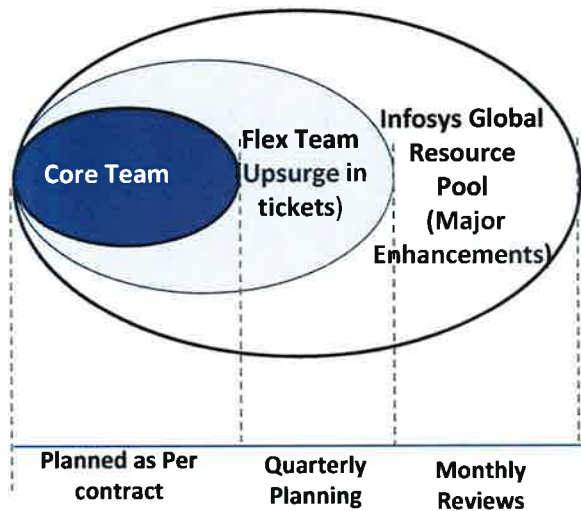
Core Team

Dedicated team of Functional and Technical SMEs for regular maintenance and minor enhancements

Flex Team

Extended talent pool catering to sudden unplanned upsurge in demand - **About 15% of Core pool**

Flexible resource model



Benefits

Rapid ramp up and ramp down to manage costs

Mobile teams from Infosys where and when you need them

IRWD implementation experience and retention of institutional knowledge

Enabler

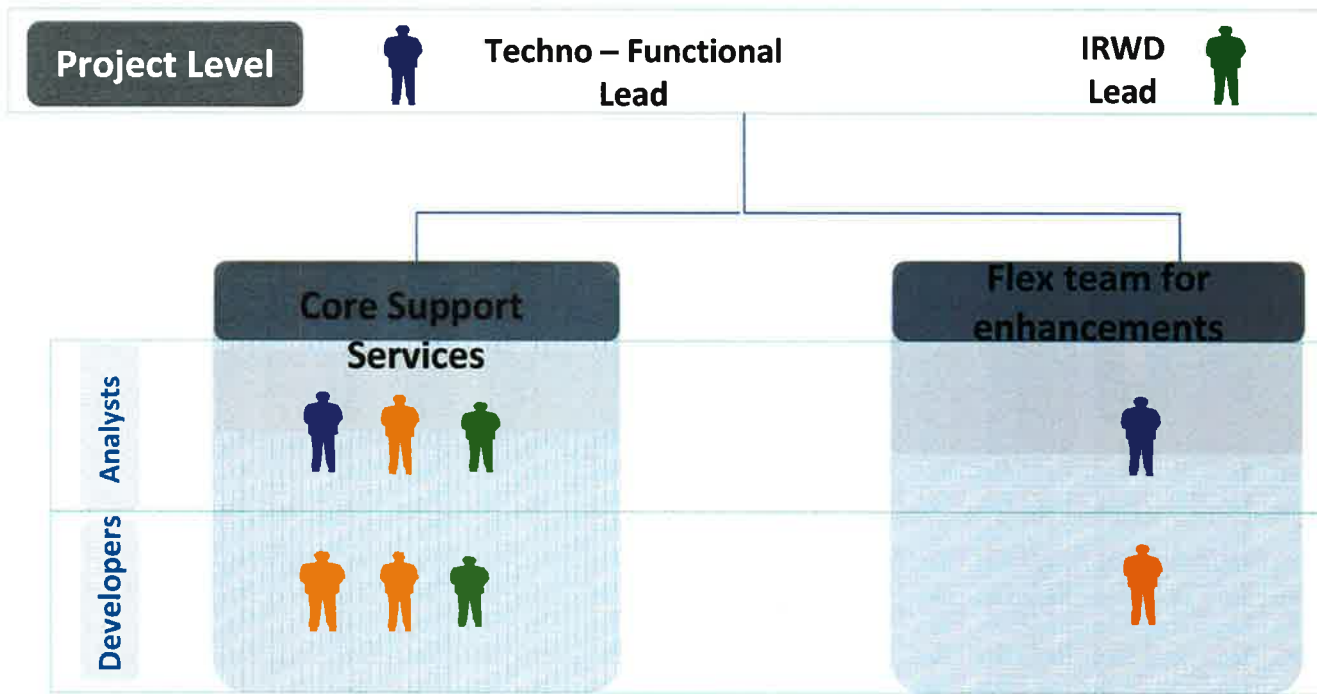
Oracle Utilities CoE

Cross Skilling

Planned as Per contract Quarterly Planning Monthly Reviews

Lead Time → 2 weeks 4 weeks

Governance Structure – Co-Sourced Team



- Prioritize Defects
- Day to Day Planning and Control
- Production Deployment planning
- Analyze Performance Reports
- Resolve Operational Escalations
- SLA Monitoring , Quality

