

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

June 13, 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.

COMMUNICATIONS TO THE BOARD

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.

PRESENTATION

3. PARTNER COMMENDATION

In celebration of the District's 50th anniversary, the IRWD Board of Directors will recognize key "Partners in Service". This evening the Board will present Certificates of Commendation to representatives of El Toro Water District, Moulton Niguel Water District, Trabuco Canyon Water District, Santa Margarita Water District and South Coast Water District.

PUBLIC HEARING

Next Resolution No. 2011-19

4. 2010 URBAN WATER MANAGEMENT PLAN UPDATE

Recommendation:

1. Open the Hearing
2. Inquire of the Secretary how the hearing was noticed
3. Receive and file the affidavit of posting and proof of publication
4. Request legal counsel to describe the nature of the proceedings
5. Inquire of the Secretary if there has been any written communications
6. Hear any persons who wish to speak relative to the 2010 Urban Water Management Plan
7. Board comments/discussion
8. Adopt resolution by title
9. Close the Hearing

Reso. No. 2011-

WORKSHOP

5. FISCAL YEAR 2011-12 DRAFT CAPITAL BUDGET

Recommendation: That the Board direct staff to revise the list of flagged projects and adopt a resolution approving the District's Capital Budget for Fiscal Year 2011-12.

Reso. No. 2011-

CONSENT CALENDAR

Items 6-16

6. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the May 23, 2011 Regular Board Meeting be approved as presented.

7. 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, John Withers and Peer Swan as delineated above.

8. 2011 FEDERAL CLEAN WATER ACT UPDATE

Recommendation: That the Board take an OPPOSE position on the Environmental Protection Agency's Clean Water Act Draft Guidance.

9. 2011 STATE LEGISLATIVE UPDATE

Recommendation: That the Board consider a SUPPORT position on SB 224 (Pavley) and a WATCH position on AB 938 (Perez, V.).

CONSENT CALENDAR (Continued) Next Resolution No. 2011-19 Items 6-16

10. 2011 SELECTION OF STATE LOBBYIST/CONSULTANT

Recommendation: That the Board approve a Professional Services Agreement for a term of 12 months with O'Haren Government Relations in the amount of \$6,500 per month retainer plus reimbursable direct expenses for a total not to exceed \$85,800.

11. PLACING NOMINATION OF PEER A. SWAN AS VICE CHAIR/BOARD MEMBER OF THE ACWA REGION 10 BOARD

Recommendation: That the Board support the nomination of Director Peer Swan for Vice Chair/Board Member of the ACWA Region 10 Board for the 2012-13 term.

12. QUITCLAIM OF REAL PROPERTY – DIEGO TUSTIN, LLC

Recommendation: That the Board adopt a resolution approving execution of the quitclaim deed to Diego Tustin, LLC.

Reso. No. 2011-

13. QUITCLAIM OF REAL PROPERTY – IRVINE COMMUNITY DEVELOPMENT COMPANY LLC

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

Reso. No. 2011-

14. QUITCLAIM OF REAL PROPERTY – C.H. SERVICE CORPORATION

Recommendation: That the Board adopt a resolution approving execution of the quitclaim deed to C.H. Service Corporation.

Reso. No. 2011-

15. UPDATE ON CONSTRUCTION COSTS FOR STOCKDALE WEST RANCH RECHARGE FACILITIES

Recommendation: Receive and file.

16. REVISED DEFERRED COMPENSATION INVESTMENT POLICY STATEMENT

Recommendation: That the Board approve the revised Deferred Compensation Investment Policy Statement.

ACTION CALENDAR

17. ASSET OPTIMIZATION – SAND CANYON MEDICAL OFFICE PROJECT CONSTRUCTION AWARD AND EXPENDITURE AUTHORIZATION

Recommendation: That the Board authorize the General Manager to execute a construction contract with KPRS Construction in the amount of \$5,241,487.05 and approve an Expenditure Authorization for \$4,834,900 for project 11118.

18. FISCAL YEAR 2011-12 GENERAL COUNSEL SERVICES FOR BOWIE, ARNESON, WILES AND GIANNONE

Recommendation: That the Board approve, and authorize the General Manager to execute, the Engagement Agreement with Bowie, Arneson, Wiles, and Giannone effective July 1, 2011 for general counsel services in the amount not to exceed \$615,000, subject to the not-to-exceed amounts within such total amount as provided in separate detail.

19. WELL 107 DRILLING AND EQUIPPING CONSTRUCTION AWARD

Recommendation: That the Board find that the irregularities in the bid submitted by Pascal & Ludwig did not affect the amount of the bid or afford Pascal & Ludwig a competitive advantage over the other bidders and waive the irregularities; approve a budget increase to the FY 2010-11 Capital Budget for project 11432 by \$1,527,700, from \$1,926,900 to \$3,454,600; approve an Expenditure Authorization in the amount of \$3,239,200 for project 11432; and authorize the General Manager to execute a construction contract with Pascal & Ludwig in the amount of \$2,705,543 for the construction of Well 107, project 11432.

20. OPERATIONS CENTER FACILITIES EXPANSION PHASE 1 MEZZANINE CONVERSION CONSTRUCTION AWARD

Recommendation: That the Board cancel the award of the construction contract to Snyder Langston in the amount of \$722,361 on February 28, 2011 and reject all bids submitted on February 2, 2011; find that the irregularities in the bid submitted by Snyder Langston in the rebidding of the project on May 17, 2011 did not affect the amount of the bid or afford Snyder Langston a competitive advantage over the other bidders and waive the irregularities, and authorize the General Manager to execute a construction contract with Snyder Langston in the amount of \$763,376 for the Operations Center Facilities Expansion Phase I Mezzanine Conversion, projects 11422, 21422 and 31422.

ACTION CALENDAR (Continued)

21. **TUSTIN LEGACY WELL NO. 1 ALTERNATIVE CONSTRUCTION AWARD**

Recommendation: That the Board reject all bids for the original Tustin Legacy Well No. 1 Alternative Design opened on April 19, 2011; approve a budget increase to the FY 2011-12 Capital Budget for project 11419 by \$966,000, from \$2,595,900 to \$3,561,900; approve an Expenditure Authorization in the amount of \$966,000 for project 11419; authorize the General Manager to execute a construction contract with Bakersfield Well & Pump in the amount of \$2,799,863 for the construction of Tustin Legacy Well No.1 Alternative, project 11419.

OTHER BUSINESS

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

22. A. General Manager's Report

B. Directors' Comments

1)

2)

3)

4)

5)

C. Adjourn. The meeting will be adjourned to Friday, June 17, 2011 at 7:30 a.m. in the Multi-purpose Room to hold a Strategic Planning Workshop.

* * * * *

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.

June 13, 2011

Prepared by: M. Hoolihan, F. Sanchez,
K. Welch, K. Lew

Submitted by: G. Heiertz

Approved by: Paul Jones



PUBLIC HEARING

2010 URBAN WATER MANAGEMENT PLAN UPDATE

SUMMARY:

IRWD prepared an update to its 2005 Urban Water Management Plan (“UWMP”) in accordance with the Urban Water Management Planning Act (Act) of 1983—(AB 797). A copy of the updated report is attached as Exhibit “A”. Prior to adopting updated 2010 UWMP, the IRWD Board of Directors must hold a public hearing, the proceedings of which are as follows:

OUTLINE OF PROCEEDINGS

President: Declare this to be the time and place for a hearing on the report relative to 2010 Urban Water management Plan, and declare the hearing open. Ask the Secretary how the hearing was noticed.

Secretary: The report was filed with the Secretary on May 27, 2011 and notice of the filing of the report and the time and place of this hearing was published in the Orange County Register on May 30, 2011. A notice was also posted in the District office on May 31, 2011.

President: Ask the Board for a Motion to receive and file the Affidavit of posting and Proof of Publication.

Board: RECOMMENDED MOTION: “RECEIVE AND FILE THE AFFIDAVIT OF POSTING AND THE PROOF OF PUBLICATION PRESENTED BY THE SECRETARY.”

President: Request Legal Counsel to describe the nature of the proceedings.

Legal Counsel: Describe the proceedings.

President: Inquire of the Secretary whether there have been any written communications.

Secretary: Respond.

President: Inquire whether there is anyone present who wishes to address the Board concerning the 2010 Urban Water Management Plan.

President Inquire whether there are any comments or questions from members of the Board of Directors. State that the hearing will be closed. Ask the Board for a motion to adopt a resolution for the 2010 Urban Water Management Plan.

Board: RECOMMENDED MOTION: “THAT THE HEARING BE CLOSED AND THAT THE FOLLOWING RESOLUTION BE ADOPTED BY TITLE:

RESOLUTION NO. 2011 –

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH
WATER DISTRICT RESCINDING RESOLUTION NO. 2005-46
AND ADOPTING THE 2010 URBAN WATER MANAGEMENT PLAN
FOR SAID DISTRICT

BACKGROUND:

The Urban Water Management Planning Act requires that every urban water supplier providing water to more than 3,000 customers or supplying more than 3,000 acre-feet annually prepare and adopt, in accordance with prescribed requirements, an urban water management plan. An update to the UWMP is required to be filed with the Department of Water Resources (DWR) every five years.

Once the 2010 UWMP update is adopted by the Board (as per the resolution attached as Exhibit “B”), it will then be submitted to DWR.

FISCAL IMPACTS:

None.

COMMITTEE STATUS:

The Water Resources Policy and Communications Committee has reviewed the updated 2010 UWMP and recommends that it be adopted by the Board of Directors. Since the Committee meeting, minor revisions were made by staff to further refine the data in the UWMP.

ENVIRONMENTAL COMPLIANCE:

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

LIST OF EXHIBITS:

Exhibit “A” – 2010 Urban Water Management Plan

Exhibit “B” – Resolution

EXHIBIT “A”

**A COPY OF THE 2010 URBAN WATER
MANAGEMENT PLAN MAY BE
OBTAINED FROM THE DISTRICT
SECRETARY**

EXHIBIT "B"

RESOLUTION NO. 2011 -

IRVINE RANCH WATER DISTRICT RESCINDING RESOLUTION NO. 2005-46 AND ADOPTING THE 2010 URBAN WATER MANAGEMENT PLAN FOR SAID DISTRICT

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

WHEREAS, pursuant to Section 10620 et seq. of the California Water Code the District prepared and adopted an Urban Water Management Plan for said District on November 28, 2005; and

WHEREAS, the Board of Directors of the District, pursuant to Section 10621 of the Water Code has reviewed the Plan and directed that it be amended; and

WHEREAS, the amended Plan, entitled "2010 Urban Water Management Plan" has been made available for public inspection and notice of a public hearing thereon has been given pursuant to Section 6066 of the California Government Code; and

WHEREAS, at the time set, the duly noticed public hearing was held and all persons interested were given an opportunity to be heard concerning any matter set forth in the Plan.

NOW, THEREFORE, the Board of Directors of the Irvine Ranch Water District does hereby RESOLVE, DETERMINE and ORDER as follows:

Section 1. Resolution No. 2005-46 adopted the 28th day of November 2005 be and hereby is rescinded in its entirety.

Section 2. The 2010 Urban Water Management Plan of the Irvine Ranch Water District, dated June 2011, is hereby adopted pursuant to Section 10642 of the California Water Code.

Section 3. The Secretary is directed to file a copy of the 2010 Urban Water Management Plan of the Irvine Ranch Water District with the Department of Water Resources of the State of California, pursuant to Section 10644 of the California Water Code.

ADOPTED, SIGNED and APPROVED this 13th day of June, 2011.

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

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

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

By: _____

June 13, 2011
Prepared by: E. Akiyoshi/M. Hoolihan
Submitted by: G.P. Heiertz
Approved by: Paul Jones

WORKSHOP

FISCAL YEAR 2011-12 DRAFT CAPITAL BUDGET

SUMMARY:

The projected expenditures for the proposed FY 2011-12 Capital Budget are \$116.2 million. Staff recommends that a resolution be adopted approving the FY 2011-12 Capital Budget. A final Capital Budget notebook will be distributed following adoption.

FISCAL IMPACTS:

The table below shows the major project groups for the FY 2011-12.

<i>Project Group</i>	<i>FY11-12, \$M</i>
MWRP Phase 2 Expansion	\$ 31.1
OCSD CORF and Solids Handling	13.0
Wells 21 and 22	10.0
Water Banking	9.5
Baker Water Treatment Plant	8.1
East Orange Regional Transmission Main	5.4
MWRP Biosolids Handling	4.9
Alton Parkway Pipelines	2.7
Well 78	2.1
Tustin Legacy Well 1 Site Acquisition and Drilling	1.9
Subtotal	\$ 88.7
<i>Total of all Projects (Preliminary)</i>	<i>\$ 116.2</i>

For the previous fiscal year, FY 2010-11, the Capital Budget expenditures were estimated to be \$142.3 million. Actual expenditures are estimated to be approximately \$104.0 million, or 73% of projected expenditures. The proposed FY 2011-12 Capital Budget is attached as Exhibit "A". A copy of the resolution is attached as Exhibit "B".

ENVIRONMENTAL COMPLIANCE:

None required.

COMMITTEE STATUS:

This item was reviewed at the Engineering and Operations Committee on May 18, 2011. The draft FY 2011-12 Capital Budget summary presented to the Committee was \$114.1 million. This item was also presented as a Board of Directors Workshop item on May 23, 2011.

The following changes have been made subsequent to the May 23 workshop:

- Projects 11615 and 21615, Oracle Phase 2 – Tech and UB have been added to the Capital Budget in the amount of \$800,000 each. This item was approved at the May 9, 2011 Board meeting.
- Project 11432, Well 107 Replacement is being proposed to be increased by \$1,527,700 and will be reflected in the FY 11/12 Capital Budget. See the Well 107 construction award item also presented at this Board meeting.

As requested by the Board at the workshop, staff has made the following revisions:

- *Top 10 Project Groups* - The Top 10 Projects Groups, as detailed in Section 4 of the FY 2011-12 Capital Budget book, was revised to identify expended amounts to date, current FY 2011-12 planned expenditures, and projected future expenditures.
- *Flagged Projects* – MWRP Biosolids Handling and Energy Recovery, Project 20847, has been added to the list of flagged projects.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2011 –

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT, ORANGE COUNTY
CALIFORNIA, APPROVING THE DISTRICT'S CAPITAL
BUDGET FOR FISCAL YEAR 2011-12

LIST OF EXHIBITS:

Exhibit "A" – Draft FY 2011-12 Capital Budget

Exhibit "B" – Resolution

EXHIBIT “A”

**A COPY OF THE DRAFT FY 2011-12
CAPITAL BUDGET MAY BE
OBTAINED FROM THE DISTRICT
SECRETARY**

EXHIBIT "B"

RESOLUTION NO. 2011 -

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE
RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA,
APPROVING DISTRICT'S CAPITAL BUDGET FOR FISCAL YEAR 2011/12

WHEREAS, the Board of Directors of the Irvine Ranch Water District (IRWD) has considered the capital project needs of IRWD for Fiscal Year 2011/12; and

WHEREAS, a Capital Budget as set forth in the attached Exhibit "A" has been prepared and reviewed by this Board of Directors; and

WHEREAS, during the review of the Capital Budget by the Board of Directors, the Board "flagged" certain projects for further review by the Board; and

WHEREAS, Article XIII B of the Constitution of the State of California provides that the appropriations of local agencies will be limited each year to those of the previous year, adjusted for changes in population, cost of living and transfers in sources of funding; and

WHEREAS, Section 8 of Article XIII B excludes from its limitations user charges and fees and regulatory fees, to the extent such fees and charges do not produce revenue exceeding the costs reasonably borne in providing the regulation, product or service, and Section 9 of Article XIII B excludes from the appropriations subject to limitation an appropriation for a qualified capital outlay project, defined by statute as an appropriation for a fixed asset (including land and construction) with a useful life of 10 or more years and a value which equals or exceeds one hundred thousand dollars (\$100,000); and

WHEREAS, the expenditures identified in the Capital Budget are to be funded entirely from excluded user fees and charges and other monies that are not proceeds of taxes, such as proceeds of bonds or other indebtedness, and/or are expenditures for qualified capital outlay projects.

NOW, THEREFORE, the Board of Directors of IRWD DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. The revenues which have been collected from connection fees and have been deposited in the capital funds of the Improvement Districts, to the extent not previously or hereafter committed or appropriated to pay reimbursement, bonding and other financing or fund-management related costs for capital facilities, are hereby appropriated to pay costs of the projects shown in the Capital Budget. The Expenditure Authorization to be approved for each project shall set forth the Improvement Districts' allocated shares of the costs of each project to be derived from such revenues and from proceeds of bonds and any other funding sources or contributions.

Section 2. That relative to appropriations subject to limitation under Article XIIB of the Constitution of the State of California, it is hereby determined that IRWD's Capital Budget for Fiscal Year 2011/12 is to be funded totally by revenues other than the proceeds of taxes, and/or that the expenditures identified in such Capital Budget are for qualified capital outlay projects, and that the documentation used in making such determination has been on file in the offices of IRWD for not less than 15 days prior to the date hereof, pursuant to Section 7910 of the Government Code of the State of California.

Section 3. That IRWD's Capital Budget for Fiscal Year 2011/12 is in compliance with the provisions of Article XIIB of the Constitution of the State of California.

Section 4. That the budget for IRWD Capital Projects expected to occur during Fiscal Year 2011/12, shown in the attached Exhibit "A" as total cost and by this reference incorporated herein, be and the same is hereby approved.

Section 5. That the projects set forth in the attached Exhibit "A" identified with "Yes" in the Flag column are "flagged" for further review by the Board of Directors prior to implementation of the next phase of the respective projects.

Section 5. That implementation of the previously approved phase of each "flagged" project be continued within the limits of approved expenditure authorizations.

ADOPTED, SIGNED and APPROVED this 13th day of June, 2011.

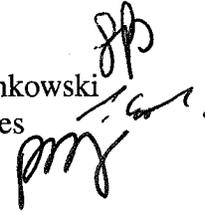
President, IRVINE RANCH WATER DISTRICT
and of the Board of Directors thereof

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

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

By _____

June 13, 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 May 23, 2011 Regular Board Meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE MAY 23, 2011 REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – May 23, 2011 Regular Board Meeting

EXHIBIT "A"

MINUTES OF REGULAR MEETING – MAY 23, 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 May 23, 2011 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Matheis, Swan, Reinhart, and LaMar

Directors Absent: Withers

Also Present: General Manager Jones, Assistant General Manager Cook, Director of Engineering Burton, Secretary Bonkowski, Treasurer Jacobson, Legal Counsel Arneson, Director of Operations Pedersen, Mr. Paul Weghorst, Ms. Kelly Lew, Mr. Eric Akiyoshi, Ms. Cheryl Kelly, Mr. Dean Kirk, Mr. Jim Reed, Mr. Bruce Newell, 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 5, 7, C-8, C-9, 10, 11, 12, 15, 15 and 17 will operate in accordance with the District's annual pumping plan. Wells 1, 2, 3, 4, 6, 13, 14, 16 and 18 will be off. The District's currently planned pumping for May is 4,645 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 – None.

PRESENTATION

SCIENCE FAIR WINNERS

Ms. Cheryl Kelly presented awards to four local students for their water-related projects entered in the Irvine Unified School District Science Fair.

WORKSHOP

FISCAL YEAR 2011/12 DRAFT CAPITAL BUDGET

General Manager Jones reported that the projected Fiscal Year (FY) 2011/12 Capital Budget is \$114.1 million. Mr. Jones said that this item is presented for information purposes prior to the Board of Directors Capital Budget Workshop scheduled on June 13, 2011.

Using a PowerPoint presentation, Mr. Eric Akiyoshi provided an overview of the Capital Budget. Mr. Akiyoshi reviewed FY 2010/11 projected expenditures compared with actual expenditures which totaled \$104.0 million. He reviewed the top 10 project group summaries totaling \$88.7 million. Director Swan asked staff to also include additional columns noting funds expended to date and remaining budget. Mr. Akiyoshi reviewed the funding sources along with the current “flagged project” which require Board approval prior to expending additional funds. Director Swan asked that the Biosolids Facility project, Project 20847, also be included on this list. Director Reinhart said that this item was reviewed by the Engineering and Operations Committee on May 18, 2011 where they recommended Board approval. Following discussion, Mr. Akiyoshi said that this item will be submitted to the Board for consideration and adoption on June 13, 2011.

CONSENT CALENDAR

Director Swan asked that item No. 11 be moved to the Action Calendar for discussion. There being no objection, this item was moved as recommended. On MOTION by Swan, seconded and unanimously carried, CONSENT CALENDAR ITEMS 5 THROUGH 10 AND 12 THROUGH 14 WERE APPROVED AS FOLLOWS:

CONSENT CALENDAR (CONTINUED)

5. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the May 9, 2011 Regular Board Meeting be approved as presented.

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

Recommendation: Ratify/approve the meetings and events for Steven LaMar, Douglas Reinhart, and Peer Swan as delineated above.

7. APRIL 2011 FINANCIAL REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate Swap Summary for April 2011; approve the April 2011 Summary of Wire Transfers and ACH payments in the total amount of \$11,380,142.82; and approve the April 2011 Warrants Nos. 319297 through 319955, Workers' Compensation distributions and voided checks in the total amount of \$10,067,674.50.

8. DISTRICT STRATEGIC MEASURES DASHBOARD

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

9. UPCOMING PROJECTS STATUS REPORT

Recommendation: Receive and file.

10. 2011 STATE LEGISLATIVE UPDATE

Recommendation: That the Board take a *Watch* position on AB 403 (Campos), and take a *Support* position on AB 964 (Huffman), an *Oppose* unless amended position on SB 46 (Correa), and an *Oppose* position on the April 15, 2011 amendments to AB 134 (Dickenson), AB 506 (Wiecowski), and SB 474 (Evans).

12. RATIFICATION OF PROPOSED BY-LAWS FOR THE ORANGE COUNTY SPECIAL DISTRICT SELECTION COMMITTEE

Recommendation: That the Board approve the draft by-laws for the Orange County Special District Selection Committee.

CONSENT CALENDAR (CONTINUED)

13. MICHELSON WATER RECYCLING PLANT BIOSOLID AND ENERGY RECOVERY FACILITIES - VARIANCE NO. 6

Recommendation: That the Board approve Variance No. 6 to the Black & Veatch Engineering Services Agreement in the amount of \$87,500 to complete the biogas utilization validation study for the MWRP Biosolids and Energy Recovery Facilities, project 20847.

14. VARIANCE REQUEST FOR STRAND RANCH RECOVERY FACILITIES DESIGN

Recommendation: That the Board approve Variance No. 4 to the Professional Services Agreement with Kennedy/Jenks Consultants in the amount of \$75,246 for additional meetings, enhanced outside agency coordination and additional design services.

ACTION CALENDAR

PROJECT GREENFILL COOPERATIVE AGREEMENT

General Manager Jones reported that in an effort to promote sustainability, reduce trash and plastics in the waste stream and promote water quality, staff collaborated with Orange County Parks (County) to develop Project GreenFill, a plan to install water bottle filling stations in appropriate community locations throughout the service area. Mr. Jones said that it is estimated that District costs associated with this initial partnership for the two water bottle filling stations at Mason Park will be approximately \$15,000 and funded with undesignated over-allocation funding. Once the Mason Park installations are complete, staff will continue to work with the Orange County Parks to refine a list of proposed Project GreenFill stations in other park facilities.

Director Matheis reported that this item was reviewed by the Water Resources Policy Committee meeting on May 17, 2011 and they recommended Board approval. She said that the County asked the District for support and this would be a good opportunity for the District. Director Swan raised concerns noting that if the faucet is not used on a regular basis, water in the pipe could become stagnant and because of this, he was reluctant to support this project. General Manager Jones said that the facility at Mason Park was selected as it is a high traffic area so the faucet would be used on a regular basis. Director Reinhart suggested contacting the Health Department for a recommendation. Mr. Jones said that the County will maintain the facility and staff can recommend regular clearing of these valves. Legal Counsel Arneson said that the agreement could be edited to include cross indemnification language and elaborate on the County of Orange's responsibilities. Director Swan said he would not want IRWD logos placed at the stations. Following discussion, it was the consensus of the Board to refer this item back to Committee.

EPA WATERSENSE PROGRAM

On MOTION by Reinhart, seconded and unanimously carried, THE BOARD OPPOSED THE ENVIRONMENTAL PROTECTION AGENCY'S DEVELOPMENT OF DRAFT EFFICIENCY AND PERFORMANCE SPECIFICATIONS FOR RESIDENTIAL CATION EXCHANGE WATER SOFTENERS AND AUTHORIZED JOINING COALITION EFFORTS AGAINST THE DEVELOPMENT OF WATERSENSE STANDARDS FOR SELF-REGENERATING WATER SOFTENERS.

PROPOSAL TO PROVIDE CROSS-CONNECTION AND BACKFLOW PREVENTION SERVICES TO THE CITY OF SAN JUAN CAPISTRANO

General Manager Jones reported that the City of San Juan Capistrano contacted staff to discuss plans to outsource its Cross-Connection and Backflow Prevention Program (Program) to improve efficiency and ensure that routine work such as the annual testing of approximately 1,300 backflow prevention devices is completed in a timely manner. Mr. Jones said this program would be similar to what the District has provided to the City of Tustin which includes issuing backflow prevention device test request notices, sending follow-up notices to customers who do not respond, reviewing backflow prevention device test results, performing site inspections, submitting periodic reports on the status of the program and providing program record keeping. He said that this program has been very successful and proven to be beneficial for both the City of Tustin and IRWD.

Mr. Jones said that based upon the city of San Juan Capistrano's request, staff would provide: (1) start-up services; (2) on-going program administration; (3) inspection services; and (4) documentation and reporting. The first year cost of the program would be \$44,100, including \$6,000 for one-time start-up services, \$32,500 for on-going program administration (based upon 1,300 assemblies at \$25/assembly/year), and \$5,600 for documentation and reporting. The on-going annual cost for the program is estimated to be \$38,100. The initial term for the agreement is five years, with provisions for renewal by mutual agreement by the parties. At the end of the initial term or subsequent renewals, IRWD may adjust program fees, as appropriate.

Director Reinhart reported that this item was reviewed at the Engineering and Operations Committee on May 18, 2011. In response to Director Swan's concerns relative to staffing, Mr. Jones said that the District would have to outsource staffing if necessary. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD APPROVED THE TERMS AND CONDITIONS FOR IRWD TO PROVIDE CROSS-CONNECTION AND BACKFLOW PREVENTION SERVICES TO THE CITY OF SAN JUAN CAPISTRANO AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSULTANT SERVICES AGREEMENT WITH THE CITY OF SAN JUAN CAPISTRANO SUBJECT TO 1) ADDING LANGUAGE ALLOWING FOR INSPECTION SERVICES BY A THIRD PARTY IF NECESSARY, AND 2) LEGAL COUNSEL REVIEW.

ORANGE PARK ACRES TRANSMISSION PIPELINE PROJECT CONTRACT CHANGE ORDER NO. 9

General Manager Jones reported that construction of the Orange Park Acres (OPA) Transmission Pipeline Project (Project) was awarded to Leatherwood Construction, Inc. (Leatherwood) in October 2010 in the amount of \$6,786,397. This project will replace the existing riveted steel pipeline installed in 1929 that has experienced repeated failures, and will improve fire flow water system pressure to the Orange Park Acres area.

Director of Engineering Burton reported there were several changes in the field which required an additional change order. He said that Change Order No. 9 in the amount of \$264,882 includes the following Change Requests (CR): 1) Substitute gate valves for butterfly valves at four locations (CR-01); 2) Demolish and reconstruct retaining walls and a 500 foot long, steep, private concrete drive to install a 16-inch pipeline in alternate property easement (CR-09); 3) Add 4-inch outlet and 1-inch service for irrigation connection to corner monument project site (CR-10); 4) Modifications and deletions to tie-ins and sloped pipe on open-space lot (CR-11); 5) Construct 300 feet of 16-inch pipe in tight quarters on private drive (CR-12); 6) Delete OPA Reservoir connection and modify pipe and services (CR-13); and 7) Construct additional fire hydrant assembly, air-vac and service in easement on private property (CR-15). Mr. Burton said that staff reviewed Leatherwood's cost proposals, negotiated changes, and believes Leatherwood's final costs are appropriate and reasonable.

Director Reinhart reported that this item was reviewed at the Engineering and Operations Committee on May 18, 2011. On MOTION by Reinhart, seconded and unanimously carried, **THE BOARD APPROVED CONTRACT CHANGE ORDER NO. 9 WITH LEATHERWOOD CONSTRUCTION, INC. IN THE AMOUNT OF \$264,882 FOR THE ORANGE PARK ACRES TRANSMISSION PIPELINE PROJECT, PROJECT 11408.**

WELLS 21 AND 22 DESALTER PROJECT PIPELINES AND WELLHEAD FACILITIES EXPENDITURE AUTHORIZATION, VARIANCE, AND CONSULTANT SELECTIONS

Director of Engineering Burton reported that staff is proceeding with the implementation of the Wells 21 and 22 Project. Mr. Burton said that on April 25, the Board awarded Flatiron West, Inc. the construction contract for the Wells 21 and 22 Desalter Project Pipelines. The final construction contract for the Wells 21 and 22 Wellhead Facilities will be bidding in June 2011.

Mr. Burton said that several additional design tasks have been required for the coordination with the City of Tustin (Tustin), Orange County Flood Control District (OCFCD), Orange County Sanitation District (OCSD), and others for the design of the pipelines and wellhead facilities for this project. He said that changes included relocating the product water pipeline from the Peters Canyon Bridge on Edinger to the adjacent flood control channel, replacing sections of existing Tustin water pipelines at crossings with the untreated water pipeline, traffic control, working hours, and paving limits. The product water pipeline alignment change requires an additional OCFCD permit and coordination. Tustin also required the District to work with OCSD to include the Gisler-Red Hill Interconnect Project with the IRWD pipeline work to limit traffic and paving impacts to the surrounding community. The OCSD Interconnect Project will include the construction of new and modified manholes to interconnect the Edinger and Red Hill interceptor

and trunk sewers. RBF also performed additional coordination with BNSF and OCTA to finalize license agreements for bore and jack operations under existing railroad tracks.

Mr. Burton said that RBF's Variance No. 3 request summarizes the additional work items in the amount of \$59,250 for the design related activities. Additionally, staff requested RBF Consulting include additional construction support services in this variance. Staff has negotiated the scope and fee with RBF and finds that the \$124,250 additional construction phase engineering services is acceptable. Staff recommends the execution of Variance No. 3 with RBF Consulting in the total amount of \$183,500, including both the additional design and construction services.

Mr. Burton said that staff requested proposals from GMU, NMG, and Ninyo and Moore to provide construction phase geotechnical services for which include field geotechnical observation services, field and laboratory testing, meeting attendance, and report preparation. The NMG and Ninyo and Moore proposals demonstrated a level of service that was consistent with staff's expectations, while GMU's proposal demonstrated a level of effort that was significantly less than anticipated. He said that based on previous successful work with IRWD and the competitive hourly fee for the proposed services, staff recommends that a Professional Services Agreement for construction phase geotechnical services be awarded to Ninyo and Moore in the amount of \$70,274.

Mr. Burton said that staff requested proposals from Bush & Associates, Guida Surveying, and Borchard Surveying to provide construction phase surveying services which include staking for all pipelines, appurtenances, facilities, and structures, potholing, and meeting attendance. Borchard Surveying and Bush & Associate's proposals demonstrated a level of service that was consistent with staff's expectations, while Guida Surveying's proposal demonstrated a level of effort that was significantly less than anticipated. Based on previous successful work and the competitive hourly fee for the proposed services, staff recommends that a Professional Services Agreement for construction phase surveying services be awarded to Borchard Surveying in the amount of \$109,885.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on May 18, 2011. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$388,500; AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 3 IN THE AMOUNT OF \$183,500 WITH RBF CONSULTING FOR DESIGN AND ENGINEERING CONSTRUCTION SUPPORT SERVICES; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$70,274 WITH NINYO AND MOORE FOR CONSTRUCTION PHASE GEOTECHNICAL SERVICES; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$109,885 WITH BORCHARD SURVEYING FOR CONSTRUCTION PHASE SURVEYING SERVICES FOR THE WELLS 21 AND 22 DESALTER PROJECT PIPELINES AND WELLHEAD FACILITIES, PROJECT 10286.

WATER SUPPLY ASSESSMENT FOR HERITAGE FIELDS (PLANNING AREAS 30 AND 51) AND VERIFICATION OF SUFFICIENT WATER SUPPLIES FOR TENTATIVE TRACT NOS. 17283, 17364, 17366, 17368 AND 17202 (PLANNING AREA 51)

General Manager Jones reported that the City of Irvine's proposed Heritage Fields project is the current designation of the former Orange County Great Park proposed development. This project is located within Planning Areas 30 and 51 on the former MCAS El Toro Base.

Principle Engineer Hoolihan reported that a Water Supply Assessment (WSA) for the Orange County Great Park project was completed on January 27, 2003. This prior WSA included 3,625 dwelling units within the Planning Areas 30 and 51; however, the current WSA request includes an additional 1,269 units for a total of 4,894 units. The proposed changes also include the addition of one 1,000-student school. As a result of the proposed changes in dwelling units and increase in water demand, a new WSA has been completed.

Mr. Hoolihan said that the water supply verification (WSV) for the requested tract maps is based on the WSA and contains IRWD's determination that a sufficient water supply is available. This reflects IRWD's confirmation that the project water demands, together with demands from any other developments that have previously received a WSV, will-serves or other approvals by IRWD, are in the aggregate within the demands identified by the WSA. In addition to reliance on this WSA, the WSV law requires several elements not covered or required in water supply assessments. These elements are primarily covered in Sections 1(b)(ii), 1(b)(iii), and 1(b)(iv) of the "Detailed Verification" section of the WSV.

On MOTION by Matheis, seconded and unanimously carried, THE BOARD APPROVED THE WATER SUPPLY ASSESSMENT FOR PLANNING AREAS 30 AND 51 AND VERIFICATION OF SUFFICIENT WATER SUPPLIES FOR TENTATIVE TRACT NOS. 17283, 17364, 17366, 17368 AND 17202 IN PLANNING AREA 51.

RECONSIDERATION OF THE AGREEMENT BETWEEN MUNICIPAL WATER DISTRICT OF ORANGE COUNTY (MWDOC) AND ITS MEMBER AGENCIES ON BUDGET, ACTIVITIES, CHARGES AND OTHER SERVICES AS APPROVED BY THE IRVINE RANCH WATER DISTRICT BOARD ON JANUARY 24, 2011

General Manager Jones reported that the agenda was amended to include this item prior to the 72-hour posting time limit. Mr. Jones said that on January 24, 2011, the Board approved and authorized the President to execute the December 10, 2010 agreement between Municipal Water District of Orange County (MWDOC) and its member agencies on budget, activities, charges and other issues. He said that in light of recent activity by the Committee who drafted the original December 10, 2010 agreement, as well as the email correspondence from Mr. David Cordero from MWDOC, Director Swan asked that this item be discussed.

Discussion was held relative to the recent activity by the Committee who amended the December 10, 2010 agreement without member agency input or involvement which the Board found troublesome. Following discussion, General Manager Jones was asked to contact member agencies to determine if other Boards are taking any action as a result of this activity. Also, staff was asked to prepare a letter for President LaMar's signature inviting MWDOC representatives

to attend a Board meeting to discuss this issue. Swan MOVED, and it was seconded TO RECONSIDER AND HAVE ENTERED ON THE MINUTES WITH THE EFFECT OF SUSPENDING ALL ACTIONS AUTHORIZED BY THE VOTE ON JANUARY 24, 2011 MOTION TO APPROVE AND AUTHORIZE THE PRESIDENT TO EXECUTE THE DECEMBER 10, 2010 AGREEMENT BETWEEN MWDOC AND ITS MEMBER AGENCIES ON BUDGET, ACTIVITIES, CHARGES AND OTHER ISSUES.

GENERAL MANAGER'S REPORT

General Manager Jones reported that the Department of Water Resources released its first phase of Proposition 84 funds and that IRWD will be receiving \$1 million for its Well 21 and 22 project.

