

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

**May 9, 2011**

**PLEDGE OF ALLEGIANCE**

**CALL TO ORDER**

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

**ROLL CALL**

Directors Reinhart, Matheis, 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.

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**COMMUNICATIONS TO THE BOARD**

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1. A. Written:

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

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

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

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**PRESENTATIONS**

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3. **CALIFORNIA SOLAR INITIATIVE INFRASTRUCTURE PROGRAM –  
EAST IRVINE ZONE 3 PHOTOVOLTAIC SYSTEM INSTALLATION**

Southern California Edison representatives John King and James Pasmour will present IRWD with a cash incentive through the California Solar Initiative Infrastructure program for the photovoltaic system at the District's No. 2 Reservoir at the East Irvine Zone 3 site.

4. **PARTNER COMMENDATION**

In celebration of the District's 50<sup>th</sup> anniversary, the IRWD Board of Directors will recognize a key "Partner in Service".

<b>CONSENT CALENDAR</b>	<b>Next Resolution No. 2011-18</b>	<b>Items 5-9</b>
5.	<u>MINUTES OF REGULAR BOARD MEETING</u>  Recommendation: That the minutes of the April 25, 2011 Regular Board Meeting be approved as presented.	
6.	<u>RATIFY/APPROVE BOARD OF DIRECTORS' ATTENDANCE AT MEETINGS AND EVENTS</u>  Recommendation: That the Board ratify/approve the meetings and events for Steven LaMar, Mary Aileen Matheis, Douglas Reinhart, Peer Swan and John Withers.	
7.	<u>IRWD APARTMENT CONSULTANT – CONTRACT RENEWAL</u>  Recommendation: That the Board authorize the General Manager to execute a professional services contract with Market-THINK, LLC for a period of two years at a total fee not to exceed \$93,600 to provide advisory services related to the operation of the Sycamore Canyon and Wood Canyon Villa apartment properties.	
8.	<u>DESIGNATION OF AUTHORIZED AGENTS FOR WORKING WITH FEDERAL AND CALIFORNIA EMERGENCY MANAGEMENT AGENCIES</u>  Recommendation: That the Board adopt a resolution rescinding Resolution No. 2007-44 and authorizing its agents to provide to the State Office of Emergency Services all matters pertaining to such state disaster assistance the assurances and agreements required.	Reso. No. 2011-
9.	<u>PURCHASE OF EASEMENT FOR REPLACEMENT OF WELL 107 FROM THE CITY OF IRVINE</u>  Recommendation: That the Board authorize the General Manager to execute documents to acquire an easement from the City of Irvine for a total cost of \$36,500 for the replacement of Well 107.	

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**ACTION CALENDAR**

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10. **PROCUREMENT OF ORACLE CUSTOMER CARE & BILLING SOFTWARE AND UNLIMITED LICENSE AGREEMENT FOR TECHNOLOGY LICENSES**

Recommendation: That the Board approve the procurement from Oracle of the Customer Care and Billing applications licenses and the unlimited license agreement for technology licenses in total not to exceed \$1.6 million, approve a budget of \$800,000 each for two new capital projects, and authorize two Expenditure Authorizations in the amount of \$800,000 each.

11. **HANDY CREEK BRIDGE DISTRIBUTION MAIN RELOCATION CONSTRUCTION AWARD**

Recommendation: That the Board authorize the addition of project 11607 to the FY 2010-11 Capital Budget in the amount of \$280,500; approve an Expenditure Authorization in the amount of \$280,500 for project 11607; and authorize the General Manager to execute a construction contract with GCI Construction, Inc. in the amount of \$198,527 for the Handy Creek Bridge Distribution Main Relocation Project 11607.

12. **CONSTRUCTION OF PILOT PROJECT GROUNDWATER RECHARGE FACILITIES AT THE STOCKDALE WEST RANCH**

Recommendation: That the Board authorize the addition of project 11595 "Stockdale West Facilities" to the FY 2010-11 Capital Budget to fund the pilot project; approve an Expenditure Authorization in the amount of \$3,273,600 for project 11595; approve not-exceed-costs in the amount of \$2,500,000 and authorize the General Manager to enter into a construction contract with Wood Bros. Inc. for construction of the pilot project facilities; approve Variance No. 1 in the amount of \$217,896 to the Professional Services Agreement with Dee Jaspar & Associates for final design and construction management services for the pilot project facilities; authorize the General Manager to enter into a construction contract in the amount of \$70,035 with Lamont Fence Company for the installation of perimeter fencing at the Stockdale West Ranch; authorize staff to reimburse Buena Vista Water Storage District in the amount of \$105,950 for the construction of five transfer structures; authorize staff to file a Notice of Exemption consistent with the California Environmental Quality Act (CEQA) for the one-year pilot project; and authorize staff to prepare and execute a Memorandum of Understanding between IRWD, Buena Vista Water Storage District and Rosedale that establishes the pilot project will be operated consistent with the Kern River Water and Banking Agreements.

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**OTHER BUSINESS**

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

13. A. General Manager's Report

B. Directors' Comments

1)

2)

3)

4)

5)

C. CLOSED SESSION with legal counsel relative to existing litigation - Government Code Section 54956.9(a) – SEMA Construction vs. the City of Tustin and City of Tustin vs. IRWD; and United States, States of California, et al., ex rel. Hendrix v. J-M Manufacturing Company, Inc. et al.

D. Adjourn

IRWD Board of Directors' Meeting

May 9, 2011

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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.

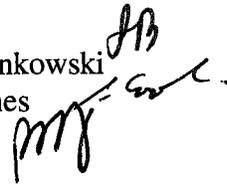
The Irvine Ranch Water District Board Room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.), please contact the District Secretary at (949) 453-5300 during business hours at least seventy-two (72) hours prior to the 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.

May 9, 2011

Prepared and

Submitted by: L. Bonkowski

Approved by: P. Jones



CONSENT CALENDAR

MINUTES OF REGULAR BOARD MEETING

SUMMARY:

Provided are the minutes of the April 25, 2011 Regular Board Meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE APRIL 25, 2011 REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – April 25, 2011 Regular Board Meeting

## EXHIBIT "A"

### MINUTES OF REGULAR MEETING – APRIL 25, 2011

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 5:00 p.m. by President LaMar on April 25, 2011 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None

Also Present: General Manager Jones, Assistant General Manager Cook, Director of Planning/Water Resources Heiertz, Director of Engineering Burton, Secretary Bonkowski, Legal Counsel Arneson, Director of Operations Pedersen, Director of Public Affairs Beeman, Director of Human Resources Wells, Director of Wastewater Operations Posey, Mr. Paul Weghorst, Mr. Christopher Smithson, Ms. Fiona Sanchez, Mr. Christian Kessler, Ms. Shannon Reed, Mr. Dean Kirk, Mr. Jim Reed, Mr. Bruce Newell, Col. John Foley, Mr. Jeff Kightlinger, Mr. Philip Anthony, Mr. Larry Crandall, Mr. Jim Herberg, and other members of the public and staff.

WRITTEN COMMUNICATION: None

ORAL COMMUNICATION:

Mrs. Joan Irvine Smith addressed the Board of Directors with respect to the Dyer Road Wellfield. Mrs. Smith said it was her understanding that currently wells 1, 2, 5, 6, 7, C-8, C-9, 10, 15 and 17 will operate in accordance with the District's annual pumping plan. Wells 3, 4, 11, 12, 13, 14, 16 and 18 will be off. The District's currently planned pumping for April is 2,975 AF. This was confirmed by Mr. Jones, General Manager of the District.

With respect to the Orange County Basin Groundwater Conjunctive Use Program being coordinated by Municipal Water District of Orange County (MWDOC) and Orange County Water District (OCWD), a Notice of Completion was approved by the OCWD Board of Directors on March 19, 2009. Metropolitan Water District has given notice to OCWD to extract 22,000 acre feet in fiscal year 2009/10. The extraction is being performed by agencies that constructed conjunctive use wells under this program. IRWD is not a participant. This was confirmed by Mr. Jones.

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

annexation requests. The MOU was approved by the OCWD Board on July 21, 2010. This was confirmed by Mr. Jones.

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

#### ITEMS RECEIVED TOO LATE TO BE AGENDIZED

An item was added too late to be agendized relative to establishing an OCWD/MWDOC Ad Hoc Committee meeting (see page 14).

#### PRESENTATION

#### PARTNER COMMENDATION

In celebration of the District's 50<sup>th</sup> anniversary, the IRWD Board of Directors is recognizing key "Partners in Service". General Manager Jones presented three Certificates of Commendation: 1) Metropolitan Water District's Board Chairman John Foley and General Manager Jeff Kightlinger; 2) Orange County Water District's Director Philip Anthony, and 3) Orange County Sanitation District's Board Chairman Larry Crandall and General Manager Jim Ruth. Mr. Larry Crandall then presented to IRWD a Certificate of Recognition for our 50 years of service.

#### WORKSHOP

#### PROPOSED OPERATING BUDGET AND RATES AND CHARGES FOR FY 2011-12

General Manager Jones reported that the proposed Fiscal Year (FY) 2011-12 Operating Budget is \$107.5 million, representing a decrease of \$0.7 million or 0.61% from the previous Operating Budget. Mr. Jones said based on the Proposed Operating Budget and planned capital contributions from user rates and charges, the average Irvine Ranch rate area residential customer's combined monthly water and sewer bill is proposed to increase by \$1.10 (2.5%) over FY 2010-11. He said that the proposed rate increase includes: 1) An increase of \$0.01 per ccf of water on the base commodity rate as a result of pass-through increases on the cost of imported water and the groundwater replenishment assessment; and 2) increases on the fixed water service charge of \$0.75 per month, and an increase on the fixed sewer service charge of \$0.25 per month. The net increases on the fixed service charges are primarily related to the planned increase of contributions to the capital replacement and enhancement funds from user rates and charges.

Using a PowerPoint presentation, Director of Finance Cherney reported on the Committee/Board budget reviews including: April 11, 2011 - first Board Workshop on the proposed Operating Budget and Proposed Rates and Charges for FY 2011-12; April 25, 2011 - second Board

Workshop to adopt the Proposed Operating Budget and approve the Proposition 218 Notices for Customers; and June 27, 2011 - adopt Rates and Charges for FY 2011-12.

Using charts, Ms. Cherney reviewed the overall operating expenses, a comparison of the Irvine Ranch rate area proposed rates from FY 2010/11 to FY 2011/12, and a comparison of the Orange Park Acres rate area proposed rates from FY 2010/11 to FY 2011/12. She then reviewed the process for the Proposition 218 notices and the next steps.

Director Swan reported that this item was reviewed by the Finance and Personnel Committee on April 5, 2011 and February 17, 2011. He recommended that additional language on the Proposition 218 notices be included to reflect that if there are any Orange County Sanitation District and/or Orange County Water District rate increases, they be “passed through” to the rate payers within our service areas. Legal Counsel Arneson said that an index would need to be created to build this into the notices. Mr. Jones said that he, along with Director of Finance Cherney and legal would make these adjustments accordingly. On MOTION by Swan, seconded and unanimously carried, **THE BOARD APPROVED THE OPERATING BUDGET FOR FISCAL YEAR 2011/12, APPROVED THE PROPOSITION 218 NOTICES SUBJECT TO NON-SUBSTANTIVE MODIFICATIONS, AND ADOPTED THE FOLLOWING RESOLUTION BY TITLE:**

RESOLUTION NO. 2011-12

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF IRVINE RANCH WATER DISTRICT,  
ORANGE COUNTY, CALIFORNIA  
APPROVING DISTRICT’S OPERATING BUDGET FOR  
FISCAL YEAR 2011/12 AND DETERMINING COMPLIANCE WITH  
ARTICLE XIII B OF THE CALIFORNIA CONSTITUTION**

CONSENT CALENDAR

On MOTION by Reinhart, seconded and unanimously carried, **CONSENT CALENDAR ITEMS 5 THROUGH 17 WERE APPROVED AS FOLLOWS:**

5. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the April 11, 2011 Regular Board Meeting be approved as presented.

6. RATIFY/APPROVE BOARD OF DIRECTORS’ ATTENDANCE AT MEETINGS AND EVENTS

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

CONSENT CALENDAR (CONTINUED)

7. MARCH 2011 FINANCIAL REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate Swap Summary for March 2011; approve the March 2011 Summary of Wire Transfers and ACH payments in the total amount of \$6,460,454.33; and approve the March 2011 Warrants Nos. 318355 through 319296, Workers' Compensation distributions and voided checks in the total amount of \$16,209,527.72.

8. DISTRICT STRATEGIC MEASURES DASHBOARDS

Recommendation: That the Board receive and file the Strategic Measures Dashboards and Information items.

9. ASSET OPTIMIZATION - LAKE FOREST PROPERTY DEVELOPMENT AGREEMENT AMENDMENT – LAND APPRAISAL TIMING

Recommendation: That the Board authorize the General Manager to execute an agreement for the Implementation and Modification of the Development Agreement related to the Lake Forest property.

10. DEPARTMENT OF WATER RESOURCES PROPOSITION 50 GRANT FUNDED EVAPOTRANSPIRATION VIA WEB SERVICES SYSTEM PHASE II SCOPE OF WORK, MODIFICATION AND VARIANCE

Recommendation: That the Board approve a variance in the amount of \$81,000 to the agreement between IRWD and Enterprise Information Systems for implementation of reimbursable tasks associated with the modified grant scope of work.

11. ENERGY AND GREEN HOUSE GAS MASTER PLAN CONTRACT VARIANCE NO. 1

Recommendation: That the Board authorize an increase to the Fiscal Year 2010/11 Capital Budget for project 11482 in the amount of \$63,900, from \$300,000 to \$363,900; approve an Expenditure Authorization for project 11482 for \$63,900; and approve Variance No. 1 with Kennedy/Jenks Consultants in the amount not to exceed \$58,843 for additional consulting services to develop an Energy and Green House Gas Master Plan.

CONSENT CALENDAR (CONTINUED)

12. EAST IRVINE ZONE 3 RESERVOIR PHOTOVOLTAIC SYSTEM PROJECT  
– REDUCTION OF RETENTION

Recommendation: That the Board find that satisfactory progress is being made on the District's construction contract with Halcyon Electric, Inc.; authorize the reduction of retention from 10% to 5% of the contract amount; and authorize the release of funds in excess of 5% of the contract amount from retention currently held for the East Irvine Zone 3 Photovoltaic System Project, project 11367.

13. EMERGENCY GENERATOR REPLACEMENT AT THE MICHELSON  
SEWER LIFT STATION – FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the emergency generator replacement at the Michelson Sewer Lift Station Project, project 20846; authorize filing of a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

14. MANHOLE REHABILITATION FISCAL YEAR 2010/11

Recommendation: That the Board authorize the General Manager to execute a construction contract with Zebron Corporation in the amount of \$190,000 for Manhole Rehabilitation Project 20866.

15. CITY OF IRVINE JAMBOREE ROAD WIDENING PROJECT EXPENDITURE  
AUTHORIZATIONS

Recommendation: That the Board approve Expenditure Authorizations in the amounts of \$39,600 for project 11558 and \$72,600 for project 31558 for the Jamboree Road Widening Project Capital Improvement Project 317090 (projects 11558, 21558, 31558).

16. REIMBURSEMENT AGREEMENT BETWEEN IRWD AND THE CITY OF  
IRVINE INSTALLATION AND ADJUSTMENT OF IRWD FACILITIES TO  
GRADE

Recommendation: That the Board authorize the addition of projects 11575 in the amount of \$189,300 and 21575 in the amount of \$52,000 to the Fiscal Year 2010/11 Capital Budget; approve an Expenditure Authorization in the amount of \$189,300 for project 11575; and authorize the General Manager to execute a Reimbursement Agreement with the City of Irvine for its annual slurry seal and pavement rehabilitation project, Capital Improvement Projects 310010, 311106, 311102, 341101 and 361103.

## CONSENT CALENDAR (CONTINUED)

### 17. STRAND RANCH TRANSFER STRUCTURE REPAIR AND REMEDIATION – FINAL ACCEPTANCE

Recommendation: That the Board accept the repair and remediation of the Strand Ranch transfer structures and other facilities; authorize filing of a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion; and notify Rosedale-Rio Bravo Water Storage District that IRWD is transferring all maintenance and operations responsibilities for the recharge facilities to Rosedale.

## ACTION CALENDAR

### LAKE FOREST WOODS SEWER REHABILITATION BUDGET INCREASE, EXPENDITURE AUTHORIZATION, AND CHANGE ORDER

General Manager Jones reported that the Lake Forest Woods Sewer Rehabilitation Project is currently under construction and will rehabilitate over 40,000 linear feet of 8-inch, 10-inch, 12-inch and 15-inch sewer pipe. Mr. Jones said that staff has identified several additional sewer reaches that require rehabilitation as part of this project.