- Analysis
- Development and Testing
- Quality Assurance
- Mutual Support and KT
- Extended/Flex team for enhancements available with 4 weeks notice in advance

In Scope / Out of Scope

Level 2 Support Activities:

- Batch Jobs monitoring and quick fixes for Batch job failures
- Log incidents for the Batch Jobs issue which cannot be resolved by monitoring team
- Incident investigation, diagnosis and the delivery of workarounds and resolutions without code changes.
- Escalation/closure of unresolved issues to Level 3 support.
- Providing quick fixes for any data issues.
- Escalation of key product issues with Oracle and manage the lifecycle of the particular Service Request for the same.
- Incident notification (send mail to stakeholders, etc.)
- Incident Follow up, Incident Closure.

Level 3 Support Activities:

- Problem analysis and provide resolution by way of code fixes.
- Root cause analysis for recurring issues for preventive maintenance.
- Configuration changes related to bug fixes.
- ~~Release management including code movements from DEVELOPMENT → QA → PRODUCTION environments for fixes done by Infosys~~
- Support for application-specific data issues which impacts the database.

Database Management and Administration (CCB & OBIU)

- Database maintenance activities like installation of patches, Application administration activities

Out Of Scope

- Handling direct calls from customers or Help desk support activities (L1-related activities).
- Infrastructure, server, hardware support
- Backup and Restore
- Desktop and client connectivity support
- DR Site switch over activities and testing
- Major Enhancements and Product Upgrades – these will be handled as a separate, stand-alone project/SOW
- Support for core EBS application
- Core DBA activities for EBS will be handled by IRWD

Solution Assumptions

- Total Number of Tickets assumed (Infosys) = **50 per month** (Infosys responsibility)
- Total Number of Tickets assumed (IRWD) = **5 per month** (IRWD IS team will take the lead, Infosys will review)
- Infosys has assumed **2 IRWD FTE** involvement in the Co-Sourced support team, they will work on the support tickets from the 3rd month.
- Total effort for minor enhancements = **80 hours per month** (A minor enhancement can be of **max 40 hours**)
- Additional staffing required for sudden surge in number of tickets per month will be mutually agreed and staffed on T&M basis
- Any enhancement for more than 40 hours will be clubbed as major enhancement and delivered as a small project
- Weekend Support (Beeper support) is considered for 4 calls per month. IRWD team will be part of the beeper support team from the 3rd month
- Any SLA applicable for the support model will be mutually agreed between Infosys and IRWD post completion of Warranty Support. An indicative SLA model is provided below.

Priority	Response Time	% Adherence	Resolution Time	% Adherence
P1	< 30 Minutes	95	8 Hours	95
P2	< 1 hour	90	2 business day	85
P3	< 2 hours	90	4 business days	85
P4	< 2 hours	90	20 business days	85

Other Assumptions

- All software licenses required for support should be provided by IRWD
- IRWD will assist in getting the support personnel appropriate privileges as required to support any L2/L3 issue
- The support team will work out of client site and one or more of our India Development Centres; support is provided during the working hours at onsite and offshore that covers 16 hours/day
- All the tasks for support are based on fixed bandwidth of the resources deployed. The tickets raised will need to be prioritized and based on the volume of tickets/enhancement requests and will require mutual acceptance between Infosys and IRWD
- User Acceptance Testing will be owned by IRWD. Infosys will provide fixes for UAT defects
- IRWD resources involved in the support team will be qualified and trained on CC&B as mentioned in the pre-requisites for training
- The delivery, timelines, staffing and release management of small projects will be mutually agreed between Infosys & IRWD
- DBA support for CC&B/OBIU is considered from offshore

Commercials

Total cost for 9 months - \$ 595,000

This is a fixed price quote.

Thank You

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Infosys® | Building
Tomorrow's Enterprise

October 13, 2014

Prepared by: C. Compton

Submitted by: P. Weghorst *pm*

Approved by: Paul Cook *PC*

ACTION CALENDAR

2015-2016 STATE LOBBYING AND ADVOCACY SERVICES

SUMMARY:

Irvine Ranch Water District's current 18-month contract with O'Haren Government Relations for state lobbying and consulting services expires on December 31, 2014. Staff recommends the Board approve a sole-source Professional Services Agreement with O'Haren Government Relations for state lobbying and advocacy services during the 2015-2016 legislative session. The new contract would include a \$6,500 monthly retainer plus reimbursable expenses up to \$3,900 per year for a total contract amount not to exceed \$163,800. The proposed new agreement reflects no increase in the amount of the monthly retainer from the current agreement.