Mr. Jones said that he attended South Orange County Wastewater Authority's (SOCWA) May 17th Board meeting where its Board approved the Biosolids joint agreement. He said that each member agency is also required to obtain Board approval as a separate agreement. He also said that on May 20th, Santa Margarita Water District's (SMWD) Board voted against approval as they were concerned with the reallocation of costs. Additionally, he said that SMWD has ownership in its own biosolids facility at the Chiquita plant. Mr. Jones said that he spoke with Mr. Gumerman of Moulton Niguel Water District and this item will go before its Board the second week of June. Also, he said that during the SOCWA Board meeting, it was the consensus of the members present that the agreement would receive Board approval (with the exception of SMWD).

Mr. Jones further reported that AB 741 is scheduled to be heard before the Senate and Government Committee on June 8th.

Mr. Jones reported that he and staff attended a one-hour review of the Orange County Grand Jury report on compensation for Board Members and General Managers of water and sanitation districts.

DIRECTORS' COMMENTS

Director Reinhart reported on his attendance at the ACWA conference in Sacramento, a WateReuse conference, an Orange County Summit, a MWDOC Board meeting, and a WateReuse Board meeting.

Director Swan reported on his attendance at an ACWA conference; a dinner meeting with Buena Vista Water Storage District and Rosedale-Rio Bravo Water Storage District relative to water banking, a WACO meeting, and an OCWD Board meeting. He said that he plans to attend a Water Dialogue meeting on Wednesday. He asked the Board to support him for ACWA's Vice President seat on Region 10. Additionally, he asked that the Board meeting be adjourned in memory of Mr. Tom Woodruff, legal counsel for the Orange County Sanitation District. He said services will be held at St. John's Episcopal Church on June 4th.

CLOSED SESSION

President LaMar said that a Closed Session would be held as follows:

CONFERENCE WITH LABOR NEGOTIATOR PURSUANT TO (Government Code Section 54957.6)

Agency designated representative: Steven LaMar
Unrepresented employee: Paul D. Jones II

OPEN SESSION

Following the Closed Session, the meeting was reconvened with Directors Swan, Reinhart, Matheis and LaMar present. President LaMar said that tonight's Closed Session item will be discussed further at another Board meeting.

ADJOURNMENT

There being no further business, Director LaMar adjourned the Board meeting adjourned in memory of Mr. Tom Woodruff.

APPROVED and SIGNED this 13th day of June, 2011.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone

June 13, 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

5/13/11	Meeting with Charley Wilson and GM John Schatz, SMWD
6/02/11	State of the City of Tustin Event
6/08/11	AB 741 Hearing in Senate Governance & Finance Committee
6/17/11	Tustin Chamber of Commerce Installation of Officers Event

Mary Aileen Matheis

6/02/11	State of the City of Tustin Event
6/10/11	ACWA Region 9 Program and Tour
6/14-16/11	Water Education Foundation Bay/Delta Program and Tour

Peer Swan

5/07/11	IRWD Resident Tour
5/25/11	MWDOC/OCWD Joint Meeting
6/01/11	MWDOC Board Workshop

John Withers

5/04/11	Meeting with Chris Alario, AECOM, regarding upcoming IRWD Capital and Engineering Projects
5/10/11	OCBC Infrastructure Committee Meeting
6/02/11	State of the City of Tustin Event

RECOMMENDATION:

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

LIST OF EXHIBITS:

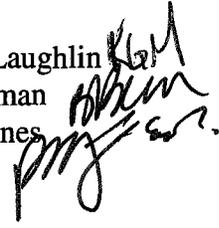
None.

June 13, 2011

Prepared by: K. McLaughlin

Submitted by: B. Beeman

Approved by: Paul Jones



CONSENT CALENDAR

2011 FEDERAL CLEAN WATER ACT UPDATE

SUMMARY:

This report provides an update on the federal Clean Water Act, specifically the recently released United States Environmental Protection Agency Clean Water Act Draft Guidance. Staff recommends that the Board consider taking an OPPOSE position on the proposed Clean Water Act Draft Guidance.

BACKGROUND:

In April the Obama Administration released the Clean Water Framework, which serves as an outline for addressing the clean water challenges facing the country and protecting the health of America's waters. As part of this Framework, the Environmental Protection Agency (EPA) released a draft document providing Guidance to Identify Waters Protected by the Clean Water Act. The proposed Guidance would supersede the previous SWANCC Guidance issued in 2003 (following *Solid Waste Agency of Northern Cook County v. U.S. Army Corps* Supreme Court Decision) and the 2008 Rapanos Guidance (following *Rapanos v. Carabell* Supreme Court Decision) and greatly expand the scope and definition of "waters of the United States" resulting in increased federal regulation of local water projects, decreased local authority, and increased costs to local governments, potentially derailing local water supply projects. A variety of specific concerns have been raised within the California water industry about the impact the Draft Guidance would have on water resources in the state, including:

- Rule in Disguise – Despite the affirmation that the proposed document is merely guidance and not a rule, it goes far beyond what would normally be considered "guidance" and instead has clear regulatory and implications that will impact enforcement actions, permitting decisions and jurisdictional determinations.
- Significant Expansion of the Clean Water Act – By broadening the scope of "waters of the state," beyond the SWANCC Guidance issued in 2003 and the Rapanos Guidance issued in 2008, the Draft Guidance significantly expands federal authority and diminishes local authority and the ability for local water resources managers to effectively manage our precious water resources.
- Water Supply Management Uncertainty – The Draft Guidance would result in significant regulatory uncertainty which could have detrimental impacts on a wide variety of water management programs and projects including: recycled water production and storage, Title XVI projects, treatment wetlands, surface water storage facilities particularly unlined storage ponds, groundwater recharge projects, and wetland restoration projects. Further the Draft Guidance could significantly limit the ability of water managers to convey water supplies between storage facilities and throughout water distribution systems.

- Jurisdictional Ditches – Tributaries, including roadside and agricultural ditches, which have generally been excluded under previous Guidance, would be included in the category of jurisdictional waters. This could have significant impacts on the development of water management infrastructure as pipeline construction often occurs in easements along roadways in ditches. If these ditches were to become jurisdictional, additional permitting requirements would apply, adding significant and unnecessary costs and administrative requirements and delays to simple water infrastructure projects.
- Arid Climates – The Draft Guidance does not apply well to arid climates with dry channels. Under the Guidance, these dry channels would be regulated under the Clean Water Act and become classified for fishing, swimming, and other uses such as water supply. Expanding federal regulation of these dry waterways would add significant regulatory requirements and administrative costs to pipeline and other water management infrastructure projects.

In response to the release of the Draft Guidance, 168 Congressional Members, led by Representatives Mica (Chair of the Transportation and Infrastructure Committee) and Gibbs (Chair of the Subcommittee on Water Resources and Environment), sent a letter to the EPA expressing concerns that the Agency is circumventing the proper regulatory process. The letter argues that the EPA cannot change the scope and meaning of the Clean Water Act or the statutes implementing regulations through guidance and that the Administration must either seek statutory changes through Congress or regulatory changes through a notice and rulemaking process. Given the controversial nature of the Guidance and the almost immediate response from Congress, this issue is expected to spark significant debate over the next several months.

The Association of California Water Agencies has taken the lead on coordinating efforts to request that the Agency withdraw the proposed Guidance document and instead, move forward with a rule-making process subject to notice, stakeholder comment and judicial review. Director Steven LaMar and staff are part of ACWA's Clean Water Act Working Group which is working to coordinate responses to the Draft Guidance in an effort to effectively impact the outcome of this proposal. Staff recommends that the Board consider taking an OPPOSE position on the Draft Guidance.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS

This item was reviewed at the Water Resources Policy and Communications Committee on June 6, 2011.

RECOMMENDATION:

THAT THE BOARD TAKE AN OPPOSE POSITION ON THE ENVIRONMENTAL PROTECTION AGENCY'S CLEAN WATER ACT DRAFT GUIDANCE.

LIST OF EXHIBITS:

Exhibit "A" – Summary - EPA Draft Guidance to Identify Waters Protected by the Clean Water Act

Exhibit "B" – April 27, 2011 Press Release: "Reps. Mica and Gibbs Respond to Administration's Release of Guidance on Clean Water Act Expansion"

EXHIBIT “A”

Guidance to Identify Waters Protected by the Clean Water Act

Americans depend on clean and abundant water. However, over the past decade, interpretations of Supreme Court rulings removed some critical waters from Federal protection, and caused confusion about which waters and wetlands are protected under the Clean Water Act. As a result, important waters now lack clear protection under the law, and businesses and regulators face uncertainty and delay. The Obama Administration is committed to protecting waters on which the health of people, the economy and ecosystems depend.

U.S. EPA and the U.S. Army Corps of Engineers have developed draft guidance for determining whether a waterway, water body, or wetland is protected by the Clean Water Act. This guidance would replace previous guidance to reaffirm protection for critical waters. It also will provide clearer, more predictable guidelines for determining which water bodies are protected by the Clean Water Act. The draft guidance will be open for 60 days of public comment to allow all stakeholders to provide input and feedback before it is finalized.

The draft guidance will reaffirm protections for small streams that feed into larger streams, rivers, bays and coastal waters. It will also reaffirm protection for wetlands that filter pollution and help protect communities from flooding. Discharging pollution into protected waters (e.g., dumping sewage, contaminants, or industrial pollution) or filling protected waters and wetlands (e.g., building a housing development or a parking lot) require permits. This guidance will keep safe the streams and wetlands that affect the quality of the water used for drinking, swimming, fishing, farming, manufacturing, tourism and other activities essential to the American economy and quality of life. It also will provide regulatory clarity, predictability, consistency and transparency.

EPA and the Corps will follow up the final guidance with rulemaking to provide further opportunity for comment and to clarify Clean Water Act regulations.

What's Covered:

The proposed guidance will help restore protections for waters by providing:

- Clarification that small streams and streams that flow part of the year are protected under the Clean Water Act if they have a physical, chemical or biological connection to larger bodies of water downstream and could affect the integrity of those downstream waters. Agencies would be able to evaluate groups of waters holistically rather than the current, piecemeal, stream-by-stream analysis.
- Acknowledgment that when a water body does not have a surface connection to an interstate water or a traditional navigable water, but there is a significant physical, chemical or biological connection between the two, both waterbodies should be protected under the Clean Water Act.
- Recognition that waterbodies may be “traditional navigable waters,” and subject to Clean Water Act protections, under a wider range of circumstances than identified in previous guidance.
- Clarification that interstate waters (crossing state borders) are protected.

EXHIBIT "A"

What's Not Covered:

This new guidance does not change any of the existing agriculture exemptions under the Clean Water Act. All of the Act's exemptions from permitting requirements for normal agriculture, forestry and ranching practices continue to apply. The guidance also clearly describes waters not regulated under the Act, including:

- Certain artificially irrigated areas
- Many agricultural and roadside ditches
- Artificial lakes or ponds, including farm and stock ponds

Summary of Key Points in the Proposed Guidance

Based on the agencies' interpretation of the statute, implementing regulations and relevant caselaw, the following waters are protected by the Clean Water Act:

- Traditional navigable waters
- Interstate waters
- Wetlands adjacent to either traditional navigable waters or interstate waters
- Non-navigable tributaries to traditional navigable waters that are relatively permanent, meaning they contain water at least seasonally
- Wetlands that directly abut relatively permanent waters

In addition, the following waters are protected by the Clean Water Act if a fact-specific analysis determines they have a "significant nexus" to a traditional navigable water or interstate water:

- Tributaries to traditional navigable waters or interstate waters
- Wetlands adjacent to jurisdictional tributaries to traditional navigable waters or interstate waters
- Waters that fall under the "other waters" category of the regulations. The guidance divides these waters into two categories, those that are physically proximate to other jurisdictional waters and those that are not, and discusses how each category should be evaluated.

The following aquatic areas are generally not protected by the Clean Water Act:

- Wet areas that are not tributaries or open waters and do not meet the agencies' regulatory definition of "wetlands"
- Waters excluded from coverage under the CWA by existing regulations
- Waters that lack a "significant nexus" where one is required for a water to be protected by the CWA
- Artificially irrigated areas that would revert to upland should irrigation cease
- Artificial lakes or ponds created by excavating and/or diking dry land and used exclusively for such purposes as stock watering, irrigation, settling basins, or rice growing
- Artificial reflecting pools or swimming pools created by excavating and/or diking dry land
- Small ornamental waters created by excavating and/or diking dry land for primarily aesthetic reasons
- Water-filled depressions created incidental to construction activity
- Groundwater drained through subsurface drainage systems and
- Erosional features (gullies and rills), and swales and ditches that are not tributaries or wetlands

Reps. Mica & Gibbs Respond to Administration's Release of Guidance on Clean Water Act Expansion

April 27, 2011

Washington, DC – Transportation and Infrastructure Committee leaders responded today to the release of the Obama Administration's so-called guidance for enacting a dramatic federal jurisdiction grab and expansion of the Clean Water Act.

Mica, Gibbs and 168 other House Republicans and Democrats recently wrote to EPA and the Corps of Engineers to express their concerns that the agencies are circumventing the proper regulatory process in order to push through this expansion of federal jurisdiction.

"Through this guidance, the Administration is clearly attempting to redefine wetlands, expand the federal government's authority over states and private individuals, and enact its economically stifling agenda," said U.S. Rep. John L. Mica (R-FL), Chairman of the Transportation and Infrastructure Committee.

"After our letter exposed the Obama Administration's attempt to sidestep transparency, I am extremely disappointed to learn that almost half of the House of the Representatives' request that they reconsider this so-called 'guidance document' was totally ignored," said U.S. Rep. Bob Gibbs (R-OH), Chairman of the Water Resources and Environment Subcommittee. "I will hold Congressional hearings on this issue, and will work with Chairman Mica to call further attention to the EPA's practice of circumventing the regulatory process by imposing costly, burdensome *de facto* rules disguised as mere advisory guidelines so that this blatant disregard for Congressional intent will be put to an end."

By the agencies' own admission, the so-called guidance released will substantively change federal policy with respect to which waters fall under the jurisdiction of the Clean Water Act and significantly increase the scope of the federal government's power to regulate waters.

Legislative proposals to expand federal regulatory authority under the Clean Water Act met with stiff bipartisan resistance in previous Congresses. Now the Administration is attempting to achieve the same objective and redefine the federal government's jurisdiction over waters and property rights through so-called guidance.

The effect of the guidance will be to reverse decisions by the United States Supreme Court that recognized limits to the federal government's regulatory authority, and to undermine the long-standing federal-state partnership in the regulation of waters. This expansion will result in confusion, permitting delays, and added costs and burdens for communities, farmers, small businesses, industries and other Americans.

The Administration has issued this so-called guidance before conducting any rulemaking, which violates the principles of the Administrative Procedure Act (APA) and the intent of Congress in enacting this law. The APA sets the standards for the activities and rule making of all federal regulatory agencies, and is designed to ensure those federal agencies use open, uniform, and fair procedures. The requirements of the APA are not mere formalities.

In unilaterally developing its guidance, the Administration has ignored calls from state agencies and environmental groups, among others, to proceed through the normal rulemaking procedures, and has avoided consulting with the states, which are the federal agencies' partners in implementing the Clean Water Act. Only now is it seeking public comment on its fully formed policy.

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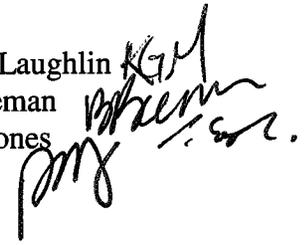
"B-1"

June 13, 2011

Prepared by: K. McLaughlin

Submitted by: B. Beeman

Approved by: Paul Jones



CONSENT CALENDAR

2011 STATE LEGISLATIVE UPDATE

SUMMARY:

This report provides an update on state legislation of interest to IRWD including IRWD-sponsored legislation. A copy of the 2011 State Legislative Matrix is attached as Exhibit "A".

Staff recommends that the Board consider the following positions:

- AB 938 (Perez, V.) – Public Water Systems: notices – WATCH
- SB 224 (Pavley) – Public Contracts: Department of Water Resources – SUPPORT

BACKGROUND:

The House of Origin deadline was June 3, meaning that all bills not passed out of the house in which they were introduced are dead for the year. Two other significant legislative milestones are approaching: July 8 is the policy committee deadline for the second house and July 15 is the day the Legislature is scheduled to break for Summer Recess.

Budget Update:

The budget subcommittees finished their work on Friday, May 27, with the Democratically-controlled committees adopting proposals that largely reflect Governor Brown's proposed budget. The next step is typically the convening of a Budget Conference Committee to work out the differences between the Assembly and Senate proposals. This year there are indications that no Conference Committee will be convened and instead the leadership of both houses may conduct meetings to iron out the differences in the proposals.

Senate President Pro Tem Steinberg has announced that he will hold a budget vote on June 8 and has introduced SB 653 in an effort to bring Republicans to the negotiating table. SB 653 would authorize local governments to levy local taxes including personal income taxes, transactions and use taxes, vehicle license fees and excise taxes. Steinberg has indicated that he will only move the bill if a budget measure stalls, arguing that if the Legislature is unable to extend the 2009 tax increases and instead must implement an all-cuts budget, local governments will need options for raising revenues to meet the service needs of their communities. SB 653 would only need a majority vote and signature of the Governor. In the wake of Proposition 26, most local government fees and taxes need a two-thirds vote of the local legislative body.

IRWD-sponsored Legislation:

AB 741 (Huffman): Sewer Improvement Financing

IRWD-sponsored AB 741 (Huffman) will be heard in the Senate Governance and Finance Committee on Wednesday, June 8. Staff spoke with the Senate Governance and Finance Committee Consultant about the bill. While the Consultant raised some clarifying questions, he did not raise any concerns about the bill. Additionally, staff worked with the Author's office to reach out to the offices of the Senators on the Committee to provide information on AB 741 and to answer any questions. AB 741 continues to receive wide support from throughout the water and wastewater industries as well as from business, labor and environmental groups.

Update on Government Reform, Transparency and Pension Legislation:

Approximately 30 local government transparency and reform bills were introduced in response to the 2010 City of Bell scandals. A matrix of local government reform-related bills is attached as Exhibit "B." Topics include compensation disclosure, auditing, meeting notices and transparency, conflicts of interest, and public contracts among others. Approximately 20 of the local government reform bills continue to move forward with broad support. In the current budget situation, legislators have shown some concern about the costs associated with some of these proposals. Most of the bills, which would have added board agenda posting requirements to what is proscribed in the current Brown Act laws, were held in Appropriations due to the state-mandated costs. Additionally, in an attempt to curtail costs, SB 46 (Correa), requiring all individuals who file a Form 700 to file an addendum on compensation and expense reimbursements, was amended to delay the implementation until 2013. IRWD has an *oppose unless amended* position on SB 46 (Correa).

Additionally, 35 pension reform bills were introduced this year and approximately half continue to move forward. Topics range from eliminating pension spiking, audits, hybrid pension plan, post-government employment restrictions, among others. Included in this list are bills related to public retirement systems investment strategies including AB 1151 (Feuer) which would prohibit PERS and STRS from investing in any companies that have a financial investment in the energy sector of Iran.

Staff continues to work closely with the California Special Districts Association, California Municipal Utilities Association, the Association of California Water Agencies and other industry associations to respond to these measures and provide information to the legislature about how these proposals would impact the delivery of services and costs to their constituents, particularly how these proposals would impact IRWD.

Other 2011 Legislation:

AB 938 (Perez, V.) – Public Water Systems: Notices

AB 938 would require public water systems to provide written public notices of Tier 1 water quality violations in English, Spanish and any other language spoken by 10% of the population served by the public water system, commencing on July 1, 2012. The notice would also be

required to contain a "one liner" in each additional language spoken by more than 1,000 people in the service area about the importance of the notice and a telephone number or address where the water purveyor will provide a translated copy of the notice over the phone or through the mail. The bill contains a "safe harbor provision" which states that it shall be presumed that the notice is properly given, with respect to the language of notification, if the public water system has utilized the data available through the American Community Survey of the United States Census Bureau and the county registrar. The bill also includes a noncontroversial provision allowing a public water system to include in a planning grant request the costs of environmental documentation.

The California Municipal Utilities Association and the Association of California Water Agencies, both of which currently have *oppose unless amended* positions, have been very active in working with the Author's office on AB 938. The associations successfully negotiated the addition of the safe harbor language. While the bill has improved, many in the water industry continue to have concerns about the costs and complexity of implementation and raise questions as to whether these requirements will cause delays in water quality violation notifications. Proponents of the bill argue that AB 938 simply codifies what is in existing regulations and that this bill provides important public health protections for non-English speaking residents impacted by contaminated drinking water. It is largely expected that AB 938 will be passed by the legislature. Staff will continue working with our associations to secure amendments to the bill that decrease the burden on public water suppliers while protecting public health. Staff recommends that the Board consider a WATCH position on AB 938.

SB 224 (Pavley) – Public Contracts: Department of Water Resources

SB 224 (Pavley) would amend existing Public Contract Code provisions to remove the requirement that the Department of Water Resources (DWR) submit contracts over a certain size that are funded by non-state sources to the Department of General Services (DGS) for review and approval. While these requirements are appropriate for typical state procurement of goods and services, they are ill-suited for the dynamic, complex and highly specialized environment in which energy and water-related contracts are negotiated for DWR, particularly in regard to the State Water Project. The current requirement has had multi-million dollar consequences for the State Water Project and its contractors who pay all of the State Water Project-related expenses. The goal of DGS review is to protect the taxpayer from unnecessary or inefficient expenditures by state agencies. This oversight is unnecessary in the case of the State Water Project because these contracts are not funded by the General Fund. SB 224 will go far in providing DWR with much needed flexibility in entering into specified contracts and help support efficient management of the State Water Project's energy and water needs and resources.

A wide variety of water agencies and associations have taken support positions on SB 224 including the Association of California Water Agencies, the California Municipal Utilities Association, Metropolitan Water District of Southern California and Alameda County Water District. Staff recommends that the Board consider taking a SUPPORT position on the bill.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS

This item was reviewed at the Water Resources Policy and Communications Committee on June 6, 2011.

RECOMMENDATION:

THAT THE BOARD CONSIDER A SUPPORT POSITION ON SB 224 (PAVLEY) AND A WATCH POSITION ON AB 938 (PEREZ, V.).

LIST OF EXHIBITS:

Exhibit "A" – 2011 IRWD Legislative Matrix
Exhibit "B" – Local Government Reform Legislative Matrix

EXHIBIT "A"
IRWD 2011 LEGISLATIVE MATRIX – June 1, 2011

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 19</u> Fong (D)	Building Standards: Water Meters: Multiunit Structures		Requires a water purveyor providing water service to a newly constructed multiunit residential structure or mixed-use residential and commercial structure, including a structure that is part of a common interest development, that submits and application for a water connection after a specified date, to require the installation of the meter or submeter to measure water to each unit as a condition of new water service. Requires the submeter to meet specified requirements. Relates to billing and disclosure.	04/27/2011 - In ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT: Reconsideration granted.
<u>AB 23</u> Smyth (R)	Local Agency Meetings: Compensation Disclosure		Amends the Ralph M. Brown Act which requires each legislative body of a local agency to provide the time and place for holding regular meetings. Authorizes a convened legislative body whose membership constitutes a quorum of any other legislative body to convene a meeting of the second legislative body, simultaneously or in serial order, only if a clerk or member announces the amount of compensation or stipend that each member will receive as a result of convening the simultaneous or serial meetings.	05/19/2011 - To SENATE Committee on GOVERNANCE AND FINANCE.
<u>AB 54</u> Solorio (D)	Drinking Water		Requires a mutual water company that operates a public water system to submit an map depicting approximate service boundaries. Disallows expansion without approval. Requires a company financial reserve fund. Requires company board member training. Relates to projects funded under the Safe Drinking Water Revolving Fund. Relates approval for annexation. Relates to safe drinking water standards compliance. Authorizes mutual water companies to levy an assessment to pay related civil fines.	05/31/2011 - In ASSEMBLY. Read second time and amended. To second reading.
<u>AB 83</u> Jeffries (R)	Environment: CEQA Exemption: Recycled Water Pipeline		Amends existing law regarding California Environmental Quality Act environmental impact reports. Exempts a project for the installation of a new pipeline for the distribution of recycled water within an improved public street, highway, or right-of-way.	04/11/2011 - In ASSEMBLY Committee on NATURAL RESOURCES: Failed passage;04/11/2011 - In ASSEMBLY Committee on NATURAL RESOURCES: Reconsideration granted.

IRWD 2011 LEGISLATIVE MATRIX – June 1, 2011

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 134 Dickinson (D)	Sacramento Regional County Sanitation District	Oppose	Authorizes the Sacramento Regional County Sanitation District to file an application for a permit to appropriate a specified amount of water that is based on the volume of treated wastewater that the district discharges into the Sacramento River and recovers for reuse. Authorizes the State Water Resources Control Board to grant a permit to appropriate that treated wastewater upon terms and conditions determined by the board. Requires the board to comply with specified related requirements.	05/26/2011 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 148 Smyth (R)	Local Government: Ethics Training: Disclosure	Watch	Defines the term ethics laws, for purposes of training for officers and employees of a local government, to include compensation setting guidelines as established by specified organizations. Requires the local agency to post the ethics training records of all elected members on the local agency's Internet Web site, if any, and to submit a copy of the records to the Controller. Requires a local agency that has adopted a written attendance compensation policy to post the policy on the local agency's Web site.	05/27/2011 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
AB 157 Jeffries (R)	Safe, Clean and Reliable Drinking Water Supply Act	Oppose	Reduces the total amount of bonds authorized to be issued pursuant to the Safe, Clean and Reliable Drinking Water Supply Act of 2012. Makes conforming reductions to amounts specified to be allocated from these bond funds for certain purposes.	02/24/2011 - To ASM Committees on WPW and ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
AB 246 Wieckowski (D)	Water Quality: Enforcement	Oppose	Authorizes a regional water quality control board to delegate to its executive officer the authority to apply for judicial enforcement to the Attorney General, a district attorney, a city attorney of a city with a population that exceeds 750,000, or a city attorney for a city and county. Authorizes a district attorney, a city attorney of a city with a specified population to bring civil actions under the Porter-Cologne Water Quality Act and only upon approval of the Attorney General.	05/19/2011 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 249 Berryhill B (R)	Contractors	Watch	Limits the action for recovery of compensation paid to services for the construction or improvement of residential property. Authorizes a person who utilizes the services of a contractor for the construction or improvement of property other than specified residential property to bring an action in any court of competent jurisdiction in this state to recover all compensation paid to the contractor for performance of any act or contract during the time the contractor was not properly licensed.	04/04/11 - From ASM Com on BUS, PROF& CONS PROTECTwith author's amends. 04/04/11 - In ASM. Read second time and amended. Referred to Com on BUS, PROFS & CONS PROT.

IRWD 2011 LEGISLATIVE MATRIX – June 1, 2011

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 262 Harkey (R)	California Regional Water Quality Control Boards	Watch	Revises the description of the boundaries of the Santa Ana Regional Water Quality Control Board and the San Diego Regional Water Quality Control Board.	02/18/2011 - To ASM Common ENVSAFETY AND TOX MAT.
AB 275 Solorio (D)	Rainwater Capture Act of 2011		Enacts the Rainwater Capture Act of 2011. Authorizes residential, commercial, and governmental landowners to install, maintain, and operate rain barrel systems and rainwater capture systems for specified purposes, provided that the systems comply with specified requirements. Authorizes a landscape contractor to enter into a prime contract for the construction of a rainwater capture system if the system is used for landscape irrigation. Authorizes certain contractors to design and install all exterior parts.	05/12/2011 - To SENATE Committees on NATURAL RESOURCES AND WATER and ENVIRONMENTAL QUALITY.
AB 392 Alejo (D)	Ralph M. Brown Act: Posting Agendas		Requires the legislative body of a local agency, at least 72 hours before a regular meeting of that body, to post the agenda and staff generated reports that relate to an agenda item for the open session of that regular meeting. Requires the legislative body to post the agenda and the writings on its internet web site or in a public location if the body has not web site.	05/27/2011 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.
AB 403 Campos (D)	Public Drinking Water Standards: Hexavalent Chromium	Watch	Requires the Department of Public Health to post its progress on the establishment of primary drinking water standard hexavalent chromium on the department's Internet Web site. Includes the adoption of a primary drinking water standard for hexavalent chromium among the proposed regulations relating to maximum contaminant levels for primary or secondary water standards that are subject to a review by the Department of Finance of not more than 90 days.	05/26/2011 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 457 Wagner (R)	Public Works Contracts: Relief for Bidders		Entitles a bidder who successfully challenges the award of a public works contract determined to be invalid due to errors or omissions of the public entity to recover costs and attorney's fees incurred in pursuing the challenge. Allows attorney's fees and costs to be awarded to the public entity under specified circumstances.	05/03/2011 - In ASM Com on BUSINESS, PROFESSIONS & CONSUMER PROTECTION: Not heard.
AB 506 Wieckowski (D)	Local Government: Bankruptcy: Mediation	Oppose	Amends existing law authorizing a taxing agency or instrumentality of the state to file a petition and prosecute to completion bankruptcy proceedings permitted under the laws of the United States. Provides that a local public entity shall not file under federal bankruptcy law unless the entity has participated in mediation with interested parties and certain other conditions are met. Requires the Debt and Investment Advisory Commission to adopt mediation guidelines.	05/31/2011 - In ASSEMBLY. Read second time and amended. To second reading.

IRWD 2011 LEGISLATIVE MATRIX – June 1, 2011

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 550 Huber (D)	Sacramento-San Joaquin Delta: Peripheral Canal	Oppose	Prohibits the construction of a peripheral canal that conveys water from a diversion point in the Sacramento River to a location south of the Sacramento-San Joaquin Delta, unless expressly authorized by the Legislature. Requires the Legislative Analyst's Office to complete an economic feasibility analysis prior to the enactment of a statute authorizing the construction of a peripheral canal. Prohibits the construction and operation of a peripheral canal from diminishing water quality.	03/25/2011 - To ASSEMBLY Committees on WATER, PARKS AND WILDLIFE and APPROPRIATIONS.
AB 576 Dickinson (D)	Delta Plan: Financing		Requires the Delta Stewardship Council to develop a long-term finance plan to pay for the costs of implementing the Delta Plan by a specified date. Prohibits the council from adopting new fees for these purposes unless authorized by statute. Authorizes the council, before adopting and collecting long-term revenue sources, to seek to obtain early funding contributions from entities that may benefit from implementation of the Plan and to track those contributions.	03/31/2011 - From ASM Com on WPW with author's amendments. 03/31/2011 - In ASM. Read second time and amended. Re-referred to Com on WPW
AB 741 Huffman (D)	Onsite Wastewater Disposal Conversion	Sponsor	Amends an existing law authorizing an owner of property included within an assessment district for construction of a main trunkline or collector sewer lines to request the governing board to construct plumbing to connect his or her property to the adjoining public sewer system. Authorize defined entities, to use this provision for the purpose of converting properties from onsite septic systems and connecting them to the sewer system and for replacing or repairing existing sewer laterals.	05/19/2011 - To SENATE Committee on GOVERNANCE AND FINANCE.
AB 849 Gatto (D)	Water: Use Efficiency: Graywater Building Standards		Repeals the authority of a city, county, or other local agency to adopt building standards that prohibit entirely the use of graywater. Authorizes the adoption of standards that differ from the standards adopted by the Department of Housing and Community Development. Requires that an ordinance enacted pursuant to this authority include the local climatic, geological, or topographical conditions requiring different building standards.	05/31/2011 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 938 Perez V (D)	Public Water Systems		Amends existing law that establishes the Safe Drinking Water State Revolving Fund and requires total funding of a single project, to be determined by an assessment of affordability. Adds environmental documentation to the costs of a single project that is required to determine by an assessment of affordability. Requires that written public notice given by a public water system be in various languages. Establishes a presumption of compliance by the utilization of specified data.	05/31/2011 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.

IRWD 2011 LEGISLATIVE MATRIX – June 1, 2011

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 964 Huffman (D)	State Water Pollution Fund: Onsite Sewer Projects	Support	Requires financial assistance provided from the State Water Pollution Control Revolving Fund to be provided only for projects for which a public agency has adopted a sewer system management plan that includes a prescribed plan for sewer upgrades. Requires a public agency receiving assistance from the fund for that purpose to report to the State Water Resources Board on its progress with respect to developing and implementing the plan.	05/19/2011 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.
AB 1048 Harkey (R)	Water Quality: Recycled Water and Wastewater: Fluoride		Requires the State Water Resources Control Board to adopt a statewide policy establishing standards for levels of fluoride in recycled water and wastewater.	03/16/2011 - Withdrawn from ASM Com on WPW. 03/16/2011 - Referred to ASM Common ENVI SAFETY AND TOXIC MATERIALS.
AB 1184 Gatto (D)	Public Employees' Retirement Benefits		Amends the Public Employees' Retirement Law. Provides that the obligations for retirement benefits that are attributable to excess compensation earned by a nonrepresented employee who was employed by one or more public agencies shall be the sole obligation of the subsequent contracting agency that paid the excess compensation. Prohibits a plan of replacement benefits from being administered by the board for a person who first becomes a member on or after a specified date.	05/27/2011 - From ASSEMBLY Committee on APPROPRIATIONS; Do pass.;05/27/2011 - In ASSEMBLY. Read second time. To third reading.
AB 1283 Berryhill B (R)	Safe, Clean, and Reliable Drinking Water Supply Act		Declares the intent of the Legislature to enact legislation relating to the Safe, Clean, and Reliable Drinking Water Supply Act of 2012.	02/18/2011 - INTRODUCED.
AB 1299 Huffman (D)	Marine Fisheries: Forage Species		Enacts the Forage Species Conservation and Management Act of 2011. Requires new fishery management plans and amendments to existing fishery management plans and amendments to existing fishery management plans for forage species completed after January 1, 2012, to be consistent with that policy, to the extent that scientific data is readily available for that purpose.	05/31/2011 - In ASSEMBLY. Read second time. To third reading.
AB 1354 Huber (D)	Public Works: Progress Payments: Notice: Retention	Oppose	Requires that a contractor pay a subcontractor on a public works project within 7 days after receipt of each progress payment. Relates to the time period for written notice regarding a claim against the bond of a contractor under a public works contract. Relates to retention proceeds withheld under a public works contract. Relates to progress payments made under a public works contract.	05/03/2011 - In ASSEMBLY Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION: Not heard.

IRWD 2011 LEGISLATIVE MATRIX – June 1, 2011

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>SB 27</u> Simitian (D)	Public Retirement: Final Compensation: Computation		Amends the state Teachers' Retirement Law to include the creditable compensation definition under the Defined Benefit Supplement Program, a lump sum payment under the program, to apply to certain retirees a provision that permits a retired member of the system to perform specified duties as independent contractor with no service credit and limits or prohibits compensation, and the Cash Balance Benefit Program. Relates to service compensation reporting under the Pub. Employees' Ret. Law.	05/27/2011 - In SENATE. Read second time. To third reading.
<u>SB 31</u> Correa (D)	Local Government: Lobbyist Registration		Enacts a comprehensive scheme to regulate lobbying entities that lobby local government agencies, including requirements to register and make periodic reports regarding certain lobbying activities. Requires each agency to create a commission to implement and enforce these provisions. Provides that any person who knowingly or willingly violates a provision, or knowingly or willfully aides and abets any person in violation of any provision is guilty of a misdemeanor.	03/31/2011 - Re-referred to SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS.
<u>SB 34</u> Simitian (D)	Water Resources Investment Act of 2011	Oppose	Requires revenues and charges collected under the Water Resources Investment Program to be deposited in the state Water Resources Investment Program Fund and a number of regional investment accounts within the fund. Requires money in the regional accounts be for water-related projects and programs. Requires state account moneys be appropriated for specified statewide water-related programs and the Delta plan, mercury contamination in the Sacramento-San Joaquin Delta, and for related bond debt service.	05/04/2011 - From SENATE Committee on GOVERNANCE AND FINANCE: Do pass to Committee on APPROPRIATIONS.
<u>SB 46</u> Correa (D)	Public Officials: Compensation Disclosure	Oppose_Amend	Requires every person, except a candidate for public office, who is required to file a statement of economic interests to include a compensation disclosure form that provides compensation information for the preceding calendar year. Requires each designated employee who is required to file statements under a conflict of interest code to include, as a part of that filing, a compensation disclosure form that provides compensation information for the preceding calendar year.	05/31/2011 - In SENATE. Read second time and amended. To third reading.
<u>SB 52</u> Steinberg (D)	Water Quality: Sacramento Regional Sanitation District		Appropriates funds to the Department of Water Resources from the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006 to provide financial assistance to the Sacramento Regional County Sanitation District to offset rate increases associated with the costs of capital improvements to the district's regional sewage treatment plant.	05/02/2011 - In SENATE Com on EQ: Failed passage.;05/02/2011 - In SEN Com on EQ Reconsideration granted.

