

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

November 12, 2012

PLEDGE OF ALLEGIANCE

CALL TO ORDER

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

ROLL CALL

Directors Reinhart, LaMar, Swan, Withers and President Matheis

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's assistant 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.

CONSENT CALENDAR

Next Resolution No. 2012-43

Items 3-9

3. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the October 22, 2012 Regular Board Meeting be approved as presented.

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

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

CONSENT CALENDAR – Continued

Next Resolution No. 2012-43

Items 3-9

5. ORANGE PARK ACRES DOMESTIC WATER TRANSMISSION MAIN PROJECT FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Orange Park Acres Domestic Water Transmission Main, project 11408 (1279); authorize the General Manager to file a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

6. THIRTEENTH AMENDMENT TO AGREEMENT FOR PARTICIPATION IN SPECIFIED MUNICIPAL WATER DISTRICT OF ORANGE COUNTY REBATE PROGRAMS

Recommendation: That the Board authorize the General Manager to execute a Thirteenth Amendment to the Agreement for Participation and Co-funding by Irvine Ranch Water District in Specified Municipal Water District of Orange County Rebate Programs, subject to non-substantive changes, adding \$100,000 in funding for non-residential customers for FY 2012-13.

7. QUITCLAIM OF REAL PROPERTY – THE IRVINE COMPANY VILLAGE OF STONEGATE (TRACT NOS. 17447 AND 17484)

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

Reso. No. 2012-

8. QUITCLAIM OF REAL PROPERTY – IRVINE COMMUNITY DEVELOPMENT COMPANY - VILLAGE OF STONEGATE (TRACT NO. 17327)

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

Reso. No. 2012-

9. QUITCLAIM OF REAL PROPERTY – IRVINE COMMUNITY DEVELOPMENT COMPANY - VILLAGE OF STONEGATE (TRACT NO. 17486)

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

Reso. No. 2012-

ACTION CALENDAR

- | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| <p>10. <u>PROPOSED DECREASES TO CALPERS EMPLOYER PAID MEMBER CONTRIBUTIONS (EPMC)</u></p> <p>Recommendation: That the Board 1) adopt a resolution authorizing a decrease to the Employer Paid Member Contributions for CalPERS for Senior Management Staff and 2) adopt a resolution authorizing a decrease to the Employer Paid Member Contributions for CalPERS for Full-time Regular Employees.</p> | <p>Reso. No. 2012-
Reso. No. 2012-</p> |
| <p>11. <u>PROPOSED CONSUMER PRICE INDEX CHANGES TO SALARY GRADE SCHEDULE AND EMPLOYEE COST OF LIVING ADJUSTMENTS</u></p> <p>Recommendation: That the Board 1) approve a 2.18% increase to salary grade ranges and a 2.18% cost of living adjustment (COLA) for each eligible employee, both effective December 1, 2012, and 2) adopt a resolution rescinding Resolution No. 2012-38 and establishing a revised Schedule of Positions and Salary Rate Ranges.</p> | <p>Reso. No. 2012-</p> |
| <p>12. <u>ADDITIONAL CONTRIBUTIONS FOR FY 2012-13 TO THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM</u></p> <p>Recommendation: That the Board approve the option to make an excess contribution(s), in addition to the previously approved FY 2012-13 operating budget amount, with the additional contribution amount(s) not to exceed a total of \$5,000,000 to California Public Employees Retirement System (CalPERS) during the Fiscal Year 2012-13, with the timing and amount of the additional contribution(s) delegated to the Finance and Personnel Committee.</p> | |
| <p>13. <u>INDEMNIFICATION AND REIMBURSEMENT AGREEMENT WITH DUDLEY RIDGE WATER DISTRICT</u></p> <p>Recommendation: That the Board authorize the General Manager to execute the Indemnification and Reimbursement Agreement between Irvine Ranch Water District and Dudley Ridge Water District and authorize the General Manager to concur with the unbalanced exchange terms per the letter to the Department of Water Resources, both subject to non-substantive changes.</p> | |

OTHER BUSINESS

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

OTHER BUSINESS - Continued

14. A. General Manager's Report

B. Directors' Comments

C. CLOSED SESSION relative to CONFERENCE WITH LABOR NEGOTIATOR pursuant to Government Code Section 54957.6 – Agency Designated Representative: President Matheis
Unrepresented Employee: Paul Cook

D. Adjourn

* * * * *

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.

November 12, 2012
Prepared and
Submitted by: L. Bonkowski
Approved by: P. Cook

CONSENT CALENDAR

MINUTES OF REGULAR BOARD MEETING

SUMMARY:

Provided are the minutes of the October 22, 2012 Regular Board meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE OCTOBER 22, 2012 REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – Minutes of October 22, 2012 Regular Board Meeting

EXHIBIT 'A'

MINUTES OF REGULAR MEETING – OCTOBER 22, 2012

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 Matheis on October 22, 2012 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: LaMar, Matheis, Reinhart, and Swan

Directors Absent: Withers

Also Present: General Manager Cook, Acting Director of Finance/Treasurer Jacobson, Executive Director of Engineering Burton, Executive Director of Water Policy Heiertz, Secretary Bonkowski, Legal Counsel Arneson, Director of Public Affairs Beeman, Director of Water Resources Weghorst, Assistant Secretary Savedra, Mr. Ray Bennett, Ms. Anita Mishook, Ms. Fiona Sanchez, Ms. Shannon Reed, Ms. Kirsten McLaughlin, Mr. Jim Reed, Mr. Bruce Newell and other members of the public and staff.

WRITTEN COMMUNICATION: None.

ORAL COMMUNICATION:

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

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

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

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

PRESENTATION

CALIFORNIA NEVADA SECTION AMERICAN WATER WORKS ASSOCIATION – 2012 OUTSTANDING ENERGY MANAGEMENT AWARD

Mr. Ray Bennett presented to the Board an Energy Management Award received from American Water Works Association recognizing the District for its project to implement an energy plan specifying cost-effective energy projects and reducing greenhouse gas emissions.