BACKGROUND:

IRWD continues to be a leader in water resources public policy and governance. During the 2013-2014 legislative session, the District engaged in a number of state policy discussions regarding water infrastructure, supply reliability and governance. Many of these discussions are expected to carry over into the 2015-2016 legislative session. The services to be provided by O'Haren Government Relations would allow the District to maintain continuity in its current Sacramento representation throughout the entire 2015-2016 legislative session. Attached as Exhibit "A" is the scope of work and cost estimate for representation by O'Haren Government Relations for the 2015-2016 legislative session.

Some of the policy areas expected to be of priority for IRWD in the 2015-2016 legislative session are addressed in O'Haren Government Relation's scope of work and are summarized as follows:

- *Recycled Water:* Work to seek enactment of IRWD crafted legislation that would enhance State policy on recycled water use and storage;
- *Special District Revenues:* Prevent attacks on enterprise special district reserves and/or property tax revenues;
- *Special District Governance and Reform:* Protect IRWD interests in any legislation establishing new requirements or other reform measures impacting special district governance, financing, operations and contracting;
- *Water Bond:* Ensure IRWD opportunities and flexibility to compete for bond funds;
- *Water Conservation, Water Recycling, Water Rights, and Related Legislative Issues:* Preserve and advance IRWD interests in these policy areas; and
- *Wetlands Oversight:* Protect the District's Natural Treatment System program.

O'Haren Government Relations provides the District with a high level of service, knowledge, credibility and access in Sacramento. Additionally, Ms. Maureen O'Haren assists the District in ongoing efforts to build and maintain relationships with key policy makers in the Legislature, the Governor's Office and within State agencies.

To aid IRWD in its state advocacy efforts, staff recommends that the Board authorize the execution of a new Professional Services Agreement with O'Haren Government Relations for a 24-month period, beginning January 1, 2015 through December 31, 2016. Entering into a 24-month contract with O'Haren Government Relations would allow the District to maintain continuity in its current Sacramento representation throughout the entire 2015-2016 legislative session.

FISCAL IMPACTS:

The current contract with O'Haren Government Relations which will expire on December 31, 2014 is for an 18-month term in the amount of \$6,500 per month plus annual reimbursable expenses not to exceed \$123,000.

The proposed contract with O'Haren Government Relations would cover the period January 1, 2015, through December 31, 2016, at \$6,500 per month plus reimbursable expenses not to exceed \$3,900 per year. If approved by the Board, the new contract will be charged against the FY 2014-15, FY 2015-2016 and FY 2016-2017 Operating Budgets. The total requested contract authorization is \$163,800.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on October 6, 2014.

RECOMMENDATION:

THAT THE BOARD APPROVE A SOLE-SOURCE 24-MONTH PROFESSIONAL SERVICE AGREEMENT, FROM JANUARY 1, 2015, THROUGH DECEMBER 31, 2016, WITH O'HAREN GOVERNMENT RELATIONS FOR \$6,500 PER MONTH PLUS REIMBURSABLE DIRECT EXPENSES WITH A MAXIMUM OF \$3,900 PER YEAR FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$163,800.

LIST OF EXHIBITS:

Exhibit "A" – Proposal for Professional Services from O'Haren Government Relations

O'HAREN
GOVERNMENT RELATIONS
428 "J" STREET, SUITE 440
SACRAMENTO, CA 95814

DATE: OCTOBER 7, 2014

TO: Christine Compton, IRWD

FROM: MAUREEN O'HAREN

RE: IRWD Contract for January 2015-December 2016

Christine:

Thank you so much for the renewal of my contract, beginning January 2015. Attached is the contract proposal letter.

My general liability insurance runs with the calendar year, and so will not receive a certificate until January. Regarding worker's compensation insurance, as we have discussed previously, because I have no employees and am a sole owner, I am exempt from the requirement to have worker's compensation insurance.

Thank you for offering this renewal. It's been a true honor to represent the District these many years and a real pleasure to work with you.

Regards,

Maureen O'Haren

Christine Compton
Government Relations Manager
Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, CA 92618

**RE: PROPOSAL FOR REPRESENTATION
 January 2015 through December 2016**

Dear Christine:

Thank you for offering to renew O'Haren Government Relations' contract to represent the Irvine Ranch Water District in Sacramento. I am honored to continue to represent the District in Sacramento as I have for nearly ten years now. Being part of such a forward-thinking, successful organization peopled by individuals who believe in their work and believe in providing leadership in Sacramento policymaking has been a thrill.

The 2014 legislative session will probably go down as one of the most historic sessions for water since the 2009 water package was passed. The near-unanimous passage of a revised water bond hopefully more palatable to voters and the successful fight for sustainable groundwater management legislation will mark this session as a turning point in water policy for the state, and ideally provide the needed resources for the future. The actions of the State Water Resources Control Board in establishing drought policy and our successful involvement in crafting that policy was also critical to advancing more thoughtful approaches to conservation in difficult times.