IRWD 2011 LEGISLATIVE MATRIX – June 1, 2011

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
SB 186 Kehoe (D)	The Controller		<p>Authorizes the Controller to exercise discretionary authority to perform an audit or investigation of any county, city, special district, joint powers authority, or redevelopment agency, if the Controller has reasons to believe, supported by documentation, that the local agency is not complying with state law, grant agreements, local ordinances, to determine fiscal viability and to prepare a report of the results of the audit or investigation and to file a copy with the local legislative body.</p> <p>Relates to the maximum amount that a legislative body may transfer of unclaimed money from a special fund to the general fund. Local entities investing in certificates of deposit of a federally licensed branch of a foreign bank, community service district boards, local general plan public meetings, Subdivision Map Act relating to conveyances of land and subdivider costs, sanitation employees, local taxation, local facilities improvements, local construction contracts. and business improvement districts.</p>	<p>05/31/2011 - In SENATE. Read second time and amended. To third reading.</p>
SB 194 Governance and Finance Cmt	Local Government: Omnibus Bill			<p>05/31/2011 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;05/31/2011 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.</p>
SB 200 Wolk (D)	Sacramento-San Joaquin Delta: Bay Delta Conservation	Oppose	<p>Amends the Delta Reform Act of 2009 that requires the Delta Stewardship Council to consider the Bay Delta Conservation Plan (BDCP) for inclusion in a specified Delta Plan and the authorizes the incorporation of the plan into the Delta Plan if the BDCP meets certain requirements. Requires any state agency that is responsible for authorizing or implementing any action of the BDCP to ensure the action is consistent with specified requirements prescribed by these provisions.</p>	<p>03/24/2011 - From SEN Committee on NAT RES AND WATER with author's amendments. 3/24/2011 - In SEN. Read second time and amended. Re-referred to Committee on NAT RES AND WATER.</p>
SB 215 Huff (R)	Invasive Aquatic Species: Mussels	Support	<p>Extends the repeal, to a specified date, of existing law that generally prohibits a person from possessing, importing, shipping, or transporting, or from placing, planting, or causing to be placed or planted in any water within the state, dreissenid mussels, and authorizes the Director of Fish and Game or his or her designee to engage in enforcement activities. Provides that a person who violates, resists, delays, obstructs, or interferes with the implementation of these provisions is subject to a penalty.</p>	<p>05/31/2011 - In SENATE. To Special Consent Calendar.</p>

IRWD 2011 LEGISLATIVE MATRIX – June 1, 2011

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>SB 224</u> Pavley (D)	Public Contracts: Department of Water Resources		Amends existing law regarding public contract approvals by the Department of General Services. Exempts specified contracts entered into by the Department of Water Resources.	05/23/2011 - To ASM Com on BUS, PROF & CONS PROTECTION.
<u>SB 449</u> Pavley (D)	Controller: Local Agency Financial Review		Authorizes the Controller to conduct a preliminary review to determine the existence of a local agency financial problem, and perform an audit upon completion of that review and to convene a local agency financial review committee and to authorize the committee to recommend a financial recovery plan for a local agency requesting assistance. Requires the Controller to report to the Legislature on the actions of the committee and the status of all engagements with local agencies.	05/27/2011 - In SENATE. Read second time. To third reading.
<u>SB 474</u> Evans (D)	Commercial Construction Contracts: Indemnity	Oppose	Provides that for construction contracts that are not for residential construction or public, that any provision in a contract purporting to indemnify, hold harmless, or defend another person against actual or claimed liability, damage, or expense arising, in whole or in part, from the negligence, willful misconduct, defective design, or violation of law, or other fault of that person or that person's agents, employees, independent contractors, subcontractors, or representative is void and unenforceable.	05/25/2011 - In SENATE. Read second time. To third reading.
<u>SB 475</u> Wright (D)	Infrastructure Financing		Authorizes a local governmental agency to enter into an agreement with a private entity for financing for specified types of revenue generating infrastructure projects. Requires an agreement to include adequate financial resources to perform the agreement. Permits the agreements to lease or license to, or provide other permitted uses by, the private entity.	05/19/2011 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
<u>SB 571</u> Wolk (D)	Water Commission: Water Plan: Water Resources		Provides for the organization of the State Water Commission as a separate agency in state government. Enacts the Water Resources Investment Planning Act to establish regional water planning agencies and a state water investment plan. Provides the frequency for plan updates. Requires the State Department of Water Resources and regional agencies to submit related reports to the commission. Prescribes the contents of the reports and the purpose for developing the reports.	04/13/2011 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.
<u>SB 607</u> Walters (R)	Water Resources Board: Brackish Groundwater Treatment		Requires the Water Resources Control Board to either amend the State Ocean Plan, or adopt separate standards, to address water quality objectives and effluent limitations that are specifically appropriate for brackish groundwater treatment system facilities that produce municipal water supplies for local use.	05/23/2011 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY.

IRWD 2011 LEGISLATIVE MATRIX – June 1, 2011

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
SB 834 Wolk (D)	Integrated Regional Water Management Plans: Contents		Requires an integrated regional water management plan to address specified water quality and water supply matters and demonstrate the manner in which the plan complies with a specified state policy concerning reducing reliance on the Sacramento-San Joaquin Delta for water supply and improving regional self-reliance for water, if the region covered by the plan receives water from the Delta watershed.	05/27/2011 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
SB 911 De Leon (D)	Local Agency Bonds: Reports		Requires the Chief Fiscal Officer of a local agency issuing bonds to file a report on any project funded with its governing body within 60 days after the close of the agency's fiscal year. Provides that failure to do so on time shall result in a suspension of bond proceeds until the report is submitted. Requires a issuing local agency, upon a request about any expenditure of bond proceeds exceeding a specified amount, to make specified information available with respect to any expenditure or expenditures.	05/23/2011 - To ASSEMBLY Committee on LOCAL GOVERNMENT.

EXHIBIT "B"
Government Transparency and Reform Legislation – Updated June 1, 2011

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
AB 23 Smyth (R)	Local Agency Meetings: Compensation Disclosure		Amends the Ralph M. Brown Act which requires each legislative body of a local agency to provide the time and place for holding regular meetings. Authorizes a convened legislative body whose membership constitutes a quorum of any other legislative body to convene a meeting of the second legislative body, simultaneously or in serial order, only if a clerk or member announces the amount of compensation or stipend that each member will receive as a result of convening the simultaneous or serial meetings.	05/19/2011 - To SENATE Committee on GOVERNANCE AND FINANCE.	
AB 46 Perez J (D)	Local Government: Cities		Provides that a city with a specified population would be disincorporated into those city's respective county unless a county board of supervisors determines, by majority vote, that continuing such a city within that county's boundaries would serve a public purpose, makes it impractical for the residents of the community if the board makes a related determination. Requires the local agency formation commission within the county to oversee the terms and conditions of the disincorporation of the city.	04/28/2011 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.	
AB 148 Smyth (R)	Local Government: Ethics Training: Disclosure	Watch	Defines the term ethics laws, for purposes of training for officers and employees of a local government, to include compensation setting guidelines as established by specified organizations. Requires the local agency to post the ethics training records of all elected members on the local agency's Internet Web site, if any, and to submit a copy of the records to the Controller. Requires a local agency that has adopted a written attendance compensation policy to post the policy on the local agency's Web site.	05/27/2011 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	2 year bill CSDA - Supportive
AB 162 Smyth (R)	Local Government: Financial Reports		Requires that, if an audit of a local agency reveals certain financial irregularities, the findings be sent separately to the Controller immediately after the audit has been concluded. Requires the Controller to prepare and transmit a report on those findings, and the Controller's recommendations, to the Assembly Committee on Local Government and the Senate Committee on Local Government.	02/18/2011 - To ASSEMBLY Committee on LOCAL GOVERNMENT	2 year bill

Government Transparency and Reform Legislation – Updated June 1, 2011

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Two Year Bill / Commentary
<u>AB 187</u> Lara (D)	State Auditor: Audits: Local Government Agency Program		<p>Authorizes the State Auditor to establish a high-risk local government agency audit program to identify, audit, and issue reports on any local government agency, including any city, county, or special district, or any publicly created entity that the State Auditor identifies as being at high risk for the potential of waste, fraud, abuse, or mismanagement or that has major challenges associated with its economy, efficiency, or effectiveness.</p> <p>Amends existing law relating to the submission of audit reports by any local agency to the Controller. Requires reports to be submitted to the Controller within 9 months of the end of the period audited or in accordance with applicable federal law. Authorizes the Controller to appoint a qualified certified public accountant to complete an audit report if it is not submitted within the required time frame and to propose and adopt the content of an audit guide. Relates to audit compliance standards.</p>	05/31/2011 - In ASSEMBLY. Read second time. To third reading.	
<u>AB 229</u> Lara (D)	Controller: Audits		<p>Requires the Controller to prescribe uniform accounting procedures that are applicable only to specified types of special districts. Requires the Controller to prescribe uniform accounting procedures for cities in collaboration with the Committee on City Accounting Procedures which would be created by this bill.</p>	05/31/2011 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.	
<u>AB 253</u> Smyth (R)	Local Agencies: Accounting		<p>Includes within the definition of local agency any joint powers agency that issues conduit revenue bonds. Requires these joint powers agencies to furnish the Controller with required financial reports. Raises the amount of forfeiture for a local agency that fails or refuses to provide those reports. Requires the Controller to perform and audit if the local agency fails to provide reports for three consecutive years. Repeals a requirement for reporting school district data to the Controller.</p>	05/31/2011 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.	
<u>AB 276</u> Alejo (D)	Local Government: Financial Reports			05/19/2011 - In ASSEMBLY. From Consent Calendar. To third reading.	

Government Transparency and Reform Legislation – Updated June 1, 2011

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Two Year Bill / Commentary
AB 309 Cook (R)	Public Officers: Removal from Office		Relates to appointed or ex officio office holders on the governing bodies of any local agency. Provides that an appointed or ex officio office becomes vacant where the appointed or ex officio individual has been debarred, suspended, disqualified, or otherwise excluded from participating in federal covered transactions.	05/12/2011 - To SENATE Committee on GOVERNANCE AND FINANCE.	
AB 392 Alejo (D)	Ralph M. Brown Act: Posting Agendas		Requires the legislative body of a local agency, at least 72 hours before a regular meeting of that body, to post the agenda and staff generated reports that relate to an agenda item for the open session of that regular meeting. Requires the legislative body to post the agenda and the writings on its internet web site or in a public location if the body has not web site.	05/27/2011 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	2 year bill Sponsor: Realtors CSDA: Oppose
AB 506 Wieckowski (D)	Local Government: Bankruptcy: Mediation	Oppose	Amends existing law authorizing a taxing agency or instrumentality of the state to file a petition and prosecute to completion bankruptcy proceedings permitted under the laws of the United States. Provides that a local public entity shall not file under federal bankruptcy law unless the entity has participated in mediation with interested parties and certain other conditions are met. Requires the Debt and Investment Advisory Commission to adopt mediation guidelines.	05/31/2011 - In ASSEMBLY. Read second time and amended. To second reading.	
AB 527 Hernandez R (D)	Public Officials: Financial Interests		Amends existing law that prohibits specified public employees from being financially interested in any contract made by them in their official capacity and defines remote interest related thereto. Requires that the remote interest be disclosed at a public meeting of that body or board. Prohibits any public employee from approving any project, plan, permit, or conveyance of land in which a member of that body is financially interested.	05/27/2011 - In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.	
AB 582 Pan (D)	Open Meetings: Local Agencies		Requires that proposed compensation increases of more than a certain percentage for specified employees under the Ralph M. Brown Act be publicly noticed.	05/27/2011 - In ASM Com on APPROPS Held in committee.	2 year bill

Government Transparency and Reform Legislation – Updated June 1, 2011

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Two Year Bill / Commentary
<u>AB 785</u> Mendoza (D)	Political Reform: Public Officers: Financial Interest		Provides that a public official who is an elected or appointed member of a state or local government agency has a financial interest in a decision of that agency if an immediately family member of the official has a financial interest in the decision. Ascribes a financial interest to an immediate family member. Defines immediate family member to mean a public official's spouse or domestic partner, child, parent, sibling, or the spouse or domestic partners of a child, parent, or sibling. Requires the legislative body of a city, county, or district to review any contract with a private party with a specified total value, that contains an automatic renewal clause on or before the annual date by which the contract may be rescinded.	04/25/2011 - From ASM Com on E & D with author's amends. 04/25/11 - In ASM. Read 2nd time & amended. Re-referred to Com on E & D .	2 year bill
<u>AB 834</u> Hernandez R (D)	Local Government Contracts		Requires local agencies, defined to include cities, counties, a city and county, special districts, authorities, or public agencies, to comply with General Accounting Office standards for financial and compliance audits and prohibits an independent auditor from engaging in financial compliance audits unless the auditor completes a quality control review.	05/16/2011 - In ASM. Read 3rd time. Failed to pass. 05/16/11 In ASM. Motion to reconsider.	
<u>AB 1287</u> Buchanan (D)	Local Government: Audits		Provides that, in the event of the loss of a quorum of city council members due to vacant seats on the city council, voluntarily, by removal, or for some other legal reason, establishes a city council appointment committee consisting of any remaining city council members, the city's chief administrative officer, a representative from the county board of supervisors, and as many public members as are required to meet the same number of city council members.	03/21/2011 - To ASSEMBLY Committee on LOCAL GOVERNMENT	2 year bill
<u>AB 1345</u> Lara (D)	Local Government: Boards and Councils		Provides that, in the event of the loss of a quorum of city council members due to vacant seats on the city council, voluntarily, by removal, or for some other legal reason, establishes a city council appointment committee consisting of any remaining city council members, the city's chief administrative officer, a representative from the county board of supervisors, and as many public members as are required to meet the same number of city council members.	03/31/11 - To ASM Com on L GOV.03/31/11 - From ASM Com on L GOV with author's amends. 03/31/11 - In ASM. Read second time and amended. Re-referred to Com on LGOV	2 year bill

Government Transparency and Reform Legislation – Updated June 1, 2011

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Two Year Bill / Commentary
AB 1350 Lara (D)	Property Taxation: Override Rates: Validation		Requires the county auditor, prior to the collection of the ad valorem property tax, if a local jurisdiction imposes, increases, or extends a property tax rate for specified purposes, to verify that the rate imposed by the jurisdiction does not exceed the maximum rate authorized by law.	05/19/2011 - In ASM. Read 3rd time. Passed ASM. *****To SENATE.	
SB 31 Correa (D)	Local Government: Lobbyist Registration		Enacts a comprehensive scheme to regulate lobbying entities that lobby local government agencies, including requirements to register and make periodic reports regarding certain lobbying activities. Requires each agency to create a commission to implement and enforce these provisions. Provides that any person who knowingly or willfully violates a provision, or knowingly or willfully aides and abets any person in violation of any provision is guilty of a misdemeanor.	03/31/2011 - Referred to SEN Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENT S.	2 year bill
SB 46 Correa (D)	Public Officials: Compensation Disclosure	Oppose Amend	Requires every person, except a candidate for public office, who is required to file a statement of economic interests to include a compensation disclosure form that provides compensation information for the preceding calendar year. Requires each designated employee who is required to file statements under a conflict of interest code to include, as a part of that filing, a compensation disclosure form that provides compensation information for the preceding calendar year.	05/31/2011 - In SENATE. Read second time and amended. To third reading.	Summary of proposed amends (reflect amends proposed by CSDA and ACWA: (1) any changes should build on SCO's current efforts to avoid unnecessary duplication and tax/ratepayer cost. (2) Compensation should not include expenses.
SB 186 Kehoe (D)	The Controller		Authorizes the Controller to exercise discretionary authority to perform an audit or investigation of any county, city, special district, joint powers authority, or redevelopment agency, if the Controller has reasons to believe, supported by documentation, that the local agency is not complying with state law, grant agreements, local ordinances, to determine fiscal viability and to prepare a report of the results of the audit or investigation and to file a copy with the local legislative body.	05/31/2011 - In SENATE. Read second time and amended. To third reading.	

Government Transparency and Reform Legislation – Updated June 1, 2011

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Two Year Bill / Commentary
<u>SB 194</u> Governance and Finance Cmt	Local Government: Omnibus Bill		Relates to the maximum amount that a legislative body may transfer of unclaimed money from a special fund to the general fund. local entities investing in certificates of deposit of a federally licensed branch of a foreign bank, community service district boards, local general plan public meetings, Subdivision Map Act relating to conveyances of land and subdivider costs, sanitation employees, local taxation, local facilities improvements, local construction contracts. and business improvement districts.	05/31/11 - From ASM Comon L GOV with author's amends. 5/31/11-In ASM. Read 2nd time and amended. Re-referred to Comon L GOV	
<u>SB 235</u> Negrete McLeod (D)	Water Conservation Districts: Number of Director		authorize a water conservation district, except districts within the County of Ventura, whose board of directors consists of 7 directors, to reduce the number of directors to 5, consistent with specified requirements.	04/28/2011 - To ASSEMBLY Committee on LGOV	
<u>SB 236</u> Anderson (R)	California Public Records Act		Makes technical, nonsubstantive changes to the CA Public Records Act which requires state and local agencies to make public records available for inspection by the public.	02/17/2011 - To SENATE Com on RULES.	2 year bill
<u>SB 288</u> Negrete McLeod (D)	Local Government: Independent Special Districts		Authorizes the governing board of an independent special district to provide for the establishment of a revolving fund in an amount not to exceed a specified amount of the independent special district's adopted budget.	04/28/2011 - To ASM Com on L Gov	Sponsor: CSDA
<u>SB 449</u> Pavley (D)	Controller: Local Agency Financial Review		Authorizes the Controller to conduct a preliminary review to determine the existence of a local agency financial problem, and perform an audit upon completion of that review and to convene a local agency financial review committee and to authorize the committee to recommend a financial recovery plan for a local agency requesting assistance. Requires the Controller to report to the Legislature on the actions of the committee and the status of all engagements with local agencies.	05/27/2011 - In SENATE. Read second time. To third reading.	

Government Transparency and Reform Legislation – Updated June 1, 2011

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Two Year Bill / Commentary
<u>SB 474</u> Evans (D)	Commercial Construction Contracts: Indemnity	Oppose	Provides that for construction contracts that are not for residential construction or public, that any provision in a contract purporting to indemnify, hold harmless, or defend another person against actual or claimed liability, damage, or expense arising, in whole or in part, from the negligence, willful misconduct, defective design, or violation of law, or other fault of that person or that person's agents, employees, independent contractors, subcontractors, or representative is void and unenforceable.	05/25/2011 - In SENATE. Read second time. To third reading.	Local government coalition oppose: CSDA, ACWA, CSAC, League, RCRC, CAJPA, CASA, etc. Builders/Contractors coalition oppose
<u>SB 911</u> De Leon (D)	Local Agency Bonds: Reports		Requires the Chief Fiscal Officer of a local agency issuing bonds to file a report on any project funded with its governing body within 60 days after the close of the agency's fiscal year. Provides that failure to do so on time shall result in a suspension of bond proceeds until the report is submitted. Requires a issuing local agency, upon a request about any expenditure of bond proceeds exceeding a specified amount, to make specified information available with respect to any expenditure or expenditures.	05/23/2011 - To ASSEMBLY Committee on LOCAL GOVERNMENT	
<u>SB 931</u> Vargas (D)	Public Employee Organizations		Prohibits public agencies from using public funds to pay outside consultants or legal advisors for the purpose of counseling the public employer about way to minimize or deter the exercise of representation rights.	05/23/2011 - To ASM Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.	Opposition Coalition: ACWA, CSDA, CSAC, League, CAJPA, ACHD, CHA, RCRC, CASA
<u>SCA 7</u> Yee (D)	Public Bodies: Meetings		Proposes an amendment to the Constitution to include in the Constitution the requirement that each public body provide public notice of its meetings and disclose any action taken.	05/27/2011 - In SENATE. Read second time. To third reading.	

June 13, 2011

Prepared by: Kirsten McLaughlin

Submitted by: Beth Beeman

Approved by: Paul Jones

KM
B Beeman
P Jones

CONSENT CALENDAR

2011 SELECTION OF STATE LOBBYIST/CONSULTANT

SUMMARY:

The purpose of this item is to authorize a lobbyist/consultant Professional Services Agreement for the District on key state issues. Staff recommends approval of a twelve month contract with O'Haren Government Relations for state lobbying services.

BACKGROUND:

Key state legislative issues continue to impact IRWD. The issues likely to be of continued priority in 2011 are addressed further in the attached contract proposal, included as Exhibit "A," from Maureen O'Haren and are summarized as follows:

- AB 741 (Huffman): advocate for IRWD-sponsored AB 741 which would provide financial tools for sewer conversions and improvements.
- Special district governance and reform: protect IRWD interests in any legislation establishing new requirements, restrictions, or other reform measures impacting special district governance, operations, contracting, transparency and pensions.
- Delta / Water package implementation and protection: promote IRWD's interests in implementation legislation and advocate against legislation that would undermine the package.
- Public goods charge on water: advocate against a statewide public goods charge on water.
- Water conservation, water recycling, water rights, and related legislative issues: preserve and advance IRWD interests on these policy issues.
- State budget: minimize the impact on the District's property tax allocation, reserves and investment interests.
- Bond funding: ensure IRWD has opportunities for funding.
- Wetlands oversight: protect the Natural Treatment System.
- Water transfer legislation: protect the District's interests in legislation related to limiting long-term water transfers.

O'Haren Government Relations will provide the District with a high level of service, knowledge, credibility and access in Sacramento. In addition, and most importantly, staff's recommended lobbyist/consultant selection will provide the best possible representation and source of information relative to impacts from the state's budget situation.

To serve IRWD's needs, staff is proposing that the District authorize a Professional Services Agreement for a twelve month period with O'Haren Government Relations for a \$6,500 monthly

retainer plus reimbursable expenses up to \$7,800. The current contract with O'Haren Government Relations expires on June 30, 2011.

FISCAL IMPACTS:

The contract will be charged against the FY 2011-12 Operating Budget, under Department 12 expenses. The total requested contract authorization is \$85,800.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed at the Water Resources Policy and Communications Committee on June 6, 2011.

RECOMMENDATION:

THAT THE BOARD APPROVE A PROFESSIONAL SERVICES AGREEMENT FOR A TERM OF 12 MONTHS WITH O'HAREN GOVERNMENT RELATIONS IN THE AMOUNT OF \$6,500 PER MONTH RETAINER PLUS REIMBURSABLE DIRECT EXPENSES FOR A TOTAL NOT TO EXCEED \$85,800.

LIST OF EXHIBITS:

Exhibit "A" - O'Haren Government Relations Contract Proposal

EXHIBIT A

May 31, 2011

Beth Beeman
Director of Public Affairs
Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, CA 92618

RE: PROPOSAL FOR REPRESENTATION
July 2011 through June 2012

Dear Ms. Beeman:

Thank you for your interest in renewing our contract to represent the Irvine Ranch Water District in Sacramento. I am honored to continue to represent you as O'Haren Government Relations. I've enjoyed working with you and representing you in Sacramento for a number of years, and have been thrilled to be a part of your success in the Legislature. I hope to continue helping to advance the District's innovative agenda.

Our top priority for the 2011 legislative session is our sponsored bill, AB 741 (Huffman), which is moving through the Legislature without opposition and has Republican co-authors. We will work hard to get it signed by the Governor to provide options for our Orange Park Acres customers to finance the private improvements needed to convert to a sanitary sewer system. Last year's effort, AB 2182, had broad support, including environmental and labor organizations, but the governor, in his veto message, indicated that he did not want to expand the PACE program into this area. AB 741 provides an alternative approach that would allow local agencies to finance these private sewer improvements without the need for contractual assessments. Additionally, with the new Administration there are new opportunities for this discussion, and hopefully we can be successful in achieving a solution in 2011.

Issues related to water conservation, water rights, water recycling and the implementation of the 2009 Delta/water package continue to be a priority for the District in 2011 and into 2012. Fortunately, a few of the most egregious water bills of 2011 have been sidelined or amended, including SB 34 (Simitian), involving a public goods charge for water, and AB 134 (Dickenson) relating to the Sacramento Regional Sanitation District. IRWD continues to be a leader in statewide policy on conservation, recycled water, and water transfers. The reputation that IRWD has established over the years will continue to earn the District more attention in Sacramento as we pursue new ideas.

Other issues for 2011-12 include local government oversight legislation in the wake of the Bell scandal, including public contracts legislation. Fortunately, we have been able to work with large coalitions of local government agencies and associations to shape these bills as they move through the Legislature.

We will work with the IRWD Board of Directors and Staff to determine the District's priorities for the 2012 legislative year. Issues likely to be at the top of that list are: advocating against the implementation of a statewide public goods charge on water; ongoing response to and input on local government reform, transparency and pension proposals, and Delta and state water supply issues. Additionally we will continue our ongoing legislative work on issues related to water conservation, water recycling, water transfers and the Natural Treatment System and other IRWD priorities.

The remainder of this letter reiterates our background and the scope of services we provide.

Background

From 1997 to the end of 2004, Phil Isenberg and Maureen O'Haren provided government relations services to a host of clients through Miller, Owen & Trost. Our clientele included trade associations, local governments, corporations and non-profit organizations in a variety of fields. On January 1, 2005, we opened the doors to our own firm, Isenberg/O'Haren.

In March of 2010, Phil Isenberg was appointed to the Delta Stewardship Council and named as full-time chair by his council colleagues. The firm name was changed to O'Haren Government Relations, and the firm continues to provide the District with the same dedicated service and belief in the District's mission.

General Scope of Services

We provide full-service lobbying and government relations services for our clients. The following is a general list of the services we provide.

- Strategic planning and consultation.
- Introduction to specific legislators and administration officials.
- Lobbying legislation and budget issues of concern or interest to the client.
- Bill tracking and monitoring.
- Regular communications and updates regarding priority issues.
- Staffing of sponsored legislation.
- Drafting of legislative language, including amendments.
- Testimony in committee hearings.
- Preparation of testimony for client representatives.
- Briefing of client representatives for meetings and hearings.
- Preparation of letters and other written materials for legislators and administration officials.
- Background research on issues.
- Creation of coalitions and staffing of coalitions.
- Coordination with coalition partners in lobbying, committee hearings and grassroots activities.
- Advocacy on regulatory matters, including meetings with officials and formal written or oral comment on proposed regulations.
- Advocacy on regulatory decisions specific to the client.
- Maintenance of relationships with legislators, administration officials and key staff.

- Representation of client at coalition meetings.
- Development of charitable activity strategies that support or complement government affairs goals.
- Development of local outreach and grass roots efforts to enhance relationships with local legislators.

Irvine Ranch Water District Proposal

Below we have developed a general outline of the areas of advocacy for the 2011 legislative session. We acknowledge that this outline may change based on changing circumstances in the Legislature. All of these activities would be undertaken pursuant to IRWD direction.

ISSUE: Water Conservation, Water Recycling, Water Rights and Other Legislative Issues

GOAL: Protect and advance District interests in policy issues.

TASKS:

- Provide full lobbying services (as described above), consistent with strategic direction, on priority legislation identified by IRWD through IRWD monitoring of bills introduced and identified by industry groups, such as ACWA, the WaterReuse Association and CSDA.
- Assist in development of position, strategy and amendments on priority legislation and assist in drafting of position letters and amendments.
- Attend negotiating sessions with author's staff and strategy meetings of associations. Influence association position so that it is consistent with and supportive of IRWD position.
- Testify as needed on legislation and report on results.
- Provide regular reports on priority legislation and reassess strategy and position as issues develop.
- Identify and notify the District of any specific legislation or developments that may have significant impact on IRWD.
- Monitor negotiations on relevant legislation.

ISSUE: State Budget

GOAL: Minimize the impact on the District's property tax allocation, reserves and investment interests.

TASKS:

- Gather and report budget intelligence.
- Maintain communications with key legislators on major budget efforts.
- Maintain communications with ACWA and other association staff monitoring budget developments.
- Develop coalitions with common interests and coordinate with coalition partners.
- Schedule and attend lobbying meetings with legislators, key staff and administration officials in advance of hearings, as needed.
- Provide regular budget updates to the District as needed.

- Provide regular budget analyses and reviews of new budget proposals of concern.
- Advocate with key entities, including trade associations, coalitions and administrative agencies.
- Monitor budget committee hearings and activities when appropriate.
- Provide public testimony in budget hearings when appropriate and consistent with strategy.
- Draft budget language as needed.
- Develop and coordinate with potential legislative sponsors of District proposals or language.

ISSUE: Special District Oversight, Local Government Law

GOAL: Protect IRWD interests in any legislation establishing new requirements or other reform measures affecting special district governance, financing and operations.

TASKS:

- Review and assist in the development of policy goals.
- Analyze proposed and introduced legislation and amendments.
- Help determine IRWD priorities and position. As part of this activity, it is essential to identify areas in which IRWD is different from other water districts. Unique characteristics of governance structure, financing or ethics policies may allow IRWD to achieve special recognition, or exclusion, from larger efforts in this area.
- Develop a legislative strategy, if needed, based on IRWD position and priorities.
- Meet with identified legislators, key staff and other key decision makers if necessary.
- Work with IRWD staff on language and position, and influence member associations such as ACWA, CSDA and others to ensure they support or promote our amendments.
- Determine whether testimony at committee hearings is appropriate.
- Prepare regular updates for IRWD Board of Directors.
- Lobby Administration officials on IRWD positions if necessary.
- Monitor for any problematic legislation and act to oppose or amend such legislation as necessary.

ISSUE: Bond Funding and Financing

GOAL: Ensure IRWD Opportunities in these areas and protect IRWD flexibility

TASKS:

- Monitor all bond measures that may provide funds for water projects.
- Maintain communications with key staff.
- Monitor budget negotiations for funding opportunities.
- Maintain communications with key legislators involved in budget and bond funding and implementation.
- Review implementation language regarding consistency with IRWD projects.
- Ensure implementation of water bond measure reflects IRWD interests.

ISSUE: Wetlands Oversight

GOAL: Protect IRWD's Natural Treatment System

TASKS:

- Monitor intelligence on emerging policy relating to wetlands and the SWANCC gap.
- Attend relevant workgroup and board meetings dealing with wetlands regulation or legislation.
- Advocate for narrow oversight limited to the SWANCC gap only.
- Advocate the advantages of IRWD's Natural Treatment System.

Fee Proposal

We propose a monthly retainer of \$6,500. In addition, we request reimbursement for additional costs such as courier service, long-distance telephone calls, conference calls, facsimiles, printing, costs associated with business meetings and other similar costs, in addition to travel costs (including airfare, ground transportation, meals, hotel, etc). We would, consistent with the existing agreement, obtain prior approval for any travel. We also agree to a limitation of \$7,800 in costs over the twelve-month contract period.

We hope that this letter provides you with an adequate scope of services. Thank you again for your continued relationship. We enjoy working with you.

Regards,

MAUREEN O'HAREN

cc: Kirsten McLaughlin, Senior Government Affairs Specialist

APPROVED BY: _____ **DATE:** _____

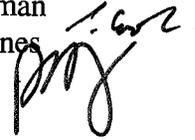
**Paul D. Jones, II, General Manager
Irvine Ranch Water District**

June 13, 2011

Prepared and

Submitted by: B. Beeman

Approved by: Paul Jones



CONSENT CALENDAR

PLACING NOMINATION OF PEER A. SWAN
AS VICE CHAIR/BOARD MEMBER OF THE ACWA REGION 10 BOARD

SUMMARY:

The Association of California Agencies (ACWA) Nominating Committee is seeking candidates for the 2012-13 term on the Region 10 Board. Director Peer Swan has expressed an interest in the position of Vice Chair/Board Member and staff has prepared a resolution, provided as Exhibit "A", for placing his name as a potential nominee. The deadline for submittal of candidate nominations is June 30, 2011.

BACKGROUND:

The Association of California Agencies (ACWA) Nominating Committee for Region 10 is seeking candidates for the 2012-13 term for the positions of Chair, Vice Chair, and up to five Board members. Members of the Region 10 Board determine the direction and focus of region issues and activities as well as support the fulfillment of ACWA's goals. Exhibit "B", which is attached, delineates the Region election timeline. The Nominating Committee will announce its recommended slate of candidates the week of August 1, 2011, with elections completed by September 30, 2011. Candidates who are elected will begin their two-year terms of service on January 1, 2012.

Director Peer Swan has expressed interest in becoming Vice Chair/Board Member of Region 10, and a resolution has been prepared supporting his nomination and also determining that related expenses will be borne by the District.

FISCAL IMPACTS:

The region will hold at least quarterly meetings, including the ACWA conferences; therefore, travel expenses and director fees will be incurred.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on June 6, 2011.

RECOMMENDATION:

THAT THE BOARD SUPPORT THE NOMINATION OF DIRECTOR PEER SWAN FOR
VICE CHAIR/BOARD MEMBER OF THE ACWA REGION 10 BOARD FOR THE 2012-13
TERM.

LIST OF EXHIBITS:

Exhibit “A” – Resolution
Exhibit “B” – Region Election Timeline

EXHIBIT "A"

RESOLUTION NO. 2011-

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA
PLACING IN NOMINATION PEER A. SWAN AS VICE CHAIR/BOARD MEMBER OF
THE ASSOCIATION OF CALIFORNIA WATER AGENCIES, REGION 10

WHEREAS, the Board of Directors of the Irvine Ranch Water District has been made aware of a vacancy on the Association of California Water Agencies' Region 10 Board, and;

WHEREAS, one of our Board of Directors, Peer A. Swan, has indicated a desire to serve as Vice Chair/Board Member of Region 10; and

WHEREAS, the Board of Directors of the Irvine Ranch Water District does encourage and support the participation of its members in the affairs of the Association of California Water Agencies' Region 10 Board.

NOW, THEREFORE, the Board of Directors of IRWD DOES HEREBY RESOLVE, DETERMINE and ORDER as follows:

Section 1. Reaffirms its support with the nomination of Peer A. Swan for Vice Chair/Board Member of ACWA Region 10, and the Secretary is hereby directed to forward a certified copy of this resolution to the Association of California Water Agencies; and

Section 2. Does hereby determine that the expenses attendant with the service of Peer A. Swan in ACWA Region 10 shall be borne by the Irvine Ranch Water District.

ADOPTED, SIGNED AND APPROVED this 13th day of June, 2011.

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

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

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

By: _____

2011 Region Election Timeline 2012-2013 Term

- February 28:** **NOMINATING COMMITTEES APPOINTED**
- Region chairs appoint at least three region members to serve as the respective region's Nominating Committee
 - Those serving on nominating committees are ineligible to seek region offices
 - Nominating Committee members posted online
- March 1-31:** **NOMINATING COMMITTEE TRAINING**
- Nominating Committee packets will be e-mailed out to each committee member
 - ACWA staff will hold a training session via conference call with each nominating committee to educate them on their specific role and duties
 - Regions 1-5 Nominating Committees: March 22
 - Regions 6-10 Nominating Committees: March 23
- May 9:** **CALL FOR CANDIDATES**
- The call for candidate nominations packet will be e-mailed to ACWA member agency Board Presidents and General Managers
 - The call for candidate nominations will be announced at the 2011 ACWA Spring Conference and Exhibition in Sacramento
- June 30:** **DEADLINE FOR COMPLETED NOMINATION FORMS**
- Deadline to submit all Nomination Forms and board resolutions of support for candidacy for region positions
 - Nominating Committee members may need to solicit additional candidates in person to achieve a full complement of nominees for the slate
- July 8:** **CANDIDATE INFORMATION TO NOMINATING COMMITTEES**
- All information submitted by candidates will be forwarded from an ACWA Regional Affairs Representative to the respective region Nominating Committee members with a cover memo explaining their task

August 1:

RECOMMENDED SLATES SELECTED

- Nominating Committees will meet to determine a slate of individuals to recommend to their region members for election
- Nominating Committee chairs will inform their respective ACWA Regional Affairs Representative and current region chair of their recommended slate

ELECTIONS BEGIN

- Official electronic ballots identifying the recommended Nominating Committee slate and any additional candidates for consideration will be produced and e-mailed to ACWA member agencies only
- Only one ballot per agency will be provided

September 30:

ELECTION BALLOTS DUE

- *Deadline for all region elections. All region ballots must be received by ACWA by September 30, 2011*

October 5:

ANNOUNCEMENT OF ELECTION RESULTS

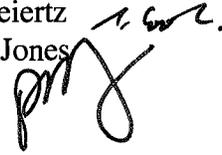
- Newly-elected members of the region boards will be contacted accordingly
- An ACWA Advisory will be distributed electronically to all members reporting the statewide region election results
- Results will be posted at acwa.com and will be published in the October issue of ACWA News

June 13, 2011

Prepared by: R. Thatcher/M. Hoolihan

Submitted by: G. Heiertz

Approved by: Paul Jones



CONSENT CALENDAR

QUITCLAIM OF REAL PROPERTY – DIEGO TUSTIN, LLC

SUMMARY:

Tustin Toyota is remodeling a property in the Tustin Auto Center. As part of the project, an existing water pipeline is being relocated by the owner to accommodate the new construction. The property owner, Diego Tustin, LLC, has requested that the District quitclaim a portion of the existing easement dedicated on Parcel Map No. 84-1032 and per Instrument No. 85-311205. A new easement will be recorded concurrently with the quitclaim. Staff has reviewed and approved the request. The resolution authorizing said quitclaim is attached as Exhibit “A”, the quitclaim deed is attached as Exhibit “B”, and a map showing the location of the quitclaim area and new easement is shown on Exhibit “C”.