Director of Engineering Burton reported that the Board approved construction award to Insituform Technologies (Insituform) in July 2010, and since the original ranking of the pipeline, approximately 3,600 linear feet have continued to deteriorate, and are now recommended for rehabilitation. He said Insituform submitted a proposal for \$124,740 for the additional work and that the unit prices for the work are the same as its original construction bid. Insituform also informed staff that they have an additional 3,000 linear feet of extra 8-inch material left from this project and asked if there are any other sewers that would need rehabilitation. He said that staff identified three areas from the sewer assessments that have a higher priority for rehabilitation due to multiple fractures, including approximately 1,000 feet of 8-inch sewers in Pauling and Ellipse Lane in Portola Hills and approximately 2,000 feet of 8-inch sewers in Tustin Marketplace. Insituform submitted a proposal for \$100,903 for the additional work, and the unit prices are the same as the Lake Forest Woods Sewer Rehabilitation Project. Additionally, staff identified 125 feet of 12-inch sewer in Gillette at Main Street in Irvine that has severe tuberculation and corrosion in the ductile iron pipe and requires immediate rehabilitation. Insituform submitted a proposal for \$35,000 for this additional work. Lastly, staff identified two additional manholes on Old Trabuco Road that will require manhole rehabilitation, and due to corrosion, approximately 219 lineal feet of 16-inch ductile iron sewer line in Sharmila will require CIPP lining. The manholes will be rehabilitated by using the Zebron polyurethane coating at the bid price of \$2,600 per manhole; Insituform's unit cost for the 16-inch CIPP lining is \$150/LF for a total of \$32,850. Insituform's Contract Change Order No. 2 is for \$298,693. Staff reviewed the costs for the additional work and believes the costs are justified.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on April 18, 2011. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED AN INCREASE TO THE FY 2010-11 CAPITAL BUDGET OF \$171,200, FROM \$3,133,300 TO \$3,304,500, FOR PROJECT 20747, LAKE FOREST WOODS SEWER REHABILITATION PROJECT; AUTHORIZED AN INCREASE TO THE FY 2010-11 CAPITAL BUDGET OF \$73,700, FROM \$75,900 TO \$149,600, FOR PROJECT 20868, SEWER GENERAL SYSTEMS MODIFICATIONS 2010/11; APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$171,200 FOR PROJECT 20747, LAKE FOREST WOODS SEWER REHABILITATION; APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$73,700 FOR PROJECT 20868, SEWER GENERAL SYSTEMS MODIFICATIONS 2010-11; AND APPROVED CONTRACT CHANGE ORDER NO. 2 IN THE AMOUNT OF \$298,693.55 FOR INSITUFORM TECHNOLOGIES.

#### ORANGE PARK ACRES WELL NO. 1 WELLHEAD DESIGN CONSULTANT SELECTION

General Manager Jones reported that proposals for the design of the OPA-1 project were received from Dudek, Kennedy/Jenks, and Tetra Tech on March 22, 2011. GHD was also invited to submit a proposal, but declined the invitation due to their current workload. Mr. Jones said that staff has completed their review of the proposals and recommends that Kennedy/Jenks be awarded the project. Its thorough understanding of the project, design approach, qualifications, schedule, and man-hour estimates are consistent with staff's expectations. Kennedy/Jenks' scope of work and fee proposal for design and construction phase services are in the amount of \$419,590.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on April 18, 2011. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED AN INCREASE IN THE BUDGET IN THE AMOUNT OF \$462,100, FROM \$1,354,500 TO \$1,816,600; APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$548,400; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONTRACT IN THE AMOUNT OF \$419,590 WITH KENNEDY/JENKS CONSULTANTS FOR THE ORANGE PARK ACRES WELL NO. 1 WELLHEAD DESIGN, PROJECT 11405.

#### BAKER WATER TREATMENT PLANT PROJECT APPROVAL FO ENVIRONMENTAL IMPACT REPORT

General Manager Jones reported that the Irvine Ranch Water District (IRWD), as the Lead Agency, in consultation with El Toro Water District (ETWD), Moulton Niguel Water District (MNWD), Santa Margarita Water District (SMWD), and Trabuco Canyon Water District (TCWD) as Responsible Agencies, has prepared a Final Environmental Impact Report (FEIR) for the Baker Water Treatment Plant (WTP) Project.

Using a PowerPoint presentation, Manager of Water Resources Weghorst provided an overview of the FEIR process. He said that the Notice of Preparation was circulated on May 19, 2010; a public scoping meeting was held on May 26, 2010; the comment period closed on June 17, 2010, and that nine sets of comments were received. He said that the Draft EIR (DEIR) circulated on January 24, 2011; a public meeting was held on February 9, 2011; and that the comment period

closed on March 9, 2011; and that 10 sets of comments were received. He said that responses to comments were distributed on April 14, 2011. He said that the FEIR was presented to the Engineering and Operations Committee on April 18, 2011.

Mr. Weghorst said that the makeup of the FEIR consisted of a DEIR, comment letters, response to comments, corrections and additions to the DEIR, scoping Report, technical appendices, and mitigation monitoring and reporting program.

Mr. Weghorst said that comments were received from the California Department of Toxic Substances Control, Metropolitan Water District of Southern California, Orange County Public Works (OCPW), California Department of Transportation, California Regional Water Quality Control Board, City of Orange, South Coast Air Quality Management District, and residents Peggy Falcon and Dave Alexander. IRWD reviewed all of the oral and written comments received from interested persons, organizations and agencies and prepared detailed responses directed to environmental issues related to the Baker WTP Project. A majority of the comments received were typical non-substantive project-related comments. Significant comments and responses are summarized as follows:

*Comment:* OCPW requested IRWD to substantiate ownership of the Serrano Creek at the proposed project emergency discharge structure.

*Response:* IRWD does not own the property and operation and maintenance obligations in the creek have been disputed between the City of Lake Forest and OCPW. The property is either owned by the City of Lake Forest, the County of Orange, or possibly the neighboring homeowners' association. Staff is continuing its investigation to determine ownership of the property at the proposed discharge structure. IRWD intends to pursue encroachment permit applications with both the City and the County. If no response is received from either jurisdiction, IRWD will proceed with construction of the facility without an encroachment permit.

*Comment:* Ms. Peggy Falcon commented on the health risks associated with the operation and future use of the existing communications tower on the Baker Plant site.

*Response:* IRWD designed, constructed and operates this tower in compliance with all building codes and operational regulations set forth by Federal Communications Commission. Additionally, at this time, IRWD has no intention of leasing or renting tower space to third parties.

The responses and revisions to the DEIR text, are included in additional chapters (8, 9, and 10), which together with the DEIR, comprise the FEIR.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on April 18, 2011. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD DIRECTED STAFF TO INCORPORATE INTO THE DRAFT FINDINGS AS PRESENTED SUCH REVISIONS AS MAY BE NECESSARY TO CONFORM THE FINDINGS TO ANY INFORMATION THAT MAY BE RECEIVED AFTER PREPARATION OF SAID DRAFT AND PRIOR TO THIS ACTION, INCLUDING ANY CHANGES MADE IN THE FINDINGS BY IRWD IN CERTIFYING THE FINAL

ENVIRONMENTAL IMPACT REPORT AND ANY COMMENTS FROM THE BOARD; DIRECT THAT THE FINDINGS, AS SO REVISED, BE PROVIDED IN THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2011 -13

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE BAKER WATER TREATMENT PLANT PROJECT; ADOPTING WRITTEN FINDINGS PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; ADOPTING A MITIGATION, MONITORING AND REPORTING PROGRAM; APPROVING THE PROJECT; AND AUTHORIZING THE FILING OF A NOTICE OF DETERMINATION TO PROCEED WITH THE PROJECT

TUSTIN LEGACY WELL NO. 1 ALTERNATIVE CONSTRUCTION AWARD, CONSULTANT SELECTION, AND ADDENDUM NO. 1 TO THE MITIGATED NEGATIVE DECLARATION /INITIAL STUDY/ENVIRONMENTAL ASSESSMENTS

General Manager Jones reported that the location of Tustin Legacy Well No. 1 (TL-1) has been relocated to an alternative location in the City of Irvine in order to avoid delays associated with on-going well site easement negotiations with the City of Tustin. Mr. Jones said that staff prepared an addendum to the project description for the Wells 21 and 22/Tustin Legacy Well 1 project Mitigated Negative Declaration/Initial Study/Environmental Assessment (MND/IS/EA), advertised construction of the Tustin Legacy Well No. 1 Alternative (TL-1A), and solicited proposals for construction services during the drilling.

Director of Engineering Burton reported that RBF Consulting and Geoscience completed the design of the well in March 2011 and the project was advertised to four select drilling contractors: Bakersfield Well & Pump, Boart Longyear, Best Drilling and Pump, and Rottman Drilling. The bid opening was held and three bids were received; Rottman Drilling notified staff that due to its current workload they were unable to submit a bid. Mr. Burton said that Bakersfield Well & Pump submitted the apparent low bid of \$2,019,787; the engineer's estimate was \$1,791,968. He said that the difference in the low bid and the engineer's estimate can be primarily attributed to the increased cost of stainless steel. The cost associated with the stainless steel casing was over \$230,000 above the engineer's estimate.

Mr. Burton said that proposals for construction services during the construction of Well TL-1A were received from Geoscience and Richard C. Slade & Associates. Staff reviewed the proposals and recommends that Geoscience be selected for the project. Geoscience has worked on other wells in the area including Well 53, Well 51, TL-1, and Wells 21 & 22 and has a thorough understanding of the ground water system in the area. Geoscience prepared the preliminary design memoranda for the original TL-1 site and TL-1A site. Geoscience's fee proposal for construction phase services is in the amount of \$84,706. Their proposal includes civil engineering services from RBF Consulting for survey staking, submittal review, and permit procurement support.

Director Reinhart reported that the consultant selection for construction phase services was reviewed and approved by the Engineering and Operations Committee meeting on April 18, 2011. In response to Director Swan's inquiry relative to the cost of this well which was twice the cost of other wells, Mr. Burton said that the cost was due to a larger sized well and that the well will be drilled deeper, to a depth of approximately 1,300 feet. Director Swan inquired if staff investigated the water quality in the area as he was not sure if the area near the plume contained volatile organics and Freon from Steelcase and other companies. Director Heiertz said that this well is located on the old Well 52 site which was quite a bit south of the contaminated area. Following discussion, Director Swan said that he would approve this item contingent upon staff confirming with the appropriate regulatory agencies that the well site is not impacted by a plume or other sources of contamination. On MOTION by Reinhart, seconded and unanimously carried, **THE BOARD APPROVED ADDENDUM NO. 1 TO THE WELLS 21 AND 22/TUSTIN LEGACY WELL 1 PROJECTS MITIGATED NEGATIVE DECLARATION/INITIAL STUDY/ENVIRONMENTAL ASSESSMENT, INCLUDING THE DETERMINATIONS SET FORTH IN THE ADDENDUM; APPROVED A BUDGET INCREASE TO THE FY 2010/11 CAPITAL BUDGET FOR PROJECT 11419 BY \$201,600, FROM \$2,394,300 TO \$2,595,900; APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$2,431,700 FOR PROJECT 11419; DIRECTED STAFF TO CONFIRM WITH THE APPROPRIATE REGULATORY AGENCIES THE PRESENCE OR POTENTIAL FOR ANY LOCAL CONTAMINANTS TO IMPACT THE WELL AND THE INCLUSION OF PROTECTIVE MEASURES IN THE WELL DESIGN TAKING SUCH INFORMATION INTO ACCOUNT, AND, PROVIDED STAFF HAS MADE SUCH CONFIRMATIONS, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH BAKERSFIELD WELL AND PUMP COMPANY IN THE AMOUNT OF \$2,019,787; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$84,706 WITH GEOSCIENCE FOR CONSTRUCTION PHASE SERVICES FOR THE CONSTRUCTION OF TUSTIN LEGACY WELL NO. 1 ALTERNATIVE, PROJECT 11419.**

**WELLS 21 AND 22 PIPELINES PROJECT CONSTRUCTION AWARD AND REIMBURSEMENT AGREEMENT BETWEEN IRWD AND ORANGE COUNTY SANITATION DISTRICT**

Director of Engineering Burton reported that staff is proceeding with the implementation of the Wells 21 and 22 Pipeline Project that will provide the raw water, treated water and brine pipelines for the treatment plant currently being constructed by Pascal & Ludwig. This project is eligible to receive funding of up to \$11,700,000 in Title XVI funding from the American Recovery and Reinvestment Act of 2009 (ARRA) through the United States Bureau of Reclamation. Mr. Burton said that pursuant to the aggressive schedule of the ARRA funding, the proposed treatment plant is utilizing a design/build delivery approach.

Mr. Burton said that the project will also include a reverse osmosis brine line discharge from the treatment plant that will tie into the OCSD sewer located at the intersection of Edinger and Redhill Avenues in the City of Tustin. OCSD is also currently designing the Gisler-Redhill Trunk Improvements Reach "B" project located in the same vicinity of this heavily used and congested intersection. The City of Tustin recently completed street improvements near the Edinger and Redhill intersection and has requested that IRWD and OCSD combine their projects

in this area to minimize public impacts. He said that IRWD has agreed to include OCSD's project elements in its bid package and have its contractor construct the OCSD facilities. The OCSD work has been incorporated as a deletable bid schedule in the Pipelines Project.

Mr. Burton said that OCSD proposes to reimburse IRWD for the OCSD work, estimated at approximately \$450,000, through a Reimbursement Agreement. OCSD will additionally pay for IRWD's internal administrative charges as well as any changes associated with its work. OCSD will perform all construction inspection and technical support for its portion of the work.

Mr. Burton said that the Pipelines Project was advertised to a select list of 10 contractors and that the bid opening was held with nine of the 10 contractors submitting bids which included E.J. Meyer Company, Kennedy Pipeline Co., Leatherwood Construction Inc., Paulus Engineering, Inc., Sully-Miller Contracting Co., W.A. Rasic Construction, Vido Artukovich & Son, Inc., Flatiron West, Inc., and CCL Contracting, Inc. Mladen Buntich Construction Co. declined to bid. He said that the apparent low bidder was Flatiron West, Inc. with a total bid of \$7,839,221.76. The engineer's estimate was \$10,419,517 for the IRWD pipeline portion of the work and \$229,300 for the OCSD portion of the work for a total estimated amount of \$10,648,817. The received bids reflect the current competitive construction market, and that there is very little pipeline work bidding at the present time. He said that OCSD has reviewed the bid results and authorized IRWD to proceed with awarding their portion of the work to Flatiron West, Inc. The low bidder for the OCSD portion of the work was CCL Contracting Inc. in the amount of \$182,406. Flatiron West, Inc. submitted the fifth lowest bid in the amount of \$246,590 and was below the \$263,069 average for the work.

Director Reinhart reported that the OCSD Reimbursement Agreement was reviewed by the Engineering and Operations Committee on April 18, 2011. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD APPROVED THE REIMBURSEMENT AGREEMENT WITH ORANGE COUNTY SANITATION DISTRICT SUBJECT TO NON-SUBSTANTIVE CHANGES, FOR CONSTRUCTION OF A PORTION OF THE GISLER-REDHILL TRUNK IMPROVEMENTS, REACH "B", CONTRACT NO. 7-37; APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$7,972,700 FOR PROJECT 10286; AND APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$259,400 FOR PROJECT 79259. On MOTION by Swan, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH FLATIRON WEST, INC. IN THE AMOUNT OF \$7,839,221.76 FOR THE WELLS 21 AND 22 DESALTER PROJECT PIPELINES, PROJECT 10286.

#### PROPOSED PERSONNEL CHANGES FOR FISCAL YEAR 2011-12

General Manager Jones reported that as part of the budgeting process, management staff has analyzed staffing levels and employee benefits, and prepared a plan to address the changing staffing needs of the District, improve operating efficiencies, and reduce the District's exposure to additional pension and other benefit expenses. Mr. Jones said that this plan includes functional consolidation and reorganization, position eliminations and outsourcing, and proposed benefit restructuring actions. He said that these changes, when implemented, will result in estimated annual savings in Fiscal Year (FY) 2011-12 of approximately \$1.3 million.

Mr. Jones said that staff recommends several changes to the existing budgeted positions, including: upgrading 12 positions; reclassifying four positions; downgrading one position; transferring three positions; deleting 13 positions; adding six new positions; and changing job titles for eight positions. Proposed changes to the Salary Grade Schedule as well as the resolution to adopt the revised Salary Grade Schedule will be effective July 1, 2011. The estimated cost savings from the recommended personnel changes, net of the cost of outsourcing, is \$424,778.

Mr. Jones said that several goals were taken into consideration this year while reviewing and analyzing the District’s overall benefit and compensation structure. He said that first and foremost, management staff looked for opportunities to manage the current pension program while looking to the future to find ways to mitigate long-term exposure to increased liability. Management staff recommends approval of a multi-year process to transition employees to paying the full 8.0% of the CalPERS employee contribution, starting with the following adjustments in employee paid contributions to CalPERS effective July 1, 2011: 1) the General Manager and the Assistant General Manager (Executive Management) will pay an additional 5% into CalPERS increasing their employee contributions from 1% to 6%; 2) all Department Directors and Senior Directors (Senior Management) will pay an additional 4% into CalPERS; increasing their employee contributions from 1% to 5%; and 3) all other full-time regular employees will pay an additional 2% into CalPERS; increasing their employee contributions from 1% to 3%. To offset the financial impact of this adjustment, management staff recommends a one-time 2% salary increase for all employees, excluding the General Manager and the Assistant General Manager. The reductions in the District-paid employee contribution for CalPERS and the cost of the one-time 2% salary adjustment result in a net cost savings of \$59,000 for FY 2011-12.

Mr. Jones said that in addition, staff recommends the elimination of the District-paid 3% contribution of salary to employee deferred compensation accounts. It is proposed that the District’s 3% matching program be continued to encourage employees to continue to save for their retirement years. The savings realized by the elimination of the District’s direct deferred compensation contribution is \$772,000 for FY 2011-12.