CONSENT CALENDAR

Director Swan asked that items 4, 8 and 9 be placed on the Action Calendar for discussion. There being no objections, on MOTION by Swan, seconded and unanimously carried, CONSENT CALENDAR ITEMS 5, 6, 7, 10 AND 11 WERE APPROVED AS FOLLOWS:

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

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

6. DISTRICT STRATEGIC MEASURES DASHBOARD

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

7. SEPTEMBER 2012 FINANCIAL REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate Swap Summary for September 2012; approve the September 2012 Summary of Payroll ACH payments in the total amount of \$1,337,985.14, and approve the September 2012 accounts payable disbursement summary of Warrants Nos. 332972 through 333640, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$11,380,050.35.

10. HERITAGE FIELDS DISTRICT 8 IRVINE BOULEVARD AND RIDGE VALLEY
CAPITAL FACILITIES

Recommendation: That the Board authorize the addition of projects 11664 (4094), 21664 (4095), 31664 (4096), and 30386 (4097) to the FY 2012-13 capital budget in the amounts of \$453,200, \$171,600, \$276,100, and \$431,200, respectively; approve Expenditure Authorizations for projects 11664 (4094), 21664 (4095), 31664 (4096), and 30386 (4097) in the amounts of \$453,200, \$171,600, \$276,100, and \$431,200, respectively; and authorize the General Manager to execute a supplemental reimbursement agreement with Heritage Fields El Toro LLC for the design and construction of the IRWD facilities within Planning Area 51 District 8, projects 11664 (4094), 21664 (4095), 31664 (4096), and 30386 (4097).

CONSENT CALENDAR (CONTINUED)

11. CITY OF LAKE FOREST SPORTS PARK CAPITAL FACILITIES BUDGET ADJUSTMENTS AND EXPENDITURE AUTHORIZATIONS

Recommendation: That the Board authorize the addition of project 11663 (4033) in the amount of \$354,200 to the FY 2012-13 capital budget; authorize a budget reduction to the FY 2012-13 capital budget for project 30352 (1732) in the amount of \$614,700, from \$1,186,200 to \$571,500; approve an Expenditure Authorization for project 11663 (4033) in the amount of \$354,200; and approve an Expenditure Authorization reduction for project 30352 (1732) in the amount of \$614,700 for the City of Lake Forest Sports Park Capital Facilities project.

ACTION CALENDAR

MINUTES OF OCTOBER 8, 2012 REGULAR BOARD MEETING

Director Swan made an inquiry on the meeting minutes approved on October 8, 2012, which under the Consent Calendar Item No. 3, included minutes from the September 21, 2012 Adjourned Regular Board meeting. Mr. Swan asked for a recap on the recommendation relative to the item on Bay Delta Conservation Plan Policy Principles in regard to the location of the conveyance intakes. General Manager Cook said that the motion for this item included language that the Bay Delta Conservation Plan should consider positioning the conveyance intakes above the discharge point of the Regional Wastewater Treatment Plant and outside of the tidal zone in order to protect the quality of exported water supplies. There being no further comments, on MOTION by Swan, seconded and unanimously carried, THE MINUTES OF THE OCTOBER 8, 2012 REGULAR BOARD MEETING WERE APPROVED AS PRESENTED.

UPDATES TO EXPENDITURE AUTHORIZATIONS SOURCE OF FUNDS

Regarding source of funding modifications submitted to the Board, Director Swan asked staff to also include the funding amounts. He also commented that large shifts in the Improvement District Allocations Source of Funds shown on Expenditure Authorizations should be reviewed by the Finance and Personnel Committee. There being no further comments, on MOTION by Swan, seconded and unanimously carried, THE BOARD APPROVED UPDATES TO THE EXPENDITURE AUTHORIZATIONS FOR PROJECTS 20910 (1149), 20957 (1221), 21004 (1265), AND 11485 (1646) FROM REGIONAL ALLOCATIONS WITH ENHANCEMENT TO THE CAPITAL REPLACEMENT FUNDS FOR A TOTAL SOURCE OF FUNDING CHANGE IN THE AMOUNT \$742,500.

MICHELSON WATER RECYCLING PLANT PROTECTIVE COATINGS EXPENDITURE AUTHORIZATION

In response to Director Swan's inquiry, Executive Director of Engineering and Planning Burton provided clarification on the color changes which provides for a standardized color, but more importantly, provides for a new application of protective coating on existing facilities at the Michelson Water Recycling Plant. There being no further comments, on MOTION by Swan, seconded and unanimously carried, THE BOARD APPROVED AN EXPENDITURE

AUTHORIZATION IN THE AMOUNT OF \$350,000 FOR THE MICHELSON WATER RECYCLING PLANT PROTECTIVE COATINGS PROJECT NO. 21123 (3799).

SAN JOAQUIN MARSH OUTLET PIPE VALVE REPLACEMENT BUDGET REDUCTION, EXPENDITURE AUTHORIZATION AND CONSTRUCTION AWARD

The San Joaquin Marsh Outlet Pipe Valve Replacement Project will replace the existing hydraulically-operated control valve on the outlet pipe with a motor-operated plug valve. The water in the outlet pipe is turbid and contains silt which is clogging the pilot tubes of the existing control valve requiring daily maintenance. The motor-operated plug valve is not susceptible to clogging and will similarly control the flow through the pipe without daily maintenance. On MOTION by Swan, seconded and unanimously carried, THE BOARD APPROVED A BUDGET REDUCTION IN THE AMOUNT OF \$1,067,000 FOR PROJECT 10835 (1853); APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$374,000 FOR PROJECT 10835 (1853); AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH GCI CONSTRUCTION, INC. IN THE AMOUNT OF \$134,200 FOR THE SAN JOAQUIN MARSH OUTLET PIPE VALVE REPLACEMENT PROJECT.

AUTOMATION SUPPORT CONSULTANT SERVICES

Executive Director of Engineering and Planning Burton reported that the District's automation staff consists of a small group of instrumentation and controls engineers, field technicians, and specialists and is responsible for keeping the hardware and software automation systems fully operational on a continuous basis, allowing the District to operate its water and wastewater facilities remotely with minimal after hours support. In addition to the ongoing operation and maintenance of the District's automation systems, this group is also responsible for the design, construction support, and commissioning of the automation systems required for all capital projects. Mr. Burton said that traditionally, staff in the automation group has been able to support the District's capital projects with in-house personnel and occasional support from consulting firms; however, due to the unprecedented number of large and complex capital projects underway for the past several years, staff has increased its use of automation consultants. He said due to many different considerations ranging from project scope additions, design and construction issues, extended project schedules, overlapping deadlines, and project complexities, staff recognizes that continued consultant support for the next six months will be required to complete these projects in accordance with their respective project schedule requirements.