FISCAL IMPACT:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable. Not a project as defined under CEQA.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2011 - _____

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT
APPROVING EXECUTION OF THE QUITCLAIM DEED TO
DIEGO TUSTIN, LLC

LIST OF EXHIBITS:

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

Exhibit "A"

RESOLUTION NO. 2011 - _____

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

WHEREAS, Diego Tustin, LLC, has requested that the Irvine Ranch Water District (IRWD) Board approve the quitclaim of a portion of the easement for waterline purposes that was granted to IRWD per Parcel Map No. 84-1032 and Instrument No. 85-311203 of Official Records of Orange County; and

WHEREAS, the purpose of the quitclaim is to clear title to the property. A portion of the existing pipeline within said easement was relocated due to new building construction; and

WHEREAS, a new easement will be granted over the relocated portion of the pipeline prior to or concurrently with the quitclaim; and

WHEREAS, staff has reviewed and confirmed that the portion of said easement can be quitclaimed; and

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

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

ADOPTED, SIGNED and APPROVED this 13th day of June, 2011.

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

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

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

By _____

Exhibit "B"

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Diego Tustin, LLC
c/o Manning, Leaver, Bruder &
Berberich
5750 Wilshire, Blvd., ste. 655
Los Angeles, CA 90036
Attn.: Penny L. Reaves

ASSESSOR PARCEL NO(S):
500-181-14

(Space Above This Line For Recorder's Use)

IRWD Doc. No. E _____
IRWD Res.No. _____

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

Signature or Declarant or Agent determining tax – Firm Name

EASEMENT QUITCLAIM DEED

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

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

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

Dated: _____, 2010

IRVINE RANCH WATER DISTRICT,
a California Water District

By: _____
Name: Steven E. Lamar
Title: President

By: _____
Name: Leslie Bonkowski
Title: District Secretary

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 2011, before me, _____, a Notary Public in and for said State, personally appeared Steven E. Lamar and Leslie Bonkowski, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (SEAL)
Notary Public in and for said State

EXHIBIT "A"

LEGAL DESCRIPTION

IRWD EASEMENT QUITCLAIM

THAT PORTION OF THAT CERTAIN 15.00 FEET WIDE EASEMENT DEDICATED TO THE IRVINE RANCH WATER DISTRICT ON PARCEL MAP NO. 84-1032, IN THE CITY OF TUSTIN, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 200, PAGES 19 THROUGH 24 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, LYING WESTERLY OF A LINE PARALLEL WITH AND DISTANT 15.00 FEET WESTERLY, MEASURED AT RIGHT ANGLES FROM THAT CERTAIN WESTERLY LINE OF PARCEL 8 OF SAID PARCEL MAP, SHOWN AS HAVING A BEARING AND DISTANCE OF "NORTH 13° 30' 00" WEST, 139.52 FEET" ON SAID PARCEL MAP.

TOGETHER WITH THAT PORTION OF THAT CERTAIN 15.00 FEET WIDE EASEMENT GRANTED TO THE IRVINE RANCH WATER DISTRICT, PER "GRANT OF EASEMENT" RECORDED AUGUST 20, 1985 AS INSTRUMENT NO. 85-311205, OF OFFICIAL RECORDS, IN THE OFFICE OF SAID COUNTY RECORDER, LYING NORTHEASTERLY OF A LINE PARALLEL WITH AND DISTANT 23.76 FEET NORTHEASTERLY, MEASURED AT RIGHT ANGLES FROM THAT CERTAIN SOUTHWESTERLY LINE OF PARCEL 2 OF PARCEL MAP NO. 87-201, AS PER MAP FILED IN BOOK 240, PAGES 8 THROUGH 10 INCLUSIVE OF PARCEL MAPS, IN THE OFFICE OF SAID COUNTY RECORDER, SHOWN AS HAVING A BEARING AND DISTANCE OF "NORTH 49° 20' 33" WEST, 1084.32 FEET" ON SAID PARCEL MAP NO. 87-201.

EXHIBIT "B" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

SUBJECT TO: COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, EASEMENTS AND RIGHTS-OF-WAY, IF ANY.

DESCRIPTION WAS PREPARED BY ME OR UNDER MY DIRECTION.

BRIAN L. THIENES
P.L.S. No. 5750
REG. EXP. 12/31/11

DATE

O:\2979\ESMT\2979_IRWD-QC.doc
Last Update: 04/15/11



EXHIBIT "B"

PLAT TO ACCOMPANY LEGAL DESCRIPTION FOR
IRWD EASEMENT QUITCLAIM



SCALE: 1" = 60'

PARCEL 1
 L.L.A. 93-6
 INST. NO. 93-0680195, O.R.

EXISTING 15' WIDE IRWD
 PIPELINE EASEMENT PER
 P.M. NO. 84-1032,
 P.M.B. 200/19-24

EXISTING 15' WIDE IRWD
 PIPELINE EASEMENT PER
 INSTRUMENT NO.
 85-311205, O.R.

PARCEL 8
 P.M. NO. 84-1032
 P.M.B. 200/19-24

PARCEL 2
 P.M. NO. 87-201
 P.M.B. 240/8-10

TANGENT TABLE		
NO.	DIST.	BEARING
T1	139.52'	N 13°30'00" W
T2	212.12'	N 13°30'00" W
T3	67.06'	N 40°39'27" E
T4	179.61'	N 49°20'33" W
T5	15.93'	N 56°47'00" E
T6	14.32'	N 56°47'00" E
T7	23.76'	N 40°39'28" E

SANTA ANA FREEWAY

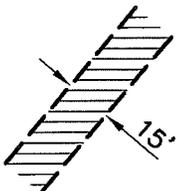
AUTO CENTER DR.

MOST W'LY CORNER
 OF PARCEL 8

W'LY LINE OF
 PARCEL 8

SW'LY LINE OF
 PARCEL 2

FUTURE IRWD
 EASEMENT



LEGEND:
 INDICATES PORTION OF IRWD
 EASEMENTS TO BE QUITCLAIMED.

SURVEYOR:

PREPARED UNDER THE SUPERVISION OF:



Last Update: 4/15/11
 O:\2979\Easements\IRWD-QC\2979_IRWD-QC.dwg

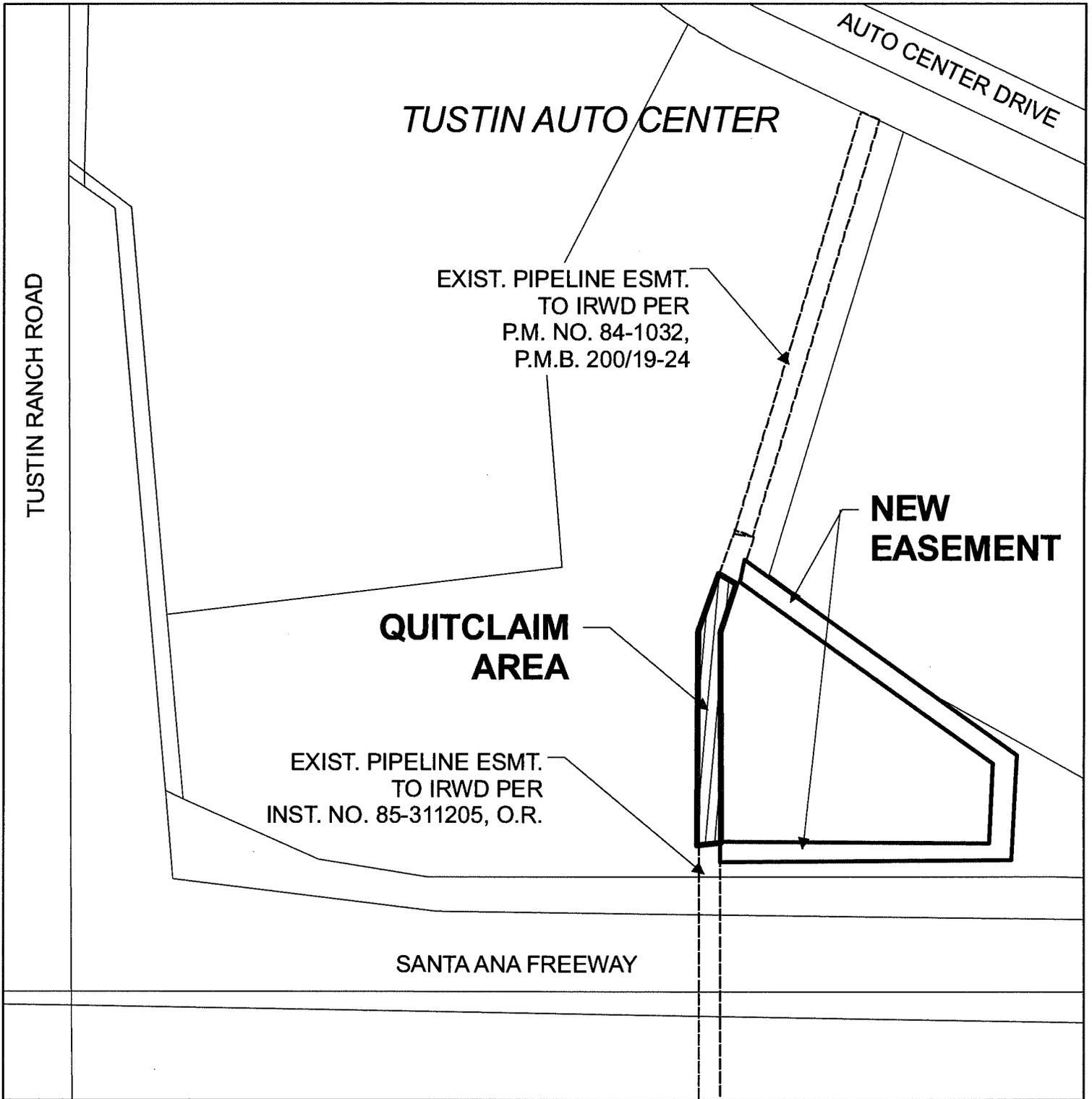
Thienes Engineering, Inc.
 CIVIL ENGINEERING • LAND SURVEYING
 14349 FIRESTONE BOULEVARD
 LA MIRADA, CALIFORNIA 90638
 PH.(714)521-4811 FAX(714)521-4173

BRIAN L. THIENES
 P.L.S. NO. 5750

DATE

1, 2011

EXHIBIT "C"
LOCATION MAP



QUITCLAIM OF PORTION OF
WATER PIPELINE
EASEMENT TO DIEGO TUSTIN, LLC



June 13, 2011

Prepared by: R. Thatcher/M. Hoolihan

Submitted by: G. Heiertz 

Approved by: Paul Jones 

CONSENT CALENDAR

QUITCLAIM OF REAL PROPERTY –
IRVINE COMMUNITY DEVELOPMENT COMPANY LLC

SUMMARY:

Irvine Community Development Company (“ICDC”) has subdivided a portion of its property within the development of Orchard Hills as Tract No. 17220. The purpose of the subdivision is to construct a Southern California Edison sub-station and an NTS Basin. As part of the sub-station construction, a portion the existing 12-inch Jeffrey Road Lateral of the Irvine Lake Pipeline was relocated. Wilson-Mikami Corporation has requested, on behalf of ICDC, that the District quitclaim the portion of the existing easement for waterline purposes granted to the District per Book 12529, Page 534 of Official Records that covered the old pipeline that was abandoned. Staff has reviewed the request and determined that the quitclaim can proceed. A new easement for waterline pipeline purposes will be granted to the District by ICDC and recorded prior to or concurrently with the quitclaim deed. The resolution authorizing said quitclaim is attached as Exhibit “A”, the quitclaim deed is attached as Exhibit “B”, and a map showing the location of the quitclaim area is shown on Exhibit “C”.

FISCAL IMPACT:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable. Not a project as defined under CEQA.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2011 - _____

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

LIST OF EXHIBITS:

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

Exhibit "A"

RESOLUTION NO. 2011 - _____

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

WHEREAS, Wilson-Mikami Corporation, on behalf of Irvine Community Development Company LLC (ICDC), has requested that the Irvine Ranch Water District (IRWD) Board approve the quitclaim a portion of the easement for waterline purposes that was granted to IRWD per Book 12529, Page 524, Records of Orange County, CA that lies within Tract No. 17220; and

WHEREAS, the purpose of the quitclaim is to clear title to the property. A portion of the existing Jeffrey Road Lateral of the Irvine Lake Pipeline lying within said easement and Tract No. 17220 was relocated; and

WHEREAS, a new easement will be granted over the relocated portion of the pipeline prior to or concurrently with the quitclaim; and

WHEREAS, staff has reviewed and confirmed that the portion of said easement can be quitclaimed; and

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

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

ADOPTED, SIGNED and APPROVED this 13th day of June, 2011.

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

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

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

By _____

Exhibit "B"

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

The Irvine Company
550 Newport Center Drive
Newport Beach, CA 92660
Attn: Brigid McMahon

ASSESSOR PARCEL NO(S):

104-118-77, 553-011-01, & 02

(Space Above This Line For Recorder's Use)

IRWD Doc. No. E _____
IRWD Res. No. _____

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

Signature or Declarant or Agent determining tax – Firm Name

EASEMENT QUITCLAIM DEED

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

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

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

Dated: _____, 2011

IRVINE RANCH WATER DISTRICT,
a California Water District

By: _____
Name: Steven E. Lamar
Title: President

By: _____
Name: Leslie Bonkowski
Title: District Secretary

MAIL TAX STATEMENTS TO THE ABOVE ADDRESS

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 2011, before me, _____, a Notary Public in and for said State, personally appeared Steven E. Lamar and Leslie Bonkowski, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (SEAL)
Notary Public in and for said State

EXHIBIT "A"
LEGAL DESCRIPTION
IRVINE RANCH WATER DISTRICT

QUITCLAIM

10149.00.400

Those portions of Blocks 106 and 107 of Irvine's Subdivision, in the County of Orange, State of California, as per Map filed in Book 1, Page 88 of Miscellaneous Record Maps. Records of said County, described as follows:

All rights conveyed in a "Grant of Easement" to Irvine Ranch Water District, recorded January 13, 1978, filed in Book 12529, Pages 524 through 547, inclusive of Miscellaneous Maps in the office of said County Recorder, within the following described strip of land:

A 25.00-foot wide strip of land, the centerline of which is described as follows:

Commencing at the intersection of the center line of Jeffrey Road with the center line of Irvine Boulevard as described in the deed to the County of Orange recorded October 31, 1928 in Book 208, page 394 of Official Records of said County; Thence North 49°21'06" West 29.20 feet along said centerline of Irvine Boulevard; Thence North 40°38'54" East 63.00 feet; Thence North 40°43'05" East 230.00 feet; Thence North 85°43'05" East 21.21 feet; Thence North 40°43'05" East 2288.79 feet; Thence, South 49°34'59" East 35.43 feet; Thence North 40°25'01" East 2628.10 feet to the beginning of a curve concave Southerly having a radius of 250.00 feet; Thence Easterly 39.95 feet along said curve through and angle of 09°09'23", to the **POINT OF BEGINNING**; Thence, continuing along said curve 278.82 feet through an angle of 63°53'59"; Thence South 66°31'37" East 422.20 feet.

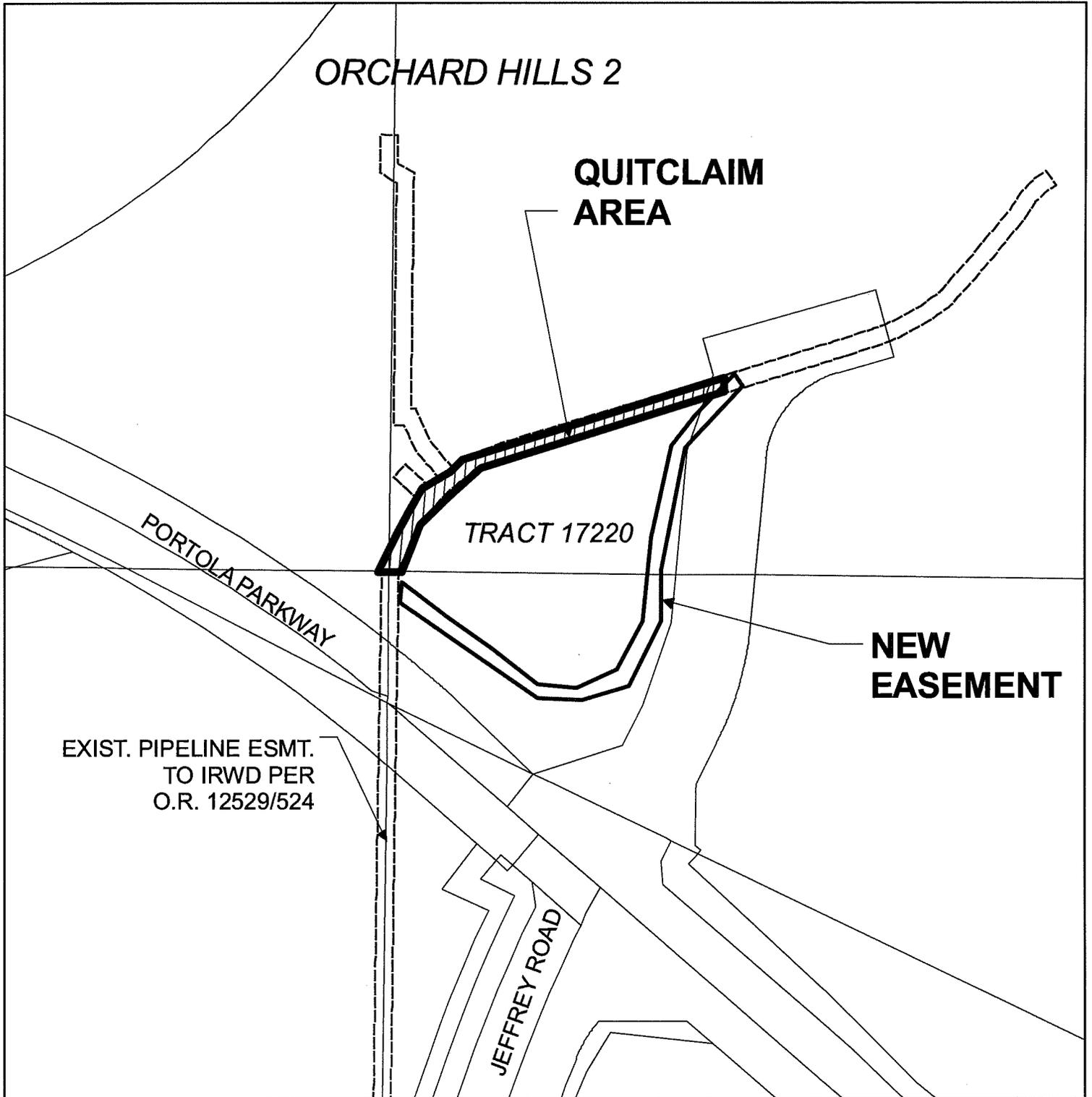
Also as shown on Exhibit "B", attached hereto and by this reference made a part hereof. Subject to all Covenants, Conditions, Reservations, Restrictions, Rights-of-Way and Easements of record, if any.

Prepared under the supervision of:

 5/26/11
Scott M. Wilson PLS No. 7434 Date
License Expires: December 31, 2011



EXHIBIT "C"
LOCATION MAP



**QUITCLAIM OF PORTION OF
RECLAIMED WATER PIPELINE
EASEMENT TO ICDC LLC**



June 13, 2011

Prepared by: R. Thatcher/M. Hoolihan

Submitted by: G. Heiertz

Approved by: Paul Jones



CONSENT CALENDAR

QUITCLAIM OF REAL PROPERTY – C.H. SERVICE CORPORATION

SUMMARY:

As part of the upgrades to the Orange Park Acres water transmission pipeline, IRWD installed a new pipeline across an open space lot. An easement was granted by the homeowners association (HOA) that owned the lot in August 2010. Subsequently, the contractor and IRWD staff adjusted the pipeline alignment during construction to further minimize the effects to the surrounding topography. The new pipeline location is farther away from the homes and falls outside of the existing easement area. A new easement will be granted by the HOA concurrently with the quitclaim of the existing easement. The resolution authorizing said quitclaim is attached as Exhibit “A”, the quitclaim deed is attached as Exhibit “B”, and a map showing the location of the existing easement (quitclaim area) and the new easement is shown on Exhibit “C”.

FISCAL IMPACT:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable. Not a project as defined under CEQA.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2011 - _____

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT
APPROVING EXECUTION OF THE QUITCLAIM DEED TO
C.H. SERVICE CORPORATION

LIST OF EXHIBITS:

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

Exhibit "A"

RESOLUTION NO. 2011 - _____

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT
APPROVING EXECUTION OF THE QUITCLAIM DEEDS TO
C.H. SERVICE CORPORATION

WHEREAS, Irvine Ranch Water District (IRWD) in the process of upgrading the water transmission system in Orange Park Acres; and

WHEREAS, IRWD was granted an easement to install a pipeline across an open space lot in August 2010; and

WHEREAS, the pipeline was installed in a different location than the easement to minimize impacts to the open space; and

WHEREAS, IRWD will be granted a replacement easement with the quitclaim of the existing easement; and

WHEREAS, the purpose of the quitclaim is to clear title to the property concurrently with the granting of a new easement. Staff has reviewed and confirmed that the easement can be quitclaimed; and

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

NOW, THEREFORE, BE IT RESOLVED, the Quitclaim Deed attached hereto as Exhibit "B" to C.H. Service Corporation, a California non-profit mutual benefit corporation, herein described and hereby is approved and execution by the District's officers is authorized.

ADOPTED, SIGNED and APPROVED this 13th day of June, 2011.

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

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

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

By _____

Exhibit "B"

WHEN RECORDED RETURN TO:

C.H. Service Corporation
c/o Action Community Management
2603 Main Street, Suite 500
Irvine, CA, 92614
Attn: Don Chesemore

**RECORDING REQUESTED BY AND
A COPY BEING SENT TO:**

Ray Thatcher, District R/W Agent
Irvine Ranch Water District
15600 Sand Canyon Avenue
P.O. Box 57000
Irvine CA, 92619-7000

ASSESSOR PARCEL NO(S):

379-471-26 & 27

(Space Above This Line For Recorder's Use)

IRWD Doc. No. E _____
IRWD Res. No. _____

This document is recorded at the request of and for the benefit of Irvine Ranch Water District and is therefore exempt from the payment of the recording fee pursuant to Government Code Section 6103 and from the payment of the documentary transfer tax pursuant to Revenue and Taxation Code Section 11922.

EASEMENT QUITCLAIM DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, IRVINE RANCH WATER DISTRICT, a California Water District organized under and existing pursuant to Section 34000 *et seq.* of the California Water Code, does hereby REMISE, RELEASE, AND FOREVER QUITCLAIM to C.H. SERVICE CORPORATION, a California non-profit mutual benefit corporation, or the current owner of record,

all RIGHT, TITLE and INTEREST in the real property located in the City of Orange, County of Orange, State of California, , being more particularly those certain easements as conveyed in the Grant of Easement to Irvine Ranch Water District recorded August 19, 2010 as Instrument No. 2010000403421 and Temporary Construction Easement recorded August 19, 2010 as Instrument No. 2010000403422, both of Official Records of said County.

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

Dated: _____, 2011

IRVINE RANCH WATER DISTRICT,
a California Water District

By: _____
Name: Steven E. Lamar
Title: President

By: _____
Name: Leslie Bonkowsky
Title: District Secretary

MAIL TAX STATEMENTS TO THE ABOVE ADDRESS

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 2011, before me, _____, a Notary Public in and for said State, personally appeared Steven E. Lamar and Leslie Bonkowski, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature _____ (SEAL)
Notary Public in and for said State

Exhibit "C"

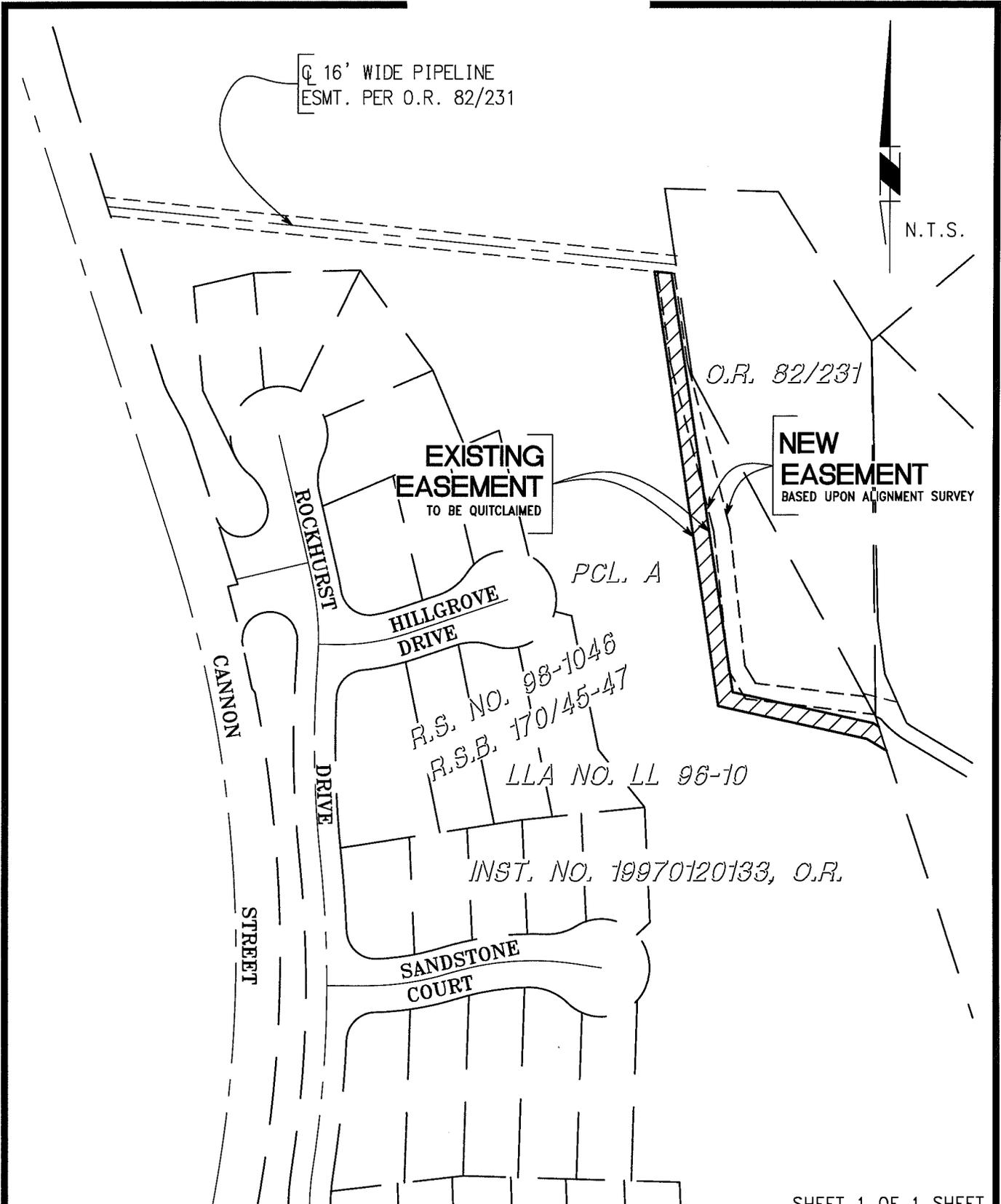


EXHIBIT "C"

QUITCLAIM OF WATER PIPELINE EASEMENT
TO C.H. SERVICE CORPORATION



IRVINE RANCH WATER DISTRICT
15600 SAND CANYON AVENUE, IRVINE, CA 92619

JUNE 13, 2011

SHEET 1 OF 1 SHEET
PROJECT 11408

June 13, 2011

Prepared By: P. Weghorst

Submitted By: G. Heiertz

Approved By: Paul Jones



CONSENT CALENDAR

UPDATE ON CONSTRUCTION COSTS FOR STOCKDALE WEST RANCH RECHARGE FACILITIES

SUMMARY:

On May 9, 2011, the Board a number of actions associated with the construction of the Pilot Project Recharge Facilities on the Stockdale West Ranch in Kern County including the budget, an Expenditure Authorization, and execution of a construction contract with Wood Brothers, Inc. for an amount not-to-exceed \$2,500,000. Staff has successfully negotiated construction costs for the project with Wood Brothers within the amount authorized, and the General Manager has executed the contract for the work. This write-up is to provide the Board with an update of the costs, project schedule, and the environmental commitments at the project site.

BACKGROUND:

On December 22, 2010, IRWD purchased the 323-acre Stockdale West Ranch property which is adjacent to the Strand Ranch. A location map is attached as Exhibit "A". A budget and Expenditure Authorization in the amount of \$3,273,600 to construct Pilot Project Recharge Facilities on the Stockdale West Ranch were approved by the Board on May 9, 2011. This approval included a not-to-exceed cost of \$2,500,000 for a construction contract with Wood Brothers.

The recharge basins that are being constructed on the Stockdale West Ranch will be used to capture up to 10,000 acre-feet (AF) of high flow Kern River water that will be made available through the Buena Vista Water Storage District (BVWSD) and IRWD Exchange Program that was established through the long-term agreement that was executed on December 22, 2010. The water will be stored on a 2-for-1 basis with 5,000 AF being transferred to IRWD. The value of IRWD's share of the water will approach fifty percent of the cost of implementing the pilot project.

In addition to adding water to IRWD's water storage account, the pilot project will help to determine the recharge capabilities of the Stockdale West Ranch property and will provide important information necessary for the design of a long-term water banking project on the property. The pilot project facilities will be permanent and useable throughout the life of the anticipated long-term project at the Stockdale West Ranch.

Pilot Project Facilities:

Four recharge basins are now being constructed on the Stockdale West Ranch. These basins will average 65 acres in size and will provide IRWD a combined total of 260 acres of additional recharge capabilities. A site layout of the basins is provided as Exhibit "B". Water conveyance facilities to be constructed include an inlet structure located on the Strand Ranch and a 54-inch reinforced concrete pipe to convey water from the Strand Ranch to the first recharge basin on the

Stockdale West Ranch. This pipe will also have the ability to accept water siphoned from the Rosedale Intake Canal. Water will be conveyed between recharge basins through five transfer structures that are partially being constructed by BVWSD. An emergency concrete spillway will also be constructed in the furthest southwest corner of the project.

Project Costs:

Staff negotiated with Wood Brothers to establish the construction costs for the project. These costs were set at \$2,475,885 which is 3.5% below the engineer's estimate prepared by Dee Jaspar & Associates (DJA). The General Manager executed a construction contract with Wood Brothers on May 27, 2011. The schedule of work items and associated costs established in the contract are provided as Exhibit "C". The \$2,475,885 contract amount is comprised of the \$2,445,410 base bid amount plus \$30,475 for the optional emergency spillway.

On May 9, 2011, the Board approved \$105,950 for BVWSD to construct five pre-cast concrete transfer structures which will be installed at part of the Pilot Recharge Facilities. In addition, the Board approved \$70,035 for Lamont Fence Company to secure the site with fencing, \$217,896 for a variance with DJA to provide design and construction management services, \$20,000 for additional survey, geotechnical and environmental work and \$60,000 for IRWD staff time and legal assistance. The total cost of the project is expected to be \$2,949,766.

Construction Schedule:

The construction of Pilot Recharge Facilities will occur on a fast-track basis. The Notice of Award for the project was sent to Wood Brothers on May 25, 2011. The Notice to Proceed was provided on May 27, 2011 and Wood Brothers began work at the site four days later. The contract calls for the project to be completed within 65 calendar days from the date of the Notice of Award with overall completion to occur by July 29, 2011. The first two basins as well as the pipeline from the Strand Ranch, are required to be ready to receive water by July 8, 2011. The contract includes liquidated damages to be assessed at the rate of \$2,400 per calendar day beyond the specified completion dates.

Environmental Commitments:

On-call environmental consultants at ESA conducted biological surveys at the project site consistent with the environmental commitments made in the Notice of Exemption (NOE) filed for the project. The NOE was filed in Kern County on May 16, 2011. ESA identified five ground based bird nests, one raptor nest near the project site and three Western Spadefoot toads along the Pioneer Canal that are a "Species of Special Concern" by the California Department of Fish and Game. ESA also tentatively identified a plant called the "Kern Mallow" which is listed as a federally-endangered plant. ESA's technical memorandum associated with the biological surveys is attached as Exhibit "D".

Construction buffers have been established around the ground nests as well as the raptor nests and monitoring is on-going consistent with ESA's recommendations. In addition, a 200-foot buffer has been established along the Pioneer Canal to avoid impacts to the toads.

IRWD staff biologist Ian Swift has conducted research into the federally-endangered plant and has determined that ESA's tentative identification of the Kern Mallow was in error and he has recommended that no special consideration be given to the misidentified plant. A memorandum that documents the misidentification is provided as Exhibit "E".

FISCAL IMPACTS:

Fiscal impacts are as described above. Project 11595 was added to the FY 2010-11 Capital Budget by the Board on May 9, 2011 and the existing budget and Expenditure Authorizations are sufficient.

ENVIRONMENTAL COMPLIANCE:

A Notice of Exemption was filed for the project in Kern County 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 were incorporated as environmental commitments within the project description. A new Environmental Impact Report 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.

COMMITTEE STATUS:

This update item was not reviewed by any committee.

RECOMMENDATION:

Receive and file.