I hope to continue helping to advance the District's innovative agenda in the coming legislation session. Our top priorities for 2014, though yet to be fully determined, appear to be 1) our sponsored language to make a policy statement about recycled water as part of total demand and to deal with the stormwater overflow issue that has precluded the use of recycled water in decorative lakes and storage facilities; and 2) preventing any attacks on enterprise special district reserves or property tax revenues.

Our work will continue on any legislation affecting recycled water, such as this year's AB 2403 (Rendon), as well as general water issues and overall local government issues impacting IRWD, such as AB 52 (Gatto) on CEQA. We will work closely with WateReuse, ACWA, CMUA, CSDA and the Public Works Coalition to advance our goals and ensure sound policy is developed for legislation in all of these areas.

We will also continue to monitor activities at the State Water Resources Control Board as it monitors the drought as well as implements the water quality and water-related functions formerly housed in the Department of Public Health.

IRWD continues to be perceived as a leader in statewide policy on conservation and recycled water. Our participation in the development of the groundwater management legislation strengthened the District's reputation and image, and built stronger relationships with legislators and Administration officials. The reputation that IRWD has established over the years will continue to earn the District more attention in Sacramento as we pursue new initiatives. Members of the Legislature and key administration officials have great interest in hearing from IRWD, touring IRWD facilities, and working with us on legislation, and we should continue to those efforts to maintain and strengthen those relationships.

The remainder of this letter describes the firm's background and the scope of services provided by O'Haren Government Relations.

Background

From 1997 to the end of 2004, Phil Isenberg and Maureen O'Haren provided government relations services to a host of clients through Miller, Owen & Trost. Our clientele included trade associations, local governments, corporations and non-profit organizations in a variety of fields. On January 1, 2005, we opened the doors to our own firm, Isenberg/O'Haren. In March of 2010, Phil Isenberg was appointed to the Delta Stewardship Council. The firm name was changed to O'Haren Government Relations, with Maureen O'Haren as principal, and the firm continues to provide the District with the same dedicated, personal service and belief in the District's mission.

General Scope of Services

O'Haren Government Relations provides full-service lobbying and government relations services for its clients. The following is a general list of the services:

- Strategic planning and consultation.
- Introduction to specific legislators and administration officials.
- Lobbying legislation and budget issues of concern or interest to the client.
- Bill tracking and monitoring.
- Regular communications and updates regarding priority issues.
- Staffing of sponsored legislation.
- Drafting of legislative language, including amendments.
- Testimony in committee hearings.
- Preparation of testimony for client representatives.
- Briefing of client representatives for meetings and hearings.
- Preparation of letters and other written materials for legislators and administration officials.
- Coordination with coalitions and trade associations in legislative strategy, lobbying, committee hearings and grassroots activities.
- Advocacy on regulatory matters.
- Maintenance of relationships with legislators, administration officials and key staff.
- Representation of client at coalition meetings.

Irvine Ranch Water District Proposal

Below is a general outline of the priority areas of advocacy for the 2015-2016 legislative session. All of these activities would be undertaken pursuant to IRWD direction.

ISSUE: **Water Conservation, Water Recycling, Water Rights and Related Legislative Issues**

GOAL: **Protect and advance District interests in policy issues.**

TASKS:

- Provide full lobbying services (as described above), consistent with strategic direction, on priority legislation introduced or identified by IRWD and bills introduced and identified by industry groups, such as ACWA, CMUA, the WaterReuse Association, CASA and CSDA.
- Assist in development of position, strategy and amendments on priority legislation and assist in drafting of position letters and amendments.
- Attend negotiating sessions with author's staff and strategy meetings of associations. Influence association position so that it is consistent with and supportive of IRWD position.
- Testify as needed on legislation and report on results.
- Provide regular reports on priority legislation and reassess strategy and position as issues develop.
- Identify and notify the District of any specific legislation or developments that may have significant impact on IRWD.
- Monitor negotiations on relevant legislation.

ISSUE: **State Budget**

GOAL: **Minimize the impact on the District's property tax allocation, reserves and investment interests.**

TASKS:

- Gather and report budget intelligence.
- Maintain communications with key staff on budget issues.
- Maintain communications with ACWA and CMUA staff on budget developments.
- Work with coalition partners on common issues, such as property tax and reserve issues affecting enterprise special districts.
- Schedule and attend lobbying meetings with legislators, key staff and administration officials in advance of budget subcommittee hearings, as needed.
- Provide budget updates to the District as needed.
- Provide budget analyses of new budget proposals of concern.
- Advocate with key entities, including trade associations, coalitions and administrative agencies as needed.
- Monitor budget committee hearings and activities when appropriate.