Mr. Burton said that staff has reviewed the workload projections and recommends that variances for additional automation services be approved for two of the current automation consulting firms: HDR Engineering and Malcolm Pirnie/Arcadis. He said that staff also recommends that two additional consulting firms, Westin Engineering and Vertech Industrial Systems, be selected to provide specialized automation support services that are not being provided by any firms currently under contract. Staff identified key individuals at these two consulting firms as being highly qualified.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on October 16, 2012. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD APPROVED VARIANCE NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH HDR ENGINEERING IN THE

AMOUNT OF \$132,100; APPROVED VARIANCE NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH MALCOLM PIRNIE/ARCADIS IN THE AMOUNT OF \$142,300; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH WESTIN ENGINEERING IN THE AMOUNT OF \$90,000; AND VERTECH INDUSTRIAL SYSTEMS IN THE AMOUNT OF \$86,360.

ORANGE PARK ACRES WELL NO. 1 WELLHEAD DESIGN CONSULTANT SELECTION

General Manager Cook reported that a Professional Services Agreement was executed with Kennedy/Jenks (K/J) in April 2011 to prepare a basis of design report and construction documents, and to provide construction phase services for the OPA-1 wellhead and disinfection facilities. Mr. Cook said that as K/J developed the hydraulic calculations, it was determined that the project would need to include provisions to address the high discharge pressure that would be encountered at the wellhead. After a review of several alternatives, K/J recommended a dual pumping system that included a wellhead pump that feeds an on-site wet well and a booster pump that feeds the Zone 5 distribution system. He further said that as the recommended project substantially differed from the project that was originally scoped, staff decided to solicit proposals for the final design of the recommended facilities.

Executive Director of Engineering and Planning Burton said that staff received proposals from four firms: K/J, Lee & Ro, Tetra Tech, and URS. Brown & Caldwell declined to submit a proposal due to concerns with meeting the design schedule. Mr. Burton said that staff recommends that URS be awarded the Professional Services Agreement since its design approach, schedule, and man-hours are consistent with the project goals. He said that URS's proposal presented new ideas for noise control, and for the building design to improve constructability and accessibility.

Director Reinhart reported that this item was reviewed and approved by the Engineering and Operations Committee on October 16, 2012. In respond to Director Swan's inquiry, Mr. Burton said that there will be provisions in the design to accommodate a second well if required in the future. There being no further comments, on MOTION by Reinhart, seconded and unanimously carried, **THE BOARD APPROVED AN EXPENDITURE AUTHORIZATION FOR PROJECT 11405 (1250) IN THE AMOUNT OF \$399,000, AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT IN THE AMOUNT OF \$492,866 WITH URS CORPORATION FOR ENGINEERING SERVICES FOR THE OPA-1 WELLHEAD DESIGN, PROJECT 11405 (1250).**

APPROVAL OF SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT FOR THE MICHELSON WATER RECYCLING PLANT PHASE 2 AND 3 CAPACITY EXPANSION PROJECT – BIOSOLIDS HANDLING COMPONENT

General Manager Cook reported that IRWD, as Lead Agency, has prepared a Final Supplemental Environmental Impact Report (Final SEIR) for the Michelson Water Recycling Plant Phases 2 and 3 Capacity Expansion Project, Biosolids Handling Component. These actions are necessary for IRWD to complete the steps required under the California Environmental Quality Act (CEQA).

Using a PowerPoint presentation, Director of Water Resources Weghorst provided an overview of the project objectives and benefits which include: 1) meeting future biosolids handling needs of the Michelson Water Recycling Plant (MWRP) and the Los Alisos Water Recycling Plant (LAWRP); 2) providing for greater control of biosolids management at reduced costs; 3) allowing beneficial use of biosolids and biogases produced during the treatment process; 4) minimizing environmental impacts associated with biosolids management; and 5) making efficient and sustainable use of renewal resources.

Mr. Weghorst then reviewed the California Environmental Quality Act (CEQA) process noting that a Notice of Preparation circulated on March 28, 2011, a scoping meeting was held on April 12, 2011, and the comment period closed on April 26, 2011. He said that the Draft SEIR circulated for a 45-day review on July 3, 2012 during which time a public meeting was held on July 24, 2012 along with additional public outreach meetings. The comment period was also extended 15 additional days at the request of the University Synagogue with the comment period closing on August 31, 2012. Responses to comments were distributed on October 11, 2012. He said that additional public outreach meetings were held with the City of Irvine on several occasions, the City of Newport Beach, two meetings with the University Synagogue, LBA Realty, Watermarke Community Association, 300 Plaza Homeowners' Association, Sea and Sage Audubon, and the South Coast Air Quality Management District, all of which were very constructive as they all presented all of their concerns. He further said that commenting agencies/interested parties included the Native American Heritage Commission, Department of Toxic Substances Control, Airport Land Use Commission, University Synagogue, Department of Transportation, Orange County Public Works, LBA Realty, County of Orange Health Care Agency, Orange County Sanitation District, Department of Resources Recycling and Recovery, University of California, Irvine, South Coast Air Quality Management District, City of Irvine, Sea and Sage Audubon, and US Fish and Wildlife Service.

Mr. Weghorst provided an overview of the significant public comments received which included:

- The City of Irvine requested 1) a third-party review by the City of Mesa, Arizona (*IRWD hired Dudek to conduct a peer review of the project*); 2) that the SEIR show heights of surrounding properties relative to the project (*of which IRWD prepared a simulation on how the project would look from the background buildings*); and recommended 3) vegetative screening along Harvard Avenue (*which is now included in the landscape plan*);
- University Synagogue expressed concern regarding 1) the potential for objectionable odors that could be detected beyond the MWRP boundary (*of which staff assured them that the project would preclude odors from being detected beyond the project's boundaries*); 2) that the project may be visible from the Synagogue (*of which staff provided them a copy of the landscape plan that would include screenings to soften the appearance of the proposed facilities*); 3) that the project could devalue its property; 4) that IRWD Operations has no experience with such facilities (*all operations staff will be trained and appropriately certified*); and requested 5) a landscaping plan solution (*staff provided photo simulations which included vegetation and landscaping*); 6) a third-party operational review panel that would serve as a liaison between the community and IRWD (*staff will hold quarterly public outreach meetings to review new information and to handle any issues or concerns*); and 7) that IRWD underwrite a field trip to the City of Mesa's facility for a "sniff test" (*staff noted that IRWD's MWRP facility differs from the City of Mesa's facility*).