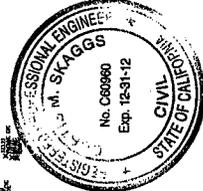
LIST OF EXHIBITS:

- Exhibit "A" – Stockdale West Ranch Property Location Map
- Exhibit "B" – Recharge Facilities Layout Stockdale West Ranch
- Exhibit "C" – Schedule of Work Items and Associated Costs
- Exhibit "D" – ESA Technical Memorandum on Biological Survey Results
- Exhibit "E" – Staff Memorandum on Misidentification of the Kern Mallow

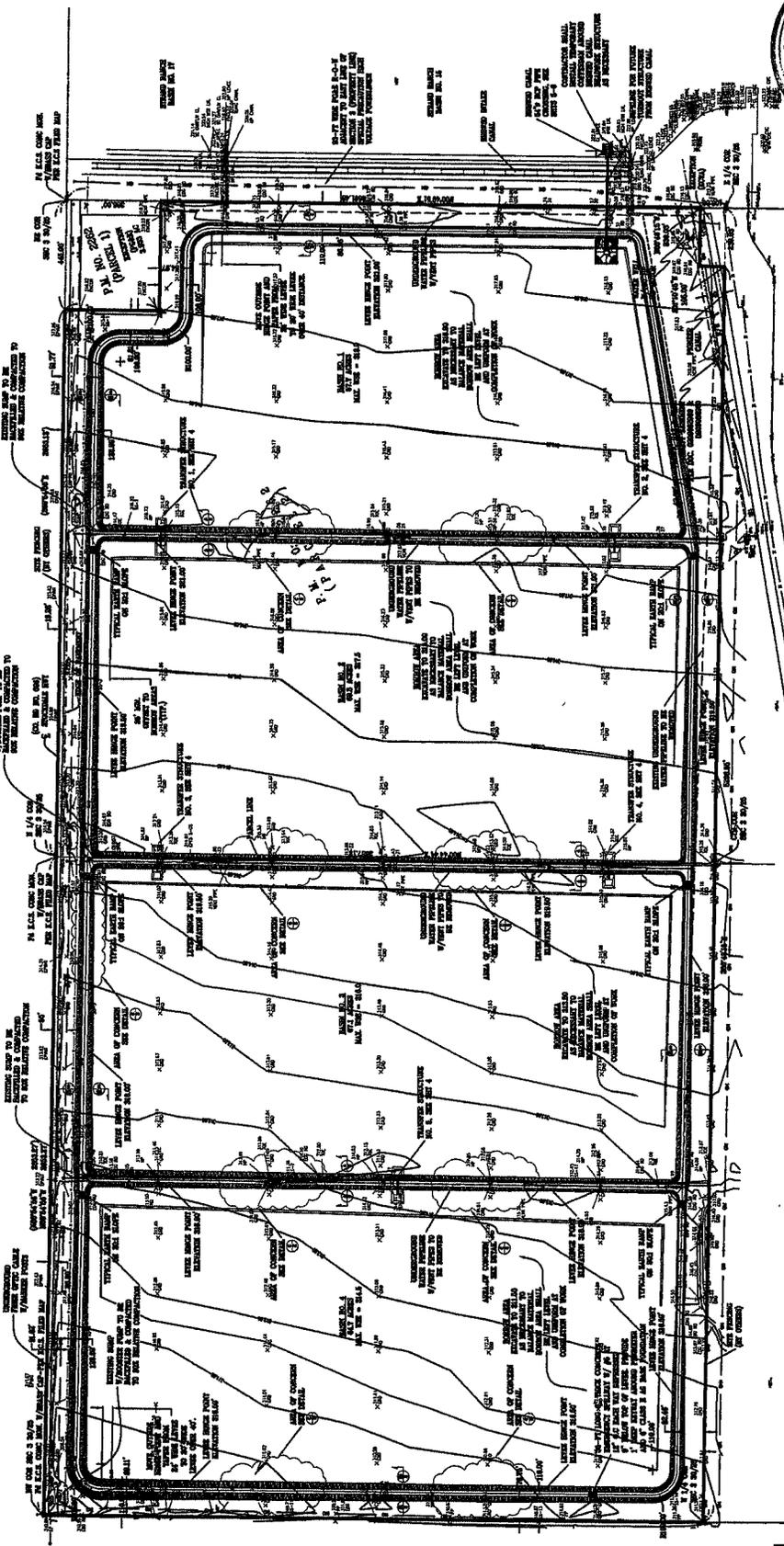
Exhibit "B"

DALE WEST RECHARGE FACILITIES PILOT PROJECT - PROJECT NO. 11595 / CODE 5905

Scale and other dimensions the Project



SHEET 2 of 9	
STOCKDALE WEST RECHARGE FACILITIES PROJECT PROJECT NUMBER 11595 EARTHWORK SITE PLAN	
DEE JASPAR & ASSOCIATES, INC. CIVIL ENGINEERS 10000 WILSON BLVD., SUITE 100 IRVINE, CALIF. 92618-1400 PHONE: (949) 261-2700 FAX: (949) 261-2700	
PROJECT NUMBER: 5-25-12 PROJECT AMOUNT: 5-25-12 PROJECT DATE: 5-27-12	
IRVINE RANCH WATER DISTRICT Irvine, Calif.	
APPROVED: _____ REVISIONS: _____	DESIGNED: MTH DRAWN: MTH CHECKED: CMS
NO. _____ DATE _____	SCALE: 1"=100' NORTH



SITE PLAN
SHEET 2 OF 9

Exhibit "C"

SCHEDULE OF WORK ITEMS

STOCKDALE WEST RECHARGE FACILITIES PILOT PROJECT

PROJECT NO. 11595

<u>Base Bid Items</u>				Total
<u>Item</u> <u>No.</u>	<u>Approx.</u> <u>Quantity</u>	<u>Description</u>	<u>Unit Price</u> <u>Dlrs./Cts.</u>	<u>Amount</u> <u>Dlrs./Cts.</u>
1	Lump Sum	Mobilization, Demobilization, & Cleanup	\$ <u>84,780.00</u>	\$ <u>84,780.00</u>
2	Lump Sum	Clearing & Grubbing Project Site and Beneath Levee Embankments	\$ <u>96,900.00</u>	\$ <u>96,900.00</u>
3	Lump Sum	Scarification & Recompaction Beneath Levee Embankments	\$ <u>76,160.00</u>	\$ <u>76,160.00</u>
4	Lump Sum	24" Over-Excavation & Recompaction Beneath Levee Embankments	\$ <u>324,700.00</u>	\$ <u>324,700.00</u>
5	Lump Sum	Existing Irrigation Pipe Removal and Disposal	\$ <u>32,100.00</u>	\$ <u>32,100.00</u>
6	Lump Sum	Keyway Beneath Levee Embankment Over-Excavation	\$ <u>63,840.00</u>	\$ <u>63,840.00</u>
7	Lump Sum	Special Areas – 48" Over-Excavation & Recompaction	\$ <u>29,600.00</u>	\$ <u>29,600.00</u>
8	Lump Sum	Levee Embankment Fill	\$ <u>509,170.00</u>	\$ <u>509,170.00</u>
9	Lump Sum	Fill in Existing Sumps along Stockdale Highway	\$ <u>10,240.00</u>	\$ <u>10,240.00</u>
10	Lump Sum	Install Earth Cofferdam in Basin 15	\$ <u>17,500.00</u>	\$ <u>17,500.00</u>
11	5 Each	Install District Furnished Precast Transfer Structure Headwalls	\$ <u>17,480.00</u>	\$ <u>87,400.00</u>
12	370 LF	Furnish and Install 54" Diameter C361 RCP	\$ <u>704.00</u>	\$ <u>260,480.00</u>
13	Lump Sum	Furnish and Install Rock Rip-Rap at Transfer Structures	\$ <u>134,000.00</u>	\$ <u>134,000.00</u>
14	5 Each	Furnish and Install Concrete Anchor		

		Wall at Transfer Structures	\$ <u>0</u>	\$ <u>0</u>
15	5 Each	Furnish and Install Concrete Cutoff Wall at Transfer Structures	\$ <u>10,580.00</u>	\$ <u>52,900.00</u>
16	5 Each	Furnish and Install Concrete End Treatment Wall at Transfer Structures	\$ <u>7,430.00</u>	\$ <u>37,150.00</u>
17	1 Each	Furnish and Install RRBWSD Pipe Crossing Headwall Structures	\$ <u>164,220.00</u>	\$ <u>164,220.00</u>
18	1 Each	Furnish and Install 54" Slide Gate and Appurtenances	\$ <u>14,375.00</u>	\$ <u>14,375.00</u>
19	385 LF	Furnish and Install 54" Diameter C361 RCP	\$ <u>692.00</u>	\$ <u>266,420.00</u>
20	2 Each	Furnish and Install Concrete Cutoff Walls at Water Supply Pipeline	\$ <u>10,575.00</u>	\$ <u>21,150.00</u>
21	Lump Sum	Furnish and Install RRBWSD Canal Turn-In Structure w/Concrete Foundation	\$ <u>58,800.00</u>	\$ <u>58,800.00</u>
22	1 Each	Furnish and Install Agriflo Ultrasonic Flow Meter & Appurtenances	\$ <u>15,525.00</u>	\$ <u>15,525.00</u>
23	Lump Sum	Furnish and Install Rock Rip-Rap at Pipe Crossings	\$ <u>88,000.00</u>	\$ <u>88,000.00</u>
24	Lump Sum	Furnish and Install Electrical & Controls for Flow Meters	\$ <u>0</u>	\$ <u>0</u>

SUBTOTAL, Base Bid Items \$ 2,445,410.00

Alternative Bid Items

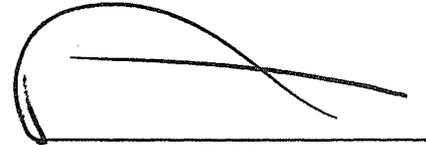
<u>Item No.</u>	<u>Approx. Quantity</u>	<u>Description</u>	<u>Unit Price Dlrs./Cts.</u>	<u>Total Amount Dlrs./Cts.</u>
A-1	5 Each	Construct Earth Well Pads (Typical of Strand Ranch Well Pads)	\$ <u>20,500.00</u>	\$ <u>102,500.00</u>
A-2	Lump Sum	Construct Reinforced Concrete Emergency Spillway	\$ <u>30,475.00</u>	\$ <u>30,475.00</u>
SUBTOTAL, Alternative Bid Items				\$ <u>132,975.00</u>
SUBTOTAL, Base Bid and Alternative Bid Items				\$ <u>2,578,385.00</u>
ADDITION (+) OR				\$ <u>0</u>

DEDUCTION (-)*

\$- 0

TOTAL AMOUNT OF BID

\$ 2,518,385.00



Signature of Bidder

EXHIBIT "D"



350 Frank H. Ogawa Plaza
Suite 300
Oakland, CA 94612
510.839.5066 phone
510.839.5825 fax

www.esassoc.com

technical memorandum (updated)

date May 23, 2011

to Paul Weghorst

from Tom Barnes, Jennifer Jacobus

subject Kit Fox, Badger, Burrowing Owl, and Migratory Bird Survey Results for the Irvine Ranch Water District Stockdale West Ranch Pilot Recharge Project

On May 9, 2011, ESA biologists Natasha Dvorak, LeChi Huynh, and Bryan Olney conducted a survey to determine if burrows capable of supporting burrowing owl (*Athene cunicularia*), American badger (*Taxidea taxus*), or San Joaquin kit fox (*Vulpes macrotis mutica*) are present on the Stockdale West Ranch. Surveys were conducted by walking transects no greater than 70 feet apart to obtain 100% visual coverage of suitable habitat, as described in survey guidance from U.S. Fish and Wildlife Service (USFWS) for the kit fox and in California Department of Fish and Game (CDFG) guidance for the burrowing owl. In addition to burrows, nesting raptors and migratory birds were surveyed for during walking transects, and areas approximately 500 feet outside of the project area with suitable nesting habitat were also surveyed for nesting birds when accessible. Surveys began at approximately 5:30 am, when birds are most active and when nocturnal mammals such as kit fox and badger may be present outside of burrows. Survey results are summarized below.

- San Joaquin kit fox: No burrows that would fit the definition of “potential burrows” or “active burrows” by USFWS were observed in the survey area. Fecal matter and prints of larger canids including coyote (*Canus latrans*) were observed, but no potential prints, fecal matter, or burrows large enough for the San Joaquin kit fox were observed.
- American badger: No burrows large enough to support American badger were observed in the survey area and no sign of badgers were observed
- Burrowing owl: No burrows large enough to support burrowing owls were found on the project site. No California ground squirrel (*Spermophilus beechyi*) burrows within the survey area displayed mounding, owl sign, or pellets indicative of owl activity, and no sign (i.e., pellets, feathers, or excrement) was observed
- Nesting and migratory birds: A red-tailed hawk (*Buteo jamaicensis*) nest was observed on a transformer approximately 300 feet south of the project boundary. Two adult hawks were building the nest, and at least two young were present within the nest. Five passerine ground nests were also detected within vegetation on the site, four of which were identified as California horned lark (*Eremophila alpestris*) nests. Nests detected during the surveys each contained eggs. They were each

photographed and their location was logged using a GPS unit (see Exhibit A). make clear that nests were active

- Three western spadefoot (*Spea hammondi*) adults were observed on the project site while in search of target species (i.e., kit fox, burrowing owl and badger). The spadefoots were observed on a dirt road that runs along the dirt-lined canal at the southern boundary of the project site (see Exhibit A). The western spadefoot is a species of toad that is considered a “Species of Special Concern” by California Department of Fish and Game. In addition, the federally-endangered Kern mallow (*Eremalche kernensis*) was reported among vegetation within the survey area while walking transects for target species. ESA botanists LeChi Hunyh and Josh Boldt tentatively identified the plants as Kern mallow. The exact distribution within the project site is not known; however, biologists noted approximately 10 separate occurrences of the plant in areas depicted in Exhibit A. It should be noted that additional occurrences may be present on the site.

Given the survey results, ESA’s recommendations are as follows:

1. In accordance with the project’s environmental commitments, no construction activities should occur within at least 100 feet of the nesting sites of passerine bird species (i.e., small birds) and 500 feet of the nesting sites of raptors species (i.e., red-tailed hawks). Nest sites should be monitored biweekly by a qualified biologist to determine when the young have fledged and the nest is no longer active. Certain activities may occur within the buffer zones while a biological monitor is present. Immediately following confirmation that a nest inactive, the nest and all vegetation in the buffer area may then be removed to eliminate the nesting habitat, so that grading can occur in the area.
2. In accordance with the project’s environmental commitments, observance of the 200-foot Pioneer Canal buffer zone would avoid potential impacts to the western spadefoot.
3. ESA recommends that IRWD consider a conservation strategy for the Kern mallow such as collection of seeds from plants onsite at Stockdale West Ranch and propagation of plants either onsite or offsite with assistance from a qualified biologist, or other conservation strategy more suitable for this plant species that best compensates for the project’s effects.



SOURCE: ESA, 2011.

IRWD - Stockdale West Ranch . 209247.06

Exhibit A
Biological Survey Map



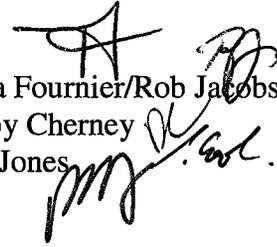
E-2

June 13, 2011

Prepared by: Tanja Fournier/Rob Jacobson

Submitted by: Debby Cherney

Approved by: Paul Jones



CONSENT CALENDAR

REVISED DEFERRED COMPENSATION INVESTMENT POLICY STATEMENT

SUMMARY:

Recently, staff retained the Hyas Group to provide a review of the District's Deferred Compensation Plan (Plan). The Hyas group provided feedback on a number of the funds held in the plan and recommended placing two funds on "watch" status. Currently, the District's Deferred Compensation Investment Policy Statement (Policy) provides for only a quantitative (statistical) review of all funds offered in the Plan and requires replacement of a fund if it performs "Below Benchmark" for four consecutive quarters, or seven out of the trailing 12 quarters. Staff recommends revising the Policy to provide for a "watch" status to be included in the Policy to provide an additional level of evaluation (qualitative) to be used in determining if a fund should continue to be offered in the plan or replaced.

BACKGROUND:

At the March Finance and Personnel Committee meeting, staff reviewed the performance of the District's Deferred Compensation fund options. Staff reported that one fund had fallen below its benchmark for the quarter, and that certain other funds in the Plan had experienced a decline in performance and had slipped to a "neutral" or average overall rating, from "above average" as compared to their related benchmarks and peer groups. Staff retained the Hyas Group to provide a review of the Plan, which also included a review of the Policy.

The District's Policy was approved by the Board in 2005 and provides a framework for the ongoing management of the Plan and evaluation of the investment options offered in the Plan. The District utilizes Advised Asset Group (AAG), a wholly owned subsidiary of Great-West Life and Annuity Insurance Company, to provide a quantitative (statistical) review of all funds offered in the Plan on a quarterly basis. While staff recommends continuing to utilize the AAG quarterly fund performance services, staff also recommends modifying the District's Policy to establish a "watch" provision.

Currently, the Policy requires replacement of a fund if it performs "Below Benchmark" for four consecutive quarters, or seven out of the trailing 12 quarters. While the primary analysis of the investment options will be quantitative through AAG, adding a "watch" status to the policy will allow staff and the Committee to make decisions regarding the investment options based upon additional criteria that it believes will be in the best interest of the Plan and the participants. Other criteria that may be considered include: fund management personnel departures; organizational changes; or alterations in investment style, philosophy, or strategy, and adherence to stated guidelines. In the event a "watch" status is initiated by the Committee, the investment option will be subject to an additional level of evaluation and may become a candidate for replacement. The investment option would remain on watch status until the Committee decides

to take further action. The proposed revised Investment Policy Statement incorporating these changes is attached as Exhibit “A”.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on June 6, 2011.

RECOMMENDATION:

THAT THE BOARD APPROVE THE REVISED DEFFERED COMPENSATION INVESTMENT POLICY STATEMENT.

LIST OF EXHIBITS:

Exhibit “A” – Proposed Deferred Compensation Investment Policy Statement

PROPOSED

IRVINE RANCH WATER DISTRICT

DEFERRED COMPENSATION INVESTMENT POLICY STATEMENT

Approved _____ 2011

PURPOSE:

The Irvine Ranch Water District's (The "District") IRS Section 457 Deferred Compensation Plan (the "457 Plan"); the Money Purchase 401(a) plan; and the Executive Profit Sharing 401(a) plan, (collectively the "Plans") were established to create tax-deferred retirement savings vehicles for Plan participants and their beneficiaries. The purpose of this Investment Policy Statement (the "Policy Statement") is to guide the Plan Administrators in effectively supervising, monitoring and managing the investment options available under the Plans. This Policy Statement is designed to allow for sufficient flexibility in the management oversight process, while also setting forth reasonable parameters to promote the exercise of prudence and care with respect to the investment options available under the Plans. This Policy Statement provides a framework for the ongoing evaluation of the investment options available under the Plans, and guidelines for terminating and replacing investment option(s).

PLAN FIDUCIARIES AND DELEGATION OF AUTHORITY:

Several fiduciaries have varying responsibilities with respect to the Plans. Plan fiduciaries include:

Plan Sponsor:

The District is the Plan Sponsor. The Plan Sponsor's responsibilities, exercised through the Board of Directors (the "Board"), include:

- Appointing the members of the Finance and Personnel Committee (through the Board President)
- Appointing the Plan Trustee(s) and Plan Administrator(s)
- Approving the Policy Statement

Finance and Personnel Committee:

The Finance and Personnel Committee will act as the Deferred Compensation Committee (the "Committee"). The Committee's responsibilities include:

- Selecting the record-keeper and any outside plan advisors
- Annual-Quarterly review of the investment options
- Approval of replacement investment options

Trustee(s) and Plan Administrator(s):

Pursuant to Resolutions, 1998-47, 2001-36 and 2002-14, the Board has appointed the Treasurer, the Assistant Treasurer and the Controller as Trustees and Plan Administrators (the "Plan Administrators"). The Plan Administrators responsibilities include:

- Carrying out instructions from the Board and/or the Committee
- Accounting for plan assets
- ~~Annual~~ Quarterly review of investment performance and recommending changes to the Committee
- Managing the operation and administration of the Plans
- Monitoring the Plans for compliance with all applicable laws, rules and regulations

BACKGROUND:

The Plans are intended to provide eligible employees with a means to save money on a tax-deferred basis in order to assist the employee in reaching his/her retirement goals. The Plans allow each eligible employee to direct how contributions made to his or her accounts are invested among a diverse menu of investment options approved by the Committee. Specific information pertaining to participant eligibility can be found in Personnel Policy #39.

The Plan Administrators will make recommendations to the Committee related to which investment options will be available under the Plans and will monitor the investment options' compliance with this Policy Statement.

The District will provide periodic investment educational opportunities for participants; however, the District, the Committee or the Plan Administrators will not provide specific investment advice to any participant or assist any participant in deciding how to allocate contributions to the participants' accounts. The District will not be responsible for any financial loss that may be incurred by any participant as a result of any action taken in accordance with the participant's investment direction.

CORE INVESTMENT OPTION SELECTION:

The Committee recognizes that there is investment risk inherent in all investment options and further recognizes that individual participants each have their own level of risk tolerance. To this end, the Committee will select a broad array of investment options providing different levels of risk and historical returns based upon the following criteria:

1. Selected investment options will represent the major asset classes. For purposes of this Policy Statement, the following major asset classes will be used, at a minimum, as defined by Morningstar® (an independent mutual fund evaluation company):
 - a. International-Equity Fund;
 - b. U.S. Small-Cap Equity;
 - c. U.S. Mid-Cap Equity;
 - d. U.S. Large-Cap Equity;

- e. Bond Fund;
 - f. Fixed Income/Stable Value;
 - g. Profile Funds (diversified portfolio of funds with varying degree of risk)
2. Pertaining to funds in the domestic equity asset classes identified above in 1(b), 1(c) and 1(d), the Committee will attempt to choose investment options with contrasting stock selection styles that purchase "value" stocks (stocks that are purchased because the fund manager believes the stock is ~~under valued~~undervalued) and "growth" stocks (stocks of companies that have shown accelerated earnings), and/or funds that invest in both "value" and "growth" stocks, commonly referred to as "blend" funds.
 3. The Committee will also evaluate the fund management, pricing and other mutually agreeable criteria in cooperation with the Plan's recordkeeper.
 4. The expense ratios of the investment options must be competitive with other investment options with similar objectives as measured by the applicable Morningstar® Category average.
 5. The Plan Administrators may use a consultant for any approved purpose related to the ~~p~~Plans, including providing analysis and recommendations for investment options to be included in the Plans.

INVESTMENT OPTION PERFORMANCE STANDARDS:

The Committee will review each of the selected core investment options ~~at least annually~~on a quarterly basis to evaluate the investment option's performance. Advised Assets Group (AAG), a wholly owned subsidiary of Great-West Life & Annuity Insurance Company, will perform the annual fund evaluation. The AAG methodology and fund performance review criteria is attached to this policy as Exhibit "A".

Based on the ~~annual~~-fund review provided by AAG, the Committee will take the following steps: ~~in the event an investment option(s) is rated "Below Benchmark"~~:

1. If any investment option is rated "Below" in the Overall Rating Criteria, the Committee will place the option on "watch status".
- ~~1.2.~~ If any investment option is rated as "Fail" in the Long-term Rolling Analysis due to its being classified as "Below" its prescribed Overall Rating benchmarks performs "Below Benchmark" for the four most recent consecutive quarters or seven out of the trailing twelve quarters, then the investment option has "Failed" the Long-Term Rating and the investment will be a candidate for replacement.
- ~~2.3.~~ The Committee will may select a new investment option in the same asset class and designate an existing or new investment option to receive the assets from the investment option that failed its benchmarks.
- ~~3.4.~~ In the event that If an investment option is terminated, The Plan Administrators will notify participants that of the investment option will to be terminated, and which investment option(s) will be used to receive assets from the terminated fund.

The Committee may also decide to initiate place a fund on “watch status” in the event if it is determined that an investment option has failed to meet certain Policy criteria. In the event a “watch status” is initiated, the investment option will be subject to an additional level of evaluation and may become a candidate for replacement. An investment option may remain on watch status until the Committee decides to take further action. Including replacement or removal from “watch status”.

While the primary analysis of the investment option will be quantitative, the Committee reserves the right to make decisions regarding the investment options based upon other criteria that it believes will be in the best interest of the Plans and the participants. Other criteria that may be considered include: management personnel departures; organizational changes; or alterations in investment style, philosophy, or strategy; and adherence to stated guidelines

SELF-DIRECTED BROKERAGE ACCOUNT OPTION (SDBA):

The SDBA is offered in the 457 and 401 (a) Plans only. This option is available to all participants and allows participants to select additional mutual funds, stocks, covered stock options, and bonds. Neither the District nor AAG monitors the performance of the investments made by participants and does not make any representations or guarantees concerning the appropriateness or soundness of any investment available through the SDBA.

Prior to using the SDBA, participants must accept the terms of the account, including certification that they are a knowledgeable investor, acknowledgement of the risks and fees associated with the use of the brokerage option, and agree to release, hold harmless and indemnify the District, the Plan, and the Plan Trustees and Administrators from any and all liability for any negative consequences. The current SDBA Participant Release Form is attached to this policy as Exhibit “B”.

OTHER:

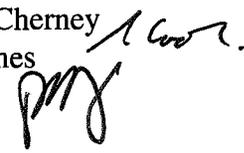
This Policy Statement is not intended to be a legal document or construed as legal advice. It is intended to be a guide and describes the prudent investment process that the District deems most appropriate for the Plans. The Plan Administrators will review this policy at least annually and recommend changes as needed to the Committee and the Board.

June 13, 2011

Prepared by: Rob Jacobson

Submitted by: Debby Cherney

Approved by: Paul Jones



ACTION CALENDAR

ASSET OPTIMIZATION – SAND CANYON MEDICAL OFFICE PROJECT CONSTRUCTION AWARD AND EXPENDITURE AUTHORIZATION

SUMMARY:

Staff and the project manager for the Sand Canyon Medical Office project, Newport Real Estate Services (NRES), received three general contractor proposals for construction services related to the Phase I medical office project. Based on the proposals received, staff recommends that the Board award a construction contract to KPRS Construction, Inc. in the amount of \$5,241,487.05, and approve an Expenditure Authorization in the amount of \$4,834,900 for Project 11118.

BACKGROUND:

In February 2008, the Board approved Phase I of the Sand Canyon Office Project on land adjacent to the Sand Canyon headquarters site. Phase I includes construction of a 16,400 square foot medical office building, a separate community meeting facility and the reconfiguration of the majority of the existing Sand Canyon headquarters building parking area. The master plan for the site also assumes the eventual construction of approximately 70,000 square feet of professional office space on the property. Copies of the project site plan and the floor plan for the medical office building are attached as Exhibit "A". The medical / professional office combination was recommended in an earlier land use study, and continues to be supported by other local real estate professionals based on the property location, trip allocations, and anticipated lease rates.

Phase I building and grading plans have been approved by the City of Irvine, with final acceptance of the plans received in May 2010. Construction of the project had previously been postponed until market conditions improved or a large tenant could be secured.

In March, 2011, the Board approved a 10-year lease agreement with Coastal Fertility Medical Center / Reproductive Specialty Laboratories to lease 12,031 square feet of the planned medical office building, resulting in occupancy of approximately 73% of the space in the new building.

Construction Award:

With the execution of the lease, staff solicited construction bids for the new office building and site improvements. NRES distributed approved building plans and bid specifications to four pre-qualified general contractors on April 8, 2011. As required in the bid request guidelines, all proposals were received by the May 6, 2011 deadline. Three general contractors submitted proposals including KPRS Construction, Snyder-Langston, and R.M. Dalton Corporation. Miller Construction was unable to bid on the project due to constraints on its current bonding capacity.

The costs quoted in the proposals ranged from \$5,241,487 to \$5,856,267 and were based on the approved building plans for construction of the medical office building shell and common area tenant improvements, a finished community meeting room, and site improvements for the new building and existing IRWD parking area. The construction estimate developed in 2007 was for an amount of \$5,597,531, though it did not include a separate building for the Community Meeting Room.

Based on its competitive bid proposal of \$5,241,487, as well as their experience with similar office construction projects, staff is recommending KPRS Construction to provide general contractor services for the project. A complete bid summary of the general contractor proposals is attached as Exhibit “B”.

Construction Schedule:

Based on the anticipated schedule to complete the required construction contract and bonding documents, staff tentatively expects grading on the site to begin in July 2011. Building construction is expected to begin immediately thereafter with completion expected in spring 2012. Tenant improvements are expected to begin in early 2012, with completion shortly after shell construction and site improvements.

Tenant Improvements:

Specific medical office tenant improvements for Coastal Fertility and the remaining vacant space will be determined after final design by the tenant’s architect and design approval by the District, and will be submitted to the Board at a later date. Based on the tenant improvement allowance included in the lease agreement, Coastal Fertility’s tenant improvements are expected to cost approximately \$1,050,000 and will require a project budget increase.

FISCAL IMPACTS:

The current approved capital budget amount for Project No. 11118, Asset Optimization – Sand Canyon Property Development is \$6,277,600. Stabilized net operating income in Year 3 for the medical office building assuming full occupancy is projected to be 7.08% based on an initial lease rate of \$3.15 per square foot.

Staff is requesting an Expenditure Authorization, which is attached as Exhibit “C”, for \$4,834,900 to provide for project construction expenses. The table below provides the related budget and Expenditure Authorization details:

Project No.	Current Budget	Addition <Reduction>	Total Budget	Existing EA	This EA Request	Total EA Request
11118	\$6,277,600	\$ 0	\$ 6,277,600	\$1,442,700	\$ 4,834,900	\$ 6,277,600

ENVIRONMENTAL COMPLIANCE:

This project is subject to the California Environmental Quality Act (CEQA). In conformance with the California Code of Regulations Title 14, Chapter 3, Section 15004, the appropriate environmental document will be prepared when meaningful information becomes available.

COMMITTEE STATUS:

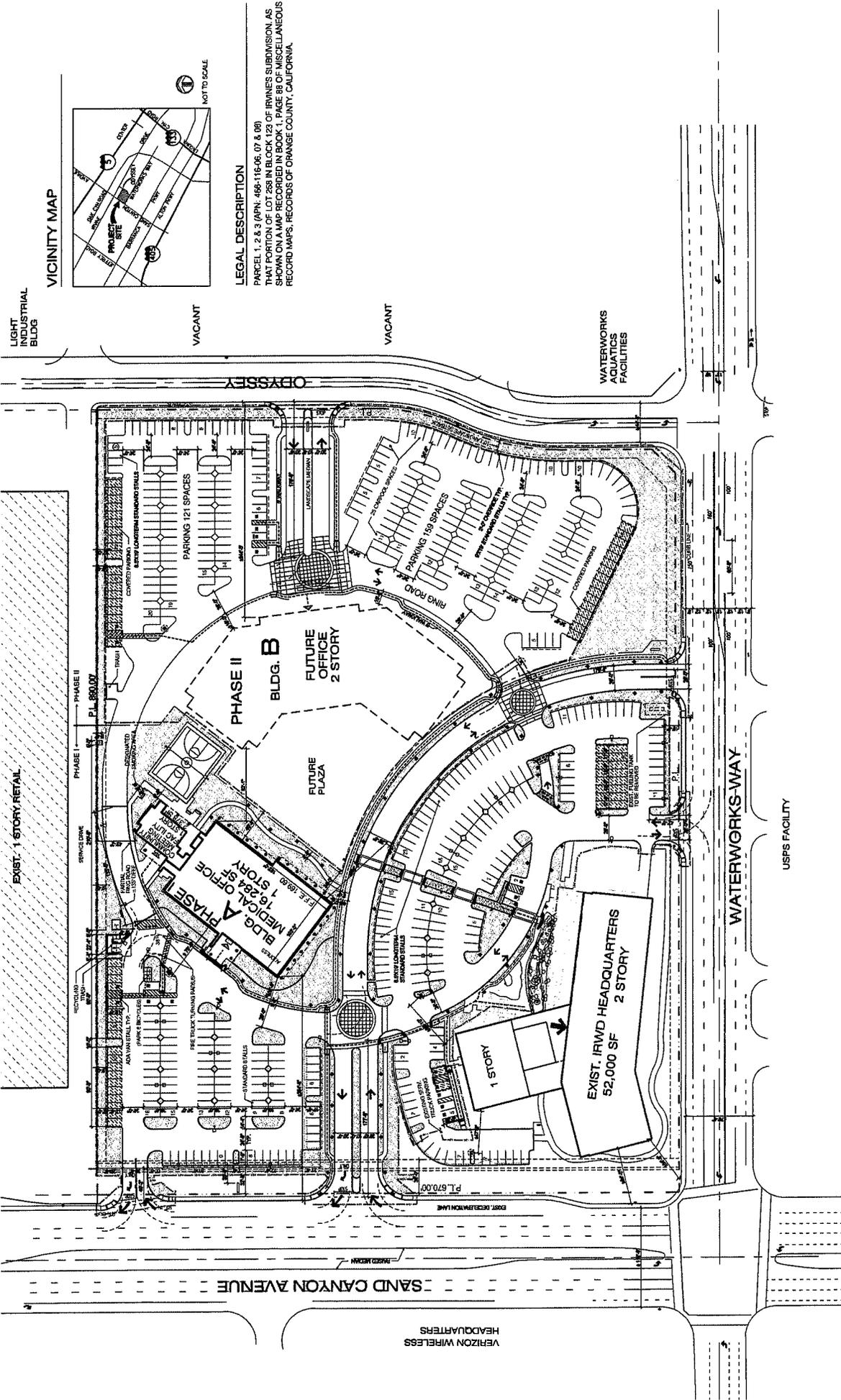
Construction awards are not routinely taken to Committee prior to submittal for Board approval.

RECOMMENDATION:

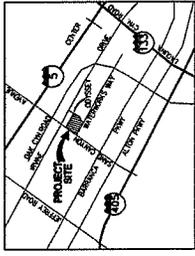
THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH KPRS CONSTRUCTION IN THE AMOUNT OF \$5,241,487.05 AND APPROVE AN EXPENDITURE AUTHORIZATION FOR \$4,834,900 FOR PROJECT 11118.

LIST OF EXHIBITS:

- Exhibit "A" – Sand Canyon Office Development Plans
- Exhibit "B" – General Contractor Bid Proposal Summary
- Exhibit "C" – Expenditure Authorization



VICINITY MAP



LEGAL DESCRIPTION

PARCEL 1, 2 & 3 (APN: 466-116-06, 07 & 08)
 THAT PORTION OF LOT 268 IN BLOCK 123 OF IRVINE SUBDIVISION, AS
 SHOWN ON THE RECORD MAP OF IRVINE, CALIFORNIA, AND ALL
 RECORD MAPS, RECORDS OF ORANGE COUNTY, CALIFORNIA.

**PHASE II
 MASTER PLAN**

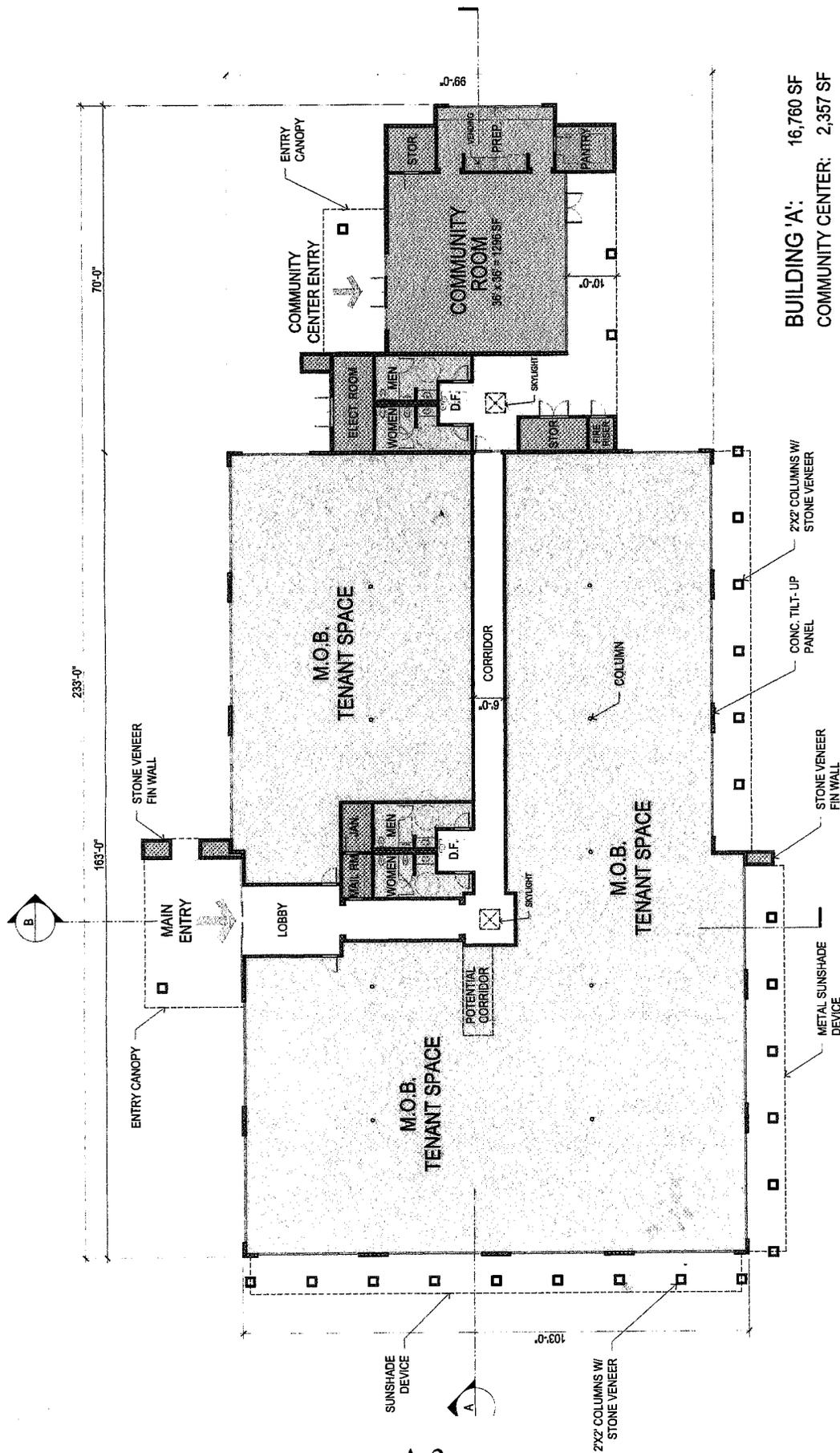


**LEE & SAKAHARA
 ARCHITECTS AIA**
 ARCHITECTURE PLANNING INTERIOR
 DESIGN LANDSCAPE ARCHITECTURE
 10000 SAND CANYON AVENUE, SUITE 100
 IRVINE, CALIFORNIA 92618-1144

Y0639	06-20-08
	09-25-08
	10-03-08
	10-06-08
	09-15-08
	10-08-08
	09-22-08
	10-14-08
	11-19-08
	04-05-10
	05-10-10

SAND CANYON BUSINESS PARK IRVINE, CALIFORNIA

FOR: IRVINE RANCH WATER DISTRICT

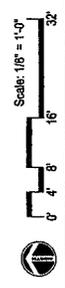


A-3

BUILDING 'A': 16,760 SF
 COMMUNITY CENTER: 2,357 SF

MEDICAL OFFICE BUILDING FLOOR PLAN

CONCEPTUAL FLOOR PLAN



IRVINE, CALIFORNIA

I.R.W.D. BUSINESS PARK PHASE I

FOR: IRVINE RANCH WATER DISTRICT

07-25-08
 07-24-08
 08-06-08
 08-12-08
 10-02-08

10039



LEE & SAKAHARA ARCHITECTS AIA
 ARCHITECTURE PLANNING INTERIORS
 10000 CALIFORNIA AVENUE, SUITE 200
 IRVINE, CALIFORNIA 92618
 PH: 949.261.1100 F: 949.261.1144



Sand Canyon Medical Office
15500 Sand Canyon Ave.
Irvine, Ca.