In summary, the cost savings associated with the recommendations presented are as follows:

Total Personnel Adjustments, less cost to outsource	(\$424,778)
Reduction in CalPERS Employee Contributions plus 2% salary adjustment	(\$59,000)
Elimination of 3% of salary direct contribution to deferred comp	<u>(\$772,000)</u>
Total Net Savings for 2011-12	(\$1,255,778)

Director Swan reported that this item was reviewed as the part of the proposed Fiscal Year 2011-12 Operating Budget at the Finance and Personnel Committee meeting on April 5, 2011. He said he would make a motion for this item recognizing that additional modifications to the structure may be deemed necessary as a result of findings by the consultant currently researching options on both the District’s pension and medical plans. On MOTION by Swan, seconded and unanimously carried, **THE BOARD APPROVED THE PROPOSED CHANGES IN THE DISTRICT’S BUDGETED POSITIONS IN THE PROPOSED OPERATING BUDGET; APPROVED THE SALARY GRADE SCHEDULE CHANGES EFFECTIVE WITH THE**

APPROVED FISCAL YEAR 2011-12 OPERATING BUDGET ON JULY 1, 2011;  
APPROVED CHANGES TO THE DISTRICT'S DEFERRED COMPENSATION  
CONTRIBUTION AND CALPERS CONTRIBUTIONS, AND ADOPTED THE FOLLOWING  
FOUR RESOLUTIONS BY TITLE:

RESOLUTION NO. 2011 – 14

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER  
DISTRICT RESCINDING RESOLUTION NO. 2010-15 AND ESTABLISHING  
REVISED SCHEDULE OF POSITIONS AND SALARY RATE RANGES

RESOLUTION NO. 2011 – 15

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE  
RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA  
COMMENCING EMPLOYER PAID MEMBER CONTRIBUTIONS  
(EXECUTIVE MANAGEMENT)

RESOLUTION NO. 2011 – 16

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE  
RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA  
COMMENCING EMPLOYER PAID MEMBER CONTRIBUTIONS  
(SENIOR MANAGEMENT)

RESOLUTION NO. 2011 – 17

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE  
RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA  
COMMENCING EMPLOYER PAID MEMBER CONTRIBUTIONS  
(FULL-TIME REGULAR EMPLOYEES)

OTHER BUSINESS

GENERAL MANAGER'S COMMENTS

General Manager Jones reported that at MWDOC's April 20 Board meeting, they approved by a 6-1 vote the agreement relative to budget, activities, charges and other issues. He also said 21 out of the 27 agencies have approved the agreement to date.

General Manager Jones also reported that an item came to staff's attention after the Board agenda was posted relative to the Orange County Water District's (OCWD) Ad Hoc Governance Committee requesting staff to prepare options for consolidation of OCWD/MWDOC which will be discussed at its next Board meeting on May 4, 2011. On MOTION by Reinhart, seconded and unanimously carried, IT WAS DETERMINED THAT THERE IS A NEED TO TAKE IMMEDIATE ACTION ON THE MATTER RELATIVE TO OCWD'S INTEREST IN CONSOLIDATING WITH MWDOC WHICH CAME TO THE ATTENTION OF THE

DISTRICT SUBSEQUENT TO THE AGENDA BEING POSTED, AND THIS MATTER WAS ADDED TO THE AGENDA FOR DISCUSSION. Mr. Jones suggested that IRWD consider the formation of an Ad Hoc Committee and that IRWD policy principles also be established. Mr. Jones noted that the OCWD's Ad Hoc Committee was working from the 1994 analysis on various consolidations of agencies and that he will provide a copy of this analysis to the Board. Following discussion, President LaMar created an MWDOC/OCWD Ad Hoc Committee and said that he will be making a decision on the two Board members on this Committee. Mr. Jones said that he will begin establishing policy principles.

Mr. Jones said he received an email from Mr. Bob Gumerman, General Manager of MNWD, noting that its Board approved an allocation rate structure, and that they also established a special conservation fund. He said that Mr. Gumerman thanked staff for its assistance.

### DIRECTORS' COMMENTS

Director Swan said he attended an OCWD Board meeting and noted that the Basin Production Percentage was increased to 65% and a small Replenishment Assessment increase were adopted. He said he attended a UCI collaborative meeting with General Manager Jones, a Newport Chamber of Commerce meeting, a Central and West Basin Meeting, a Southern California Water Committee meeting, and a CASA conference.

Director Matheis reported that she attended an Urban Water Institute conference along with Directors Withers and Reinhart. She said the attendance was disappointing, but the speakers were excellent, including the panel where Mr. Paul Jones was the moderator. She also said she will be attending a SAWPA meeting on Wednesday for an OWOW conference next week.

Director Reinhart reported on his attendance at the Urban Water Institute conference. Director Swan said that the Board should revisit the District's involvement with outside Board and staff representation at the next Strategic Planning Workshop.

Director LaMar reported on his attendance at a meeting with Mr. Steve Sheldon of OCWD along with Mr. Jones, a Chamber of Commerce anniversary breakfast, and a Southern California Water Committee Quarterly meeting.

### CLOSED SESSION

President LaMar said that the following Closed Sessions would be held with legal counsel relative to: 1) Existing litigation - Government Code Section 54956.9(a) – SEMA Construction vs. the City of Tustin and City of Tustin vs. IRWD; and 2) Initiation of litigation – Government Code Section 54956.9(c) – involving one potential case.

OPEN SESSION

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

ADJOURNMENT

There being no further business, Director LaMar adjourned the Board meeting.

APPROVED and SIGNED this 9th day of May, 2011.

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

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

APPROVED AS TO FORM:

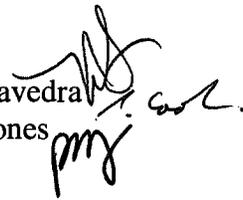
\_\_\_\_\_  
Legal Counsel - Bowie, Arneson, Wiles & Giannone

May 9, 2011

Prepared and

Submitted by: N. Savedra

Approved by: P. Jones



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

5/20/11 Orange County Water Summit  
5/21/11 IRWD Resident Tour  
5/23/11 Meeting w/Mesa Consolidated Water District GM Paul Shoenberger  
5/24/11 Monthly meeting with Paul Jones regarding District activities

Mary Aileen Matheis

5/20/11 Orange County Water Summit

Doug Reinhart

5/20/11 Orange County Water Summit

Peer Swan

4/14/11 Southern California Water Committee Quarterly Meeting  
5/07/11 IRWD Resident Tour  
5/17/11 WACO Planning Committee Meeting

John Withers

5/20/11 Orange County Water Summit

RATIFY/APPROVE THE MEETINGS AND EVENTS FOR STEVEN LaMAR, MARY AILEEN MATHEIS, DOUG REINHART, PEER SWAN AND JOHN WITHERS AS DELINEATED ABOVE.

LIST OF EXHIBITS:

None

May 9, 2011

Prepared By: Rob Jacobson

Submitted By: Debby Cherney 

Approved By: Paul Jones 

CONSENT CALENDAR

IRWD APARTMENT CONSULTANT – CONTRACT RENEWAL

SUMMARY:

Staff recommends that the Board authorized the General Manager to execute a two-year professional services contract Market-THINK, LLC in an amount not to exceed \$93,600 to provide advisory services related to the operation of the District's Sycamore Canyon and Wood Canyon Villa apartment property investments .

BACKGROUND:

In April 2009, the District approved a two-year contract extension with Market-THINK to provide advisory services related to the Sycamore Canyon and Wood Canyon Villa apartment properties. Market-THINK was originally selected as the District's apartment consultant based on the review of fee proposals from a number of qualified candidates, as well as interviews with staff and the Committee.

Ms. Sirota is an independent apartment property consultant and sole owner of Market-THINK with over 30 years of multi-family housing experience, including 13 years with Irvine Apartment Communities. Ms. Sirota was an integral member of the team leading the District's \$10.5 million renovation project at the Sycamore Canyon property. During her term as consultant for the District, Ms. Sirota has developed a strong working relationship with both onsite and senior staff of the District's property manager, Western National Properties (WNP). Her extensive marketing background and mentoring of the onsite leasing staff have contributed to Sycamore Canyon's consistent economic performance in both strong and weak rental markets.

Responsibilities of the District's apartment consultant include oversight of the physical state of the properties (including regular monthly and unscheduled site visits), monthly meetings with IRWD staff and WNP to provide property status reports and a review of financials, annual reports to the Asset Management Committee, assisting the property manager with the annual budget process and acting as an advisor to the District for certain special projects related to the properties.

The current fee for services provided by Market-THINK is \$3,675 per month. The proposal submitted is for a two-year period with a monthly fee of \$3,700 for the first year, and would increase to a monthly fee of \$3,900 in the second year. The proposed fee represents an average annual increase of 2.96% for the term of the agreement, and is based on Ms. Sirota's consulting rate of \$190/hour and an estimated 20 hours per month to

complete the responsibilities outlined in the scope of work. A copy of the renewal proposal and Scope of Work are attached as Exhibit “A”.

**FISCAL IMPACTS:**

Based on the proposal received, the annual expense related to apartment consulting for the general operation of the properties is anticipated to average \$45,600, or approximately 0.72% of the net income of the apartment properties.

**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 Asset Management Committee on April 26, 2011.

**RECOMMENDATION:**

**THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES CONTRACT WITH MARKET-THINK, LLC FOR A PERIOD OF TWO YEARS AT A TOTAL FEE NOT TO EXCEED \$93,600 TO PROVIDE ADVISORY SERVICES RELATED TO THE OPERATION OF THE SYCAMORE CANYON AND WOOD CANYON VILLA APARTMENT PROPERTIES.**

**LIST OF EXHIBITS:**

Exhibit “A” – Market-THINK Fee Proposal and Scope of Work

**Irvine Ranch Water District—  
Consulting Proposal as Owner's Representative for  
Apartment Properties**

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**March 17, 2011**

This document defines the renewed scope of work and associated cost estimate to provide asset management consulting services for the Irvine Ranch Water District (IRWD). This document represents a description of the scope of work based upon the client's communicated needs.

**Project Definition**

IRWD has requested that Market-THINK, LLC (MT) present work specifics pursuant to asset management consulting regarding the following IRWD solely-owned and joint-ventured properties (respectively):

Sycamore Canyon Apartments  
8201 E. Blackwillow Circle #100  
Anaheim Hills, CA 92808  
(450 units)

Wood Canyon Apartments  
28520 Wood Canyon Drive  
Aliso Viejo, CA 92656  
(230 units)

**Scope of Work—Market-THINK, LLC**

Market-THINK's role in providing property management consulting in an owner's representative role consists primarily of the following functions:

**1. Physical Assets Review**

- Walk each property once monthly to ascertain the current level of asset integrity, determine and recommend remedial action necessary.
- Meet with area manager and assigned vice president of the contracted management company and site managers of each property and review marketing strategies, observed apartment community levels of integrity, resident issues, income opportunities, and finalize appropriate courses of action. (Monthly at the time of property walks)
- Visit site (Sycamore Canyon) on a regular scheduled and unscheduled basis to evaluate conditions requiring special attention due to age of the asset.
- Review work specifications and requests for proposals for major/capital work to ensure fairness in the bidding process and to sustain a balance of appropriate information to ensure that the asset receives appropriate remediation.

## **2. Financial Review**

- Meet monthly with IRWD representatives, applicable property management executives, and others deemed appropriate to ensure that the property management financial objectives of IRWD are being achieved in accordance with prudent business logic, ethical conduct and common sense. Such meeting is effected upon and after a thorough review of monthly financial submittals by the management company which includes but are not limited to the following:

### **Sycamore Canyon and Wood Canyon Villas**

1. Property Update
  2. Operating Statement
  3. Budget Variance
  4. General Ledger
  5. All Fields Accounting Listing
  6. Cash Flow
  7. Bank Reconciliation
  8. Unit Statistics
  9. Delinquent Residents Report
  10. Rent Roll
  11. Comparable Marketing Summary
- Provide a written monthly report regarding the financial and physical status of each property.

## **3. Management Recommendations**

- Recommend areas of study, new business opportunities, funding and actions pursuant to optimizing income and ensuring long-term asset appreciation. Includes decision-making and direction regarding the actions of the management company upon concurrence of IRWD, unless such action is a function of daily routine management protocol wherein there is neither a major financial or political impact on IRWD.
- Review studies, potential contracts and make recommendations to IRWD.
- Review annual property budgets and provide input/recommendations to IRWD.

## **4. Technology Recommendations**

- Remain current, make recommendations, follow up, and coordinate technological opportunities that will enhance resident service and economic advantage to Sycamore Canyon Apartments.

## **5. Other Services**

- Provide annual presentation to IRWD Board regarding the assets identified herein.
- Perform other tasks as requested. These may be outside the scope of this proposal and will be billed on a project and/or hourly rate (\$175) as agreed upon in advance between Market-THINK and IRWD.

### **Client Role—Irvine Ranch Water District**

IRWD will provide the following to assist in the on-going provision of services:

1. Provide desired due dates for reports from Market-THINK to IRWD.
2. Outline expectations regarding the performance of property operations, the property management company, and Market-THINK.
3. Participate in monthly meetings with Market-THINK to discuss the findings, conclusions and recommendations relative to this scope of work.

### **Timing for Services**

This contract is a renewal for services effective May 1, 2011 for a period of two years through **April 30, 2013**.

The following chart provides the client with a breakdown of associated costs for the property management consulting services.

<b>Task</b>	<b>Description</b>	<b>Fee</b>
<b>Monthly Tasks</b>		
1. Physical Assets Review	Walk each property monthly, meet with property management personnel re: site operations and provide written report summary to IRWD	
2. Physical Assets Review	Visit Sycamore Canyon on scheduled and unscheduled basis	
3. Physical Assets Review	Review strategies and work specifications for major/capital work and provide recommendations to IRWD	
4. Financial Review	Review monthly financial reports package and meet with IRWD and management team	
5. Financial Review	Provide written monthly report re: financial and physical status of each property	
6. Management Recommendations	Review studies, opportunities, potential contracts and provide recommendations to IRWD	
7. Management Recommendations	Review and provide input and recommendations regarding annual budgets prepared by management company	
7. Technology Recommendations	Provide technology recommendations, follow up, and coordinate technology opportunities to enhance resident service and economic advantages to Sycamore Canyon	
8. Other Services	Prepare and conduct an annual year-end report to IRWD regarding the assets identified	
9. Other services	Provide other services as requested requiring estimated number of hours.  If project-oriented, a flat project fee may be estimated	Billed at hourly rate of \$190 (plus mileage) as requested by client
<b>Monthly subtotal for year one (May 2011 through April 2012)</b>	Monthly Flat Fee for estimated 20 hours per month.	\$3,700 per month
<b>Monthly subtotal for year two (May 2012 through April 2013)</b>	Monthly Flat Fee for estimated 20 hours per month.	\$3,900 per month
<b>TOTAL COSTS</b>	Total cost for scope excluding expenses and additional assignments or meetings other than those included in above.	<b>Year 1 = \$3,700 per month Year 2= \$3,900</b>

### **Working Relationship/Fee Structure**

The following outlines the suggested structure for a working relationship with IRWD as it pertains to the scope of work defined in this proposal.

Market-THINK, LLC  
4540 Campus Drive, Suite 100 • Newport Beach, CA 92660  
949.725.0600 P | 949.725.0546 F | www.market-think.net

1. Monthly retainer of \$3,700, which represents approximately 20 hours per month dedicated to IRWD from May 1, 2011 through April 30, 2012.
2. Monthly retainer of \$3,900, which represents approximately 20 hours per month dedicated to IRWD from May 1, 2012 through April 30, 2013.
3. A contract through April 30, 2013 renewable upon mutual agreement.

In addition to the monthly fee, IRWD will reimburse Market-THINK for all out-of-pocket expenses incurred in the performance performed on behalf of IRWD. Routine costs such as mileage, telephone calls, mailing services, and messenger/overnight courier will be billed at a net cost. Any extensive office/production costs beyond outlined scope above will be pre-approved by client. Any additional scope of work or necessary expense items that involve time, research or cash outlay will be pre-approved by and billed to IRWD (following review by Market-THINK for accuracy).

IRWD agrees to indemnify and hold harmless Market-THINK, LLC from and against all losses, claims, damages, expenses, or liabilities which Market-THINK, LLC may incur based on information, representations, reports, or data furnished by IRWD and/or its management company for use by Market-THINK .

Market-THINK, LLC will hold in the strictest of confidence all confidential information concerning IRWD and its properties, products and services learned in the course of providing property management consulting services. Market-THINK, LLC will not disclose any proprietary information about IRWD or its properties, products or services without your prior approval.

## Payment Terms

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Monthly retainer billed at the beginning of each month, due in 15 days      \$3,700.00

Other incurred expenses to be billed separately on a monthly basis.

Client Approval	Irvine Ranch Water District	Consultant	Market-THINK, LLC
Printed Name	Robert Jacobson		Susan A. Sirota
Title	Treasurer		Principal
Date			

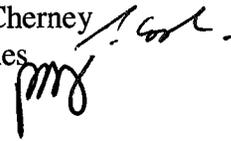
Market-THINK, LLC  
 4540 Campus Drive, Suite 100 • Newport Beach, CA 92660  
 949.725.0600 P | 949.725.0546 F | www.market-think.net

May 9, 2011

Prepared and

Submitted by: Debby Cherney

Approved by: Paul Jones



## CONSENT CALENDAR

### DESIGNATION OF AUTHORIZED AGENTS FOR WORKING WITH FEDERAL AND CALIFORNIA EMERGENCY MANAGEMENT AGENCIES

#### SUMMARY:

The Federal Emergency Management Agency and California Office of Emergency Services (FEMA/OES) requires that the District adopt a resolution every three years designating specific District staff positions as authorized agents for purposes of working with the State Office of Emergency Services. Staff recommends that the District rescind Resolution No. 2007-44 and adopt a new resolution pursuant to FEMA/OES requirements.