- LBA Realty's expressed concern regarding elevated views of the construction staging area (*which was evaluated by Dudek, the District's consultant*).

Mr. Weghorst said that all of the District's responses above (in italics) have been further detailed in the responses to comments and incorporated as needed in the findings. Director Reinhart suggested that the proposed public outreach meetings could be held as needed and not necessarily quarterly if no developments are occurring in which anyone is interested. Director LaMar said that he had reviewed all of the comment letters, and a principal concern was odor, which has been thoroughly addressed, and he was looking forward to moving ahead on this project. Ms. Anita Mishook, Executive Vice President of the University Synagogue, said she was deeply appreciative of all of the efforts by staff who went to extraordinary efforts to respond to all of their concerns. Director Swan said that he reviewed all of the comments and believes appropriate responses were made. On **MOTION** by Reinhart, seconded and unanimously carried, **THE BOARD ADOPTED THE FOLLOWING RESOLUTION BY TITLE:**

RESOLUTION NO. 2012 -42

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT CERTIFYING
THE FINAL SUPPLEMENTAL ENVIRONMENTAL IMPACT
REPORT FOR THE MICHELSON WATER RECYCLING
PLANT (MWRP) PHASE 2 AND 3 CAPACITY
EXPANSION PROJECT, (ADDING BIOSOLIDS HANDLING
COMPONENT); ADOPTING WRITTEN FINDINGS
PURSUANT TO THE CALIFORNIA ENVIRONMENTAL
QUALITY ACT; ADOPTING A MITIGATION, MONITORING
AND REPORTING PROGRAM; APPROVING THE
PROJECT; AND AUTHORIZING THE FILING OF A
NOTICE OF DETERMINATION TO PROCEED WITH THE PROJECT

GENERAL MANAGER'S REPORT

General Manager Cook reported that the District's website has been enhanced to include a description of the duties of the Board of Directors.

Mr. Cook reminded the Board of the upcoming Clarke Prize conference on Friday, November 2, 2012. He said that he will be making a presentation on the District's biosolids project in a morning session.

Mr. Cook thanked Government Relations Manager McLaughlin for her five years of service as she will be leaving the District in November to accept a position with Goleta Water District. President Matheis also thanked her for all of her efforts relative to legislative matters.

DIRECTORS' COMMENTS

Director LaMar said he was sorry that he was unable to attend the last Board meeting. He said that he attended the OCSD's treatment plant tour, an Association of California Cities OC City Leader's Reception hosted by the District at the San Joaquin Wildlife Sanctuary, and a memorial service for Mr. John Greenwood, President of CORO.

Director Reinhart reported that he attended MWDOC's Board meeting, South Coast Water District's General Manager Dunbar's retirement celebration, and an Association of California Cities event.

Director Swan also reported on his attendance at an Association of California Cities event, an ACWA Water Management Committee as well as an ACWA Regions 9 and 10 Joint Program in Riverside where both he and Mr. Cook made a presentation, and a Water Management Subcommittee meeting at SAWPA.

Director Matheis reported on her attendance at the Association of California Cities event, a CSDA event, and an ACWA Regions 9 and 10 meeting. She said she did not attend the Miraloma dedication event as planned.

Director Swan asked that the Board meeting be adjourned in memory of Mr. Ray Watson, former official of the Irvine Company.

CLOSED SESSION

President Matheis said that a Closed Session would be held relative to CONFERENCE WITH LABOR NEGOTIATOR pursuant to Government Code Section 54957.6 – Agency Designated Representative: President Matheis Unrepresented Employee: Paul Cook.

OPEN SESSION

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

ADJOURNMENT

President Matheis adjourned the meeting in memory of Mr. Ray Watson.

Approved and signed this 12th day of November, 2012.

President/Vice President, IRVINE RANCH WATER
DISTRICT

November 12, 2012
Prepared and
Submitted by: N. Savedra
Approved by: P. Cook

CONSENT CALENDAR

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

SUMMARY:

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

Events/Meetings

Steven LaMar

10/18/12 Association of California Cities-Orange County City Leader Reception
11/02/12 NWRI The Clarke Prize Conference
11/08/12 OCWD/MWDOC/OCSD Meeting w/John Laird CA Secretary of Natural Resources
11/15/12 Association of Calif. Cities-Meet & Greet Incoming Elected Officials

Mary Aileen Matheis

10/31/12 Orange County Forum
11/02/12 NWRI The Clarke Prize Conference
11/13/12 Monthly meeting with General Manager Paul Cook regarding District activities
11/15/12 Association of Calif. Cities-Meet & Greet Incoming Elected Officials

Doug Reinhart

12/10-11/12 WateReuse Association Board of Directors Meeting, Los Angeles, CA

Peer Swan

11/02/12 NWRI The Clarke Prize Conference
11/06/12 CA Department of Water Resources & NWRI Drought Response Workshop
11/15-16/12 ACWA Board Meeting, Sacramento, CA

John Withers

11/02/12 NWRI The Clarke Prize Conference
11/15/12 Association of Calif. Cities-Meet & Greet Incoming Elected Officials

RECOMMENDATION:

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

LIST OF EXHIBITS:

None

DS
November 12, 2012 JM RKM
Prepared by: J. McGehee/R. Mori
Submitted by: K. Burton (KLB)
Approved by: Paul Cook /GC

CONSENT CALENDAR

ORANGE PARK ACRES DOMESTIC WATER TRANSMISSION MAIN PROJECT
FINAL ACCEPTANCE

SUMMARY:

Construction of the Orange Park Acres Domestic Water Transmission Main Project is complete. The Contractor, Leatherwood Construction, Inc., has completed the required work and all punch list items. The project has received final inspection and acceptance of construction is recommended.