May 16, 2011

DESCRIPTION	KPRS	RM Dalton	Snyder Langston
	inc	inc	inc
Demolition			
Surveying	22,500.00	35,631.00	19,500.00
Earthwork	230,000.00	253,700.00	269,453.00
Underground Utilities (Sewer, Storm Drain, Water)	590,000.00	591,986.00	585,188.00
Site Concrete	288,000.00	375,895.00	331,640.00
Interlocking Concrete Pavers	30,000.00	47,845.00	42,820.00
Asphalt Paving	340,000.00	348,100.00	447,813.00
Striping and Site Signage	14,000.00	23,600.00	9,150.00
Landscaping & Irrigation	586,000.00	655,750.00	808,374.00
Reinforcing Steel	67,000.00	inc	inc
Building Concrete	300,000.00	353,400.00	380,400.00
Stone Veneer	118,000.00	119,000.00	137,390.00
Structural Steel / Misc. Iron	308,000.00	187,500.00	317,100.00
Rough Carpentry/Roof Structure	120,000.00	101,016.00	94,386.00
Millwork	35,000.00	22,820.00	23,620.00
Building Insulation	26,000.00	30,160.00	34,470.00
Roofing and Waterproofing	130,000.00	136,000.00	120,700.00
Sheetmetal and Skylights	75,980.00	14,850.00	242,108.00
Doors, Frames & Hardware	20,065.00	21,195.00	19,255.00
Glass & Glazing	154,000.00	146,942.00	147,027.00
Drywall	156,000.00	160,692.00	207,613.32
Ceramic Tile	35,000.00	38,360.00	34,830.00
Stone Countertops	inc	inc	inc
FRP	500.00	500.00	500.00
Acoustical Ceilings	8,000.00	5,824.00	7,796.00
Metal Soffit	inc	97,080.00	inc
Floor Covering	8,500.00	9,000.00	9,124.00
Painting and Wallcovering	40,000.00	71,067.00	32,500.00
Toilet Partitions & Accessories	9,210.00	9,065.00	8,500.00
Specialties (Projection Screen, Mail Box)	25,400.00	18,628.00	19,501.00
Window Coverings	2,300.00	3,470.00	3,282.00
Fire Extinguishers	900.00	1,000.00	1,050.00
Fire Sprinklers	38,000.00	38,000.00	38,800.00
Plumbing	92,000.00	108,585.00	90,900.00
HVAC	60,000.00	52,200.00	62,889.00
Electrical	528,500.00	597,500.00	600,000.00
Final Clean-up	5,000.00	54,350.00	6,531.70
Signage	1,434.00	4,571.00	995.00
SWPPP	48,000.00	85,000.00	27,669.00
Site Furnishings	inc	26,839.00	
Steel Tube Fencing	65,000.00	48,952.00	
Basketball Court	41,000.00	82,660.00	
Roof Screen	inc	110,000.00	
Covered parking	102,000.00	110,537.00	
Lath Plaster		54,800.00	
Fire Alarm	6,500.00	6,325.00	
Barricades/ Traffic Control	inc	10,000.00	
Subtotal	\$ 4,725,789.00	\$ 5,270,395.00	\$ 5,182,875.02
Insurance	30,029.33	72,074.00	125,449.46
General Conditions	279,099.60	220,000.00	331,991.00
Fee	151,047.54	194,686.00	169,209.46
Bond	43,021.58	38,000.00	47,142.86
TOTAL	\$ 5,228,987.05	\$ 5,795,155.00	\$ 5,856,667.80
Additional Information			
Cost Per Square Foot	\$ 272.71	\$ 302.24	\$ 305.45
Total of GC's, Fee and Insurance	\$ 460,176.47	\$ 486,760.00	\$ 626,649.92
ALTERNATES (incl. fee & ins.)			
Builders Risk Insurance	\$ 17,500.00	\$ -	\$ 5,000.00
Roofing deduct	\$ (5,000.00)		\$ (5,400.00)
Subtotal	\$ 12,500.00	\$ -	\$ (400.00)
	0.00	0.00	0.00
GRAND TOTAL	\$ 5,241,487.05	\$ 5,795,155.00	\$ 5,856,267.80

IRVINE RANCH WATER DISTRICT

Expenditure Authorization

Project Name: ASSET OPTIMIZATION - SAND CANYON DEVELOPMENT

Project No: 11118 **EA No:** 3

ID Split: Miscellaneous

Project Manager: JACOBSON, ROBERT

Project Engineer: FOURNIER, TANJA

Request Date: June 8, 2011

Improvement District (ID) Allocations

ID No.	Allocation %	Source of Funds
101	100.0	REPLACEMENT FUND
Total	100.0%	

Summary of Direct Cost Authorizations

Previously Approved EA Requests:	\$1,442,700
This Request:	\$4,834,900
Total EA Requests:	\$6,277,600
Previously Approved Budget:	\$6,277,600
Budget Adjustment Requested this EA:	\$0
Updated Budget:	\$6,277,600
Budget Remaining After This EA	\$0

Comments: IRWD Planning & Design (Staff Time) \$75,000 Planning Outside (Soil Studies, Fees & Permits) \$710,000 Design Outside (Architect/Eng) \$500,000 Legal \$2

Phase	This EA Request	Previous EA Requests	EA Requests to Date	This Budget Request	Previous Budget	Updated Budget	Start	Finish
ENGINEERING - PLANNING IRWD	0	50,000	50,000	0	50,000	50,000	7/06	12/07
ENGINEERING - PLANNING OUTSIDE	435,800	300,000	735,800	0	735,800	735,800	7/06	12/07
ENGINEERING DESIGN - IRWD	0	25,000	25,000	0	25,000	25,000	12/07	12/08
ENGINEERING DESIGN - OUTSIDE	0	585,000	585,000	0	585,000	585,000	12/07	12/09
ENGINEERING - CA&I IRWD	0	35,000	35,000	0	35,000	35,000	7/11	12/13
ENGINEERING - CA&I OUTSIDE	0	291,500	291,500	0	291,500	291,500	7/11	12/13
CONSTRUCTION FIELD SUPPORT	5,000	0	5,000	0	5,000	5,000	7/11	12/13
CONSTRUCTION	3,954,500	0	3,954,500	0	3,954,500	3,954,500	7/11	12/13
LEGAL	0	25,000	25,000	0	25,000	25,000	7/11	12/13
Contingency - 10.00% Subtotal	\$439,600	\$131,200	\$570,800	\$0	\$570,800	\$570,800		
Subtotal (Direct Costs)	\$4,834,900	\$1,442,700	\$6,277,600	\$0	\$6,277,600	\$6,277,600		
Estimated G/A - 195.00% of direct labor*	\$31,800	\$192,600	\$224,400	\$0	\$224,400	\$224,400		
Total	\$4,866,700	\$1,635,300	\$6,502,000	\$0	\$6,502,000	\$6,502,000		
Direct Labor	\$5,000	\$110,000	\$115,000	\$0	\$115,000	\$115,000		

*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: _____

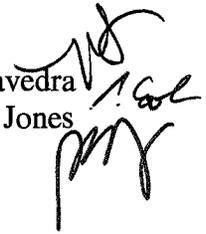
** IRWD hereby declares that it reasonably expects those expenditures marked with two asterisks to be reimbursed with proceeds of future debt to be incurred by IRWD in a maximum principal amount of \$6,633,000. The above-captioned project is further described in the attached staff report and additional 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.

June 13, 2011

Prepared and

Submitted by: N. Savedra

Approved by: Paul Jones



ACTION CALENDAR

FISCAL YEAR 2011-12 GENERAL COUNSEL SERVICES FOR BOWIE, ARNESON, WILES, AND GIANNONE

SUMMARY:

Bowie, Arneson, Wiles & Giannone (BAWG) has provided a proposed letter of engagement for the purpose of providing legal services to the District effective July 1, 2011. BAWG's services shall not exceed \$615,000, of which \$415,000 are for general legal services and \$200,000 for the J127 matter, for the District's fiscal year (FY) 2011-12 without additional authorization from the District.

Attached as Exhibit "A" are the proposed terms of the Legal Services Agreement. BAWG's hourly rates are shown as follows with no increase from the previous fiscal year:

Partner:	\$205/hour
Senior Associate:	\$185/hour
Associate:	\$175/hour

As of April 2011, BAWG's costs total \$490,000, approximately 60% of which are capitalized fees, with the balance applied to the operating budget fees. Counsel will be present at the Board meeting to discuss the fee estimate.

FISCAL IMPACTS:

BAWG's services shall not exceed a total of \$615,000 for FY 2011-12 without additional authorization from the District. The FY 2011-12 operating budget includes \$317,500 in legal fees, with the balance expected to be paid from the Capital Budget.

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was reviewed at the Finance and Personnel Committee Meeting on June 6, 2011.

Action Calendar: Fiscal Year 2011-12 General Counsel Services for Bowie, Arneson, Wiles,
and Giannone
June 13, 2011
Page 2

RECOMMENDATION:

THAT THE BOARD APPROVE, AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE, THE ENGAGEMENT AGREEMENT WITH BOWIE, ARNESON, WILES, AND GIANNONE EFFECTIVE JULY 1, 2011 FOR GENERAL COUNSEL SERVICES IN THE AMOUNT NOT TO EXCEED \$615,000, SUBJECT TO THE NOT-TO-EXCEED AMOUNTS WITHIN SUCH TOTAL AMOUNT AS PROVIDED IN SEPARATE DETAIL.

LIST OF EXHIBITS:

Exhibit "A" – Terms of Legal Services Agreement from Bowie, Arneson, Wiles, and Giannone

EXHIBIT "A"

BOWIE, ARNESON, WILES & GIANNONE

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS
ATTORNEYS AT LAW

ALEXANDER BOWIE*
JOAN C. ARNESON
WENDY H. WILES*
PATRICIA B. GIANNONE
ROBERT E. ANSLOW
BRIAN W. SMITH
JEFFREY A. HOSKINSON
MEGAN V. WATT
DANIELE D. LE
LAWRENCE K. CHAN
TYLER B. DOCKINS

4920 CAMPUS DRIVE
NEWPORT BEACH, CALIFORNIA 92660
(949) 851-1300

(800) 649-0997
FAX (949) 851-2014

REF. OUR FILE

8001 A 20

*A PROFESSIONAL CORPORATION

June 1, 2011

Mr. Paul D. Jones II
Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, CA 92619-7000

Dear Paul:

This letter sets forth our firm's engagement to provide general counsel services to Irvine Ranch Water District. Our services shall not exceed the following for the District's fiscal year 2011-12 without additional authorization from the District: (i) \$200,000 for the billing matter J 127; (ii) \$415,000.00 for other than the billing matter J 127. As described in the attached Terms of Legal Services Agreement, billing for miscellaneous general legal services will be on a fixed-fee basis, and all other services will be billed on an hourly basis.

Our firm's hourly rates are based upon a number of factors, including the level of experience of the attorneys. The 2011-12 hourly rates (effective July 1, 2011 but in no event before our next invoicing period commencing after this letter) will be as follows:

Partners	\$205
Senior Associates	\$185
Associates	\$175

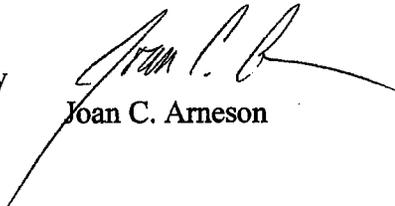
This letter, together with the attached Terms of Legal Services Agreement, sets forth the terms of our engagement.

We appreciate the opportunity to continue providing general counsel services to the District.

Very truly yours,

BOWIE, ARNESON,
WILES & GIANNONE

By


Joan C. Arneson

JCA:
Encl.
38688

BOWIE, ARNESON, WILES & GIANNONE

Mr. Paul Jones
June 1, 2011
Page 2

Approval of Engagement

We have read the foregoing letter and attached Terms of Legal Services Agreement and agree to the terms of Bowie, Arneson, Wiles & Giannone's engagement, effective as of the date on which Bowie, Arneson, Wiles & Giannone first provided services to us under the attached engagement terms.

Date: _____, 2011

IRVINE RANCH WATER DISTRICT

By: _____

BOWIE, ARNESON, WILES & GIANNONE

TERMS OF LEGAL SERVICES AGREEMENT

I. Legal Services Provided

Bowie, Arneson, Wiles & Giannone is retained by Irvine Ranch Water District for the purpose of providing legal services for general legal matters, including litigation and other matters as may be requested from time to time. Such services include bond counsel or co-bond counsel services. We will report regularly and keep you informed of significant developments in matters in which we are providing legal services. During the course of our services, we may express opinions or beliefs to you about the effectiveness of various courses of action, but such expressions shall not be construed as promises or guarantees.

II. Fees

A. Fixed Fee for Miscellaneous General Legal Services

The Miscellaneous General Legal Services ("General Services") provided by Bowie, Arneson, Wiles & Giannone to Irvine Ranch Water District will be charged on a fixed fee basis. The fixed fee for General Services will be paid on the basis of \$55,000.00 for the services billed during the 2011-12 District fiscal year. One-twelfth of said amount will be billed as a monthly installment at the same time as each monthly statement prepared and sent for our hourly-basis services. Proration of the monthly amount will be made as necessary to adjust for any partial billing periods used to match our June and July cycles to the District fiscal year.

For informational purposes, our statements will include hours expended for the work included in the fixed fee. Unless the fixed fee would be unconscionable, the fixed fee will be earned in full and will not be refundable in any part once substantial services have been performed; provided, a refund may be computed based on facts and circumstances in the event of our termination or withdrawal.

The fixed fee will not include expenses, which will be billed and payable as set forth in Section III.

B. Scope of Services Included in Fixed Fee

The services to be included within the fixed fee are those of the type that we have typically furnished to you under the invoice entitled "General" in our monthly statements and include the following services as requested by the Board or a staff member: attendance at Board of Directors meetings; attendance at Committee meetings (unless in conjunction with a specific matter being billed on an hourly basis); review of agendas and other material in preparation for Board and Committee meeting attendance; review and assistance with draft minutes; preparation or assistance with preparation of miscellaneous resolutions; assistance with draft agenda item/closed session item preparation; and legal advice, consultation, research, drafting or assistance with drafting of contracts and correspondence, and other assistance on miscellaneous general and/or non-continuing items of limited scope or duration.

C. Services Excluded from the Fixed Fee

The fixed fee services will not include services in conjunction with: litigation; administrative hearing or investigatory proceedings; bond counsel or general counsel services related to financings or outstanding bonds; capital or special projects; financial/ real property matters; legislative matters; interagency matters; personnel matters; conflict of interest matters; reorganizations; and other ongoing or extended matters involving negotiation, representation, drafting and similar services that we have typically furnished to you under separate invoices other than "General."

Fees for legal services excluded from the fixed fee are charged on an hourly basis for the time of the legal personnel spent on a matter. The rates are based on several factors, including the expertise and level of experience of the attorneys. The rates are adjusted by the firm from time to time, usually effective for the period July 1-June 30. We will provide advance notice of any rate change. Time on any task is billed in increments of a tenth of an hour. Statements are prepared and sent each month, and are due when presented.

BOWIE, ARNESON, WILES & GIANNONE

Upon request and arrangement in advance, fees for a particular task or matter may be based on other than hourly rates or monthly billing, such as contingent fees for bond counsel services.

Staffing work assignments will be made, to the extent possible, so as to maximize our legal effectiveness and minimize your legal expenses.

III. Expenses

In addition to fees, we will bill for reimbursement of actual and reasonable costs and expenses, including, but not limited to, reproduction of documents, long-distance telephone charges, messenger and courier services, facsimile, computerized legal research, document printing, recording charges and non-local mileage and travel expenses. We may also bill for clerical staff time of an unusual nature. Costs and expenses are included in the monthly statements.

IV. District's Obligations

You agree to provide us with direction and guidance and to keep us informed of significant developments related to matters with respect to which we are providing legal services. You also agree to pay our statements in a timely manner.

V. Termination of Representation

Our services may be terminated by you at any time by written notice to us. We may withdraw with your consent or for good cause. Good cause may include a failure to cooperate or follow our advice on a material matter, failure to pay our statements in a timely manner, or any fact or circumstance that would render our continuing representation unlawful or unethical. In the event of termination or withdrawal, we are to be paid for fees and charges incurred on your behalf up to the date of termination or withdrawal.

VII. Miscellaneous

No modifications hereof shall be effective unless set out in writing and signed by you and us.

We maintain errors and omissions insurance coverage applicable to the services to be rendered.

This statement of terms of legal services agreement shall be our entire agreement, subject to amendment by the parties to provide for, among other matters, other fee arrangements.

June 13, 2011
Prepared by: J. Moeder/C. Spangenberg
Submitted by: K. Burton
Approved by: Paul Jones



ACTION CALENDAR

WELL 107 DRILLING AND EQUIPPING CONSTRUCTION AWARD

SUMMARY:

Irvine Desalter Project (IDP) Well 107 was constructed by the Irvine Company in 1981 and is nearing the end of its useful life. Bids were received from four contractors for destruction and replacement of Well 107. Staff recommends that the Board:

- Find that the irregularities in the bid submitted by Pascal & Ludwig did not affect the amount of the bid or afford Pascal & Ludwig a competitive advantage over the other bidders and waive the irregularities;
- Approve a budget increase to the FY 2010-11 Capital Budget for Project 11432 by \$1,527,700, from \$1,926,900 to \$3,454,600;
- Approve an Expenditure Authorization in the amount of \$3,239,200 for Project 11432; and
- Authorize the General Manager to execute a construction contract with Pascal & Ludwig in the amount of \$2,705,543 for the construction and equipping of Well 107.

BACKGROUND:

The former Irvine Company irrigation well was constructed with a mild steel casing that has deteriorated severely and has holes at several different locations. The well experiences sanding and biological growth and is currently not being operated due to water quality issues. In August 2010 the well was producing between 350 and 425 gallons per minute, which is much lower than its original capacity of over 1,000 gallons per minute in 1981. This project will construct a new well using stainless steel casing with an estimated capacity between 500 and 1,000 gallons per minute. The well is expected to produce less than the original 1981 capacity due to declining static water levels, which reduce flow from the more permeable zones.

Well 107 is one of five wells that deliver raw water to the Potable Treatment Plant (PTP). The PTP has been experiencing operational problems due to various issues including lack of production from IDP wells. Replacement of Well 107 will improve operational performance at PTP.

The new well will be located outside the Tamarisk Community Association sound wall adjacent to Interstate 5 highway at the north corner of Trabuco Road and Culver Drive. The City of Irvine granted an easement for the well at its March 8 City Council Meeting. All aboveground equipment at the existing well site inside the sound wall will be removed and the property will be retained for possible future use. A location map is attached as Exhibit "A".

Construction Award:

Tetra Tech and Richard C. Slade & Associates completed the design of the well in April 2011 and the project was advertised to eight select general contractors: Caliagua, F.T. Ziebarth, Gateway Pacific, Pacific Hydrotech, Pascal & Ludwig, Paulus Engineer, Schuler Engineering, and SS Mechanical. The acceptable drilling contractors include Bakersfield Well and Pump, Best Drilling and Pump, Layne Christensen Drilling, and Boart Longyear. The bid opening was held on June 1 and four bids were received.

Pascal & Ludwig, utilizing Best Drilling and Pump for the well drilling, was the low bidder with a bid amount of \$2,705,543. The engineer’s estimate was \$2,800,000. The Bid Summary is attached as Exhibit “B”. During review of the bids, staff noticed that Pascal & Ludwig did not submit a project schedule as required in the bid proposal package and did not submit the qualifications of the subcontractor providing the sound mitigation. District’s legal counsel reviewed Pascal & Ludwig’s bid and determined that these are irregularities that can be waived by the Board, since the Board can on the basis of its review of the facts make a finding that they do not afford Pascal & Ludwig a competitive advantage. Pascal & Ludwig did meet the District’s requirement to submit the subcontractor’s name for the sound mitigation work, but did not submit the qualifications. This does not affect the bid amount and the District can assess qualifications from other information. Omission of the schedule is also not an item that would have enabled a lower bid to be submitted or otherwise provided a competitive advantage.

FISCAL IMPACTS:

Project 11432 included in the FY 2010-11 Capital Budget only included site acquisition and well drilling. The well drilling and equipping were combined to expedite the project and begin delivering more water to the Potable Treatment Plant. An increase in the budget and Expenditure Authorization are requested for construction services, staff time, and construction as shown in the table below and in Exhibit “C”. The increase in the budget can be attributed to combining both the well drilling and equipping into one project and to the increased cost of stainless steel.

Project No.	Current Budget	Addition <Reduction>	Total Budget	Existing EA	This EA Request	Total EA Request
11432	\$1,926,900	\$1,527,700	\$3,454,600	\$173,400	\$3,239,200	\$3,412,600

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

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

RECOMMENDATION:

THAT THE BOARD FIND THAT THE IRREGULARITIES IN THE BID SUBMITTED BY PASCAL & LUDWIG DID NOT AFFECT THE AMOUNT OF THE BID OR AFFORD PASCAL & LUDWIG A COMPETITIVE ADVANTAGE OVER THE OTHER BIDDERS AND WAIVE THE IRREGULARITIES; APPROVE A BUDGET INCREASE TO THE FY 2010-11 CAPITAL BUDGET FOR PROJECT 11432 BY \$1,527,700, FROM \$1,926,900 TO \$3,454,600; APPROVE AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$3,239,200 FOR PROJECT 11432; AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH PASCAL & LUDWIG IN THE AMOUNT OF \$2,705,543 FOR THE CONSTRUCTION OF WELL 107, PROJECT 11432.

LIST OF EXHIBITS:

Exhibit "A" – Project Location

Exhibit "B" – Bid Summary

Exhibit "C" – Expenditure Authorization

Exhibit "A"

EXIST WELL 107
13925 1/2 CULVER DR
IRVINE, CA 92602

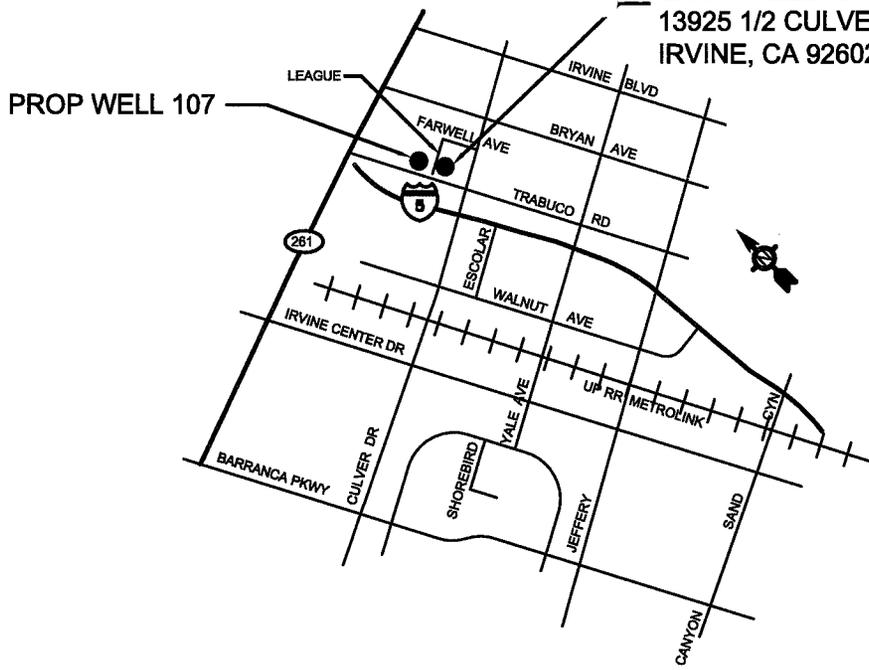


EXHIBIT "A"
PROJECT LOCATION MAP
WELL 107

Exhibit "B"

Item No.	Description	Qty	Unit	Engineer's Estimate		Pascal & Ludwig Construction Ontario, CA		Gateway Pacific Contractors Sacramento, CA		Pacific Hydrotech Corp. Perris, CA		Schuler Engineering Corp. Corona, CA	
				Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
Well Drilling													
1	Mobilization/demobilization of drill rig	1	LS	\$225,000	\$225,000	\$185,500.00	\$185,500.00	\$200,000.00	\$200,000.00	\$197,600.00	\$197,600.00	\$214,000.00	\$214,000.00
2	Furnish, install and maintain noise control equipment	380	LF	\$130	\$49,400	\$79.50	\$30,210.00	\$100.00	\$38,000.00	\$85.00	\$32,300.00	\$90.00	\$34,200.00
3	Furnish, install, and cement 36-inch outside diameter (OD) by 5/16-inch thick (minimum) low carbon steel conductor casing in 42-inch diameter hole from ground surface to a depth of approximately 100 ft bgs.	100	LF	\$700	\$70,000								
4	Drill by reverse circulation method a pilot hole from 100 to 1050 ft bgs, including an Eastman Drift Survey every 100 ft in the pilot hole	950	LF	\$100	\$95,000	\$689.00	\$68,900.00	\$715.00	\$71,500.00	\$735.00	\$73,500.00	\$775.00	\$77,500.00
5	Conduct downhole geophysical surveys in the pilot hole consisting of a spontaneous potential survey, long-normal and short-normal resistivity surveys, a focused resistivity (guard) survey, a natural gamma ray survey and a sonic variable density survey	1	LS	\$8,500	\$8,500	\$90.10	\$85,595.00	\$93.50	\$88,825.00	\$96.00	\$91,200.00	\$102.00	\$96,900.00
6	Conduct isolated aquifer zone testing from 200 to 1000 ft, including installation of temporary casings, gravel pack and seals, airlifting and submersible pumping to obtain and collect groundwater samples	6	Per Zone	\$19,500	\$117,000	\$7,950.00	\$7,950.00	\$10,000.00	\$10,000.00	\$8,500.00	\$8,500.00	\$9,000.00	\$9,000.00
7	Retain a laboratory and collect, store, and transport the collected samples to the laboratory for analysis of by the laboratory	6	Per Zone Sample	\$2,800	\$16,800	\$18,550.00	\$111,300.00	\$19,250.00	\$115,500.00	\$19,761.00	\$118,566.00	\$21,000.00	\$126,000.00
8	Ream by reverse circulation method, a 32-inch diameter borehole from 100 ft to 230 ft bgs	130	LF	\$105	\$13,650	\$3,710.00	\$22,260.00	\$3,850.00	\$23,100.00	\$3,951.00	\$23,706.00	\$4,200.00	\$25,200.00
9	Ream by reverse circulation method, a 30-inch diameter borehole from 230 ft to 1020 ft bgs	790	LF	\$105	\$82,950	\$100.70	\$13,091.00	\$105.00	\$13,650.00	\$107.00	\$13,910.00	\$115.00	\$14,950.00
10	Conduct caliper survey of entire borehole to a depth of 1020 ft bgs	1	LS	\$2,800	\$2,800	\$100.70	\$79,553.00	\$105.00	\$82,950.00	\$107.00	\$84,530.00	\$115.00	\$90,850.00
11	Furnish and install 18-inch ID by 5/16-inch thick Type 316L stainless steel blank well casing, interspersed with lowered well casing, to a depth of 980 ft with 2 ft of stickup above ground surface	482	LF	\$550	\$265,100	\$2,650.00	\$2,650.00	\$2,750.00	\$2,750.00	\$2,800.00	\$2,800.00	\$3,000.00	\$3,000.00
12	Furnish and install 18-inch ID by 5/16-inch thick Type 316L stainless steel lowered well casing, interspersed with blank well casing, between a depth of 230 ft and 980 ft bgs	500	LF	\$670	\$335,000	\$662.50	\$319,325.00	\$690.00	\$332,580.00	\$706.00	\$340,292.00	\$745.00	\$359,090.00
13	Furnish and install 18-inch ID by 5/16-inch thick blank Type 316L stainless steel casing collar pipe with welded end cap between 980 ft and 1000 ft bgs	20	LF	\$540	\$10,800	\$779.10	\$389,550.00	\$810.00	\$405,000.00	\$831.00	\$415,500.00	\$875.00	\$437,500.00
14	Furnish and install 3-inch ID Sch. 40 Type 316L stainless steel gravel feed tube with welded cover plate to a depth of 200 ft bgs with 2 ft of stickup above ground surface	202	LF	\$35	\$7,070	\$646.60	\$12,932.00	\$670.00	\$13,400.00	\$688.00	\$13,760.00	\$730.00	\$14,600.00
						\$58.00	\$11,716.00	\$60.00	\$12,120.00	\$62.00	\$12,524.00	\$66.00	\$13,332.00

Item No.	Description	Qty	Unit	Engineer's Estimate		Paschal & Ludwig Construction Ontario, CA		Gateway Pacific Contractors Sacramento, CA		Pacific Hydrotech Corp. Perris, CA		Schuler Engineering Corp. Corona, CA	
				Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
15	Furnish and install 4-inch ID Sch. 40 Type 316L stainless steel sounding/camera tube with 7-foot long port and welded cover plate to a depth of 225 ft bgs with 2 ft of stickup above ground surface	227	LF	\$110	\$24,970								
16	(Optional) Furnish and install a 30-foot to 50-foot bottom bentonite seal, as needed	50	LF	\$70	\$3,500								
17	Furnish and install 8 x 16 gradation gravel pack in annulus between 180 ft. and 1020 ft bgs	840	LF	\$125	\$105,000								
18	Furnish and install cement grout annular seal in the annular space of the well from 3.5 ft to 180 ft bgs	176.5	LF	\$90	\$15,885								
19	Conduct alignment testing (straightness and plumbness), via dummy and gyroscopic methods, of the completed well to the total depth of the well	1	LS	\$2,800	\$2,800								
20	Conduct well development by mechanical procedures using airlifting and swabbing methods (with drill rig)	70	Hours	\$500	\$35,000								
21	Conduct well development by mechanical procedures via line swabbing methods (with a "walking" beam cable tool drill rig)	50	Hours	\$500	\$25,000								
22	Provide chemicals for chemical development of the well during initial stages of mechanical development using a 12 1/2% solution of citric acid.	200	Gals	\$5	\$1,000								
23	Provide chemicals for chemical development of the well during initial stages of mechanical development using a polymer dispersant agent (NW-220, Aqua Clear PPD or equivalent)	20	Gals	\$85	\$1,700								
24	Furnish, install, and demobilize pump equipment for additional well development and test pumping. Set pump to a depth of 270 ft bgs	1	LS	\$18,000	\$18,000								
25	Set the pump at a different depth, as directed by IRWD, or the Geologist	1	LS	\$2,500	\$2,500								
26	Conduct well development by pumping procedures	60	Hours	\$390	\$23,400								
27	Conduct step drawdown test	12	Hours	\$390	\$4,680								
28	Conduct constant rate pumping test (aquifer test)	72	Hours	\$390	\$28,080								
29	Collect, transport, and analyze for the total Title 22 water quality analytical suite in accordance with Table 2 and these specifications	1	LS	\$4,000	\$4,000								
30	Conduct flow meter (spinner) survey during constant rate pumping test	1	LS	\$5,000	\$5,000								
31	Conduct downwell flow profiling via BESSST, Inc., Dye-tracer method during constant rate pumping test	1	LS	\$17,000	\$17,000								
32	Conduct downhole depth specific water sampling during the constant rate pumping test using the BESSST, Inc. Hydrobooster sampling method	5	EA	\$1,100	\$5,500								
33	Perform depth-specific sampling using the conventional wire-line, vacuum tool method.	1	LS	\$4,500	\$4,500								