- Provide public testimony in budget hearings when appropriate and consistent with strategy.
- Draft budget language as needed.

ISSUE: Special District Oversight, Local Government Law, Pension Reform

GOAL: Protect IRWD interests in any legislation establishing new requirements or other reform measures affecting special district governance, financing, contracting and operations.

TASKS:

- Review and assist in the development of policy goals.
- Analyze legislation.
- Advocate in accordance with IRWD priorities and position. Identify areas in which IRWD is different from other water districts as unique characteristics of governance structure, financing or ethics policies may allow IRWD to achieve special recognition, or exclusion, from larger efforts in this area.
- Meet with identified legislators, key staff and other key decision makers as necessary.
- Influence member associations such as ACWA, CMUA, CSDA and others to ensure they support or promote IRWD position.
- Determine whether testimony at committee hearings is appropriate and testify as needed.
- Prepare regular updates.
- Lobby Administration officials on IRWD position if necessary.
- Watch for any and act on any problematic legislation.

ISSUE: Bond Funding and Financing

GOAL: Ensure IRWD Opportunities in these areas and protect IRWD flexibility

TASKS:

- Monitor all bond measures that may provide funds for water projects.
- Maintain communications with key staff involved in budget and bond funding and implementation.
- Monitor budget negotiations for funding opportunities.
- Review implementation language regarding consistency with IRWD projects.
- Ensure implementation of water bond measure reflects IRWD interests.

ISSUE: Wetlands Oversight

GOAL: Protect IRWD's Natural Treatment System

TASKS:

- Monitor intelligence on emerging policy relating to wetlands.
- Attend relevant workgroup and board meetings dealing with wetlands regulation or legislation.
- Advocate the advantages of IRWD's Natural Treatment System.

Fee Proposal

O'Haren Government Relations proposes a monthly retainer of \$6,500, plus reimbursement of additional costs such as travel costs (with prior-authorization) by IRWD (including airfare, ground transportation, meals, hotel, etc), as well as courier service, conference calls, mailing, printing, costs associated with business meetings and other similar costs for IRWD-specific work. We agree to a limitation of \$3,900 in costs per year.

We hope that this letter provides you with an adequate scope of services. Thank you again for our continued relationship.

Regards,

MAUREEN O'HAREN

APPROVED BY: _____ **DATE:** _____

**Paul Cook, General Manager
Irvine Ranch Water District**

October 13, 2014

Prepared by: C. Compton

Submitted by: P. Weghorst *PW*

Approved by: Paul Cook *Paul Cook*

ACTION CALENDAR

2015-2016 FEDERAL LOBBYING AND ADVOCACY SERVICES

SUMMARY:

Irvine Ranch Water District's current 24-month contract with The Furman Group for federal lobbying and consulting services expires on December 31, 2014. Staff recommends the Board approve a sole-source Professional Services Agreement with The Furman Group for federal lobbying and advocacy services during the 114th congressional session. The new contract would include a \$11,500 monthly retainer plus reimbursement of direct expenses for the first year of the contract and a \$12,500 monthly retainer plus reimbursement of direct expenses for the second year of the contract for a total contract amount not to exceed \$324,000. The proposed new agreement reflects an increase in the amount of the monthly retainer from the current agreement of \$10,000 per month.

BACKGROUND:

IRWD continues to be a leader in water resources public policy and governance. During the 113th congressional session, the District engaged in a number of federal policy discussions regarding water infrastructure, water supply reliability and the Water Resources Reform and Development Act (WRRDA). Many of these discussions are expected to carry over into the 114th Congress. The services to be provided by The Furman Group would allow the District to maintain continuity in its current federal representation throughout the entire 114th Congress. Attached as Exhibit "A" is the scope of work and cost estimate for representation by The Furman Group for the 114th congressional session.

Some of the policy areas expected to be of priority for IRWD in the 114th Congress are addressed in The Furman Group's scope of work and are summarized as follows:

- *WRRDA*: Actively engage in providing input to the Army Corps of Engineers as it formulates the Section 1014 Program Guidelines;
- *Syphon Reservoir Recycled Water Storage Project*: Work with IRWD staff to produce a feasibility study that will receive a positive recommendation from the Army Corps of Engineers in its Report to Congress;
- *Army Corps of Engineers*: Work with the area, regional and headquarters levels to facilitate their review of IRWD projects;
- *Congressional Outreach*: Work to educate congressional staff on IRWD's Syphon Reservoir Recycled Water Storage Project; and
- *Other Activities*: Assist IRWD on federal regulatory and funding issues beyond those associated with the Syphon Reservoir Recycled Water Storage Project.