BACKGROUND:

The Orange Park Acres Domestic Water Transmission Main Project was advertised in August 2010, and was designed to replace the existing 16-inch riveted steel transmission main constructed in 1929 by the former Orange Park Acres Mutual Water Company. The existing transmission main had experienced several leaks before the project began. The new transmission main connects the Orange Park Acres service area to the Zone 5 pressure system at Chapman and Jamboree and to the new well site at Gravier and Bond. Approximately 26,500 linear feet of 6-inch to 20-inch diameter piping was installed, two pressure reducing stations constructed, and over 500,000 square feet of paving was placed. Construction is complete and the project is ready for final acceptance by the Board.

Project Title:	Capital Facilities for Orange Park Acres Domestic Water Transmission Main
Project No.:	11408 (1279)
Design Engineer:	Stantec Consulting
Construction Management by:	IRWD Staff
Contractor:	Leatherwood Construction, Inc.
Original Contract Cost:	\$6,786,397
Final Contract Cost:	\$9,522,295
Original Contract Days:	455
Final Contract Days:	687
Total Budget:	\$11,564,900
Total Project Cost (Est.):	\$11,314,675
Final Change Order Approved On:	September 11, 2012

FISCAL IMPACTS:

Project 11408 (1279) is included in the FY 2012-13 Capital Budget. The existing budget and Expenditure Authorization are sufficient to fund the final payment for the project.

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was not reviewed by a Committee.

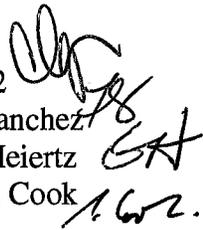
RECOMMENDATION:

THAT THE BOARD ACCEPT CONSTRUCTION OF THE ORANGE PARK ACRES DOMESTIC WATER TRANSMISSION MAIN, PROJECT 11408 (1279), AUTHORIZE THE GENERAL MANAGER TO FILE A NOTICE OF COMPLETION; AND AUTHORIZE THE PAYMENT OF THE RETENTION 35 DAYS AFTER THE DATE OF RECORDING THE NOTICE OF COMPLETION.

LIST OF EXHIBITS:

None.

November 12, 2012
Prepared By: F. Sanchez
Submitted by: G. Heiertz
Approved by: Paul Cook

Handwritten signatures and initials in black ink, including a large signature at the top right and initials 'GH' and 'PC' below it.

CONSENT CALENDAR

THIRTEENTH AMENDMENT TO AGREEMENT
FOR PARTICIPATION IN SPECIFIED MUNICIPAL WATER
DISTRICT OF ORANGE COUNTY REBATE PROGRAMS

SUMMARY:

The Water Conservation Business Plan (Plan) included a “Tactical Incentives” element to encourage customers to install water conservation devices. Incentive payments are based on the water and wastewater systems avoided costs for each device and are therefore cost-effective for IRWD. As a result of a recent change by Metropolitan Water District transitioning to a new program administrator for the non-residential program, a large number of old applications have recently been processed. This has depleted IRWD’s matching funds for FY 2012-13 much more quickly than otherwise would have occurred. Therefore, staff proposes adding \$100,000 in funding for this fiscal year to the non-residential program in order to minimize disruptions to customers. Staff recommends that the Board authorize the General Manager to execute the 13th Amendment to the existing Agreement with the Municipal Water District of Orange County (MWDOC) to increase the Tactical Incentive funding for FY 2012-13 by \$100,000.

BACKGROUND:

Tactical Incentives are one of the key elements of IRWD’s Water Use Efficiency Program. The Tactical Incentives are cost-effective financial incentives provided by IRWD to supplement existing regional rebate programs administered by either Metropolitan Water District of Southern California (MWD) and/or the Municipal Water District of Orange County (MWDOC). The incentives are based on IRWD’s calculated avoided costs resulting from the installation of the various conservation devices.

The current program is operating under a Twelfth Amendment to the Agreement for Participation and Co-funding by Irvine Ranch Water District in Specified Municipal Water District of Orange County Rebate Programs. IRWD’s total budget for Tactical Incentives in FY 2012-13 is \$450,000, of which \$350,000 is allocated to residential customers and \$100,000 allocated to non-residential customers. Staff proposes executing a Thirteenth Amendment, Exhibit “A”, to the existing Agreement to add \$100,000 in funding to the non-residential program for FY 2012-13. This is a result of MWD’s switch to a new rebate administrator for non-residential customers effective October 1, 2012. The transition led to a large volume of backlogged applications, some dating back to 2011, recently being processed and this has depleted IRWD’s FY 2012-13 funding for non-residential customers much more quickly than anticipated. Although IRWD originally allocated funding for the old applications when they were first submitted, MWD does not roll-over funding from one year to the next, and therefore they are all being paid from IRWD’s FY 2012-13 budget. This amendment will ensure continued operation of the program and minimize disruptions for IRWD customers.

FISCAL IMPACTS:

The FY 2012-13 Operating Budget would be increased by \$100,000, increasing the total for Tactical Incentives from \$450,000 to \$550,000, funded from over-allocation revenues.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on November 1, 2012.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE A THIRTEENTH AMENDMENT TO THE AGREEMENT FOR PARTICIPATION AND CO-FUNDING BY IRVINE RANCH WATER DISTRICT IN SPECIFIED MUNICIPAL WATER DISTRICT OF ORANGE COUNTY REBATE PROGRAMS, SUBJECT TO NON-SUBSTANTIVE CHANGES, ADDING \$100,000 IN FUNDING FOR NON-RESIDENTIAL CUSTOMERS FOR FY 2012-13.

LIST OF EXHIBITS:

Exhibit "A" – Thirteenth Amendment to the Agreement for Participation and Co-funding By Irvine Ranch Water District in Specified Municipal Water District of Orange County Rebate Programs

EXHIBIT "A"

Thirteenth Amendment to Agreement for Participation and Co-Funding By Irvine Ranch Water District in Specified Municipal Water District of Orange County Rebate Programs

This Thirteenth Amendment ("Amendment") to the existing "Agreement for Participation and Co-Funding by Irvine Ranch Water District in Specified Municipal Water District of Orange County Rebate Programs" ("Agreement") is entered into by and between the Municipal Water District of Orange County ("MWDOC") and Irvine Ranch Water District ("IRWD"). The Agreement provides for participation and co-funding by IRWD of residential and commercial water use efficiency devices through Metropolitan Water District of Southern California's ("Metropolitan") SoCal WaterSmart ("SoCal WaterSmart") residential and commercial rebate programs in IRWD's service area.