#### BACKGROUND:

To receive FEMA/OES funding, the District must submit a resolution (provided as Exhibit "A" identifying the District's authorized agents. Authorized agents are the primary contacts between FEMA/OES and the District and are authorized to submit required applications for reimbursement. In December 2007, the Board adopted Resolution No. 2007-44 which identified the District's Director of Finance, Assistant General Manager, and Director of Water Operations as the District's authorized agents. A new resolution, which is attached as Exhibit "A", mirrors Resolution No. 2007-44.

#### FISCAL IMPACTS:

The District is not entitled to receive funding from FEMA/OES without a current resolution designating authorized agents. The District is currently working with FEMA/OES for reimbursements related to the flood damage in December 2010.

#### ENVIRONMENTAL COMPLIANCE:

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

#### COMMITTEE STATUS:

This item was not reviewed by a Committee.

**RECOMMENDATION:**

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION OF THE BOARD OF DIRECTORS  
OF IRVINE RANCH WATER DISTRICT,  
RESCINDING RESOLUTION NO. 2007-44  
AND AUTHORIZING ITS AGENTS TO PROVIDE TO  
THE STATE OFFICE OF EMERGENCY SERVICES ALL  
MATTERS PERTAINING TO SUCH STATE DISASTER  
ASSISTANCE THE ASSURANCES AND AGREEMENTS REQUIRED

**LIST OF EXHIBITS:**

Exhibit “A” – Resolution Designating Authorized Agents to Work with the State Office of  
Emergency Services

# EXHIBIT "A"

## RESOLUTION NO. 2011 -

### RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT, RESCINDING RESOLUTION NO. 2007-44 AND AUTHORIZING ITS AGENTS TO PROVIDE TO THE STATE OFFICE OF EMERGENCY SERVICES ALL MATTERS PERTAINING TO SUCH STATE DISASTER ASSISTANCE THE ASSURANCES AND AGREEMENTS REQUIRED

WHEREAS, the Irvine Ranch Water District is a California Water District organized and existing under the California Water District Law; and

WHEREAS, the Office of Emergency Services has requested that a resolution be approved for the purpose of authorizing the Irvine Ranch Water District's agents for providing to the State Office of Emergency Services all matters pertaining to such state disaster assistance the assurances and agreements required; and

WHEREAS, the Board of Directors of Irvine Ranch Water District, by adoption of Resolution No. 2007-44 on December 17, 2007, authorized such agents; and

WHEREAS, the Board of Directors has reviewed the list of authorized agents and desires to make revisions thereto;

NOW, THEREFORE, the Board of Directors of Irvine Ranch Water District does hereby resolve, determine and order as follows:

Section 1. That the authorization of agents adopted by Resolution No. 2007-44 on December 17, 2007 is hereby rescinded.

Section 2. That the Irvine Ranch Water District authorizes the following positions to execute on behalf of the Irvine Ranch Water District an application and to file it with the Office of Emergency Services for the purpose of obtaining certain federal financial assistance under P.L. 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the Natural Disaster Assistance Act:

Assistant General Manager  
Director of Finance  
Director of Water Operations

Section 3. Directs the District Secretary to send a certified copy of this resolution to the State Office of Emergency Services.

ADOPTED, SIGNED and APPROVED this 9<sup>th</sup> day of May 2011.

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

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

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

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May 9, 2011

Prepared by: R. Thatcher/M. Hoolihan

Submitted by: G. Heiertz 

Approved by: Paul Jones 

CONSENT CALENDAR

PURCHASE OF EASEMENT  
FOR REPLACEMENT OF WELL 107 FROM THE CITY OF IRVINE

SUMMARY:

Well 107 is a former Irvine Company agriculture irrigation well that was transferred to the District in 2005 as part of the Irvine Sub-Basin Agreement. The well was rehabilitated and put into service as an additional potable water supply as part of the Irvine Desalter Project. Subsequently, due to the age of the well casing, this well no longer produces water at an acceptable rate. An alternate site was identified to drill a replacement well. The site is on a City of Irvine-owned landscape setback lot. The City has agreed to convey the necessary easement for the replacement well at an appraised value of \$36,500. Staff is requesting authorization for the General Manager to execute the necessary documents to acquire an easement at the appraised value. A map showing the location of the existing and proposed Well 107 is attached as Exhibit "A".

FISCAL IMPACTS:

The acquisition cost for the easement is \$36,500.

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 15302 which provides exemption for replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure to be replaced and will have substantially the same purpose and capacity as the structure replaced. A Notice of Exemption for the project was filed on March 14, 2011.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

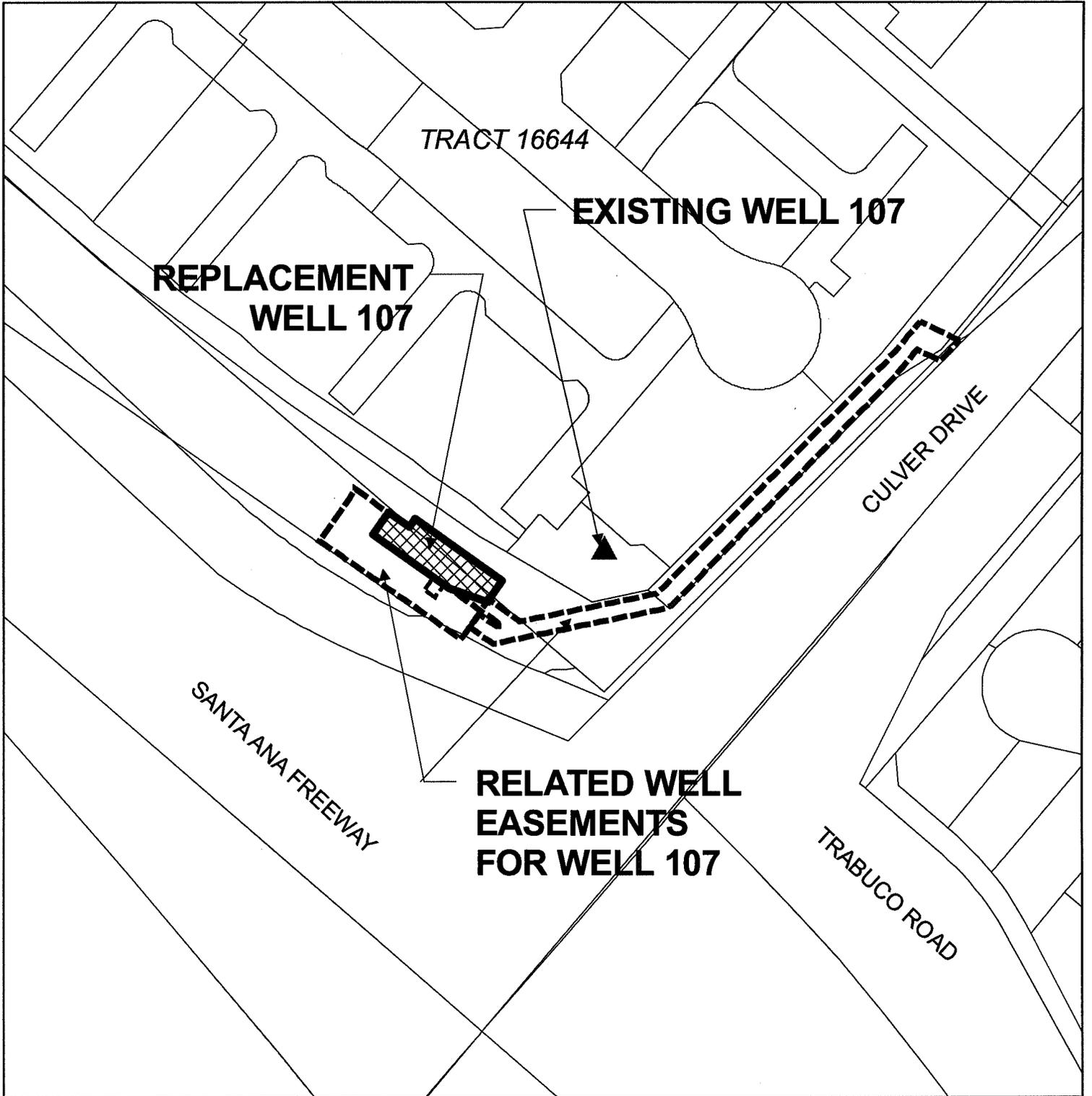
RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE DOCUMENTS TO ACQUIRE AN EASEMENT FROM THE CITY OF IRVINE FOR A TOTAL COST OF \$36,500 FOR THE REPLACEMENT OF WELL 107.

LIST OF EXHIBITS:

Exhibit "A" –Location Map

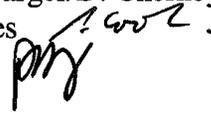
**EXHIBIT "A"**  
**LOCATION MAP**



**WATER WELL EASEMENT  
FOR REPLACEMENT OF WELL 107  
FROM THE CITY OF IRVINE**



May 9, 2011  
Prepared and  
Submitted by: T. Mossbarger/D. Cherney  
Approved by: Paul Jones



## ACTION CALENDAR

### PROCUREMENT OF ORACLE CUSTOMER CARE & BILLING SOFTWARE AND UNLIMITED LICENSE AGREEMENT FOR TECHNOLOGY LICENSES

#### SUMMARY:

The District is currently nearing completion of the first wave of implementation of the Oracle Enterprise Resource Planning (ERP) software, focused on financial management and human resources. At the time the initial licenses were procured, the District also negotiated a number of price-holds with Oracle for replacement of and/or new systems for Utility Billing, Enterprise Asset Management, Customer Relationship Management and Budgeting and Planning. In March 2011, the Committee directed staff to move forward with the replacement of the District's utility billing and customer relationship management software, and to bring the other areas back for further review at a later date.

Staff has negotiated additional price discounts with Oracle and recommends that the District enter into an agreement with Oracle to purchase the Customer Care & Billing (CC&B) applications licenses and exercise its rights under the technology license Unlimited License Agreement at a cost of \$1,102,453 for licenses and \$487,352 for first year maintenance and support, for a total of \$1,589,805.

Staff recommends that the Board approve the procurement of these application and technology licenses from Oracle, authorize a budget of \$1,600,000 for two new capital projects and approve two Expenditure Authorizations for \$800,000 each.

#### BACKGROUND:

In 2009 staff began the process to procure and implement a commercial off-the-shelf Enterprise Resource Planning (ERP) solution. The key benefits to IRWD of implementing an ERP system include the following:

- Improved management visibility and accountability, including more accurate and timely financial statements, through easy access to reliable real-time data and information;
- Better planning and visibility into funding needs through improved budget-to-actual reporting;
- Increased operational efficiencies utilizing up-to-date project accounting;
- Improved administrative labor efficiencies by minimizing staff time spent extracting and reformatting data;
- Audit compliance through reliable data and robust, flexible reporting capabilities; and
- Enhanced security through improved audit trails.

The District procured the financial and human resources core pieces of the ERP system in May 2010, began implementation in September 2010, and will bring its first wave of ERP applications

Action Calendar – Procurement of Oracle Customer Care & Billing Software and Unlimited License Agreement for Technology Licenses

May 9, 2011

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online on May 1, 2011. At the time the initial licenses were procured, the District also negotiated a number of price-holds with Oracle for replacement of and/or new systems for Utility Billing, Enterprise Asset Management, Customer Relationship Management and Budgeting and Planning. Staff worked with Oracle and Pacific Technologies, Inc. (PTI) on an Applications Strategic Plan and provided recommendations on whether the District should exercise the price-holds for replacement of and/or new systems for Utility Billing, Enterprise Asset Management, Customer Relationship Management and Budgeting and Planning. The Applications Strategic Plan was reviewed with the Committee in March 2011; at that time, the Committee directed staff to move forward with the replacement of the District's utility billing and customer relationship management software, and to bring the other areas back for further review at a later date.

There are two major parts to the Oracle licenses: (1) applications and (2) technology. This write-up provides information and recommendations about the purchase of applications licenses for the Oracle CC&B, which includes utility billing, customer service and field requests, and customer outreach. It also includes information about the purchase of technology licenses for the underlying databases, high availability, reliability and diagnostics.

Customer Care & Billing Applications Licenses:

IRWD's current Utility Billing System and Customer Service Request system, developed over a period of 20 years, has been modified and upgraded over time to meet changes driven by the unique needs of the District and external regulations. The allocation-based conservation rate structure employed by the District requires a sophisticated utility billing system that will allow the District to utilize the billing algorithms and methodology that it has developed and refined over time. If the District did not implement the Oracle utility billing modules on price hold, additional changes would still be needed to improve the existing system, including upgrading the user interface and changing the underlying architecture to allow for the storage and presentation of transactional data that it cannot handle in its current form.

The estimate of one-time costs for the replacement of the utility billing and CSR system included in the Application Strategic Plan range from \$2.5 to \$4.0 million. With the purchase of the CC&B, the District will be able to bring the project in under that budget, although the exact amount will not be established until the District has completed an RFP process to identify and hire an implementation partner. The duration of the project implementation is currently expected to take 12 to 15 months from design to go-live.

The District's price holds would have amounted to application licenses costs totaling more than \$1 million. Staff negotiated further with Oracle and was able to secure additional license discounts for an effective discount off standard prices of more than 75%. These additional discounts expire at the end of May 2011. Included within the CC&B applications licenses are licenses for customer analytics. The total cost of the CC&B applications licenses is \$497,900 plus first-year maintenance and support of \$109,538 for a total of \$607,438. Maintenance and support beyond the implementation will be included in IRWD's annual operating budget. The proposed discounts, if exercised by the end of May 2011, result in additional first-year savings to the District of more than \$400,000 in applications licenses alone, and five-year maintenance and support savings of at least an additional \$70,000.

Action Calendar – Procurement of Oracle Customer Care & Billing Software and Unlimited License Agreement for Technology Licenses

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Staff's analysis of the return on investment for the replacement of its existing utility billing system with CC&B resulted in a payback of less than two years. Staff has a few relatively minor pieces of due diligence remaining to be done before a contract would be executed. This due diligence is expected to be completed by May 15. Staff recommends that the Board approve the procurement of the CC&B licenses, subject to the completion of that due diligence.

Unlimited License Agreement for Technology Licenses:

In May 2010, IRWD purchased a base level of Oracle technology licenses and the necessary Oracle application licenses through DLT Solutions. The balance of the technology licenses could not be purchased at that time because the design of the system architecture, which drives the number of licenses required for purchase, had not been developed yet. Staff worked with the Oracle technology team and the District's systems implementation partners from AST Corporation to establish a system architecture that would ensure high availability and performance for these critical applications. Staff negotiated a proposal from Oracle which provided for a two-step license procurement of the necessary technology licenses:

*Step One – Required Technology Licenses for Oracle E-Business Suite Implementation:*

To procure all required licenses for the approved system architecture, the IRWD purchased additional licenses for the Oracle Database Enterprise Edition, Oracle Real Application Clusters, Oracle Active Data Guard, Oracle Business Intelligence EE and certain Enterprise Management Packs that will streamline and simplify ongoing system maintenance. Staff has negotiated a 63.9% discount on these licenses, with a 3% maximum support renewal cap for the first three renewal years, for a total of \$645,829.00 in licenses plus \$142,028.38 in first year support and maintenance costs. This step was completed in November 2010 with the Board's approval.

*Step Two – Unlimited License Agreement for Oracle Technology Licenses:*

Because the District was in the process of evaluating its existing software as part of the Applications Strategic Plan and the necessity to purchase additional technology licenses to support the full ERP suite as well as the potential purchases of utility billing, budgeting and planning and asset management, staff pre-negotiated pricing to convert the "Step One" licenses to an Unlimited License Agreement (ULA) with Oracle. Under the original ULA, the District would receive a 79.9% effective discount and would have 42 months to make use of the necessary Oracle technology tools, with no increase in support during that term. At the end of the 42 months (roughly in early 2015), the District would have the full rights to whatever technology licenses are in use which would be set as the "baseline". Future support or license purchases would then be set based upon this new baseline. Staff worked with Oracle to update the ULA conversion to fully capture its most current requirements, including CC&B. Oracle was willing to increase its effective discount to 86.8%. The updated ULA results in a conversion cost

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of an additional \$568,553.02 in license fees and \$125,081.66 in first year maintenance and support. If taken, the pre-negotiated discounts would result in a five-year savings of more than \$2.3 million.

If purchased without the ULA, the District's technology license costs to support the full ERP suite as well as the potential purchases of utility billing would cost more than \$884,000. As a result, the ULA provides a discount of more than \$315,000, and allows the District to use as many technology licenses it needs for the next 42 months. Should the District elect to move ahead with the procurement of planning and budgeting and/or asset management, the technology components would already be covered by the ULA provided they were in use within 42 months.