The Furman Group provides the District with a high level of service, knowledge, credibility and access in Washington, D.C. Additionally, The Furman Group assists the District in ongoing efforts to build and maintain relationships with key policy makers in Congress, the Administration and within federal agencies.

To aid IRWD in its federal advocacy efforts, staff recommends that the Board authorize the execution of a new Professional Services Agreement with The Furman Group for a 24-month period, beginning January 1, 2015, through December 31, 2016. Entering into a 24-month contract with The Furman Group would allow the District to maintain continuity in its current Washington, D.C. representation throughout the entire 114th Congress.

FISCAL IMPACTS:

The current contract with The Furman Group, which will expire on December 31, 2014, is for a 24-month term in the amount of \$10,000 per month plus reimbursable direct expenses.

The proposed contract with The Furman Group would cover the period January 1, 2015, through December 31, 2016, at \$11,500 per month plus reimbursable direct expenses for the first year of the contract and at \$12,500 per month plus reimbursable direct expenses for the second year of the contract. If approved by the Board, the new contract will be charged against the FY 2014-15, FY 2015-2016 and FY 2016-2017 Operating Budgets. The total requested contract authorization is for \$324,000.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This items was reviewed by the Water Resources Policy and Communications Committee on October 6, 2014.

RECOMMENDATION:

THAT THE BOARD APPROVE A SOLE-SOURCE 24-MONTH PROFESSIONAL SERVICES AGREEMENT, FROM JANUARY 1, 2015, THROUGH DECEMBER 31, 2016, WITH THE FURMAN GROUP FOR \$11,500 PER MONTH PLUS REIMBURSABLE DIRECT EXPENSES FOR THE FIRST YEAR OF THE CONTRACT AND \$12,500 PER MONTH PLUS REIMBURSABLE DIRECT EXPENSES FOR THE SECOND YEAR OF THE CONTRACT FOR A TOTAL CONTRACT AMOUNT NOT TO EXCEED \$324,000.

LIST OF EXHIBITS:

Exhibit "A" – Proposal for Professional Services from The Furman Group



October 1, 2014

Mr. Paul Cook
General Manager
Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, California 92619-7000

Dear Paul:

I am writing to propose an extension of our existing consulting Memorandum of Agreement ("MOA") with the Irvine Ranch Water District ("IRWD"). We would propose a two-year extension to continue our work on IRWD's behalf in pursuing a Federal authorization for the Syphon Reservoir Recycled Water Storage Project through the Water Resources Development Act ("WRDA"). In addition, we would continue to serve as IRWD's liaison to Members of Congress, professional staff, and the Federal agencies in Washington, D.C. In the past few years, The Furman Group has also identified new avenues of engagement for IRWD on public policy and we would continue to develop those opportunities.

BACKGROUND

The Furman Group has worked on behalf of IRWD since 2001. That year, TFG developed legislation that authorized the Bureau of Reclamation to participate up to \$20 million in the design, planning, and construction of projects to naturally treat impaired surface water, reclaim and reuse impaired groundwater and provide brine disposal within the San Diego Creek Watershed. In 2004, the legislation was enacted into law. And in 2009, the final appropriations were awarded to IRWD through the American Recovery and Reinvestment Act.

After these achievements, TFG has focused on authorizing the Syphon Reservoir Recycled Water Storage Project through the Army Corps of Engineers ("Corps"). In June 2014, the President signed into law the Water Resources Reform and Development Act ("WRRDA"), which establishes a new authorizing program for locally sponsored water infrastructure projects through Section 1014, the *Study and Construction of Water Resources Development Projects by Non-Federal Interests*. This program was created to circumvent the Congressional ban on earmarks and provide an authorizing mechanism for local communities to partner with the Federal government on important water infrastructure projects.

Following the enactment of WRRDA, TFG assembled a working group of its clients to develop recommendations to the Corps regarding implementation guidelines for

Section 1014. The working group consists of major municipal water districts in California, including IRWD, that have a mutual interest in ensuring that the Corps formulates guidelines that are beneficial to communities by providing a clear and equitable approach to project qualification. IRWD and its staff have made significant and substantive contributions to this effort.

On Wednesday, September 24, 2014 the Corps held a “*listening session*” on *Non-Federal Implementation; Water Supply and Reservoirs; and Navigation*. The listening session provided an opportunity for stakeholders and members of the public to comment on particular sections of law, and the TFG client working group expressed their concerns and made suggestions. The group focused on three main points: suggesting a Preliminary Environmental Analysis document that would provide an initial environmental evaluation of a project before it is authorized; repealing the Army Corps’ Reconnaissance Study process; and emphasizing the importance of formulating a feasibility study that is both streamlined and user friendly with requirements that are appropriate for the type of projects being undertaken by the non-Federal interest.