This Amendment modifies the Agreement, which includes without limitation all previous amendments and attachments. Except as stated below, this Amendment is effective November 1, 2012, and the Agreement, as amended hereby, remains in full force and effect.

1. All references in the Agreement to the name of the "Save Water Save a Buck" program are hereby changed to "SoCal WaterSmart commercial program."
2. "Exhibit A" to the Agreement, entitled "Proposed Rebate Funding Levels FY 2012-2013," is deleted in its entirety and replaced with the following table. The amounts shown below for "Maximum Funding" are cumulative amounts for fiscal year 2012-2013 to date, and reflects an increase in funding of \$10,000 for the SoCal WaterSmart residential rebate program and \$100,000 for the SoCal WaterSmart commercial rebate program.

///

///

///

///

///

///

///

Exhibit A: Proposed Rebate Funding Levels FY 2012-2013

Program	Maximum Funding*	Devices	IRWD Rebate Funding Level Per Device
SoCal Water\$mart Residential Program	\$360,000	High Efficiency Clothes Washers	\$200
Program	Maximum Funding*	Devices	IRWD Rebate Funding Level Per Device
SoCal Water\$mart Commercial Program	\$200,000	Commercial High Efficiency Toilet	\$100
		Zero Water/Ultra Low Water Urinals	\$100
		Connectionless Food Steamer	\$485 Per Compartment
		Commercial Ice Making Machine (Tier III)	\$250
		Hotel Connectionless Food Steamer	\$485 Per Compartment
		Hotel Commercial Ice Making Machine (Tier III)	\$250.00
Total Funding for All Programs	\$560,000		

* Where indicated, "Maximum Funding" amounts for certain programs are subject to the provisions of Paragraph 3 of the Agreement and will be adjusted upon notification by IRWD to transfer funding between programs.

Dated: _____

MUNICIPAL WATER DISTRICT OF
ORANGE COUNTY

By: _____

Kevin P. Hunt
General Manager

Dated: _____

IRVINE RANCH WATER DISTRICT

By: _____

Paul Cook
General Manager

Dated: _____

Approved as to Form:

Bowie, Arneson, Wiles & Giannone

Joan C. Arneson
Legal Counsel

Internal Use Only:	
Program No.	_____
Line Item:	_____
Funding Year:	_____
Contract Amt.:	_____
Purchase Order #:	_____

November 12, 2012
Prepared by: R. Thatcher/M. Hoolihan
Submitted by: K. Burton
Approved by: Paul Cook 

CONSENT CALENDAR

QUITCLAIM OF REAL PROPERTY – THE IRVINE COMPANY
VILLAGE OF STONEGATE (TRACT NOS. 17447 AND 17484)

SUMMARY:

The Irvine Company LLC (TIC) is currently developing the Village of Stonegate. A portion of the development was subdivided into Tract No. 17383. Subsequently, TIC is in the process of re-subdividing a portion of the land, including Lots 7 through 12, and lettered Lots E through H of Tract No. 17383 into two tracts; Tract Nos. 17447 and 17484. Due to the re-subdivision and major lotting changes, TIC has requested that the District quitclaim the easements for sewer, water and access purposes that were dedicated on the map of Tract No. 17383 and lying within the boundaries of Tract Nos. 17447 and 17484. Staff has reviewed the request and concurs that the easements can be quitclaimed. New easements for sewer, water and access purposes will be dedicated to the District on the new maps. The quitclaim deed of the existing easements will record concurrently or after the new maps record. The resolution authorizing this quitclaim is attached as Exhibit “A”, the quitclaim deed is attached as Exhibit “B”, and a map showing the location of the existing easements and quitclaim area is attached as Exhibit “C”.

FISCAL IMPACT:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable. Not a project as defined under CEQA.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2012 - _____

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

LIST OF EXHIBITS:

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

rt quitclaim_Stonegate TR 17447_47484.docx

EXHIBIT "A"

RESOLUTION NO. 2012 - _____

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

WHEREAS, The Irvine Company LLC ("TIC") has requested that the Irvine Ranch Water District ("IRWD") Board approve the quitclaim of the existing easements for sewer, water and access purposes lying within Lots 7 through 12 and Lots E through H of Tract No. 17383 filed in Book 903, Pages 39 through 44 of Miscellaneous Maps, Records of Orange County, California; and

WHEREAS, the purpose of the quitclaim is because TIC is re-subdividing the above-mentioned lots into Tract No.s 17447 and 17484; and

WHEREAS, TIC will be dedicating new easements for sewer, water and access purposes to IRWD on the new Tract Maps; and

WHEREAS, staff has reviewed and confirmed that the easements herein referred 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 The Irvine 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 12th day of November, 2012.

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: Hilary Shalla

ASSESSOR PARCEL NO(S):

por. 551-441-01

(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 THE IRVINE 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 in Exhibit "A", attached hereto and by this reference, 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: _____, 2012

IRVINE RANCH WATER DISTRICT,
a California Water District

By: _____
Name: Mary Aileen Matheis
Title: President

By: _____
Name: Leslie Bonkowski
Title: District Secretary

MAIL TAX STATEMENTS TO THE ABOVE ADDRESS

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 2012, before me, _____, a Notary Public in and for said State, personally appeared Mary Aileen Matheis 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"

**QUITCLAIM OF SEWER, WATER AND ACCESS EASEMENTS
WITHIN TRACT NO. 17383**

LEGAL DESCRIPTION

Those certain easements for sewer, water and access purposes dedicated thereon and lying within Lots 7 through 12, and Lots E through H of Tract No. 17383, as shown on a map filed in Book 903, Pages 39 through 44 of Miscellaneous Maps in the Office of the County Recorder of said County.