Staff recommends that the District enter into an agreement with Oracle to purchase the CC&B application software and exercise its rights under the ULA to purchase the necessary technology licenses included in the attached as Exhibit "A" at costs broken down as follows:

	License	Maintenance and Support	Total
Customer Care & Billing	\$ 533,900	\$ 117,458	\$ 651,358
Oracle Technology Unlimited License Agreement	\$ 568,553	\$ 125,082	\$ 693,635
Maintenance & Support for Existing Tech Licenses <sup>1</sup>	\$ -	\$ 244,812	\$ 244,812
Total	\$ 1,102,453	\$ 487,352	\$ 1,589,805

Total costs for the Oracle systems implementations to date, including the proposed additions, are reflected on Exhibit "B". These costs reflect a 10-year cost estimate for both one-time fees and charges and for recurring maintenance and support. This exhibit also reflects the alternative costs for maintaining and/or rebuilding the existing systems, which are out of date and in need of replacement or reconstruction.

FISCAL IMPACTS:

Subject to Board approval, staff will add two new projects to the FY 2010-11 Capital Budget, to fund the projects from the IRWD Replacement Funds as summarized in the table below:

Project No.	Current Budget	Addition <Reduction>	Total Budget	Existing EA	This EA Request	Total EA Request
1-TBD	\$0	\$800,000	\$800,000	\$0	\$800,000	\$800,000
2-TBD	\$0	\$800,000	\$800,000	\$0	\$800,000	\$800,000
Total	\$0	\$1,600,000	\$1,600,000	\$0	\$1,600,000	\$1,600,000

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.

<sup>1</sup> Support for the technology licenses procured in both May and November 2010 will be rolled into the new contract so that all maintenance and support for Oracle technology licenses are paid on a unified cycle.

Action Calendar – Procurement of Oracle Customer Care & Billing Software and Unlimited License Agreement for Technology Licenses

May 9, 2011

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COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on May 2, 2011.

RECOMMENDATION:

THAT THE BOARD APPROVE THE PROCUREMENT FROM ORACLE OF THE CUSTOMER CARE AND BILLING APPLICATIONS LICENSES AND THE UNLIMITED LICENSE AGREEMENT FOR TECHNOLOGY LICENSES IN TOTAL NOT TO EXCEED \$1.6 MILLION, APPROVE A BUDGET OF \$800,000 EACH FOR TWO NEW CAPITAL PROJECTS, AND AUTHORIZE TWO EXPENDITURE AUTHORIZATIONS IN THE AMOUNT OF \$800,000 EACH.

LIST OF EXHIBITS:

Exhibit “A” – Order Summary from Oracle

Exhibit “B” – Oracle applications 5-year cost summary



Quote

Quote Prepared for: Debbie Chemev  
 Irvine Ranch Water District  
 Quote #: IRWD Oracle License 4.29.11  
 Prepared By: Rainier Welzel / Scott McCormick  
 Phone #: 310-874-0774  
 Quote Valid Through: 27-May-11

Program	Qty	License Type	Net License Fee	Net Product Support and Updates Fee
<b>Oracle Technology UJA</b>				
Oracle Database EE	Unitid	Processor	\$ 137,493.73	\$ 30,248.62
Oracle Real Application Clusters	Unitid	Processor	\$ 66,575.91	\$ 14,646.70
Oracle Active Dataguard	Unitid	Processor	\$ 23,683.13	\$ 5,210.29
Oracle Diagnostic Pack	Unitid	Processor	\$ 14,473.02	\$ 3,184.06
Oracle Tuning Pack	Unitid	Processor	\$ 14,473.02	\$ 3,184.06
Oracle Change Management Pack	Unitid	Processor	\$ 10,131.12	\$ 2,228.85
Provisioning and Patch Automation Pack	Unitid	Processor	\$ 10,131.12	\$ 2,228.85
Configuration Management Pack for DB	Unitid	Processor	\$ 14,473.02	\$ 3,184.06
WebLogic Suite	Unitid	Processor	\$ 88,811.74	\$ 19,538.58
WebLogic Server Management Pack EE	Unitid	Processor	\$ 26,840.88	\$ 5,904.99
Oracle Business Intelligence EE Plus	Unitid	Processor	\$ 142,098.79	\$ 31,261.73
Business Intelligence Management Pack	Unitid	Processor	\$ 6,052.36	\$ 1,331.52
Informatica PowerCenter & PowerConnect Adapters	Unitid	Processor	\$ 13,315.18	\$ 2,929.34
<b>Customer Care and Billing</b>				
Utilities CC&B Base for Residential Customers	850	100 in Customer Count	\$ 40,800.00	\$ 8,976.00
Utilities CC&B Credit and Collections for Residential Customers	850	100 in Customer Count	\$ 20,400.00	\$ 4,488.00
Utilities CC&B Rating and Billing for Residential Customers	850	100 in Customer Count	\$ 20,400.00	\$ 4,488.00
Utilities CC&B Cashiering for Residential Customers	850	100 in Customer Count	\$ 5,100.00	\$ 1,122.00
Utilities CC&B Task Optimization Tools for Residential Customers	850	100 in Customer Count	\$ 10,200.00	\$ 2,244.00
Utilities CC&B Archiving for Residential Customers	850	100 in Customer Count	\$ 5,100.00	\$ 1,122.00
Utilities CC&B Base for Commercial & Industrial Customers	150	100 in Customer Count	\$ 108,000.00	\$ 23,760.00
Utilities CC&B Credit and Collections for Commercial & Industrial Customers	150	100 in Customer Count	\$ 54,000.00	\$ 11,880.00
Utilities CC&B Rating and Billing for Commercial & Industrial Customers	150	100 in Customer Count	\$ 54,000.00	\$ 11,880.00
Utilities CC&B Cashiering for Commercial & Industrial Customers	150	100 in Customer Count	\$ 13,500.00	\$ 2,970.00
Utilities CC&B Task Optimization Tools for Commercial & Industrial Customers	150	100 in Customer Count	\$ 27,000.00	\$ 5,940.00
Utilities CC&B Archiving for Commercial & Industrial Customers	150	100 in Customer Count	\$ 13,500.00	\$ 2,970.00
Micro Focus Net Express for CC&B	1	Named Developer	\$ 2,700.00	\$ 594.00
Utilities CC&B Integration to Oracle E-BS Financials for GL and AP	2	Processor	\$ 22,400.00	\$ 4,928.00
Utilities CC&B Extractors and Schema	1,000	100 in Customer Count	\$ 36,000.00	\$ 7,920.00
Utilities Customer Analytics	30	Application User	\$ 21,600.00	\$ 4,752.00
Utilities Revenue Analytics	30	Application User	\$ 21,600.00	\$ 4,752.00



# Quote

Quote Prepared for: Debbie Cherney  
 Irvine Ranch Water District  
 Quote #: IRWD Oracle License 4.29.11  
 Prepared By: Rainer Welzel  
 Phone #: 310-874-0774  
 Quote Valid Through: 27-May-11

Program	Qty	License Type	Net License Fee	Net Product Support and Updates Fee
Customer Care and Billing (cont.)				
Utilities Advanced Spatial Revenue Analytics	30	Application User	\$ 18,000.00	\$ 3,960.00
Utilities Credit and Collection Analytics	30	Application User	\$ 21,600.00	\$ 4,752.00
Utilities Adv Spatial Credit and Collection Analytics	30	Application User	\$ 18,000.00	\$ 3,960.00
			<b>\$ 1,143,143.02</b>	<b>\$ 242,539.66</b>

Total New Licenses: \$ 1,143,143.02  
 First year Total Updates and Product Support: \$ 242,539.66

Total Fees due as of Effective Date: \$ 1,385,682.68

NOTES:



10-Year Cost Summary - Oracle Applications and Technology

Cost Summary	Fiscal Year										Total	
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019		
Applications Licenses												
Oracle E-Business Suite (EBS) - Financial Management and Human Resources Management <sup>(1)</sup>	\$357,743		\$10,732	\$11,054	\$11,386	\$11,727	\$12,079	\$12,442	\$12,815	\$13,199	\$453,178	
EBS Maintenance & Support <sup>(2)</sup>	\$78,703	\$81,064	\$83,496	\$86,001	\$88,581	\$91,238	\$93,975	\$96,795	\$99,699	\$102,690	\$902,242	
Utility Customer Care & Billing <sup>(3)</sup>		\$533,900		\$10,678	\$10,892	\$11,109	\$11,332	\$11,558	\$11,789	\$12,025	\$613,263	
CC&B Maintenance & Support <sup>(3)</sup>			\$117,458	\$120,982	\$124,611	\$128,350	\$132,200	\$136,166	\$140,251	\$144,459	\$1,044,476	
<b>Subtotal - Applications Licenses</b>	\$436,446	\$614,964	\$211,686	\$228,715	\$235,470	\$242,425	\$249,586	\$256,961	\$264,554	\$272,373	\$3,013,179	
Technology Licenses												
Initial basic licenses for EBS (Fin/HR)	\$131,774										\$131,774	
November 2010 licenses		\$645,829									\$645,829	
Unlimited Licenses Agreement (net of credit for November 2010 license fees)		\$568,553									\$568,553	
Tech Maintenance & Support		\$1,214,382	\$287,164	\$267,164	\$267,164	\$267,164	\$275,179	\$283,434	\$291,937	\$300,695	\$2,219,902	
<b>Subtotal - Technology Licenses</b>	\$131,774	\$1,214,382	\$287,164	\$267,164	\$267,164	\$267,164	\$275,179	\$283,434	\$291,937	\$300,695	\$3,566,058	
Professional Services - Implementation												
EBS Implementation		\$1,697,840	\$1,190,350								\$2,888,190	
CC&B Implementation (Estimated)			\$2,000,000								\$2,000,000	
<b>Total Projected Costs</b>	\$568,220	\$3,527,186	\$3,669,200	\$495,879	\$502,634	\$509,589	\$524,765	\$540,395	\$556,491	\$573,068	\$11,467,427	

(1) EBS Licenses are based on Operating Revenue metric. Additional licenses are required when our operating revenue increases. This was a less expensive alternative than a per-user license. We assumed a 3% growth in revenue.  
 (2) Maintenance and support is 22% of license price, escalated at an estimated 3% thereafter.  
 (3) CC&B licenses are based on customer counts. We assumed 2% annual customer growth. We have a 3-year price guarantee on additional license purchases.

**Component 10-Year Costs**

E-Business Suite (Financial Management & Human Resources Customer Care & Billing (Utility Billing & Customer Service))

\$5,384,748  
\$5,369,467

**Comparative Costs to Rebuild Existing Systems to Contemporary Standards**

\$18,000,000  
\$7,500,000

Technology Licenses (Supporting All)  
 20% to Support Other Applications  
 Balance pro-rated between EBS (40%) and CC&B (60%) based on Initial License Costs

\$3,566,058  
\$713,212  
EBS \$1,141,139  
CC&B \$1,711,708

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May 9, 2011  
Prepared by: R. Sundberg/M. Cortez  
Submitted by: K. Burton  
Approved by: Paul Jones

## ACTION CALENDAR

### HANDY CREEK BRIDGE DISTRIBUTION MAIN RELOCATION CONSTRUCTION AWARD

#### SUMMARY:

Orange County Public Works (County) is moving forward with the removal and replacement of the Handy Creek Bridge in Orange Park Acres. The project is located along Orange Park Boulevard, approximately 1,100 feet south of Santiago Canyon Road. The proposed bridge construction will require the relocation of IRWD's existing domestic water pipeline within Orange Park Boulevard. Staff recommends that the Board:

- Authorize the addition of Project 11607 to the FY 2010-11 Capital Budget in the amount of \$280,500;
- Approve an Expenditure Authorization in the amount of \$280,500 for Project 11607; and
- Authorize the General Manager to execute a construction contract with GCI Construction, Inc. in the amount of \$198,527 for the Handy Creek Bridge Distribution Main Relocation Project 11607.

#### BACKGROUND:

The County is improving the existing storm drain culvert along Orange Park Boulevard at Handy Creek, between Clark Street and Hillside Drive as shown on Exhibit "A". The existing 10-foot wide box culvert will be replaced by a 30-foot wide bridge and channel structure. The County's project is out to bid and construction is scheduled to start in August 2011. The County will shut down traffic in both directions along Orange Park Boulevard while the new bridge is being constructed.

IRWD's existing 6-inch diameter domestic water pipeline must be lowered to avoid interference with the proposed bridge and channel project. The existing pipeline needs to stay in service during construction to augment the fire flow capacity to the service area north of the bridge project. The pipeline will be relocated within Orange Park Boulevard prior to the bridge's construction to maintain fire flow capacity. Staff looked into the possibility of installing a temporary pipeline around the bridge during construction. However, since Handy Creek is a federally protected water course, encumbrances by permit agency issues would have delayed the construction of the temporary pipeline beyond the start of the bridge construction.

Stantec, Inc. was retained to prepare the construction documents and the project was advertised to a select list of four contractors. All four contractors attended a pre-bid meeting on April 20, 2011. The bid opening was held on April 27, 2011, with three contractors submitting responsive bids. The apparent low bidder was GCI Construction, Inc. with a bid of \$198,527. The engineer's estimate was \$144,000. The second lowest bid was submitted by Paulus Engineering at \$199,147. The Bid Summary is attached as Exhibit "B."

FISCAL IMPACTS:

Staff requests that Project 11607 be added to the FY 2010-11 Capital Budget and an Expenditure Authorization be approved to fund the construction project in the amounts shown in the table below and in Exhibit "C".

Project No.	Current Budget	Addition <Reduction>	Total Budget	Existing EA	This EA Request	Total EA Request
11607	\$ -0-	\$ 280,500	\$ 280,500	\$ -0-	\$ 280,500	\$ 280,500

The above funding includes design services, survey, geotechnical testing and construction administration assistance.

ENVIRONMENTAL COMPLIANCE:

This project is subject to the California Environmental Quality Act (CEQA) and in conformance with the California Code of Regulations Title 14, Chapter 3, Article 7, a Negative Declaration was certified by the Orange County Board of Supervisors, the lead agency, on March 1, 2011.

COMMITTEE STATUS:

Construction awards are not routinely taken to Committee prior to submittal for Board approval.

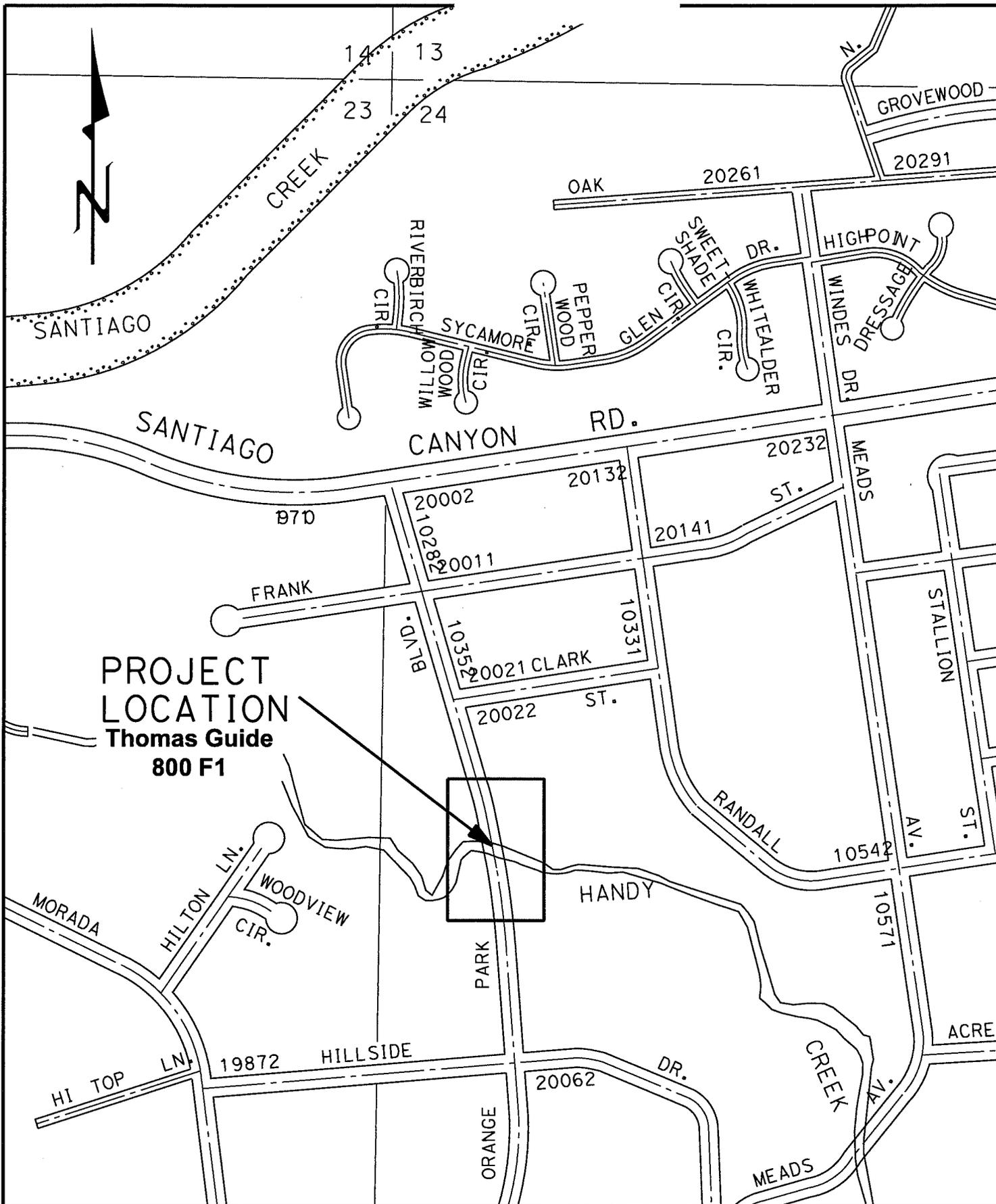
RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE ADDITION OF PROJECT 11607 TO THE FY 2010-11 CAPITAL BUDGET IN THE AMOUNT OF \$280,500; APPROVE AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$280,500 FOR PROJECT 11607; AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH GCI CONSTRUCTION, INC. IN THE AMOUNT OF \$198,527 FOR THE HANDY CREEK BRIDGE DISTRIBUTION MAIN RELOCATION PROJECT 11607.