Item No.	Description	Qty	Unit	Engineer's Estimate		1 Paschal & Ludwig Construction Ontario, CA		2 Gateway Pacific Contractors Sacramento, CA		3 Pacific Hydratech Corp. Perris, CA		4 Schuler Engineering Corp. Corona, CA	
				Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
34	Collect, transport, and analyze for the selected Title 22 water quality analyses in accordance with Bid Item No. 7 and these specifications	10	EA	\$2,800	\$28,000								
35	Conduct video log survey of all well casing	1	LS	\$2,800	\$2,800	\$3,710.00	\$37,100.00	\$3,750.00	\$37,500.00	\$4,000.00	\$40,000.00	\$4,150.00	\$41,500.00
36	Disinfect well using chlorine powder and cap well with welded plate	1	LS	\$8,400	\$8,400	\$2,650.00	\$2,650.00	\$2,500.00	\$2,500.00	\$2,800.00	\$2,800.00	\$3,000.00	\$3,000.00
37	Standby time with active rig and crew ("water watch") as directed by IRWD in special circumstances	40	Hours	\$160	\$6,400	\$10,600.00	\$10,600.00	\$10,000.00	\$10,000.00	\$11,300.00	\$11,300.00	\$12,000.00	\$12,000.00
38	Standby time with inactive rig and crew as directed by IRWD in special circumstances	40	Hours	\$110	\$4,400	\$159.00	\$6,360.00	\$150.00	\$6,000.00	\$170.00	\$6,800.00	\$180.00	\$7,200.00
39	Destroy existing Well 107	1	LS	\$30,000	\$30,000	\$106.00	\$4,240.00	\$100.00	\$4,000.00	\$113.00	\$4,520.00	\$120.00	\$4,800.00
Well Equipping													
40	Furnish and install vertical turbine pump, motor and well pump base	1	LS	\$260,000	\$260,000	\$194,020.00	\$194,020.00	\$170,000.00	\$170,000.00	\$199,000.00	\$199,000.00	\$197,000.00	\$197,000.00
41	Furnish and install above-ground mechanical piping, valves, and appurtenances	1	LS	\$120,000	\$120,000	\$75,775.00	\$75,775.00	\$70,000.00	\$70,000.00	\$111,700.00	\$111,700.00	\$120,000.00	\$120,000.00
42	Furnish and install buried discharge piping, valves and appurtenances	1	LS	\$80,000	\$80,000	\$68,823.00	\$68,823.00	\$35,000.00	\$35,000.00	\$84,700.00	\$84,700.00	\$75,000.00	\$75,000.00
43	Furnish and install well drain line piping, appurtenances and manhole	1	LS	\$40,000	\$40,000	\$45,264.00	\$45,264.00	\$25,000.00	\$25,000.00	\$35,200.00	\$35,200.00	\$25,000.00	\$25,000.00
44	Furnish and install relocated 16-inch Zone 2 water piping, valves and appurtenances	1	LS	\$38,000	\$38,000	\$58,817.00	\$58,817.00	\$15,000.00	\$15,000.00	\$77,900.00	\$77,900.00	\$35,000.00	\$35,000.00
45	Furnish and install Turbidity Meter Drain	1	LS	\$15,000	\$15,000	\$23,544.00	\$23,544.00	\$50,000.00	\$50,000.00	\$65,200.00	\$65,200.00	\$28,000.00	\$28,000.00
46	Furnish and install electrical and temporary construction fencing to enclose work area	1	LS	\$10,000	\$10,000	\$129,320.00	\$129,320.00	\$170,000.00	\$170,000.00	\$137,900.00	\$137,900.00	\$295,000.00	\$295,000.00
General Items of Work													
48	Mobilization, demobilization and clean-up	1	LS	\$110,000	\$110,000	\$3,850.00	\$3,850.00	\$10,000.00	\$10,000.00	\$5,100.00	\$5,100.00	\$3,000.00	\$3,000.00
49	Construct site improvements	1	LS	\$135,000	\$135,000	\$99,791.00	\$99,791.00	\$100,000.00	\$100,000.00	\$150,000.00	\$150,000.00	\$45,000.00	\$45,000.00
50	Perform demolition of existing Well 107 site	1	LS	\$30,000	\$30,000	\$150,880.00	\$150,880.00	\$320,369.00	\$320,369.00	\$106,800.00	\$106,800.00	\$175,000.00	\$175,000.00
51	Start-up testing and training	1	LS	\$15,000	\$15,000	\$50,340.00	\$50,340.00	\$12,000.00	\$12,000.00	\$23,300.00	\$23,300.00	\$45,000.00	\$45,000.00
52	Prepare Operation & Maintenance manuals	1	LS	\$10,000	\$10,000	\$5,830.00	\$5,830.00	\$6,000.00	\$6,000.00	\$8,300.00	\$8,300.00	\$8,000.00	\$8,000.00
53	Prepare Record Drawings	1	LS	\$10,000	\$10,000	\$1,000.00	\$1,000.00	\$2,000.00	\$2,000.00	\$500.00	\$500.00	\$900.00	\$900.00
54	Furnish and install erosion control measures	1	LS	\$30,000	\$30,000	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
55	Procure and conform to NPDES permit from CRWQCB, Santa Ana Region	1	LS	\$25,000	\$25,000	\$13,000.00	\$13,000.00	\$10,000.00	\$10,000.00	\$7,500.00	\$7,500.00	\$2,400.00	\$2,400.00
56	Sheeting, shoring and bracing	1	LS	\$20,415	\$20,415	\$1,650.00	\$1,650.00	\$10,000.00	\$10,000.00	\$2,800.00	\$2,800.00	\$4,800.00	\$4,800.00
A-1	Subtotal, Base Bid Items 1 thru 56			\$2,800,000	\$2,800,000	\$1,000.00	\$1,000.00	\$5,000.00	\$5,000.00	\$600.00	\$600.00	\$1,500.00	\$1,500.00
	Alternative Item: Builder's "All-Risk"					\$0.00	\$0.00	\$2,842,061.00	\$2,842,061.00	\$2,916,307.00	\$2,916,307.00	\$3,076,515.00	\$3,076,515.00
	Sub-Total, Bid Items 1 thru 56 + A1					\$2,705,542.90	\$2,705,542.90	\$2,842,061.00	\$2,842,061.00	\$2,916,307.00	\$2,916,307.00	\$3,076,515.00	\$3,076,515.00
	Adjustment (+ or -)					\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	Total Amount of Bid					*1 \$2,705,542.90		\$2,842,061.00		*2 \$2,916,307.00		\$2,964,115.00	\$2,964,115.00

IRVINE RANCH WATER DISTRICT Exhibit "C"

Expenditure Authorization

Project Name: WELL 107 REPLACEMENT & SITE ACQUIS.
 Project No: 11432 EA No: 2
 Project Manager: UEMATSU, PATRICIA
 Project Engineer: MOEDER, JACOB
 Request Date: June 6, 2011

ID Split: Miscellaneous

Improvement District (ID) Allocations

ID No.	Allocation %	Source of Funds
101	100.0	REPLACEMENT FUND**
Total	100.0%	

Summary of Direct Cost Authorizations

Previously Approved EA Requests:	\$173,400
This Request:	\$3,239,200
Total EA Requests:	\$3,412,600
Previously Approved Budget:	\$1,926,900
Budget Adjustment Requested this EA:	\$1,527,700
Updated Budget:	\$3,454,600
Budget Remaining After This EA	\$42,000

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	(15,000)	25,000	10,000	3/11	9/11
ENGINEERING DESIGN - OUTSIDE	0	0	0	(20,000)	50,000	30,000	3/11	9/11
ENGINEERING - CA&I IRWD	40,000	0	40,000	25,000	15,000	40,000	6/11	4/13
ENGINEERING - CA&I OUTSIDE	210,000	0	210,000	160,000	50,000	210,000	6/11	4/13
CONSTRUCTION FIELD SUPPORT	(5,000)	5,000	0	(5,000)	5,000	0	6/11	4/13
CONSTRUCTION	2,747,400	152,600	2,900,000	1,400,000	1,500,000	2,900,000	6/11	4/13
LEGAL	5,000	0	5,000	(5,000)	10,000	5,000	6/11	4/13
LAND	75,000	0	75,000	(75,000)	150,000	75,000	7/10	4/11
WATER QUALITY	10,000	0	10,000	0	10,000	10,000	6/11	4/13
ENGINEERING ENVIRONMENTAL-OUTS	10,000	0	10,000	(10,000)	20,000	10,000	7/10	12/11
Contingency - 5.00% Subtotal	\$146,800	\$15,800	\$162,600	\$72,700	\$91,900	\$164,600		
Subtotal (Direct Costs)	\$3,239,200	\$173,400	\$3,412,600	\$1,527,700	\$1,926,900	\$3,454,600		
Estimated G/A - 195.00% of direct labor*	\$88,200	\$9,300	\$97,500	\$9,600	\$107,400	\$117,000		
Total	\$3,327,400	\$182,700	\$3,510,100	\$1,537,300	\$2,034,300	\$3,571,600		
Direct Labor	\$45,000	\$5,000	\$50,000	\$5,000	\$55,000	\$60,000		

*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 \$3,644,000. 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.

June 13, 2011 *JS*

Prepared by: J. Smyth/M. Cortez

Submitted by: K. Burton *KB*

Approved by: Paul Jones *PJ*

ACTION CALENDAR

OPERATIONS CENTER FACILITIES EXPANSION PHASE 1 MEZZANINE CONVERSION CONSTRUCTION AWARD

SUMMARY:

This project will convert the existing warehouse mezzanine within the Michelson Operations Center to office space and install seismic upgrades to the warehouse. The project was re-bid due to irregularities identified in the bids after the February 28, 2011 contract award. Staff recommends that the Board:

- Cancel the construction contract awarded to Snyder Langston in the amount of \$722,361 on February 28, 2011 and reject all bids submitted on February 2, 2011;
- Find that the irregularities in the bid submitted by Snyder Langston in the re-bidding of the project on May 17, 2011 did not affect the amount of the bid or afford Snyder Langston a competitive advantage over the other bidders and waive the irregularities; and
- Authorize the General Manager to execute a construction contract with Snyder Langston in the amount of \$763,376.

BACKGROUND:

RRM Design Group (RRM) was retained to develop plans and specifications for additional office space within the Michelson Operations Center by converting storage space at the warehouse mezzanine into offices. The design also included seismic upgrades to the existing warehouse. The mezzanine conversion will provide an additional 2,246 square feet of office space to accommodate present and future operations staffing levels. A Location Map is attached as Exhibit "A".

February 2011 Construction Award:

The mezzanine conversion construction project was initially advertised for bid on December 2, 2010 to a select list of five contractors: Philco Construction, Snyder Langston, Spectra Company, Miller Contracting, and Lacy Construction. The bid opening was held on February 2, 2011 with bids received from Philco Construction, Snyder Langston, and Miller Contracting. Snyder Langston was the apparent low bidder with a bid amount of \$722,361. The February 2, 2011 Bid Summary is attached as Exhibit "B". On February 28, 2011, the Board approved the construction award to Snyder Langston in the amount of \$722,361 as recommended. However, after this action was taken, staff discovered that Snyder Langston did not include the list of subcontractors with its bid form. Instead, the Snyder Langton bid form stated that the list of subcontractors would be "furnished upon request."

Public Contracting Code requires that a general contractor list all subcontractors that it intends to use on the project being bid, if the value of a subcontractor's work is greater than one-half of one

percent of the total contract amount. This requirement was stated in the District's bidding documents; however, Snyder Langston did not follow the instructions or comply with the Public Contracting Code, and staff did not identify this error until after the item was brought to the Board. Following the award, the other two bidders protested calling attention to Snyder Langston's error. Staff requested a review of Snyder Langston's bid by District legal counsel and legal counsel concurred that omitting the list of subcontractors was an "irregularity that could not be waived by the Board." Irregularities that could not be waived were also present in the bids received from the other two bidders as well.

On March 15, 2011, staff met with representatives from Snyder Langston to explain the error and requested they agree to cancellation of the contract award and waive all rights regarding the matter. Snyder Langston agreed with the request and provided the letter which is attached as Exhibit "C". Staff proceeded with re-bidding the project.

June 2011 Re-bid Construction Award:

In preparation for the re-bid, staff revised the contract documents (plans and specifications) to incorporate all previous contractor questions, requests for information, and previously issued addenda. In addition, staff extended the duration and refined details of the temporary trailer to be provided for use by the District's Purchasing staff during construction. The project was advertised on April 21, 2011 for re-bidding to the three original bidders: Philco Construction, Snyder Langston, and Miller Contracting. All three contractors attended the mandatory pre-bid meeting on May 2, 2011. The bid opening was held on May 17, 2011 with bids received from all three contractors. Miller Contracting submitted a bid of \$744,875.93; however, their bid included an additional, unsolicited alternative bid item for a non-specified office trailer configuration. This alternative bid item reduced the amount of Miller's bid by \$35,133.00, resulting in Miller becoming the apparent low bidder. Since the alternative bid item affected the amount of the bid and afforded them a competitive advantage over the other bidders, staff conferred with legal counsel. Legal counsel concurred that this irregularity cannot be waived by the Board and renders Miller Contracting's bid non-responsive.

Snyder Langston was the second lowest bidder with a bid of \$763,376. Snyder Langston's bid also included minor irregularities that were reviewed by the District's legal counsel: (1) Snyder Langston did not circle or list the manufacturer of the Air Handler where called for in Section B of the Statements By Bidder. However, although the listing of manufacturer names was not requested in Section A of the Statements By Bidder (delivery lead times), Snyder Langston listed the name "Trane Air Handling Unit". Since Trane was one of the three air handler manufacturers allowed by the District, it would be appropriate for the District to disregard the omission in Section B and determine that the manufacturer's name given in Section A shall be taken as indicating the bidder's intention. (2) Snyder Langston, a partnership, did not list the true name of its firm on the declaration of providing bid security, but since it is listed on other bid pages as well as on the Bid Bond itself, along with the contractor's license number that can be matched with the contractor name and since the contract will be executed with the proper entity name and signatory, not providing the true name of its firm on the declaration therefore presents no competitive advantage; (3) Snyder Langston listed trench excavation permit number as "varies per project" but since valid permits can be confirmed, no advantage is presented. Legal

counsel determined these irregularities can be waived by the Board, since the Board can find they do not afford Snyder Langston a competitive advantage. Snyder Langston is therefore the apparent low bidder with a bid amount of \$763,376. The engineer’s estimate was \$829,400. A May 17, 2011 Bid Summary is attached as Exhibit “D”.

Staff recommends that the Board cancel the previous contract award made to Snyder Langston on February 28, 2011 and award the new contract to Snyder Langston.

FISCAL IMPACTS:

Projects 11422, 21422 and 31422 are included in the FY 2010-11 Capital Budget. The existing budget and Expenditure Authorizations are sufficient to fund the project.

Project No.	Current Budget	Addition <Reduction>	Total Budget	Existing EA	This EA Request	Total EA Request
11422	\$1,139,200	\$-0-	\$1,139,200	\$1,139,200	\$-0-	\$1,139,200
21422	\$1,139,200	\$-0-	\$1,139,200	\$1,139,200	\$-0-	\$1,139,200
31422	\$1,139,200	\$-0-	\$1,139,200	\$1,139,200	\$-0-	\$1,139,200
Total	\$3,417,600	\$-0-	\$3,417,600	\$3,417,600	\$-0-	\$3,417,600

ENVIRONMENTAL COMPLIANCE:

This project is exempt from the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15301 which provides exemption for minor alterations of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination. A Notice of Exemption for the project was filed on February 15, 2011.

COMMITTEE STATUS:

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

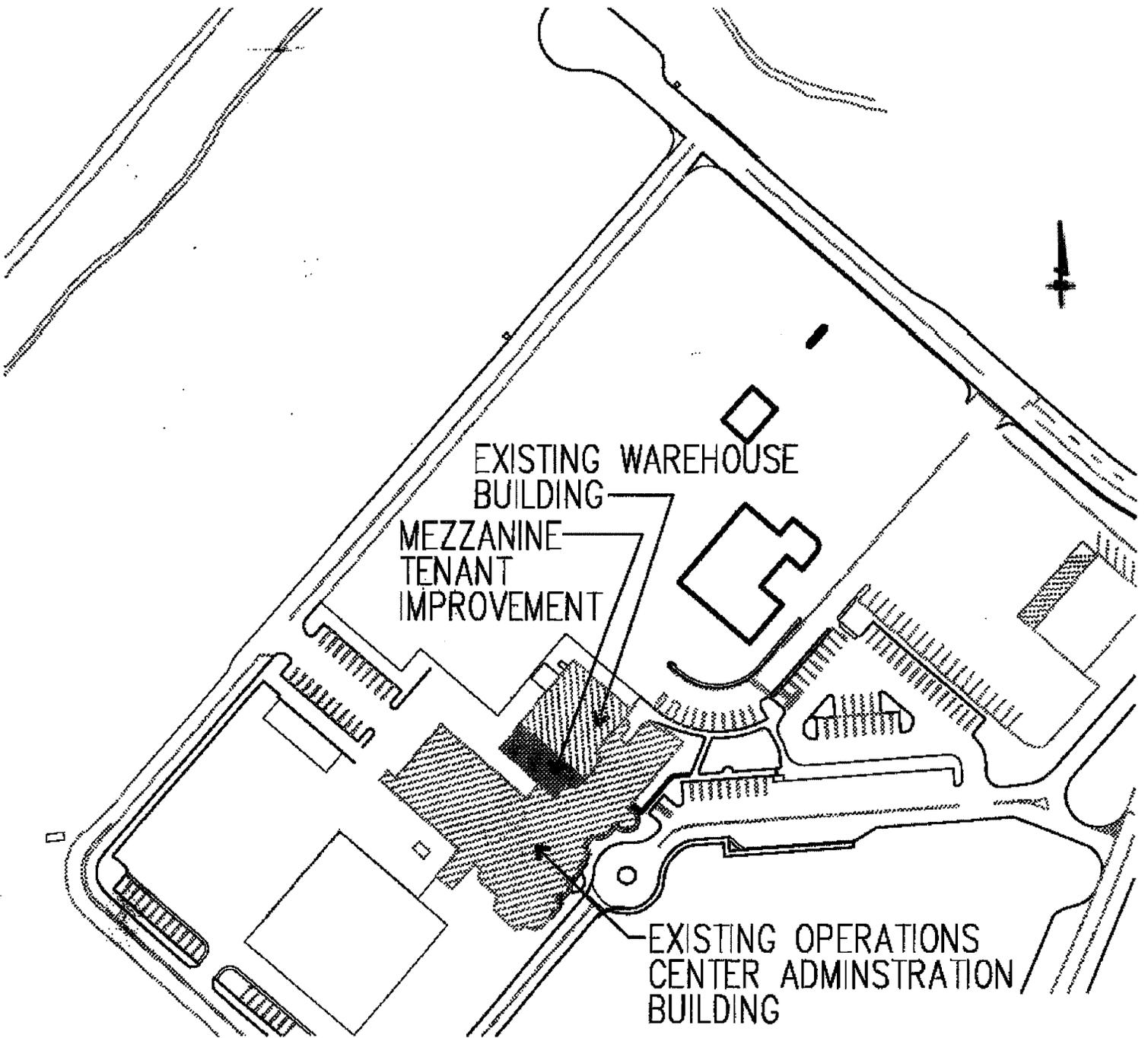
RECOMMENDATION:

THAT THE BOARD CANCEL THE AWARD OF THE CONSTRUCTION CONTRACT TO SNYDER LANGSTON IN THE AMOUNT OF \$722,361 ON FEBRUARY 28, 2011 AND REJECT ALL BIDS SUBMITTED ON FEBRUARY 2, 2011; FIND THAT THE IRREGULARITIES IN THE BID SUBMITTED BY SNYDER LANGSTON IN THE REBIDDING OF THE PROJECT ON MAY 17, 2011 DID NOT AFFECT THE AMOUNT OF THE BID OR AFFORD SNYDER LANGSTON A COMPETITIVE ADVANTAGE OVER THE OTHER BIDDERS AND WAIVE THE IRREGULARITIES, AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH SNYDER LANGSTON IN THE AMOUNT OF \$763,376 FOR THE OPERATIONS CENTER FACILITIES EXPANSION PHASE I MEZZANINE CONVERSION, PROJECTS 11422, 21422 AND 31422.

LIST OF EXHIBITS:

- Exhibit "A" – Location Map
- Exhibit "B" – Bid Summary from February 28, 2011 Award
- Exhibit "C" – Contract Award Cancellation Letter
- Exhibit "D" – Bid Summary from May 17, 2011

EXHIBIT "A"



LOCATION MAP

EXHIBIT "B"

Bid Opening: Wednesday, February 2, 2011
@ 2:00 P.M.

Irvine Ranch Water District Bid Summary For
Operations Center Expansion Project Phase 2- Mezzanine Conversion
PR 11422, 21422, 31422

Entered By: J.K. Irey

Item No.	Description	Qty	Engineer's Estimate			1 Snyder Langston Irvine, CA			2 Miller Contracting Co. Irvine, CA			3 PhilCo Construction Inc. Orange, CA			
			Unit	Price	Total Amount	Unit	Price	Total Amount	Unit	Price	Total Amount	Unit	Price	Total Amount	
1	Mobilization	1	LS	\$11,000.00	\$11,000.00			\$2,850.00	\$2,850.00	Inc.	\$0.00			\$23,500.00	\$23,500.00
	Temporary Owner Office Facility, Contractor Temporary Staging Area, Purchase and Install Exterior Pallet	1	LS	\$78,700.00	\$78,700.00			\$34,468.00	\$34,468.00		\$49,065.00			\$37,200.00	\$37,200.00
3	Temporary Personnel Protection	1	LS	inc. in #2	\$0.00			inc. in #2	\$0.00		\$3,195.00			\$6,800.00	\$6,800.00
4	Temporary Barriers, Enclosures, and Controls	1	LS	\$2,500.00	\$2,500.00			inc. in #2	\$0.00		\$2,460.00			\$14,600.00	\$14,600.00
5	Selective Demolition	1	LS	\$13,300.00	\$13,300.00			\$21,090.00	\$21,090.00		\$7,985.00			\$15,400.00	\$15,400.00
6	Temporary Bracing/Shoring/Structural Supports	1	LS	\$1,590.00	\$1,590.00			excluded	\$0.00		\$0.00			\$8,800.00	\$8,800.00
	Site work including but not limited to concrete paving removal, new concrete paving, minor asphalt removal and replacement	1	LS	\$6,620.00	\$6,620.00			\$4,900.00	\$4,900.00		\$17,565.00			\$7,200.00	\$7,200.00
8	Concrete foundations/footings	1	LS	\$5,900.00	\$5,900.00			\$23,103.00	\$23,103.00		\$4,300.00			\$24,400.00	\$24,400.00
9	Metal fabrications, structural steel	1	LS	\$84,585.00	\$84,585.00			\$98,901.00	\$98,901.00		\$58,470.00			\$94,200.00	\$94,200.00
10	Metal stairs, handrails & railings	1	LS	inc. in #9	\$0.00			inc. in #9	\$0.00		\$47,910.00			\$52,500.00	\$52,500.00
11	Oranmental Cable Handrails & Expansion control systems	1	LS	\$24,400.00	\$24,400.00			\$37,597.00	\$37,597.00		\$46,040.00			\$24,300.00	\$24,300.00
12	Miscellaneous Carpentry	1	LS	\$450.00	\$450.00			inc. in #15	\$0.00		\$4,880.00			\$5,515.00	\$5,515.00
13	Board & Batt Insulation	1	LS	\$113,115.00	\$113,115.00			\$48,108.00	\$48,108.00		\$37,170.00			\$58,300.00	\$58,300.00
14	Sheet metal flashing & trim	1	LS	\$2,672.00	\$2,672.00			\$1,254.00	\$1,254.00		\$1,720.00			\$6,685.00	\$6,685.00
15	Roof Accessories/Skylight fall	1	LS	\$4,200.00	\$4,200.00			\$8,379.00	\$8,379.00		\$1,535.00			\$6,200.00	\$6,200.00
16	Doors & Frames	1	LS	\$26,460.00	\$26,460.00			\$9,086.00	\$9,086.00		\$7,985.00			\$5,300.00	\$5,300.00
17	Access Doors & Panels	1	LS	inc. in #17	\$0.00			inc. in #22	\$0.00		\$5,460.00			\$9,212.00	\$9,212.00
18	Folding Fire Door	1	LS	\$3,000.00	\$3,000.00			\$9,633.00	\$9,633.00		\$14,470.00			\$5,280.00	\$5,280.00
19	Aluminum Window Frames and Door Hardware	1	LS	\$9,750.00	\$9,750.00			\$17,974.00	\$17,974.00		\$13,625.00			\$12,035.00	\$12,035.00
20	Door Framing & Gypsum Board	1	LS	\$6,000.00	\$6,000.00			inc. in #17	\$0.00		\$4,950.00			\$9,150.00	\$9,150.00
21	Ceramic Tile	1	LS	\$38,222.00	\$38,222.00			\$49,704.00	\$49,704.00		\$49,105.00			\$3,150.00	\$3,150.00
22	Acoustical Ceilings	1	LS	\$3,024.00	\$3,024.00			\$5,792.00	\$5,792.00		\$0.00			\$18,680.00	\$18,680.00
23	Carpet & Wall Base	1	LS	\$11,872.00	\$11,872.00			\$32,602.00	\$32,602.00		\$20,845.00			\$7,380.00	\$7,380.00
24	Painting	1	LS	\$18,380.00	\$18,380.00			\$19,577.00	\$19,577.00		\$22,165.00			\$10,575.00	\$10,575.00
25	Impact resistant wall protection	1	LS	\$10,401.00	\$10,401.00			\$17,240.00	\$17,240.00		\$24,800.00			\$22,470.00	\$22,470.00
26	Signage/Identification Devices	1	LS	\$1,395.00	\$1,395.00			\$285.00	\$285.00		\$4,300.00			\$10,450.00	\$10,450.00
27	Toilet Accessories	1	LS	\$396.00	\$396.00			\$855.00	\$855.00		\$1,843.00			\$5,260.00	\$5,260.00
28	Horizontal Louver Blinds	1	LS	\$1,000.00	\$1,000.00			n/a	\$0.00		\$0.00			\$4,250.00	\$4,250.00
29		1	LS	\$788.00	\$788.00			\$758.00	\$758.00		\$2,704.00			\$3,285.00	\$3,285.00
30		1	LS	\$788.00	\$788.00			\$758.00	\$758.00		\$2,704.00			\$2,400.00	\$2,400.00

EXHIBIT "C"



IRVINE RANCH WATER DISTRICT

15600 Sand Canyon Ave., P.O. Box 57000, Irvine, CA 92619-7000 (949) 453-5300

March 17, 2011

Project 11422

Mr. John Gunther
Snyder Langston
17962 Cowan
Irvine, CA 92614

Subject: Operations Center Expansion Project Phase I Mezzanine Conversion – Rebidding of Project

Dear Mr. Gunther:

Thank you for meeting with us on March 15, 2011. As we discussed, Irvine Ranch Water District (IRWD) staff intends to recommend that the Board of Directors cancel the award to Snyder Langston, reject all other bids and rebid the Operations Center Expansion Project Phase I Mezzanine Conversion. All bidders including Snyder Langston will be invited to participate in the rebidding. To expedite the process, staff intends to proceed with the rebidding prior to such recommended Board action.

Please execute below indicating your concurrence.

We have enjoyed working with you previously on the Sand Canyon Headquarters Project and we hope to continue our good relationship moving forward on future projects.

Yours truly,

IRVINE RANCH WATER DISTRICT

Handwritten signature of Kevin L. Burton in black ink.

Kevin L. Burton, P.E.
Director of Engineering and Construction

ACCEPTED AND AGREED:

Based on the understandings contained in this letter, Snyder Langston waives any objection to the cancellation of the award of a construction contract for the Operations Center Expansion Project Phase I Mezzanine Conversion to Snyder Langston on February 28, 2011, and Snyder Langston waives and releases all rights relating to its bid, submitted on February 2, 2011, and the February 28, 2011 award and contract, including any right to a hearing under Public Contract Code Section 4110.

SNYDER LANGSTON

By: _____

Title: _____

Handwritten signature of John Gunther in black ink.
John Gunther
Project Executive
March 23, 2011

EXHIBIT "D"

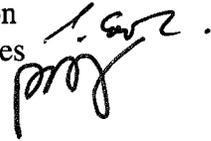
Item No.	Description	Qty	Unit	Engineer's Estimate		1 Miller Contracting Co. Irvine, CA			2 Snyder Langston Irvine, CA			3 PhilCo Construction Inc. Orange, CA		
				Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount			
1	Mobilization	1	LS	\$20,000.00	\$20,000.00	\$18,787.38	\$18,787.38	\$12,837.00	\$12,837.00	\$13,000.00	\$13,000.00			
2	Temporary Owner Office Facility (see appendix)	1	LS	\$45,900.00	\$45,900.00	\$94,449.09	\$94,449.09	\$31,870.00	\$31,870.00	\$44,000.00	\$44,000.00			
3	Contractor Temporary Staging Area, Purchase and Install Exterior Pallet Racks	1	LS	\$14,300.00	\$14,300.00	\$21,293.24	\$21,293.24	\$21,005.00	\$21,005.00	\$29,000.00	\$29,000.00			
4	Temporary Barriers, Enclosures, and Controls, and Special Signage	1	LS	\$15,400.00	\$15,400.00	\$5,158.07	\$5,158.07	\$2,838.00	\$2,838.00	\$10,500.00	\$10,500.00			
5	Selective Demolition	1	LS	\$8,800.00	\$8,800.00	\$10,903.92	\$10,903.92	\$18,734.00	\$18,734.00	\$10,400.00	\$10,400.00			
6	Bracing/Structural Supports	1	LS	\$7,200.00	\$7,200.00	-	-	\$5,677.00	\$5,677.00	\$8,800.00	\$8,800.00			
7	Site work including but not limited to concrete paving removal, new concrete paving, minor asphalt removal and replacement	1	LS	\$25,000.00	\$25,000.00	\$9,074.61	\$9,074.61	\$4,258.00	\$4,258.00	\$7,500.00	\$7,500.00			
8	Concrete foundations/footings	1	LS	\$98,900.00	\$98,900.00	\$5,517.94	\$5,517.94	\$23,010.00	\$23,010.00	\$7,200.00	\$7,200.00			
9	Metal fabrications, structural steel	1	LS	\$18,000.00	\$18,000.00	\$8,606.78	\$8,606.78	\$64,717.00	\$64,717.00	\$98,200.00	\$98,200.00			
10	Metal stairs, handrails & railings	1	LS	\$43,000.00	\$43,000.00	\$28,747.25	\$28,747.25	\$22,708.00	\$22,708.00	\$57,500.00	\$57,500.00			
11	Ramp, Ornamental Cable Handrails & Railings	1	LS	\$5,500.00	\$5,500.00	\$84,184.52	\$84,184.52	\$38,036.00	\$38,036.00	\$24,300.00	\$24,300.00			
12	Expansion Control and Covers at Ramp	1	LS	\$58,300.00	\$58,300.00	\$1,529.43	\$1,529.43	\$2,838.00	\$2,838.00	\$5,515.00	\$5,515.00			
13	Miscellaneous Carpentry	1	LS	\$2,700.00	\$2,700.00	\$39,958.26	\$39,958.26	\$48,872.00	\$48,872.00	\$58,300.00	\$58,300.00			
14	Board & Batt Insulation	1	LS	\$2,850.00	\$2,850.00	\$2,770.96	\$2,770.96	\$2,623.00	\$2,623.00	\$3,500.00	\$3,500.00			
15	Sheet metal flashing & trim	1	LS	\$8,000.00	\$8,000.00	\$1,799.33	\$1,799.33	\$1,135.00	\$1,135.00	\$4,200.00	\$4,200.00			
16	Roof Accessories/Skylight fall protection, Roof Repair	1	LS	\$14,250.00	\$14,250.00	\$19,852.58	\$19,852.58	\$8,515.00	\$8,515.00	\$5,300.00	\$5,300.00			
17	Doors, Door Frames and Hardware	1	LS	\$10,000.00	\$10,000.00	\$13,478.16	\$13,478.16	\$8,771.00	\$8,771.00	\$13,362.00	\$13,362.00			
18	Folding Fire Door	1	LS	\$14,500.00	\$14,500.00	\$12,967.15	\$12,967.15	\$13,057.00	\$13,057.00	\$12,035.00	\$12,035.00			
19	Aluminum Window Frames and Glazing	1	LS	\$43,000.00	\$43,000.00	\$12,295.40	\$12,295.40	\$8,856.00	\$8,856.00	\$10,100.00	\$10,100.00			
20	Metal Framing & Gypsum Board Assemblies	1	LS	\$7,300.00	\$7,300.00	\$47,802.13	\$47,802.13	\$47,880.00	\$47,880.00	\$18,680.00	\$18,680.00			
21	Ceramic Tile	1	LS	\$21,000.00	\$21,000.00	\$1,199.55	\$1,199.55	\$5,769.00	\$5,769.00	\$7,380.00	\$7,380.00			
22	Acoustical Ceilings	1	LS	\$21,000.00	\$21,000.00	\$20,355.19	\$20,355.19	\$31,791.00	\$31,791.00	\$10,575.00	\$10,575.00			
23	Carpet & Wall Base	1	LS	\$15,000.00	\$15,000.00	\$16,625.78	\$16,625.78	\$19,498.00	\$19,498.00	\$28,570.00	\$28,570.00			
24	Painting	1	LS	\$2,500.00	\$2,500.00	\$26,618.05	\$26,618.05	\$17,170.00	\$17,170.00	\$10,450.00	\$10,450.00			
25	Signage/Identification Devices	1	LS	\$2,000.00	\$2,000.00	\$3,112.84	\$3,112.84	\$2,838.00	\$2,838.00	\$4,250.00	\$4,250.00			
26	Toilet and Janitor Room walls and accessories (Protect and/or Replace)	1	LS	\$1,000.00	\$1,000.00	\$347.87	\$347.87	\$284.00	\$284.00	\$12,795.00	\$12,795.00			
27	Horizontal Louver Blinds	1	LS	\$1,000.00	\$1,000.00	\$1,259.53	\$1,259.53	\$755.00	\$755.00	\$2,400.00	\$2,400.00			
28	Plumbing and Fire Suppression System Engineering/Piping	1	LS	\$23,000.00	\$23,000.00	\$25,790.36	\$25,790.36	\$38,263.00	\$38,263.00	\$37,100.00	\$37,100.00			
29	Ventilation and Air Conditioning Systems and Controls (include Ram Air Engineering work, estimate provided in Appendix for reference)	1	LS	\$225,000.00	\$225,000.00	\$204,813.82	\$204,813.82	\$193,016.00	\$193,016.00	\$229,770.00	\$229,770.00			
30	Electrical power and lighting systems	1	LS	\$39,000.00	\$39,000.00	\$32,138.38	\$32,138.38	\$56,755.00	\$56,755.00	\$49,900.00	\$49,900.00			
31	Final record drawings	1	LS	\$5,000.00	\$5,000.00	\$1,799.33	\$1,799.33	\$0.00	\$0.00	\$2,300.00	\$2,300.00			
32	Startup, testing, and commissioning	1	LS	\$3,000.00	\$3,000.00	\$599.78	\$599.78	\$3,378.00	\$3,378.00	\$1,500.00	\$1,500.00			
33	Demobilization and restoration of temporary facilities/staging area to original condition	1	LS	\$4,500.00	\$4,500.00	\$4,672.25	\$4,672.25	\$3,122.00	\$3,122.00	\$2,500.00	\$2,500.00			
A-1	Subtotal, Base Bid Items 1 thru 19				\$825,900.00	\$778,508.93	\$778,508.93	\$760,876.00	\$760,876.00	\$840,882.00	\$840,882.00			
	Alternative Item: Builder's "All-Risk"				\$3,500.00	\$1,500.00	\$1,500.00	\$2,500.00	\$2,500.00	\$3,500.00	\$3,500.00			
	Sub-Total, Bid Items 1 thru 19 + A1				\$829,400.00	\$780,008.93	\$780,008.93	\$763,376.00	\$763,376.00	\$844,382.00	\$844,382.00			
	Adjustment (+ or -)				\$0.00	-\$35,133.00	-\$35,133.00	\$0.00	\$0.00	\$14,300.00	\$14,300.00			
	Total Amount of Bid				\$829,400.00	\$744,875.93	\$744,875.93	\$763,376.00	\$763,376.00	\$858,682.00	\$858,682.00			

June 13, 2011

Prepared by: J. Moeder/C. Spangenberg

Submitted by: K. Burton

Approved by: Paul Jones



ACTION CALENDAR

TUSTIN LEGACY WELL NO. 1 ALTERNATIVE CONSTRUCTION AWARD

SUMMARY:

The results of the bid process for Tustin Legacy Well No. 1 Alternative (TL-1A) were brought to the Board at its meeting on April 25, 2011. At the time of the award, the Board requested that before executing the construction contract, staff should confirm that certain design components of TL-1A were included to protect the well from possible future contamination. Staff subsequently reviewed the design internally and with Orange County Water District (OCWD) staff. After these meetings the well design was revised to include additional precautions to protect the well from potential future contamination. The project was rebid based on the revised design, and bids were opened on June 7, 2011. Staff recommends that the Board:

- Reject all bids received on April 19, 2011 for TL-1A;
- Approve a budget increase to the FY 2011-12 Capital Budget for Project 11419 by \$966,000, from \$2,595,900 to \$3,561,900;
- Approve an Expenditure Authorization in the amount of \$966,000 for Project 11419; and
- Authorize the General Manager to execute a construction contract with Bakersfield Well & Pump in the amount of \$2,799,863 for the construction of TL-1A based on the revised design.

BACKGROUND:

The location of Tustin Legacy Well No. 1 (TL-1) was moved from Tustin to an alternative location in Irvine in order to avoid delays associated with on-going well site, easement negotiations with the City of Tustin. Staff anticipated that on-going negotiations with the City of Tustin regarding the easement for the proposed site of Well TL-1 in Tustin (near the intersection of Barranca and Aston) could jeopardize IRWD's ability to construct this well within the September 30, 2011 deadline stipulated by the American Recovery and Reinvestment Act (ARRA) Funding Agreement. The new location of this well, now referred to as Well TL-1A, is on IRWD property in the City of Irvine. A location map is attached as Exhibit "A".

April 2011 Construction Award and Redesign Process:

The Well TL-1A construction project was initially advertised for bid in March 2011 to a select list of four drilling contractors: Bakersfield Well and Pump, Boart Longyear, Best Drilling and Pump, and Rottman Drilling. The bid opening was held on April 19, 2011 and bids were received from Bakersfield Well & Pump, Boart Longyear, and Best Drilling and Pump. Bakersfield Well & Pump was the apparent low bidder with a bid amount of \$2,019,787. The April 19, 2011 Bid Summary is attached as Exhibit "B". The results of the bid process were presented to the Board on April 25, 2011. At that meeting, contingent upon further review of the

presence or potential for any local contaminants that could impact the well, the Board authorized the award of a construction contract for TL-1A. The construction contract for TL-1A, based on the original design, was not executed by staff.