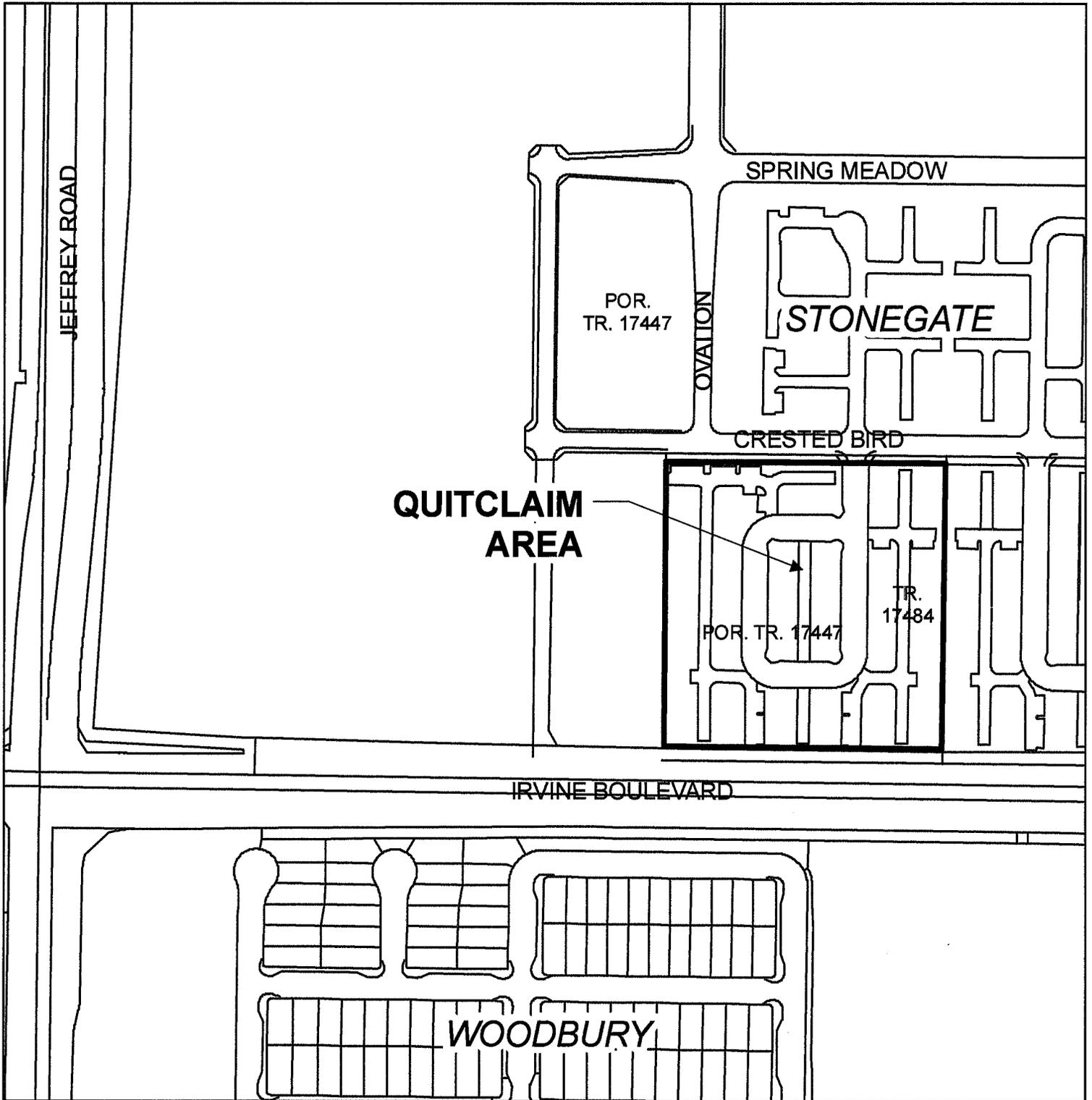
Prepared by me or under my direction:

Dated: October 4, 2012



Gregory P. Heiertz, R.C.E. 33084
License expires June 30, 2014

EXHIBIT "C" LOCATION MAP



**QUITCLAIM OF SEWER, WATER AND ACCESS EASEMENT
TO THE IRVINE COMPANY LLC**



November 12, 2012
Prepared by: R. Thatcher/M. Hoolihan
Submitted by: K. Burton
Approved by: Paul Cook 

CONSENT CALENDAR

QUITCLAIM OF REAL PROPERTY
IRVINE COMMUNITY DEVELOPMENT COMPANY
VILLAGE OF STONEGATE (TRACT NO. 17327)

SUMMARY:

Irvine Community Development Company LLC (ICDC) is currently developing the Village of Stonegate. A portion of the development was subdivided into Tract No. 17086. Subsequently, ICDC is in the process of re-subdividing a portion of this tract into Tract No. 17327. Due to the re-subdivision and major lotting changes, ICDC has requested that the District quitclaim a portion of that certain easement for waterline purposes recorded November 30, 1973 in Book 11008, Page 784 of Official Records and those certain easements for sewer pipeline purposes and water pipeline purposes dedicated separately on the map of Tract No. 17086, all lying within the boundary of proposed Tract No. 17327. Staff has reviewed the request and concurs that the easements can be quitclaimed. New easements for sewer, water and access purposes will be dedicated to the District on the new map. The quitclaim deed of the existing easements will record concurrently or after the new map records. The resolution authorizing this quitclaim is attached as Exhibit "A", the quitclaim deed is attached as Exhibit "B", and a map showing the location of the existing easements and quitclaim area is attached as Exhibit "C".

FISCAL IMPACT:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable. Not a project as defined under CEQA.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2012 - _____

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. 2012 - _____

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

WHEREAS, Irvine Community Development Company LLC ("ICDC") has requested that the Irvine Ranch Water District ("IRWD") Board approve the quitclaim of the a portion of the existing easement for waterline purposes recorded November 30, 1973 in Book 11008, Page 784 of Official Records of Orange County, together with the easements for sewer pipeline purposes lying within Lots C and D and the easement for waterline purposes lying within Lot C, all dedicated by and of Tract No. 17086 filed in Book 890, Pages 1 through 20 of Miscellaneous Maps, Records of Orange County, California; and

WHEREAS, the purpose of the quitclaim is because ICDC is re-subdividing a portion of the above- mentioned Tract No. 17086 into Tract No. 17327; and

WHEREAS, ICDC will be dedicating new easements for sewer, water and access purposes to IRWD on the new Tract Map; and

WHEREAS, staff has reviewed and confirmed that the easements herein referred 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 12th day of November, 2012.