LIST OF EXHIBITS:

- Exhibit "A" – Location Map
- Exhibit "B" – Bid Summary
- Exhibit "C" – Expenditure Authorizations

Exhibit "A"



**PROJECT LOCATION**  
Thomas Guide  
800 F1

LOCATION MAP  
ORANGE PARK BLVD BRIDGE AT HANDY CREEK

IRVINE RANCH WATER DISTRICT  
 SCHEDULE OF WORK ITEMS  
 HANDY CREEK BRIDGE DISTRIBUTION MAIN CROSSING  
 PROJECT NO. 11407

Item No.	Quantity	Unit	Description	CGI		Paulus		G.B. Cooke	
				Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
1	1	Lump Sum	Mobilization/Demobilization	\$8,000.00	\$8,000.00	\$2,300.00	\$2,300.00	\$39,600.00	\$39,600.00
2	1	Lump Sum	Traffic Control	\$5,000.00	\$5,000.00	\$3,600.00	\$3,600.00	\$14,400.00	\$14,400.00
3	56	LF	6" Fusible C900 PVC Pipe (Class 200)	\$60.00	\$3,360.00	\$92.00	\$5,152.00	\$148.00	\$8,288.00
4	95	LF	6" C900 PVC Pipe (class 200)	\$60.00	\$5,700.00	\$140.00	\$13,300.00	\$640.00	\$60,800.00
5	50	LF	16" Steel Casing Pipe w/5/16" wall	\$1,200.00	\$60,000.00	\$2,675.00	\$133,750.00	\$3,640.00	\$182,000.00
6	3	EA	6" RW Gate Valve	\$1,500.00	\$4,500.00	\$1,875.00	\$5,625.00	\$1,745.00	\$5,235.00
7	2	EA	6" Connections to Existing Pipe	\$3,500.00	\$7,000.00	\$2,660.00	\$5,320.00	\$4,728.00	\$9,456.00
8	2	EA	1" DW Service Connections	\$1,500.00	\$3,000.00	\$2,450.00	\$4,900.00	\$5,880.00	\$11,760.00
9	1	EA	2" DW Service Connections	\$2,000.00	\$2,000.00	\$4,200.00	\$4,200.00	\$6,600.00	\$6,600.00
10	4	EA	2-Wire Cathodic Protection Test Station	\$750.00	\$3,000.00	\$850.00	\$3,400.00	\$2,640.00	\$10,560.00
11	1	EA	Remove & Relocate Existing Fire Hydrant	\$7,500.00	\$7,500.00	\$7,900.00	\$7,900.00	\$8,616.00	\$8,616.00
12	1	Lump Sum	Record Drawing Preparation	\$5,000.00	\$5,000.00	\$832.00	\$832.00	\$2,100.00	\$2,100.00
13	1	Lump Sum	Design/Furnish/Install/Remove Safety Measures	\$5,000.00	\$5,000.00	\$20,000.00	\$20,000.00	\$1,800.00	\$1,800.00
14	1	Lump Sum	Furnish/Install/Maintain/Remove Erosion Control	\$2,000.00	\$2,000.00	\$2,732.00	\$2,732.00	\$1,800.00	\$1,800.00
15	1	Lump Sum	Preparation/Maintaining/Monitoring NPDES Permit	\$10,000.00	\$10,000.00	\$31,600.00	\$31,600.00	\$90,000.00	\$90,000.00
16	1	Lump Sum	Allowance for County of Orange Encroachment Permits	\$5,000.00	\$5,000.00	\$2,000.00	\$2,000.00	\$300.00	\$300.00
17	1	Lump Sum	Survey Staking and As-Built Measurements	\$4,000.00	\$4,000.00	\$2,000.00	\$2,000.00	\$7,440.00	\$7,440.00
18	1	Lump Sum	Geotechnical Testing and Reporting	\$5,000.00	\$5,000.00	\$5,500.00	\$1,200.00	\$6,000.00	\$6,000.00
			<b>TOTAL BID</b>		<b>\$145,060.00</b>		<b>\$198,527.00</b>		<b>\$466,755.00</b>

ADDITION (+) or  
 DEDUCTION (-)

**TOTAL AMOUNT OF BASE BID**

**\$145,060.00**

**\$198,527.00**

**\$199,147.00**

**\$466,755.00**

# IRVINE RANCH WATER DISTRICT Exhibit "C"

## Expenditure Authorization

**Project Name:** HANDY CREEK BRIDGE DISTRIBUTION MAIN RELOCATION  
**Project No:** 11607 EA No: 1

**ID Split:** Miscellaneous

**Project Manager:** CORTEZ, MALCOLM  
**Project Engineer:** SUNDBERG, RANDALL  
**Request Date:** April 28, 2011

**Improvement District (ID) Allocations**

ID No.	Allocation %	Source of Funds
101	100.0	REPLACEMENT FUND**
<b>Total</b>	<b>100.0%</b>	

**Summary of Direct Cost Authorizations**

Previously Approved EA Requests:	\$0
This Request:	\$280,500
<b>Total EA Requests:</b>	<b>\$280,500</b>
Previously Approved Budget:	\$0
Budget Adjustment Requested this EA:	\$280,500
<b>Updated Budget:</b>	<b>\$280,500</b>
<b>Budget Remaining After This EA</b>	<b>\$0</b>

Comments:

Phase	This EA Request	Previous EA Requests	EA Requests to Date	This Budget Request	Previous Budget	Updated Budget	Start	Finish
ENGINEERING DESIGN - IRWD	0	0	0	0	0	0	2/11	4/11
ENGINEERING DESIGN - OUTSIDE	29,000	0	29,000	29,000	0	29,000	2/11	4/11
DESIGN STAFF FIELD SUPPORT	2,000	0	2,000	2,000	0	2,000	2/11	4/11
ENGINEERING - CA&I IRWD	10,000	0	10,000	10,000	0	10,000	4/11	8/11
ENGINEERING - CA&I OUTSIDE	8,000	0	8,000	8,000	0	8,000	4/11	8/11
CONSTRUCTION FIELD SUPPORT	5,000	0	5,000	5,000	0	5,000	4/11	8/11
CONSTRUCTION	199,000	0	199,000	199,000	0	199,000	4/11	8/11
LEGAL	2,000	0	2,000	2,000	0	2,000	2/11	8/11
Contingency - 10.00% Subtotal	\$25,500	\$0	\$25,500	\$25,500	\$0	\$25,500		
<b>Subtotal (Direct Costs)</b>	<b>\$280,500</b>	<b>\$0</b>	<b>\$280,500</b>	<b>\$280,500</b>	<b>\$0</b>	<b>\$280,500</b>		
Estimated G/A - 195.00% of direct labor*	\$33,200	\$0	\$33,200	\$33,200	\$0	\$33,200		
<b>Total</b>	<b>\$313,700</b>	<b>\$0</b>	<b>\$313,700</b>	<b>\$313,700</b>	<b>\$0</b>	<b>\$313,700</b>		
Direct Labor	\$17,000	\$0	\$17,000	\$17,000	\$0	\$17,000		

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

EA Originator: \_\_\_\_\_

Department Director: \_\_\_\_\_

Finance: \_\_\_\_\_

Board/General Manager: \_\_\_\_\_

\*\* IRWD hereby declares that it reasonably expects those expenditures marked with two asterisks to be reimbursed with proceeds of future debt to be incurred by IRWD in a maximum principal amount of \$320,000. The above-captioned project is further described in the attached staff report and additional documents, if any, which are hereby incorporated by reference. This declaration of official intent to reimburse costs of the above-captioned project is made under Treasury Regulation Section 1.150-2.

May 9, 2011

Prepared By: K. Welch/P. Weghorst

Submitted By: G. Heiertz

Approved By: Paul Jones

## ACTION CALENDAR

### CONSTRUCTION OF PILOT PROJECT GROUNDWATER RECHARGE FACILITIES AT THE STOCKDALE WEST RANCH

#### SUMMARY:

On December 22, 2010, IRWD purchased the Stockdale West Ranch property which is adjacent to the Strand Ranch. Staff is working with Buena Vista Water Storage District (BVWSD) and Rosedale-Rio Bravo Water Storage District (Rosedale) to construct recharge facilities on the Stockdale West Ranch for a one-year pilot project utilizing additional water available for recharge under the BVWSD and IRWD Exchange Program. This project will also provide valuable information which can be used for the design of a long-term water banking program on the property. Staff recommends moving forward with the construction of the pilot project facilities and that the Board:

- Authorize the addition of Project 11595 "Stockdale West Facilities" to the FY 2010-11 Capital Budget to fund the pilot project;
- Approve an Expenditure Authorization in the amount of \$3,273,600 for Project 11595;
- Approve not-to-exceed costs in the amount of \$2,500,000 and authorize the General Manager to execute a construction contract with Wood Brothers to complete the construction of facilities for the pilot project;
- Approve Variance No. 1 in the amount of \$217,896 to a Professional Services Agreement with Dee Jasper & Associates (DJA) for final design and construction management services for the pilot project facilities;
- Authorize the General Manager to award a construction contract in the amount of \$70,035 with Lamont Fence Company for the installation of perimeter fencing;
- Authorize staff to reimburse Buena Vista Water Storage District in the amount of \$105,950 for the fabrication of five transfer structures to be installed for the pilot project;
- Authorize staff to file a Notice of Exemption consistent with the California Environmental Quality Act (CEQA) for the one-year pilot project; and
- Authorize staff to prepare a Memorandum of Understanding with BVWSD and Rosedale establishing that the pilot project be operated consistent with the terms and conditions of the existing long-term agreements with BVWSD and Rosedale, and authorize execution by the General Manager.

#### BACKGROUND:

The Stockdale West Ranch is located adjacent to the Strand Ranch in Kern County and is comprised of approximately 323 acres of land. A location map is attached as Exhibit "A". The anticipated future plan for the property is to expand the District's water banking program by constructing recharge basins, conveyances facilities and extraction wells on this property. An Environmental Impact Report (EIR) will be required under the California Environmental Quality Act (CEQA) to develop the Stockdale West Ranch into a complete water banking facility. Prior

to preparing an EIR for a long-term water banking project, staff recommends constructing recharge basins and conveyances necessary to capture water under a one-year pilot program.

Staff has been working closely with BVWSD and Rosedale in planning for the design and construction of pilot project recharge facilities on the Stockdale West Ranch. These recharge basins will be used to capture high flow Kern River water that will be made available through the BVWSD and IRWD Exchange Program that was established through a long-term agreement executed on December 22, 2010 (Kern River Water Agreement). The high flow Kern River water will be stored on a 2-for-1 basis consistent with this agreement. In addition, the pilot project will be used to determine the recharge capabilities of the Stockdale West Ranch property and to provide important information necessary for the design of a long-term water banking project on the property.

The construction of pilot project facilities will need to occur on a fast track basis. It is expected that BVWSD will be able to deliver up to 10,000 AF of water for recharge at the pilot project with 5,000 AF of it being transferred to IRWD. This water is fully exportable to southern California and IRWD's share will have an estimated value of \$1.5 million. The value of this water will approach fifty percent of the cost of implementing the pilot project. The pilot project facilities will be permanent and useable throughout the life of the anticipated long-term project at the Stockdale West Ranch.

#### Coordination in Kern County:

On April 14, 2011, staff joined BVWSD and Rosedale at the Kern County Water Agency Member Unit Manager's meeting to discuss the pilot project and the environmental compliance work that will be required. At the meeting, staff presented proposed operating parameters for the pilot. The Member Unit Managers were receptive and no objections were expressed. Staff explained that the pilot project will operate under the terms and conditions of the long-term Water Banking and Exchange Agreement between Rosedale and IRWD that established the Strand Ranch Integrated Banking Project (Banking Agreement) which was executed on January 9, 2009. The following constraints for recharge, storage and recovery of water will be implemented:

- The pilot project will be limited to the recharge of 10,000 acre-feet (AF) of water over a one-year period of time and will augment the 17,500 AF of recharge allowed on the Strand Ranch by IRWD;
- Water will be stored in IRWD's 50,000 AF storage account at the Strand Ranch; and
- Water will be recovered from the Strand Ranch within the 17,500 AF per year recovery limits of the Strand Ranch Integrated Banking Project.

#### Preliminary Design:

Under the authority of the General Manager, staff prepared a Professional Services Agreement with Dee Jaspar and Associates (DJA) to prepare a preliminary design for the recharge basins and water conveyance facilities. This preliminary design was used to develop a cost estimate for

Wood Brothers Construction to construct the pilot project facilities. The preliminary design layout of the ponds and structures is shown on Exhibit "B". DJA has prepared a scope of work to complete the final design of the recharge facilities under Variance No. 1 to the Professional Services Agreement. Staff recommends Board approval of this variance which is attached as Exhibit "C". In addition, DJA will also provide construction management services for the pilot project which is included in the variance.

Cost of Work:

Wood Brothers will construct the pilot project facilities including the recharge basins, transfer structures, pipelines and siphon intake structures. A preliminary cost estimate for the work is \$2.5 million. The design and construction of the pilot facilities is time sensitive and staff continues to negotiate the final cost for this work with Wood Brothers. Staff will update the Board on the expected cost at the meeting.

BVWSD has offered to construct five pre-cast concrete transfer structures which will be installed on the Stockdale West property as part of the pilot project. The structures will be used to move water between the ponds. BVWSD has constructed hundreds of these types of structures for its own farm water delivery system and recharge basins and can efficiently construct concrete transfer structures of various sizes. The transfer structures will be installed after the levees have been constructed. Anchor walls, cutoff walls and end treatment walls will be constructed at each transfer structure using the same design used for the transfer structures on the Strand Ranch. Staff recommends that the Board authorize staff to reimburse BVWSD for the construction of the five transfer structures. BVWSD's estimated cost of the five structures is \$105,950.

Securing the Site:

Upon completion of construction of the pilot project recharge facilities, staff recommends that fencing be installed along the perimeter of the property. The fencing will help limit trespassing, dumping, or vandalism at the property. The design of the fencing is similar to that installed at the Strand Ranch. DJA obtained four quotes for this fencing work as follows:

Wood Bros	\$172,825
FenceCorp, Inc.	\$100,920
Rudnick Fence Co.	\$106,700
Lamont Fence Co.	\$ 70,035

Staff has prepared contract documents for the lowest bidder, Lamont Fence Company (Lamont). Lamont has submitted all of the required bonding and insurance documents for this work. The quote from Lamont is provided as Exhibit "D". Staff recommends that the Board authorize the General Manager to execute a construction contract with Lamont to secure the site with fencing.

Environmental Review:

IRWD's on-call environmental consultants at ESA have prepared a Notice of Exemption consistent with the CEQA guidelines that folds all environmental commitments necessary to

ensure that the project will not result in significant environmental impacts. ESA is also completing the required pre-construction biological surveys. The Notice of Exemption is completed and staff recommends the Board authorize the filing of the Notice of Exemption with the Counties of Kern and Orange. A copy of the Notice of Exemption is attached as Exhibit "E".

Memorandum of Understanding:

The pilot project will operate under the terms and conditions of the Banking Agreement and the water will be provided by BVWSD consistent with the terms of the Kern River Water Agreement. Staff recommends that the Board authorize staff to prepare and execute a Memorandum of Understanding between IRWD, BVWSD and Rosedale that establishes that the pilot project will be operated consistent with both the Kern River Water and Banking Agreements.

FISCAL IMPACTS:

DJA will finalize the design and provide construction management services for the pilot project at an estimated cost of \$217,896. An additional \$20,000 for additional survey, geotechnical and environmental work will likely be required. Wood Brothers will construct the pilot project facilities for a not-to-exceed amount of \$2,500,000. BVWSD will fabricate the concrete transfer structures for an estimated amount of \$105,950. Lamont Fence Company will secure the site with fencing for \$70,035. Additional staff time and legal time will also be required in the amount of \$60,000. As shown below, staff requests the addition of Project 11595 (Stockdale West Facilities) to the FY 2010-11 Capital Budget in the total amount of \$3,273,600, and an Expenditure Authorization in the amount of \$3,273,600 as shown in Exhibit "F".