Staff immediately began its follow-up investigation of local contaminants, consulting the appropriate regulatory agencies and updating the Phase I Environmental Site Assessment, originally prepared in 2000. Based on these discussions and the findings of the updated Phase I Environmental Site Assessment which indicated the presence of elevated levels of trichloroethylene (TCE) and perchloroethylene (PCE), staff directed the TL-1A design consultant to revise the well design to include additional protective measures including the following components:

- A 500-foot deep 36-inch diameter intermediate conductor casing and a 100-foot deep 48-inch diameter conductor casing, in lieu of the single 80-foot deep 38-inch conductor casing as stipulated in the original design; and
- A 500-foot deep sanitary seal, in lieu of a 300-foot deep sanitary seal as stipulated in the original design.

It is the conclusion of staff from both IRWD and OCWD that the enhanced design will further protect the well from potential future contamination. Staff recognizes that the redesign could also impact the capacity of the well because the upper screens are sealed off by the 500-foot deep conductor casing and sanitary seal.

June 2011 Construction Award Process:

The redesign of the well was completed in May 2011 and the project was re-advertised to the three original bidders: Bakersfield Well & Pump, Boart Longyear, and Best Drilling and Pump. The bid opening was held on June 7, 2011 and bids were received from all three contractors. Bakersfield Well & Pump was the apparent low bidder with a bid amount of \$2,799,863. The increase in construction cost in the amount of \$780,076 for the enhanced well design is primarily attributable to the addition of the intermediate conductor casing and the deeper sanitary seal. The engineer's estimate for the revised TL-1A design was \$2,372,282. The June 7, 2011 Bid Summary is attached as Exhibit "C".

Staff recommends that the Board reject all bids for TL-1A received on April 19, 2011 and that the Board award the construction contract for TL-1A, based on the revised design, to Bakersfield Well & Pump for the amount of \$2,799,863.

Schedule:

Per the contract documents, Bakersfield Well & Pump has 120 calendar days from the Notice of Award to substantially complete the project. Since the ARRA funding agreement with the Bureau of Reclamation is for 25% of the project cost up to a reimbursement limit of \$415,000 (\$1,660,000 of project cost), it is anticipated that the District will meet the September 30, 2011 deadline before the project cost matching limit is reached. Staff will continue to coordinate with the Bureau of Reclamation on the schedule to ensure full use of the ARRA funds.

FISCAL IMPACTS:

Project 11419 is included in the FY 2011-12 Capital Budget. At the April 25, 2011 Board meeting, the Board approved an Expenditure Authorization to fund construction and construction phase services in the amount of \$2,578,000. The budget was also increased from \$2,394,300 to \$2,595,900. Due to the increase in cost with the more robust design an additional Expenditure Authorization in the amount of \$966,000 and an increase in the budget from \$2,595,900 to \$3,561,900 are requested as shown in the table below and in Exhibit "D".

Project No.	Current Budget	Addition <Reduction>	Total Budget	Existing EA	This EA Request	Total EA Request
11419	\$2,595,900	\$966,000	\$3,561,900	\$2,578,000	\$966,000	\$3,544,000

This project is 25% funded by the American Recovery and Reinvestment Act (ARRA) to a total reimbursement limit of \$415,000.

ENVIRONMENTAL COMPLIANCE:

Section 15164 of the State CEQA Guidelines provides for the preparation of the addendum to a previously certified MND/IS/EA by lead agency or a responsible agency if some changes or additions to the project are necessary but none of the conditions described in CEQA calling for preparation of a subsequent MND/IS/EA have occurred. The Board approved Addendum No. 1 to the Wells 21 and 22/Tustin Legacy Well 1 project Mitigated Negative Declaration/Initial Study/Environmental Assessment at the April 25, 2011 Board meeting.

COMMITTEE STATUS:

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

RECOMMENDATION:

THAT THE BOARD REJECT ALL BIDS FOR THE ORIGINAL TUSTIN LEGACY WELL NO. 1 ALTERNATIVE DESIGN OPENED ON APRIL 19, 2011; APPROVE A BUDGET INCREASE TO THE FY 2011-12 CAPITAL BUDGET FOR PROJECT 11419 BY \$966,000, FROM \$2,595,900 TO \$3,561,900; APPROVE AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$966,000 FOR PROJECT 11419; AUTHORIZE THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH BAKERSFIELD WELL & PUMP IN THE AMOUNT OF \$2,799,863 FOR THE CONSTRUCTION OF TUSTIN LEGACY WELL NO.1 ALTERNATIVE, PROJECT 11419.

LIST OF EXHIBITS:

- Exhibit "A" – Project Location
- Exhibit "B" – Bid Summary from April 19, 2011
- Exhibit "C" – Bid Summary from June 7, 2011
- Exhibit "D" – Expenditure Authorization

Exhibit "A"

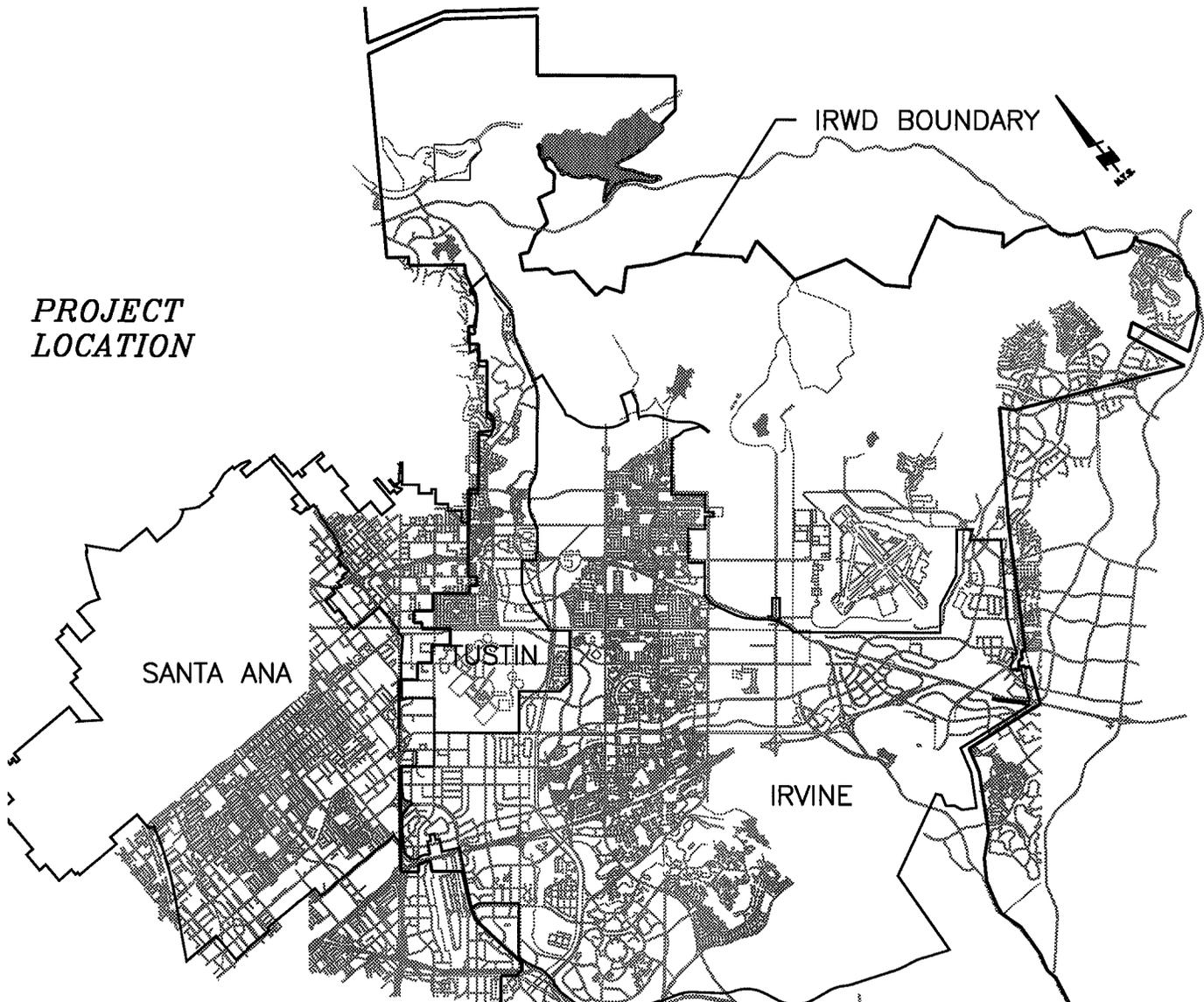
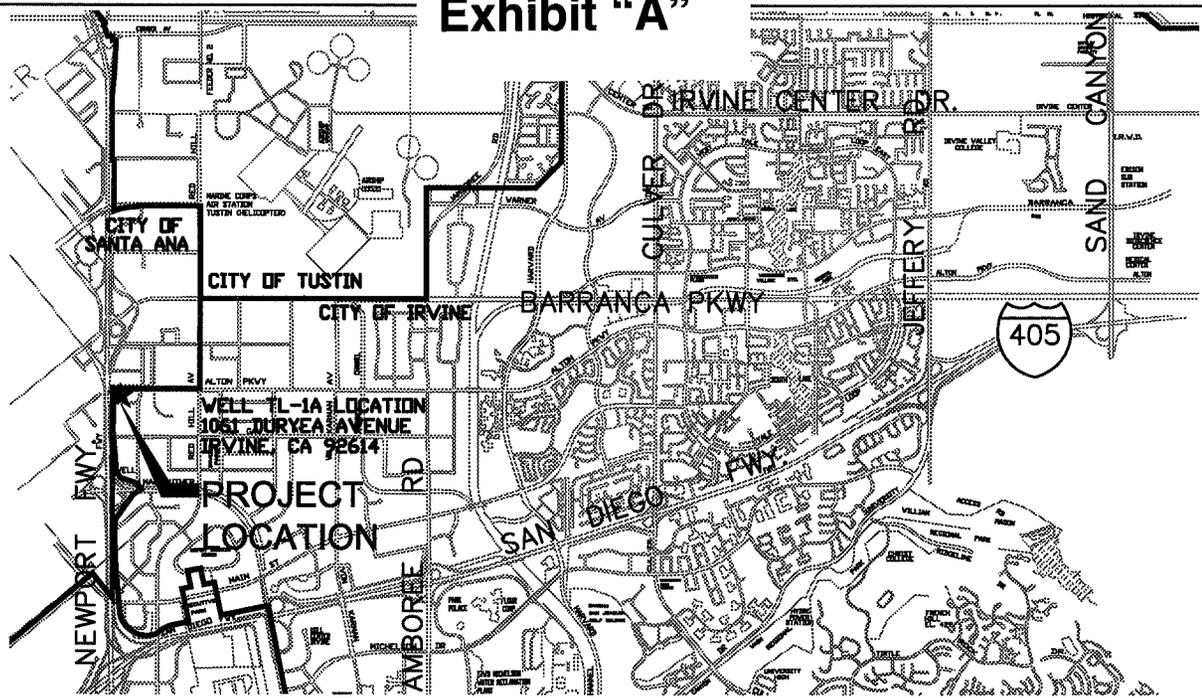


EXHIBIT "A"

PROJECT LOCATION MAP
TUSTIN LEGACY WELL NO. 1 ALTERNATIVE

Exhibit "B"

Entered By: J.K. Jey

Irvine Ranch Water District Bid Summary For
Well TL-1A - PR 11419

Bid Opening: Tuesday, April 19, 2011 @ 3:00 p.m.

Item No.	Description	Engineer's Estimate			Bakersfield Drilling & Pump Bakersfield, CA			Best Drilling and Pump, Inc. Bloomington, CA			Boart Longyear Co. Sherwood, OR		
		Qty	Unit	Total Amount	Unit	Price	Total Amount	Unit	Price	Total Amount	Unit	Price	Total Amount
1	Mobilization/Demobilization, temporary facilities, bonds and insurance, including detailed video survey of site one week prior to start of work, site clean-up and restoration at completion of project (not to exceed \$30,000).	1	L.S.	\$80,000.00		\$80,000.00		\$80,000.00		\$80,000.00		\$80,000.00	
2	Site preparation and leveling of site at the beginning and end of the project.	1	L.S.	\$12,000.00		\$5,500.00		\$5,500.00		\$5,500.00		\$5,500.00	
3	Apply for NCR to discharge under NPDES Permit No. R8-2009-0003 during drilling, construction, development and testing of Well TL-1A.	1	L.S.	\$5,000.00		\$15,000.00		\$15,000.00		\$15,000.00		\$15,000.00	
4	Provide two Baker tanks and approximately 950 ft of discharge piping, as specified to meet NPDES discharge requirements during construction and testing.	1	L.S.	\$18,000.00		\$25,000.00		\$25,000.00		\$25,000.00		\$25,000.00	
5	Provide two driveway ramps, one for the source water crossing and one for the pit discharge crossing to meet NPDES discharge requirements, as specified. Each driveway ramp shall be wide enough to accommodate two-way traffic.	1	L.S.	\$5,000.00		\$5,000.00		\$5,000.00		\$5,000.00		\$5,000.00	
6	Provide daily effluent monitoring, sampling and analysis (as per Appendices D and E) during zone isolation testing, step drawdown, constant rate, dye tracer and depth-specific sampling in compliance with NPDES discharge requirements. Price to include pick up of bottles, transportation and delivery of samples to laboratory, as well as all analyses specified in Table 1.	1	L.S.	\$15,000.00		\$15,000.00		\$15,000.00		\$15,000.00		\$15,000.00	
7	Drill 48-inch diameter concrete borehole, furnish and install 37 7/8-inch outside diameter (OD) by 1/2-inch wall thickness ASTM A139 Grade B mild steel conductor casing. Cement into place using 10.3 sk sand-cement grout into place (initial lift of 30 ft and final lift of 50 ft). Drill maximum 17 1/2-inch diameter pilot borehole from 80 to 1,350 ft with deviation surveys every 100 ft. (est. TD = 1,350 ft).	1	EA	\$750.00		\$2,000.00		\$2,000.00		\$2,000.00		\$2,000.00	
8	Provide geophysical borehole logs within pilot borehole as specified, including spontaneous potential, short- and long-normal resistivity, gamma resistivity, sonic with variable density and natural gamma ray logs.	1	EA	\$7,500.00		\$7,500.00		\$7,500.00		\$7,500.00		\$7,500.00	
9	Install isolated aquifer zone test tools, gravel envelope, and Adiff/sump isolated zone test intervals (est. 24 hours per zone, 5 zones).	5	EA	\$7,500.00		\$37,500.00		\$37,500.00		\$37,500.00		\$37,500.00	
10	Water quality analyses during zone testing (see Table 1 for analyses) (1 sample per zone, 5 zones).	5	EA	\$3,000.00		\$15,000.00		\$15,000.00		\$15,000.00		\$15,000.00	
11	Furnish and install approximately a 50 ft cement bottom seal within the pilot borehole, if required.	50	FT	\$25.00		\$1,250.00		\$1,250.00		\$1,250.00		\$1,250.00	
12	Balance 17 1/2-inch pilot bore hole to 36 inches in diameter from 80 ft to 400 ft logs.	330	L.S.	\$50.00		\$16,000.00		\$16,000.00		\$16,000.00		\$16,000.00	
13	Balance 17 1/2-inch pilot bore hole to 30 inches in diameter from 400 ft to 1,300 ft logs.	900	L.S.	\$45.00		\$40,500.00		\$40,500.00		\$40,500.00		\$40,500.00	
14	Provide caliper survey of reamed borehole, including borehole volume calculations.	1	L.S.	\$2,250.00		\$2,250.00		\$2,250.00		\$2,250.00		\$2,250.00	
15	Furnish and install 20-inch inside diameter x 3/8-inch wall thickness 316L ASTM A776 stainless steel blank casing (42-400 ft logs).	405	FT	\$819.00		\$331,695.00		\$331,695.00		\$331,695.00		\$331,695.00	

Item No.	Description	Engineer's Estimate		Bakersfield Drilling & Pump Bakersfield, CA		Best Drilling and Pump, Inc. Bloomington, CA		Boari Logging Co. Shervood, OR	
		Qty	Unit	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
19	Furnish and install 20-inch inside diameter x 5/16-inch wall thickness 316L ASTM A778 stainless steel blank casing (500-600, 680-780 and 900-950 ft legs).	250	LS	\$685.00	\$171,250.00	\$833.00	\$208,250.00	\$685.00	\$171,250.00
20	Furnish and install 20-inch inside diameter x 5/16 inch wall thickness 316L ASTM A778 stainless steel sump with end plate.	20	FT	\$685.00	\$13,700.00	\$833.00	\$16,660.00	\$685.00	\$13,700.00
21	Furnish and install 20-inch inside diameter x 5/16-inch wall thickness 316L ASTM A778 stainless steel full-flow lowered screen with 0.394 in. (3/32 in.) openings.	610	FT	\$810.00	\$494,100.00	\$983.00	\$599,630.00	\$810.00	\$494,100.00
22	Furnish and install 4-inch Sch. 40 316L stainless steel gravel feed pipes, as specified (+2 to 308 ft).	620	FT	\$69.00	\$42,780.00	\$80.00	\$49,600.00	\$76.00	\$47,120.00
23	Carve access/rounding tube, as specified (+2 to 598 ft, with a 8 ft long, 5 in. x 5 in. square entrance box from 590 ft).	400	FT	\$69.00	\$27,600.00	\$95.00	\$38,000.00	\$100.00	\$40,000.00
24	Furnish and install filter pack material with 1/4 in. x 1/6 granulation in annular space, including a 3 ft fine sand layer.	1400	FT	\$38.00	\$53,200.00	\$25.00	\$35,000.00	\$51.00	\$71,400.00
25	Furnish and install specified 10.3 sk sand-cement annular concrete plugback and alignment (testing to 960 ft leg).	300	FT	\$35.00	\$10,500.00	\$70.00	\$21,000.00	\$98.00	\$29,400.00
26	Conduct geoscopic alignment survey to total depth, as specified.	1	LS	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
27	Conduct initial development using mechanical methods including airlifting and swabbing from between packers (using drilling rig).	120	HR	\$325.00	\$39,000.00	\$400.00	\$48,000.00	\$400.00	\$48,000.00
28	Inject NW-220 or Aque-Clear PFD dispersant during initial development by airlifting and swabbing.	30	QAL	\$75.00	\$2,250.00	\$90.00	\$2,700.00	\$100.00	\$3,000.00
29	Furnish, install and remove test pumping equipment to 380 ft leg for well development and testing.	1	LS	\$7,500.00	\$7,500.00	\$10,000.00	\$10,000.00	\$20,500.00	\$20,500.00
30	Conduct final development by pumping and surging with vertical turbine pump.	60	HR	\$300.00	\$18,000.00	\$250.00	\$15,000.00	\$400.00	\$24,000.00
31	Conduct steep drawdown pumping testing for yield and drawdown, as specified.	10	HR	\$300.00	\$3,000.00	\$250.00	\$2,500.00	\$400.00	\$4,000.00
32	Conduct constant rate pumping test with a minimum of 4 hrs of recovery measurements, as specified.	20	HR	\$300.00	\$6,000.00	\$250.00	\$5,000.00	\$400.00	\$8,000.00
33	Collect Title 22 water quality samples and analyze for Table 1 list of analytes. Price to include pick up of bottles, transportation and delivery of samples to laboratory, as well as all analyses specified in Table 1.	1	LS	\$3,000.00	\$3,000.00	\$2,400.00	\$2,400.00	\$4,500.00	\$4,500.00
34	Conduct dynamic spinner (flowmeter) survey during constant rate pumping test, as specified.	1	LS	\$4,500.00	\$4,500.00	\$4,500.00	\$4,500.00	\$4,500.00	\$4,500.00
35	Conduct depth-specific water quality sampling using wireline two liter fluid sampler (during constant rate pumping test), including water quality analysis, as specified.	5	EA	\$2,250.00	\$11,250.00	\$2,500.00	\$12,500.00	\$2,500.00	\$12,500.00
36	Conduct USGS method (as licensed to BESS, Inc.) Dye Tracer Pulse Dynamic Flowmeter (i.e., Dye Tracer) Survey under both dynamic and static conditions. Cost to encompass all equipment and manpower, including maintenance and operation of test pump during testing.	1	LS	\$10,500.00	\$10,500.00	\$29,500.00	\$29,500.00	\$30,000.00	\$30,000.00
37	Collect and analyze water quality samples using BESS, Inc. micro tube method in completed well, including water quality analysis as per Table 1. (1 sample per depth interval, assume 5 zones). Cost to encompass all equipment and manpower, including maintenance and operation of test pump during sampling.	5	EA	\$2,500.00	\$12,500.00	\$4,286.00	\$21,430.00	\$7,500.00	\$37,500.00

Exhibit "C"

Entered By: J.K. Ivey

Irvine Ranch Water District Bid Summary For Well TL-1A - PR 11419 - REBID

Bid Opening: REBID - Tuesday, June 7, 2011 @ 3:00 p.m.

Item No.	Description	Engineer's Estimate			Bakersfield Drilling & Pump Bakersfield, CA			Best Drilling and Pump, Inc. Bloomington, CA			Boart Longyear Co. Sherwood, OR		
		Qty	Unit	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	
1	Mobilization/Demobilization, temporary facilities, bonds and insurance, including detailed video survey of site one week prior to start of work, site clean-up and restoration at completion of project (not to exceed \$80,000).	1	LS	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$79,959.00	\$79,959.00
2	Site preparation and leveling of site at the beginning and end of the project.	1	LS	\$12,000.00	\$12,000.00	\$25,000.00	\$25,000.00	\$125,000.00	\$125,000.00	\$125,000.00	\$108,668.00	\$108,668.00	\$108,668.00
3	Apply for NOI to discharge under NPDES Permit No. R8-2009-0003 during drilling, construction, development and testing of Well TL-1A	1	LS	\$10,000.00	\$10,000.00	\$22,000.00	\$22,000.00	\$16,000.00	\$16,000.00	\$16,000.00	\$5,818.00	\$5,818.00	\$5,818.00
4	Provide two Baker tanks and approximately 990 ft of discharge piping, as specified to meet NPDES discharge requirements during construction and provide two driveway ramps, one for the source water crossing and one for the piped discharge, crossing to meet NPDES discharge requirements, as specified. Each driveway ramp shall be wide enough to accommodate two-way traffic.	1	LS	\$20,000.00	\$20,000.00	\$25,000.00	\$25,000.00	\$31,000.00	\$31,000.00	\$31,000.00	\$25,807.00	\$25,807.00	\$25,807.00
5	Provide daily effluent monitoring, sampling and analysis (as per Appendices D and E) during zone isolation testing, step drawdown, constant rate, dye tracer and depth-specific sampling in compliance with NPDES discharge requirements. Price to include pick up of bottles, transportation and delivery of samples to laboratory, as well as all analyses specified in Table 1.	1	LS	\$5,000.00	\$5,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$6,159.00	\$6,159.00	\$6,159.00
6	Provide testing and offsite disposal of drill cuttings.	20	EA	\$1,500.00	\$30,000.00	\$2,000.00	\$2,000.00	\$40,000.00	\$40,000.00	\$2,500.00	\$50,000.00	\$1,513.00	\$30,260.00
7	Provide sampling and analysis of shallow ground water as per Table 1.	1	LS	\$25,000.00	\$25,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$30,000.00	\$75,000.00	\$75,000.00	\$134,111.00	\$134,111.00
8	Drill 56-inch diameter conductor borehole, furnish and install 48-inch outside diameter (OD) by 5/8-inch wall thickness ASTM A139 Grade B mild steel conductor casing from +1 ft to 100 ft bgs. Cement conductor casing in lifts as specified using 15 3 sk sand-cement grout into place.	1	EA	\$500.00	\$500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$7,500.00	\$7,500.00	\$3,219.00	\$3,219.00
9	Drill maximum 17 1/2-inch diameter intermediate pilot borehole from 100 to 500 ft bgs, with deviation surveys every 50 ft.	101	FT	\$989.00	\$99,889.00	\$800.00	\$80,800.00	\$950.00	\$95,950.00	\$950.00	\$95,950.00	\$842.00	\$85,042.00
10	Provide geophysical borehole logs within intermediate pilot borehole from 100 ft to 500 ft bgs as specified, including spontaneous potential, short- and long-normal resistivity, guard resistivity, sonic with variable density, natural gamma ray logs and gyroscopic survey.	400	FT	\$55.00	\$22,000.00	\$100.00	\$40,000.00	\$125.00	\$50,000.00	\$125.00	\$50,000.00	\$160.00	\$64,000.00
11	Enlarge 17 1/2-inch intermediate pilot borehole to 46 inches in diameter from 100 ft to 500 ft bgs.	1	LS	\$7,000.00	\$7,000.00	\$4,500.00	\$4,500.00	\$4,500.00	\$4,500.00	\$4,500.00	\$4,500.00	\$12,011.00	\$12,011.00
12	Provide caliper survey of reamed intermediate borehole from ground surface to 500 ft bgs, including borehole volume calculations.	400	FT	\$60.00	\$24,000.00	\$100.00	\$40,000.00	\$250.00	\$100,000.00	\$250.00	\$100,000.00	\$413.00	\$165,200.00
13	Furnish and install 36-inch inside diameter x 1/2-inch wall thickness ASTM A139 Grade B mild steel blank casing (+1,300 ft bgs).	1	LS	\$1,800.00	\$1,800.00	\$1,570.00	\$1,570.00	\$2,500.00	\$2,500.00	\$2,500.00	\$6,086.00	\$6,086.00	\$6,086.00
14	Furnish and install specified 10.3 sk sand-cement seal from 500 ft bgs to ground surface inside 48-inch diameter conductor casing.	501	FT	\$325.00	\$162,825.00	\$720.00	\$360,720.00	\$400.00	\$200,400.00	\$400.00	\$200,400.00	\$310.00	\$155,310.00
15	Drill maximum 17 1/2-inch diameter pilot borehole from 500 to 1,350 ft bgs, for specified total depth, with deviation surveys conducted every 100 ft.	500	FT	\$72.00	\$36,000.00	\$125.00	\$62,500.00	\$150.00	\$75,000.00	\$150.00	\$75,000.00	\$149.00	\$74,500.00
16	Provide geophysical borehole logs within intermediate pilot borehole from 500 ft to 1,350 ft bgs as specified, including spontaneous potential, short- and long-normal resistivity, guard resistivity, sonic with variable density, and natural gamma ray logs and gyroscopic survey.	850	FT	\$55.00	\$46,750.00	\$85.00	\$72,250.00	\$95.00	\$80,750.00	\$95.00	\$80,750.00	\$170.00	\$144,600.00
17	Install isolated aquifer zone test tools, gravel eyeslips, and seals (5 zones).	1	LS	\$5,500.00	\$5,500.00	\$4,500.00	\$4,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$13,109.00	\$13,109.00	\$13,109.00
18	Airlift/pump isolated zone test intervals (est. 24 hours per zone; 5 zones).	5	EA	\$8,500.00	\$42,500.00	\$12,000.00	\$60,000.00	\$15,000.00	\$75,000.00	\$15,000.00	\$75,000.00	\$24,968.00	\$124,800.00
19	Water quality analyses during zone testing (see Table 1 for unit/yr) (1 sample per zone; 5 zones).	120	HR	\$275.00	\$33,000.00	\$350.00	\$42,000.00	\$400.00	\$48,000.00	\$400.00	\$48,000.00	\$542.00	\$65,040.00
20	Furnish and install approximately a 50 ft cement bottom seal within the pilot borehole, if required.	5	EA	\$2,750.00	\$13,750.00	\$2,400.00	\$12,000.00	\$3,500.00	\$17,500.00	\$3,500.00	\$17,500.00	\$3,219.00	\$16,095.00
21		50	FT	\$50.00	\$2,500.00	\$100.00	\$5,000.00	\$290.00	\$12,500.00	\$290.00	\$12,500.00	\$293.00	\$14,650.00

Item No.	Description	Engineer's Estimate			Bakersfield Drilling & Pump Bakersfield, CA			Best Drilling and Pump, Inc. Bloomington, CA			Boart Longyear Co. Skeswood, OR			
		Qty	Unit	Total Amount	Unit	Price	Total Amount	Unit	Price	Total Amount	Unit	Price	Total Amount	
22	Enlarge 17 1/2-inch pilot bore hole to 34 inches in diameter from 500 ft to 600 ft bgs.	100	FT	\$6,500.00			\$8,500.00			\$9,500.00			\$481.00	\$481,000.00
23	Enlarge 17 1/2-inch pilot bore hole to 30 inches in diameter from 600 ft to 1,300 ft bgs.	700	FT	\$12,000.00			\$85.00			\$75.00			\$337.00	\$235,900.00
24	Provide caliper survey of reamed borehole, including borehole volume	1	LS	\$1,800.00			\$1,570.00			\$3,500.00			\$6,450.00	\$6,450,000.00
25	Furnish and install 20-inch inside diameter x 3/8-inch wall thickness 316L ASTM A778 stainless steel blank casing (+5-600 ft bgs).	605	FT	\$601,370.00			\$994.00			\$865.00			\$976.00	\$590,480.00
26	Furnish and install 20-inch inside diameter x 5/16-inch wall thickness 316L ASTM A778 stainless steel casing (730-770 ft and 910-950 ft bgs).	80	FT	\$66,640.00			\$833.00			\$750.00			\$885.00	\$70,800.00
27	Furnish and install 20-inch inside diameter x 5/16 inch wall thickness 316L ASTM A778 stainless steel sump with end plate (1,260 ft to 1,280 ft bgs).	20	FT	\$16,660.00			\$833.00			\$750.00			\$1,187.00	\$23,740.00
28	Furnish and install 30-inch inside diameter x 5/16-inch wall thickness 316L ASTM A778 stainless steel full-flt. louvered screen with 0.094 in. (3/32 in.) as specified (+5 to 508 ft).	580	FT	\$520,260.00			\$982.60			\$860.00			\$950.00	\$551,060.00
29	Furnish and install 2 ea. 3-inch Sch. 40 316L stainless steel gravel feed pipes, as specified (+5 to 508 ft).	1026	FT	\$70,794.00			\$60.00			\$68.00			\$96.00	\$98,496.00
30	Furnish and install 4-inch Sch. 40 316L stainless steel camera access/sounding tube, as specified (+5 to 598 ft, with a 8 ft long 5 in. x 5 in. square clearance box from 590 to 598 ft).	603	FT	\$59,094.30			\$95.00			\$100.00			\$136.00	\$82,008.00
31	Furnish and install filter pack material with 1/4 in. x 1/6 gradation in annular space, including a 3 ft fine sand layer (500-1,300 ft bgs).	800	FT	\$36,000.00			\$70.00			\$115.00			\$54.00	\$43,200.00
32	Furnish and install specified 10.3 sk sand-cement deep annular seal (0-500 ft).	500	FT	\$20,000.00			\$70.00			\$250.00			\$94.00	\$47,000.00
33	Conduct plumbness and alignment testing to 960 ft bgs. Conduct gyroscopic alignment survey to total depth, as specified.	1	LS	\$2,500.00			\$2,500.00			\$7,500.00			\$2,694.00	\$2,694,000.00
34	Conduct initial development using mechanical methods including airlifting and swabbing from between packers (using drilling rig).	120	HR	\$48,000.00			\$325.00			\$400.00			\$503.00	\$60,360.00
35	Inject NW-220 or Aqua-Clear PFD dispersant during initial development by airlifting and swabbing.	30	0AL	\$2,850.00			\$90.00			\$100.00			\$199.00	\$3,970.00
36	Furnish, install and remove test pumping equipment to 400 ft bgs for well development and testing.	1	LS	\$15,000.00			\$15,000.00			\$20,500.00			\$28,912.00	\$28,912,000.00
37	Conduct final development by pumping and surging with vertical turbine	60	HR	\$400.00			\$300.00			\$400.00			\$399.00	\$23,940.00
38	Conduct step drawdown pumping testing for yield and drawdown, as specified.	10	HR	\$4,000.00			\$300.00			\$400.00			\$375.00	\$3,750.00
39	Conduct constant rate pumping test with a minimum of 4 hrs of recovery measurements, as specified.	28	HR	\$11,200.00			\$300.00			\$400.00			\$375.00	\$10,500.00
40	Collect Title 22 water quality samples and analyze for Table 1 list of analytes. Price to include pick up of bottles, transportation and delivery of samples to laboratory, as well as all analyses specified in Table 1.	1	LS	\$3,600.00			\$3,600.00			\$4,500.00			\$4,333.00	\$4,333,000.00
41	Conduct dynamic spinner (flowmeter) survey during constant rate pumping test, as specified.	1	LS	\$4,500.00			\$4,500.00			\$4,500.00			\$12,223.00	\$12,223,000.00
42	Conduct depth-specific water quality sampling using wireline fluid sampler (during constant rate pumping test), including water quality analyses, as specified.	5	BA	\$12,500.00			\$2,500.00			\$3,500.00			\$856.00	\$4,280.00
43	Conduct USGS method (as licensed to BESSIT, Inc.) Dye Tracer Pulse Dynamic Flowmeter (i.e., Dye Tracer) Survey under both dynamic and static conditions. Cost to encompass all equipment and manpower, including maintenance and operation of test pump during dynamic testing.	1	LS	\$30,000.00			\$29,500.00			\$35,000.00			\$23,761.00	\$23,761,000.00
44	Collect and analyze water quality samples using BESSIT, Inc. micro tube method in completed well, including water quality analysis as specified in Table 1. (1 sample per depth interval, assume 5 zones). Cost to encompass all equipment and manpower, including maintenance and operation of test pump	5	BA	\$15,000.00			\$4,286.00			\$5,500.00			\$2,186.00	\$10,930.00
45	Conduct color "dual-ear" video survey, provide three copies in DVD format.	1	LS	\$1,500.00			\$1,200.00			\$2,903.00			\$3,259.00	\$3,259,000.00

IRVINE RANCH WATER DISTRICT

EXHIBIT "D"

Expenditure Authorization

Project Name: TUSTIN LEGACY WELL 1 SITE ACQUISITION & DRILLING

Project No: 11419 EA No: 4

ID Split: Regional Potable Water Splits (11/08)

Improvement District (ID) Allocations

Project Manager: UEMATSU, PATRICIA

Project Engineer: SPANGENBERG, CARL

Request Date: June 8, 2011

ID No. Allocation % Source of Funds

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**

Total 100.0%

Summary of Direct Cost Authorizations

Previously Approved EA Requests:	\$2,578,000
This Request:	\$966,000
Total EA Requests:	\$3,544,000
Previously Approved Budget:	\$2,595,900
Budget Adjustment Requested this EA:	\$966,000
Updated Budget:	\$3,561,900
Budget Remaining After This EA	\$17,900

Comments: budget for three casings on the former MCAS Tustin

Phase	This EA Request	Previous EA Requests	EA Requests to Date	This Budget Request	Previous Budget	Updated Budget	Start	Finish
ENGINEERING - PLANNING IRWD	0	10,000	10,000	0	10,000	10,000	10/08	6/09
ENGINEERING - PLANNING OUTSIDE	0	5,000	5,000	0	5,000	5,000	9/08	5/11
ENGINEERING DESIGN - IRWD	0	20,000	20,000	0	20,000	20,000	1/09	5/11
ENGINEERING DESIGN - OUTSIDE	0	127,000	127,000	0	127,000	127,000	1/09	5/11
ENGINEERING - CA&I IRWD	0	65,000	65,000	0	65,000	65,000	6/11	10/11
ENGINEERING - CA&I OUTSIDE	20,000	95,000	115,000	20,000	95,000	115,000	6/11	10/11
CONSTRUCTION	900,000	2,100,000	3,000,000	900,000	2,100,000	3,000,000	6/11	10/11
LEGAL	0	3,000	3,000	0	5,000	5,000	6/10	6/11
LAND	0	0	0	0	10,000	10,000	6/10	6/11
WATER QUALITY	0	10,000	10,000	0	10,000	10,000	6/11	10/11
ENGINEERING ENVIRONMENTAL-OUTS	0	20,000	20,000	0	25,000	25,000	9/09	10/11
Contingency - 5.00% Subtotal	\$46,000	\$123,000	\$169,000	\$46,000	\$123,900	\$169,900		
Subtotal (Direct Costs)	\$966,000	\$2,578,000	\$3,544,000	\$966,000	\$2,595,900	\$3,561,900		
Estimated G/A - 195.00% of direct labor*	\$0	\$204,800	\$204,800	\$0	\$204,800	\$204,800		
Total	\$966,000	\$2,782,800	\$3,748,800	\$966,000	\$2,800,700	\$3,766,700		
Direct Labor	\$0	\$105,000	\$105,000	\$0	\$105,000	\$105,000		

*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 \$3,843,000. 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.