Over the past few months, TFG staff members have worked closely with Members of the California Congressional delegation and relevant trade associations to express our concerns and suggestions on the implementation guidance, which must be established before non-Federal entities can move forward in the authorizing process. Our efforts have yielded letters from Members of Congress, the Water Reuse Association, and the Association of California Water Agencies (“ACWA”), requesting that the Corps move quickly and collaboratively with non-Federal interests in formulating and implementing the guidelines for Section 1014. These efforts, combined with those of the working group, have successfully raised attention to our concerns and suggestions as the Corps works to formulate their guidance in the coming months.

A new issue, currently being addressed by TFG in close coordination with IRWD staff, is the proposed rule titled, “Waters of the United States,” which was jointly introduced by the Environmental Protection Agency (“EPA”) and the U.S. Army Corps of Engineers. According to the agencies, the proposed rule would revise the existing administrative definition of, “Waters of the United States,” under the Clean Water Act. Many believe the EPA’s proposal will greatly expand the reach of the water law, and TFG and IRWD staff members have been working closely to address a number of concerns raised by the rule including how it might affect water quality efforts in the San Diego Creek Watershed. Efforts to engage and educate trade associations and Members of the California Congressional delegation have yielded positive feedback, and IRWD’s unique environmental circumstances in the San Diego Creek Watershed provide a perfect example of how overregulation and the inclusion of environmental clean up efforts in the proposed rule may discourage the use of certain types of water quality treatment methods in the future. With the public comment period for the proposed rule ending on October 20, 2014, IRWD and its voiced concerns are poised to play a significant role in the comments currently being finalized by ACWA. TFG will continue to work tirelessly to advance the District’s profile as an industry leader in water quality and environmental protection issues.

2015-16 STRATEGY AND SCOPE OF WORK

Our main goal for the upcoming two years is to secure an authorization in the Water Resources Development Act for the Syphon Reservoir Recycled Water Storage Project. In the coming months, we will be working closely with Senator Feinstein, Representatives Campbell, Rohrabacher and Sanchez, and their staffs to ensure that the Irvine project is one of their top priorities for inclusion in the next WRDA reauthorization.

TFG and IRWD staff have been actively engaged in providing input to the Corps as they begin to formulate their guidelines for the Section 1014 program. Once the guidelines are finalized, we will work with IRWD staff to produce a feasibility study based on the criteria required. The feasibility study would then be submitted to the Corps for review, at which time the Corps has 180 days to review the study before submitting their project recommendations to Congress. During the review period we will be working with the Corps at the Area, Regional, and Headquarters levels to facilitate their review of the study and provide them with any additional information they may require. Concurrently, we will be working to ensure that the professional staffs of the House and Senate authorizing committees are both educated and committed to authorizing the Irvine project. In the short term, this will require at least one visit by IRWD Board members and senior staff to Washington, D.C. in 2015.

The Furman Group is aware that IRWD at times may need assistance on Federal regulatory and funding issues beyond the scope of work required to authorize the Syphon Reservoir Recycled Water Storage Project, and we look forward to assisting IRWD staff on any issues that may arise.

TERM, FEES AND EXPENSES

The Furman Group's standard policy is to enter into contracts with its clients for the duration of an entire Congress. Our retainers are based, in part, upon the time that we estimate the representation will require on the part of our professionals, the difficulty of the projects in comparison to other projects, and such intangibles as the amount of political capital that will be necessary for the firm to expend to accomplish the client's goals.

For the upcoming renewal, TFG proposes a monthly fee of \$11,500 for the period January 1, 2015 through December 31, 2015 adjusting to a monthly fee of \$12,500 for the remainder of the contract term ending December 31, 2016. TFG believes that we have continued to add additional value in new and significant ways that would justify this proposed fee increase. In addition to the fee, out-of-pocket expenses directly attributable to our representation of IRWD would be charged.

CONCLUSION

Once again, thank you for providing us with the opportunity to present you with this proposal. We look forward to continuing our work on behalf of the Irvine Ranch Water District. Please don't hesitate to contact Sean Taylor or me with any questions.


Sincerely,


A handwritten signature in blue ink that reads "Hal Furman". The signature is written in a cursive style with a long horizontal line extending to the right.

HAROLD W. FURMAN II

October 13, 2014

Prepared by: Fiona Sanchez

Submitted by: Paul Weghorst 

Approved by: Paul Cook 

ACTION CALENDAR

WATER SHORTAGE CONTINGENCY PLAN REVISIONS

SUMMARY:

On September 8, 2014, the Board directed staff to revise the District's Water Shortage Contingency Plan (WSCP) to be consistent with existing practices that encourage neighbors to work together to save water and to call IRWD's water use efficiency experts for assistance. Staff has modified the language in the Voluntary Measures section of the WSCP and recommends that the Board adopt the provided resolution approving the amended WSCP.