Project No.	Current Budget	Addition <Reduction>	Total Budget	Existing EA	This EA Request	Total EA Request
11595	\$-0-	\$3,273,600	\$3,273,600	\$-0-	\$3,273,600	\$3,273,600

ENVIRONMENTAL COMPLIANCE:

A Notice of Exemption will be filed for the project consistent with a Class 6 Categorical Exemption as provided for in the CEQA guidelines. Mitigation measures similar to those from the Strand Ranch Integrated Banking Project Final Environmental Impact Report have been incorporated as environmental commitments within the project description. A new EIR for a long-term water banking and exchange program for Stockdale West Ranch will be developed in the future once the terms and conditions for such a program have been established.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE ADDITION OF PROJECT 11595 "STOCKDALE WEST FACILITIES" TO THE FY 2010-11 CAPITAL BUDGET TO FUND THE PILOT PROJECT; APPROVE AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$3,273,600 FOR PROJECT 11595; APPROVE NOT-EXCEED-COSTS IN THE AMOUNT OF \$2,500,000 AND AUTHORIZE THE GENERAL MANAGER TO ENTER INTO A

CONSTRUCTION CONTRACT WITH WOOD BROS. INC FOR CONSTRUCTION OF THE PILOT PROJECT FACILITIES; APPROVE VARIANCE NO. 1 IN THE AMOUNT OF \$217,896 TO THE PROFESSIONAL SERVICES AGREEMENT WITH DEE JASPAR & ASSOCIATES FOR FINAL DESIGN AND CONSTRUCTION MANAGEMENT SERVICES FOR THE PILOT PROJECT FACILITIES; AUTHORIZE THE GENERAL MANAGER TO ENTER INTO A CONSTRUCTION CONTRACT IN THE AMOUNT OF \$70,035 WITH LAMONT FENCE COMPANY FOR THE INSTALLATION OF PERIMETER FENCING AT THE STOCKDALE WEST RANCH; AUTHORIZE STAFF TO REIMBURSE BUENA VISTA WATER STORAGE DISTRICT IN THE AMOUNT OF \$105,950 FOR THE CONSTRUCTION OF FIVE TRANSFER STRUCTURES; AUTHORIZE STAFF TO FILE A NOTICE OF EXEMPTION CONSISTENT WITH THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) FOR THE ONE-YEAR PILOT PROJECT; AND AUTHORIZE STAFF TO PREPARE AND EXECUTE A MEMORANDUM OF UNDERSTANDING BETWEEN IRWD, BUENA VISTA WATER STORAGE DISTRICT AND ROSEDALE THAT ESTABLISHES THE PILOT PROJECT WILL BE OPERATED CONSISTENT WITH THE KERN RIVER WATER AND BANKING AGREEMENTS.

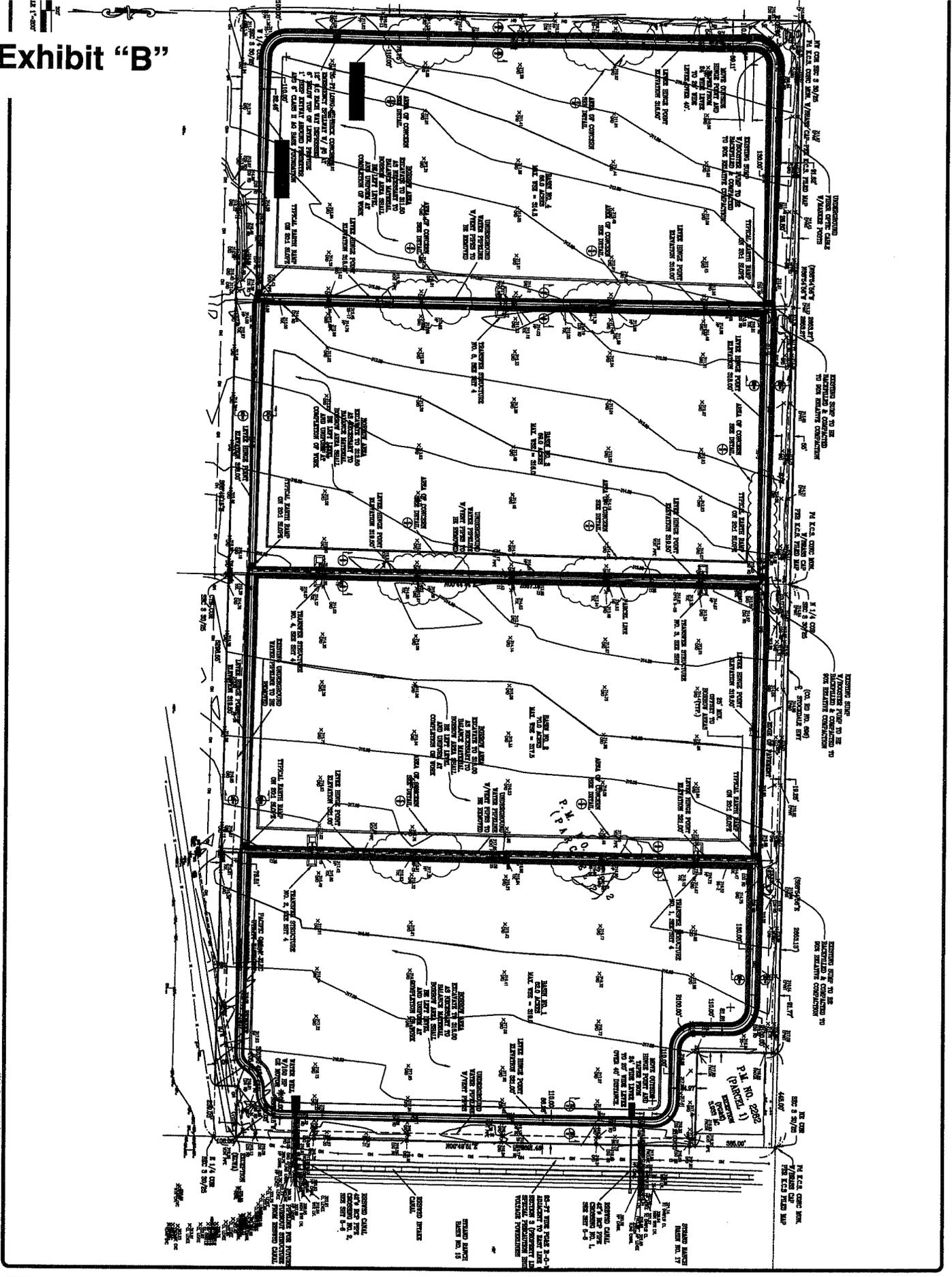
LIST OF EXHIBITS:

- Exhibit "A" – Stockdale West Ranch Property Location Map
- Exhibit "B" – Preliminary Recharge Facilities Layout Stockdale West Ranch
- Exhibit "C" – Dee Jaspar & Associates Scope of Work and Variance No. 1 to Professional Services Agreement
- Exhibit "D" – Lamont Fencing Company Bid
- Exhibit "E" – Notice of Exemption
- Exhibit "F" – Expenditure Authorization for Project 11595

Exhibit "A"



# Exhibit "B"



DATE	16 APR 2011
SCALE	1"=100'
PROJECT	
SHEET NO.	2
TOTAL SHEETS	2

## EARTHWORK SITE PLAN

IRVINE RANCH WATER DISTRICT

NORTH HALF SECTION 3, T.30S., R.27E., M.D.M.  
COUNTY OF KERN, CALIFORNIA



**DEE JASPAFI & ASSOCIATES, INC.**  
ENGINEERS  
1000 W. BROADWAY  
SUITE 100  
LOS ANGELES, CA 90015  
TEL: (213) 622-1111  
FAX: (213) 622-1112  
WWW.DJASPAFI.COM

NO.	BY	DATE

# Exhibit "C"

## IRVINE RANCH WATER DISTRICT PROFESSIONAL SERVICES VARIANCE

Project Title: Stockdale West Facilities Project File No.: \_\_\_\_\_  
 Date: May 6, 2011  
 Variance No.: 1  
 Project No.: 11595  
 Project No.: \_\_\_\_\_  
 Purchase Order No.: \_\_\_\_\_

Originator:  IRWD  ENGINEER/CONSULTANT  Other (Explain) \_\_\_\_\_

Description of Variance (attach any back-up material):  
Additional engineering and construction inspection/management for the Stockdale West Facilities Project.

**Engineering & Management Cost Impact:**

Classification	Manhours	Billing Rate	Labor \$	Direct Costs	Subcon. \$	Total \$
Engineering Design Work	Varies	Varies	51,704. <sup>00</sup>		5,000. <sup>00</sup>	56,704. <sup>00</sup>
Construction Inspection & Management	Varies	Varies	91,192. <sup>00</sup>		70,000. <sup>00</sup>	161,192. <sup>00</sup>
<b>Total \$ =</b>						<b>217,896.<sup>00</sup></b>

**Schedule Impact:**

Task No.	Task Description	Original Schedule	Schedule Variance	New Schedule

**Required Approval Determination:**

Total Original Contract	\$ <u>29,106.<sup>00</sup></u>	[ ] General Manager: Single Variance less than or equal to \$30,000.
Previous Variances \$ <u>0</u>		
This Variance	\$ <u>217,896.<sup>00</sup></u>	[ ] Committee: Single Variance greater than \$30,000, and less than or equal to \$60,000.
Total Sum of Variances	\$ <u>217,896.<sup>00</sup></u>	
New Contract Amount	\$ <u>247,002.<sup>00</sup></u>	[ ] Board: Single Variance greater than \$60,000.
Percentage of Total Variances to Original Contract	<u>749</u> %	[ ] Board: Cumulative total of Variances greater than \$60,000, or 30% of the original contract, whichever is higher.

ENGINEER/CONSULTANT: Dec Jasper & Associates, Inc. IRVINE RANCH WATER DISTRICT  
 Company Name

[Signature] 5/6/11 \_\_\_\_\_ Date  
 Project Engineer/Manager Department Director Date

[Signature] 5/6/11 \_\_\_\_\_ Date  
 Engineer's/Consultant's Management General Manager/Comm./Board Date

Irvine Ranch Water District										
Stockdale Ranch Recharge Basins										
Preliminary Engineering and Construction Management Estimate May 2, 2011										
Basis: Design - 45 Working Days / Construction 30 Working Days										
	Principal Engineer	Registered Project Manager / Staff Engineer	Staff Engineer	Surveyor	Project Engineer	Survey Crew	Secretary	Miscellaneous	Laboratory & Field Soils & Concrete Testing	Geotechnical Engineer
	Estimated Time (hrs)	Estimated Time (hrs)	Estimated Time (hrs)	Estimated Time (hrs)	Estimated Time (hrs)	Estimated Time (hrs)	Estimated Time (hrs)	Estimated Time (hrs)	Estimated Time (hrs)	Total
<b>Phase I - Prepare Plans and Specifications</b>										
<b>1. Prepare Construction Plans on a Fast-track Basis</b>										
Basin Layout	80	100	100	24	0	24	40	\$5,000.00	\$5,000.00	\$56,704
Levee Location, Geometry & Details										
Water Supply Structures from Strand Ranch / Pipelines / Inlet Structure Details										
Construction Details - RRBWSD Crossings										
Soil Issues - Dealing with Dispersion										
Metering Selection / Metering Installation Details										
Pipeline Installation Details - RRBWSD and Crossing PG&E RW										
Pipe Selection										
Trash Racks, Slide Gates, Stoplog Details, Guides and Supports										
Gate and Gate Operator Specifications										
Structural Reinforcement / Concrete Strengths / Thicknesses / Water Stop										
Transfer Structures / Cutoff Wall Details / Pipe Installation Details										
Concrete Structure Details & Specifications										
<b>Subtotal for Phase I:</b>	80	100	100	24	0	24	40	\$5,000.00	\$5,000.00	\$56,704
<b>Phase II - Construction Management</b>										
<b>1. Project Management</b>	24	60	32			12	40	\$5,000.00		\$25,080
<b>2. Preparation of As Builts</b>	8	24	24			40				\$6,800
<b>3. Construction Staking</b>	32	84	56	0	0	52	40	\$5,000.00	0	\$8,800
<b>Subtotal for Phase II:</b>										\$40,680
<b>Phase III - Construction Inspection/Monitoring</b>										
<b>1. Compaction Testing and Concrete Testing by Geotechnical Firm</b>		40	40					\$5,000.00	\$10,000.00	\$75,000
<b>2. Submittal review process.</b>				12	180	40				\$9,200
<b>3. Field Surveys to Verify Elevations of Structures</b>		20								\$10,312
<b>4. Project Inspection and Reporting</b>		60	40	12	180	40	0	\$5,000.00	\$10,000.00	\$26,000
<b>Subtotal for Phase III:</b>	112	244	196	36	180	116	80	\$60,000.00	\$10,000.00	\$120,512
<b>Total hours estimated:</b>	\$17,920	\$31,720	\$19,600	\$4,536	\$23,400	\$25,520	\$5,200	\$85,000	\$10,000	\$217,896
<b>Total engineering estimate:</b>										

Miscellaneous for Phase II Item 1 = Vehicle operation expenses.  
Miscellaneous for Phase II Item 2 = Copies and prints.  
Laboratory & Field Soils & Concrete Testing Estimated by Kleinfelder.



# EXHIBIT "D"

## LAMONT FENCE COMPANY

3611 Alken Street  
Bakersfield, CA 93308

## Estimate

Date	Estimate #
2/18/2011	12071

Name / Address
Dee Jaspar and associates 3701 Pegasus suit 121 Bakersfield, Ca.93308 Att: Matthew hooker

Description	Qty	Rate	Total
Install Approx. 13,600' of 4 strand barb wire with barbwire stays T-post 1.33 Install 8- 4"x 7' FW gate post Install 4- 20' x 5' dd gates Install 45end or brace post @ 500' spans 2-3/8" x 7' shed 40 Install 90- 1-5/8 x 8' braces Bid Inc all cement, material and prevailing wage labor to install Install Approx. 13,600' of 32" field fence Bonding included with bid price	13,600	59,835.00 0.75	59,835.00 10,200.00
<b>Signature</b>	<b>Total</b>		<b>\$70,035.00</b>

Phone #	Fax #	E-mail	Cont. State Lic.
661-589-5509	661-589-5535	lmtfnc1@aol.com	#530334

# EXHIBIT "E"

## Exempt per Gov't Code 6103

RETURN TO: Irvine Ranch Water District  
P.O. Box 57000  
15600 Sand Canyon Ave  
Irvine, CA 92619-7000  
Attn: Kellie Welch

NOTICE OF EXEMPTION  
Stamp  
(State Guidelines §15062)

County Clerk's Filing

TO: County Clerk  
County of Kern  
1115 Truxtun Ave  
Bakersfield, CA 93301-4639

FROM: Irvine Ranch Water District  
(Applicant/Lead Agency)  
P.O. Box 57000  
15600 Sand Canyon Ave  
Irvine, CA 92619-7000

Project Name: Stockdale West Ranch Pilot Project

Project Location: North half of Section 3, Township 30 South, Range 25 East, MDBM  
APN 160-020-12 and 160-020-23

County: Kern

### Description of Nature, Purpose and Beneficiaries of Project:

Irvine Ranch Water District (IRWD) is proposing a one-year Pilot Project at its Stockdale West Ranch property in Kern County, California. IRWD purchased Stockdale West Ranch in December 2010. The Project site is adjacent to IRWD's existing Strand Ranch Integrated Banking Project (see Exhibit A) and is characterized by farmland that has been fallow since January 2011. This farmland is not covered by a Williamson Act contract. The Pilot Project is proposed to determine the recharge capabilities of the Stockdale West Ranch. The recharge rates observed from the Pilot Project will assist in the determination

of the feasibility and physical limits of a long-term water banking and exchange program at Stockdale West Ranch.

The Pilot Project would construct recharge basins on Stockdale West Ranch that would be used to capture high-flow Kern River water that would be made available through the existing Buena Vista Water Storage District (BVWSD) and IRWD Exchange Program. The long-term agreement for this BVWSD/IRWD Exchange Program provides for storage of high-flow Kern River water on a 2-for-1 basis. The Pilot Project would operate under the terms and conditions of the existing long-term Water Banking and Exchange Agreement between Rosedale-Rio Bravo Water Storage District (Rosedale) and IRWD that established the Strand Ranch Integrated Banking Project. The following constraints for recharge, storage and recovery of water would be implemented. The Pilot Project would not include recovery wells on Stockdale West Ranch.

Recharge: The Pilot Project would be limited to the recharge of 10,000 acre-feet (AF) of water over a one year period of time, which augments the 17,500 AF of recharge allowed on Strand Ranch by IRWD.

Storage: Water recharged during the Pilot Project would be stored in IRWD's 50,000 AF storage account at the Strand Ranch.

Recovery: Water recharged during the Pilot Project would be recovered from Strand Ranch within the 17,500 AF per year recovery limits of the Strand Ranch Integrated Banking Project.

The Pilot Project would involve construction of earthen berms on Stockdale West Ranch to form recharge basins and the installation of siphons from the Strand Ranch recharge basins to convey water to the Stockdale West Ranch basins. In addition, siphons or pumps may be installed to convey water from the Rosedale Intake Canal or Pioneer Canal to the Stockdale West Ranch recharge basins. In addition to complying with all laws and regulations and securing any required permits, the Pilot Project would include the environmental commitments listed in Exhibit B and Exhibit C to ensure there would be no potentially significant impacts to the environment.

Reasons why project is exempt:

IRWD has made the determination that the Pilot Project is exempt from the California Environmental Quality Act (CEQA) pursuant to the "categorical exemption rule." The Pilot Project is categorically exempt under Class 6 Information Collection (CEQA Guidelines, Section 15306). Under Class 6, activities are exempt that involve *basic data collection, research, experimental management, and resource evaluation activities, which do not result in serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded.*

As mentioned above, the recharge rates observed from the Pilot Project will assist in the determination of the feasibility and physical limits of a long-term water banking program at Stockdale West Ranch. Once the terms and conditions for such a program have been established, IRWD would prepare a subsequent CEQA document, such as an environmental impact report, for the long-term water banking program. The Pilot Project includes environmental commitments listed in Exhibit B and Exhibit C to ensure the

proposed activities would not have any potentially significant impacts and, therefore, would meet the requirements of the Class 6 categorical exemption under CEQA.

Exempt Status: (check one)

- Ministerial (Section 21080)(b)(1); 15268)
- Declared Emergency (Section 21080)(b)(3); 15269(a))
- Emergency Project (Section 21080)(b)(4); 15269(b)(c))
- Categorical Exemption (State CEQA Guidelines §15306)
- Statutory Exemption (State code number: \_\_\_\_\_)

Name of Public Agency Approving  
and Carrying out this Project: Irvine Ranch Water District (IRWD)

Contact Person: Kellie Welch

Area Code 949 Phone 453-5300

Submission of this form is optional. Local agencies may file this form with the county clerk pursuant to Public Resources Code Section 21152(b). The filing of the notice starts a 35-day statute of limitations on court challenges to the approval of the project under Public Resources Code Section 21167(d). Failure to file the notice results in the statute of limitations being extended to 180 days.

Kellie Welch  
Staff Member Responsible for Preparation

\_\_\_\_\_  
District Secretary

\_\_\_\_\_  
Date

**Exhibit A: Stockdale West Ranch Location**



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## Exhibit B: Environmental Commitments

### AIR QUALITY DUST CONTROL

During construction activities, the District shall require the construction contractor(s) to implement a dust abatement program that incorporates San Joaquin Valley Air Pollution Control District's recommended measures including:

- All disturbed areas, including storage piles, which are not being actively utilized for construction purposes, shall be effectively stabilized of dust emissions using water, or covered with a tarp or other suitable cover or vegetative ground cover;
- All on-site unpaved roads and off-site unpaved access roads shall be effectively stabilized of dust emissions using water;
- All land clearing, grubbing, scraping, excavation, land leveling, grading, cut and fill, and demolition activities shall be effectively controlled of fugitive dust emissions utilizing application of water or by presoaking.

### BURROWING OWL SURVEY

A qualified biologist shall conduct a pre-construction survey for burrowing owls within 14 of clearing of the site in accordance with the most recent CDFG protocol, currently the *Staff Report on Burrowing Owl Mitigation* (CDFG 1995). The survey shall identify adult and juvenile burrowing owls and signs of burrowing owl occupation. If occupied burrowing owl habitat is detected onsite, measures to avoid, minimize, or mitigate impacts shall be incorporated into the Pilot Project.

### MIGRATORY BIRD SURVEY

A qualified biologist shall conduct a preconstruction migratory bird and raptor nesting survey within 15 days of site clearing. This survey shall include species protected under the MBTA including the Swainson's hawk, tricolored blackbird, and mountain plover. The survey shall cover all reasonably potential nesting locations for the relevant species on or closely adjacent to the project site. If an active nest is confirmed by the biologist, no construction activities shall occur within at least 500 feet of the nesting site until the end of the breeding season when the nest has failed or the young have fledged. CDFG will be notified of the identification of active nests and will be consulted regarding resumption of construction activities.

### AMERICAN BADGER SURVEY

A qualified biologist shall conduct focused preconstruction surveys no more than two weeks prior to construction for potential American badger dens. If no potential American badger dens are present, no further action is required. If potential dens are observed, the following measures shall be implemented to avoid potential adverse effects to the American badger:

- If the qualified biologist determines that potential dens are inactive, the biologist shall excavate these dens by hand with a shovel to prevent badgers from re-using them during construction.
- If the qualified biologist determines that potential dens may be active, the entrances of the dens shall be blocked with soil, sticks, and debris for three to five days to discourage use of these dens prior to project disturbance. The den entrances shall be blocked to an incrementally greater degree over the three- to five-day period. After the qualified biologist determines that badgers have stopped using active dens within the project boundary, the dens shall be hand-excavated with a shovel to prevent re-use during construction.

### KIT FOX SURVEY

A qualified biologist shall conduct a preconstruction survey for San Joaquin kit fox within 15 days of site clearing. If potential kit fox dens are found at the project site, further consultation with the qualified biologist shall determine the appropriate avoidance or mitigation measures to avoid potential adverse effects to this species.

During project construction, the measures listed in Exhibit C shall be implemented to minimize any potential impacts to San Joaquin kit fox.

### PIONEER CANAL BUFFER ZONE

To avoid potential impacts to Tipton kangaroo rat, San Joaquin pocket mouse, and giant garter snake, IRWD shall design the recharge basins to avoid impacting the edges of the Pioneer Canal. During construction, a 200-foot buffer area shall be established to prevent disturbance to the canal. Exclusion fencing shall be required during construction to ensure that the canal edges are not disturbed.

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## Exhibit B: Environmental Commitments (con't)

### ARCHAEOLOGICAL RESOURCES

In the event that prehistoric or historic subsurface cultural resources are discovered during ground-disturbing activities, all work within 50 feet of the resources will be halted and the project proponent will consult with a qualified archaeologist to assess the significance of the find according to *CEQA Guidelines* Section 15064.5. If any find is determined to be significant, IRWD and the archaeologist will meet to determine the appropriate avoidance measures or other appropriate mitigation. All significant cultural materials recovered will be, as necessary and at the discretion of the consulting archaeologist, subject to scientific analysis, professional museum curation, and documentation according to current professional standards.

In considering any suggested mitigation proposed by the consulting archaeologist in order to mitigate impacts to historical resources or unique archaeological resources, IRWD will determine whether avoidance is necessary and feasible in light of factors such as the nature of the find, project design, costs, and other considerations. If avoidance is infeasible, other appropriate measures (e.g., data recovery) will be instituted. Work may proceed on other parts of the project site while mitigation for historical resources or unique archaeological resources is being carried out.

### PALEONTOLOGICAL RESOURCES

In the event that paleontological resources are discovered, IRWD will notify a qualified paleontologist. The paleontologist will document the discovery as needed, evaluate the potential resource, and assess the significance of the find under the criteria set forth in *CEQA Guidelines* Section 15064.5. If fossil or fossil bearing deposits are discovered during construction, excavations within 50 feet of the find will be temporarily halted or diverted until the discovery is examined by a qualified paleontologist (in accordance with Society of Vertebrate Paleontology standards (Society of Vertebrate Paleontology, 1995)). The paleontologist will notify the appropriate agencies to determine procedures that would be followed before construction is allowed to resume at the location of the find. If IRWD determines that avoidance is not feasible, the paleontologist will prepare an excavation plan for mitigating the effect of the project on the qualities that make the resource important. The plan will be submitted to IRWD for review and approval prior to implementation.

### HUMAN REMAINS

If human skeletal remains are uncovered during project construction, IRWD will immediately halt work, contact the Kern County coroner to evaluate the remains, and follow the procedures and protocols set forth in Section 15064.5 (e)(1) of the *CEQA Guidelines*. If the County coroner determines that the remains are Native American, IRWD will contact the NAHC, in accordance with Health and Safety Code Section 7050.5, subdivision (c), and Public Resources Code 5097.98 (as amended by AB 2641). Per Public Resources Code 5097.98, the landowner shall ensure that the immediate vicinity, according to generally accepted cultural or archaeological standards or practices, where the Native American human remains are located, is not damaged or disturbed by further development activity until the landowner has discussed and conferred, as prescribed in this section (PRC 5097.98), with the most likely descendants regarding their recommendations, if applicable, taking into account the possibility of multiple human remains.

### EROSION CONTROL

All topsoil stripped from the ground surface during construction shall be used for construction of the earthen berms and not hauled offsite. Any temporary stockpiles shall be managed through the use of best management practices (BMPs), which shall include but not be limited to wetting and/or covering stockpiles to prevent wind erosion.

### REMOVAL OF CONTAMINATED SOILS

IRWD shall collect representative samples of soils in stained areas identified in the Phase I Site Assessment. The samples shall be analyzed for total petroleum hydrocarbons and pesticides. IRWD shall remove from the site in accordance with applicable waste disposal regulations, soils identified as containing hazardous quantities of contaminants.

### INSECT AND VECTOR CONTROL

IRWD shall consult with the Kern County Department of Public Health Services and Kern Mosquito and Vector Control District to develop appropriate insect control measures that utilize non-toxic abatement methods.

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## **Exhibit B: Environmental Commitments (con't)**

### **MONITORING FOR GROUNDWATER MOUNDING**

IRWD shall install and monitor piezometers adjacent to the CVC within the Stockdale West Ranch property and/or the adjacent Kern Water Bank land (as allowed). IRWD will consult with geotechnical engineers to determine if conditions observed during the recharge of water during the Pilot Project on Stockdale West Ranch pose a risk to subsurface structures if further recharge operations continue. Under such conditions, piezometer data as well as information from the geotechnical engineers will be shared with Kern County Water Authority (KCWA). If subsurface structures are determined to be at risk from high groundwater, IRWD will temporarily cease recharge activities until water surface elevations no longer pose a risk to subsurface structures.

### **STORM WATER POLLUTION PREVENTION PLAN**

IRWD shall prepare a Storm Water Pollution Prevention Plan that includes, but is not limited to, the following best management practices (BMPs):

- Establish an erosion control perimeter around active construction and contractor layout areas including silt fencing, jute netting, straw wattles, or other appropriate measures to control sediment from leaving the construction area.
- Install containment measures at fueling stations and at fuel and chemical storage sites.
- Employ good house-keeping measures including clearing construction debris and waste materials at the end of each day.

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## Exhibit C: San Joaquin Kit Fox Minimization Measures

Prior to construction, a qualified biological monitor shall implement the following measures:

1. Prior to construction, project plans shall clearly delineate that: “*Speeds signs of 25 mph maximum (or lower) shall be posted for all construction traffic, to minimize the probability of road mortality of the San Joaquin kit fox.*” Speed limit signs shall be installed on the project site within 30 days prior to initiation of site disturbance and/or construction,
2. Within 30 days prior to initiation of site disturbance and/or construction, all personnel associated with the project shall attend a worker education training program, conducted by a qualified biologist, to avoid or reduce impacts on sensitive biological resources (i.e. San Joaquin kit fox). At a minimum, as the program relates to the kit fox, the training shall include the kit fox’s life history, all mitigation measures specified by the District, as well as any related biological report(s) prepared for the project.

In accordance with the training provided by the qualified biological monitor, the construction contractor shall implement the following measures:

- During the site disturbance and/or construction phase, grading and construction activities after dusk shall be prohibited.
- During the site-disturbance and/or construction phase, to prevent entrapment of the San Joaquin kit fox, all excavation, steep-walled holes or trenches in excess of two feet in depth shall be covered at the close of each working day by plywood or similar materials, or provided with one or more escape ramps constructed of earth fill or wooden planks. Trenches shall also be inspected for entrapped kit fox each morning prior to onset of field activities and immediately prior to covering with plywood at the end of each working day. Before such holes or trenches are filled, they shall be thoroughly inspected for entrapped kit fox. Any kit fox so discovered shall be allowed to escape before field activities resume, or removed from the trench or hole by a qualified biologist and allowed to escape unimpeded.
- During the site-disturbance and/or construction phase, any pipes, culverts, or similar structures with a diameter of four inches or greater, stored overnight at the project site shall be thoroughly inspected for trapped San Joaquin kit foxes before the subject pipe is subsequently buried, capped, or otherwise used or moved in any way. If during the construction phase a kit fox is discovered inside a pipe, that section of pipe will not be moved, or if necessary, be moved only once to remove it from the path of activity, until the kit fox has escaped.
- During the site-disturbance and/or construction phase, all food-related trash items such as wrappers, cans, bottles, and food scraps generated shall be disposed of in closed containers only and regularly removed from the site. Food items may attract San Joaquin kit foxes onto the project site, consequently exposing such animals to increased risk of injury or mortality. No deliberate feeding of wildlife shall be allowed.
- Prior to, during, and after the site-disturbance and/or construction phase, use of pesticides or herbicides shall be in compliance with all local, state and federal regulations. This is necessary to minimize the probability of primary or secondary poisoning of endangered species utilizing adjacent habitats, and the depletion of prey upon which San Joaquin kit foxes depend.

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### **Exhibit C: San Joaquin Kit Fox Minimization Measures (con't)**

- During the site-disturbance and/or construction phase, any contractor or employee that inadvertently kills or injures a San Joaquin kit fox or who finds any such animal either dead, injured, or entrapped shall be required to report the incident immediately to the applicant and District. In the event that any observations are made of injured or dead kit fox, the applicant shall immediately notify the U.S. Fish and Wildlife Service and the Department by telephone (see contact information below). In addition, formal notification shall be provided in writing within three working days of the finding of any such animal(s). Notification shall include the date, time, location and circumstances of the incident. Any threatened or endangered species found dead or injured shall be turned over immediately to the Department for care, analysis, or disposition.
- Prior to final inspection, should any long internal or perimeter fencing be proposed or installed, the applicant shall do the following to provide for kit fox passage:
  - a. If a wire strand/pole design is used, the lowest strand shall be no closer to the ground than 12".
  - b. If a more solid wire mesh fence is used, 8" x 12" openings near the ground shall be provided every 100 yards.

Upon fence installation, the applicant shall notify the County to verify proper installation. Any fencing constructed after issuance of a final permit shall follow the above guidelines.

#### **Contact Information**

California Department of Fish and Game  
1234 East Shaw Avenue  
Fresno, CA 93710  
(559) 243-4014  
(559) 243-4020

U.S. Fish and Wildlife Service  
Ventura Field Office  
2493 Portola Road, Suite B  
Ventura, CA 93003  
(805) 644-1766

# IRVINE RANCH WATER DIST EXHIBIT "F"

## Expenditure Authorization

Project Name: STOCKDALE WEST FACILITIES  
 Project No: 11595 EA No: 1  
 Project Manager: WEGHORST, PAUL  
 Project Engineer: WELCH, KELLY  
 Request Date: May 6, 2011

ID Split: Regional Potable Water Splits (11/08)  
**Improvement District (ID) Allocations**

ID No.	Allocation %	Source of Funds
112	4.3	BONDS YET TO BE SOLD**
113	5.2	BONDS YET TO BE SOLD**
115	7.3	CAPITAL FUND
121	15.3	BONDS YET TO BE SOLD**
130	11.8	BONDS YET TO BE SOLD**
140	4.2	BONDS YET TO BE SOLD**
150	31.2	BONDS YET TO BE SOLD**
153	3.4	BONDS YET TO BE SOLD**
154	1.5	BONDS YET TO BE SOLD**
161	8.0	BONDS YET TO BE SOLD**
182	3.0	BONDS YET TO BE SOLD**
184	2.8	BONDS YET TO BE SOLD**
186	1.0	BONDS YET TO BE SOLD**
188	1.0	BONDS YET TO BE SOLD**
<b>Total</b>	<b>100.0%</b>	

### Summary of Direct Cost Authorizations

Previously Approved EA Requests:	\$0
This Request:	\$3,273,600
<b>Total EA Requests:</b>	<b>\$3,273,600</b>
Previously Approved Budget:	\$0
Budget Adjustment Requested this EA:	\$3,273,600
<b>Updated Budget:</b>	<b>\$3,273,600</b>
<b>Budget Remaining After This EA</b>	<b>\$0</b>

Comments:

Phase	This EA Request	Previous EA Requests	EA Requests to Date	This Budget Request	Previous Budget	Updated Budget	Start	Finish
ENGINEERING - PLANNING IRWD	15,000	0	15,000	15,000	0	15,000	5/11	6/12
ENGINEERING DESIGN - IRWD	10,000	0	10,000	10,000	0	10,000	5/11	6/12
ENGINEERING DESIGN - OUTSIDE	57,000	0	57,000	57,000	0	57,000	5/11	6/12
ENGINEERING - CA&I IRWD	25,000	0	25,000	25,000	0	25,000	5/11	6/12
ENGINEERING - CA&I OUTSIDE	177,000	0	177,000	177,000	0	177,000	5/11	6/12
CONSTRUCTION	2,677,000	0	2,677,000	2,677,000	0	2,677,000	5/11	6/12
LEGAL	10,000	0	10,000	10,000	0	10,000	5/11	6/12
ENGINEERING ENVIRONMENTAL-OUTS	5,000	0	5,000	5,000	0	5,000	5/11	6/12
Contingency - 10.00% Subtotal	\$297,600	\$0	\$297,600	\$297,600	\$0	\$297,600		
<b>Subtotal (Direct Costs)</b>	<b>\$3,273,600</b>	<b>\$0</b>	<b>\$3,273,600</b>	<b>\$3,273,600</b>	<b>\$0</b>	<b>\$3,273,600</b>		
Estimated G/A - 195.00% of direct labor*	\$97,600	\$0	\$97,600	\$97,600	\$0	\$97,600		
<b>Total</b>	<b>\$3,371,200</b>	<b>\$0</b>	<b>\$3,371,200</b>	<b>\$3,371,200</b>	<b>\$0</b>	<b>\$3,371,200</b>		
Direct Labor	\$50,000	\$0	\$50,000	\$50,000	\$0	\$50,000		

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

EA Originator: *Paul Welch* 5-6-11  
 Department Director: *Greg Haertz* 5-6-11  
 Finance: \_\_\_\_\_  
 Board/General Manager: \_\_\_\_\_

\*\* IRWD hereby declares that it reasonably expects those expenditures marked with two asterisks to be reimbursed with proceeds of future debt to be incurred by IRWD in a maximum principal amount of \$3,439,000. The above-captioned project is further described in the attached staff report and additional documents, if any, which are hereby incorporated by reference. This declaration of official intent to reimburse costs of the above-captioned project is made under Treasury Regulation Section 1.150-2.