BACKGROUND:

The District's WSCP, adopted by the Board in February 2009, describes various levels of response to water supply shortages depending on the magnitude and nature of the shortfall. Within the WSCP, public outreach is one of the key strategies to increase awareness and to assist customers in voluntarily reducing water use during a shortage. One of the voluntary response measures in the WSCP states that, "Anyone observing potential overuse within IRWD's service area is encouraged to call IRWD's Customer Service department for assistance." On September 8, 2014, the Board expressed concern that this language encourages customers to report others for wasteful use of water. The Board directed staff to revise the language to be consistent with existing practices that encourage neighbors 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 efficiently. Staff has modified the language in the Voluntary Measures section of the WSCP as directed. The revised WSCP is provided as Exhibit "A".

Existing Practices:

It is IRWD's existing practice to encourage customers to assist one another to use water efficiently and to refer neighbors to IRWD for assistance rather than reporting wasteful water use. This practice complements IRWD's approach of using the allocation-based rate structure to send strong price signals to notify customers of wasteful water use. Staff receives very few calls about wasteful water use and such calls are typically received because the caller is not certain who may be responsible. An example of such a call is when wasteful water use is in a commercial area or street median. In those situations, customers can contact the District's Customer Service department for assistance and staff will contact the customer associated with the property and offer on-site assistance and recommendations to address the problem.

Staff recommends that the Board approve the revised WSCP through the adoption of the resolution provided as Exhibit "B". Staff will be making further revisions to the WSCP in 2015 using information from an update to the District's Water Supply Reliability Study as well as new information regarding drought pricing alternatives from a new Cost of Service Study.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on October 6, 2014.

ENVIRONMENTAL COMPLIANCE:

The WSCP serves as the basis for the urban water shortage contingency analysis required under Water Code Section 10632 and is incorporated into IRWD's Urban Water Management Plan. Pursuant to Water Code Section 10652, the preparation, adoption and implementation of the stages of action and other elements of a water shortage contingency plan taken pursuant to Section 10632 are statutorily exempt from CEQA.

FISCAL IMPACTS:

None.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE APPROVING THE AMENDED WATER SHORTAGE CONTINGENCY PLAN.

RESOLUTION NO. 2014-

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT
ADOPTING AMENDED WATER SHORTAGE CONTINGENCY PLAN

LIST OF EXHIBITS:

Exhibit "A" – Water Shortage Contingency Plan, October 2014

Exhibit "B" – Resolution to Adopt the Amended Water Shortage Contingency Plan

Exhibit "A"

WATER SHORTAGE CONTINGENCY PLAN

~~February 2009~~ 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:* Anyone observing potential 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 over-use within IRWD's service area will be encouraged to they can call in to IRWD's Customer Service Department for assistance. A customer service representative will generate a customer service request (CSR) linked to the account to ensure appropriate follow-up and resolution by the District. 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. 2014- ____

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT ADOPTING
AMENDED WATER SHORTAGE CONTINGENCY PLAN

WHEREAS, California law, as set forth in Government Code Section 10632, requires each urban water supplier's urban water management plan (UWMP) to provide a water shortage contingency analysis including specified elements; and

WHEREAS, Irvine Ranch Water District ("IRWD") initially adopted its Water Shortage Contingency Plan (the "Plan") in 1987, through the adoption of Resolution No. 1987-52 amending Section 15 – "Prohibition of Water Wastage" of IRWD's Rules and Regulations (as currently titled, "Rules and Regulations For Water, Sewer, and Recycled Water and Natural Treatment System Service" and referred to herein as the "Rules and Regulations"); and

WHEREAS, the Plan has been included as an appendix to IRWD's UWMP, and, along with certain information in the UWMP, provides the water shortage contingency analysis elements set forth in Government Code Section 10632; and

WHEREAS, the Plan also serves as the resource and supporting document for the implementation of Section 15 of the Rules and Regulations, now entitled "Water Conservation and Water Supply Shortage Program and Regulations"; and

WHEREAS, the Plan has been updated periodically, through the current version adopted on February 9, 2009 to incorporate conforming revisions relating to the amendment of Section 15 of the Rules and Regulations; and

WHEREAS, the Board of Directors desires to further revise the Plan.

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

Section 1. The amended Irvine Ranch Water District Water Shortage Contingency Plan is hereby adopted.

Section 2. The amended Irvine Ranch Water District Water Shortage Contingency Plan shall serve as a supporting document as referenced in Section 15 of the Rules and Regulations and in the UWMP.

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ADOPTED, SIGNED and APPROVED this 13th day of October, 2014.

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

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