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

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

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

By _____

EXHIBIT "B"

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

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

ASSESSOR PARCEL NO(S):

580-132-01, 06 & 08

(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 City of Irvine, County of Orange, State of California, as more particularly described on Exhibits "A-1", "A-2" and "A-3" and depicted on Exhibits "B-1", "B-2" and "B-3", 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: _____, 2012

IRVINE RANCH WATER DISTRICT,
a California Water District

By: _____
Name: Mary Aileen Matheis
Title: President

By: _____
Name: Nancy Savedra
Title: Assistant District Secretary

MAIL TAX STATEMENTS TO THE ABOVE ADDRESS

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 2012, before me, _____, a Notary Public in and for said State, personally appeared Mary Aileen Matheis and Nancy Savedra, 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 _____
Notary Public in and for said State

(SEAL)

EXHIBIT "A-1"

LEGAL DESCRIPTION

In the City of Irvine, County of Orange, State of California, being those portions of that certain 20.00 foot wide Water Easement as granted to IRVINE RANCH WATER DISTRICT, a California Water District, in the Grant of Easement recorded November 30, 1973 in Book 11008, Page 784, of Official Records lying within a portion of Lot B of Tract No. 17086, as shown on a map filed in Book 890, Pages 1 through 20, inclusive, of Miscellaneous Maps, a portion of Parcel 1 of Lot Line adjustment 411294-LL/LL2006-012 recorded June 6, 2006 as Instrument No. 2006000379007 and a portion of that parcel in Quitclaim Deed recorded November 21, 2007 as Instrument No. 2007000694854, both of Official Records, all in the office of the County Recorder of said county, described as follows:

Being a strip of land 20.00 feet in width, 10.00 feet on each side of the following described centerline:

COMMENCING at the southeasterly terminus of that certain line shown on said map as "North 42°30'59" West 96.97 feet", said line also being the southwesterly line of Portola Parkway as shown on said map; thence northwesterly along said line North 42°30'59" West 11.38 feet to the **TRUE POINT OF BEGINNING**; thence North 70°03'59" West 143.45 feet; thence North 75°16'49" West 100.00 feet; thence North 70°26'09" West 200.00 feet; thence South 80°15'36" West 100.00 feet; thence South 64°08'56" West 100.00 feet; thence South 57°15'06" West 100.00 feet to the **POINT OF TERMINUS**.

Contains an area of 14,868 square feet, more or less.

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



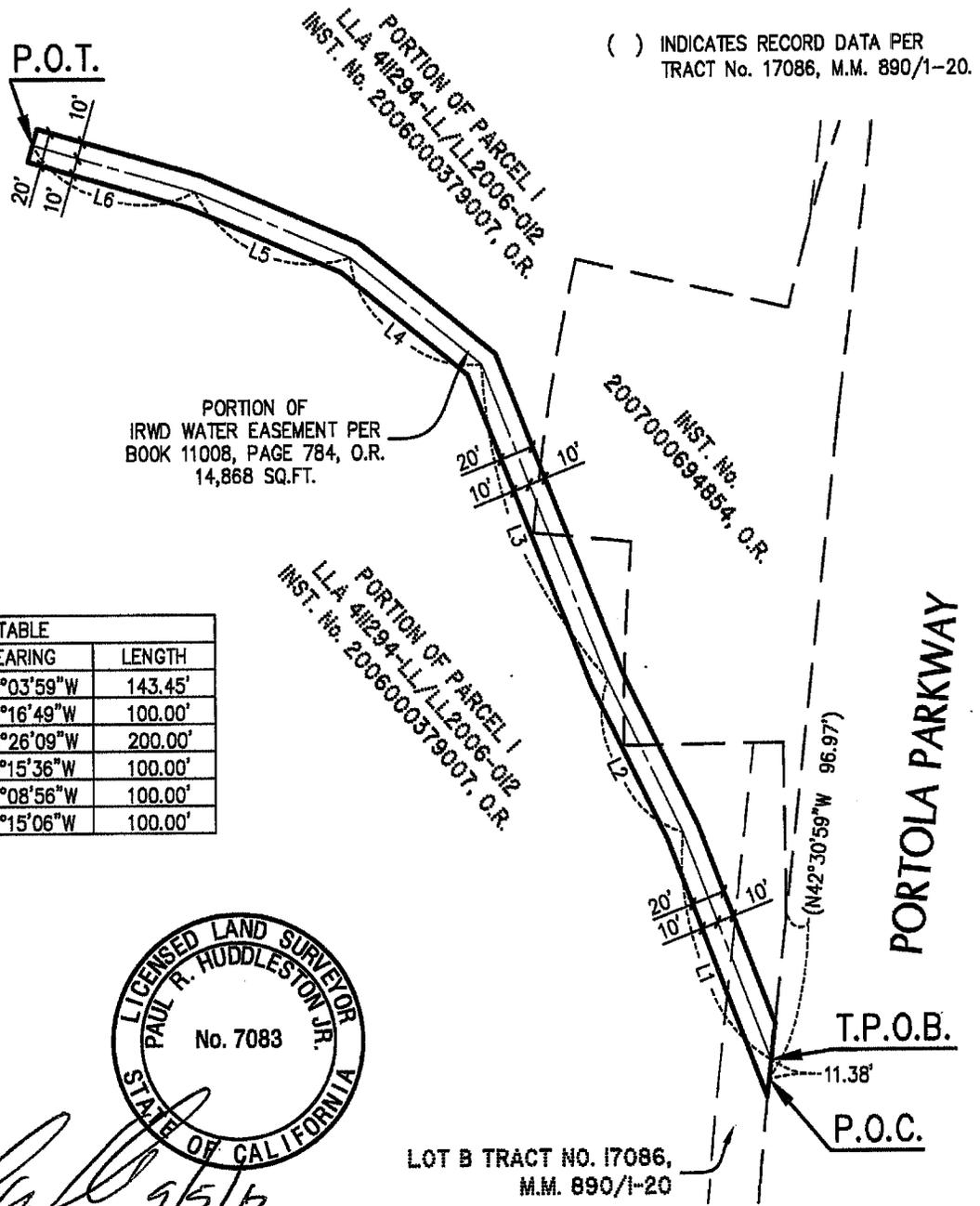
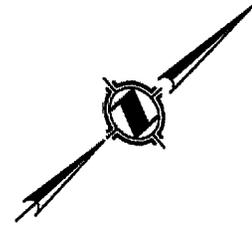
Paul R. Huddleston, Jr., L.S. No. 7083
Date: 9/5/12



September 5, 2012
WO No. 949-417X
Page 1 of 1
H&A Legal No. 7901
By: R Beuschlein
Checked By: R. Wheeler

EXHIBIT "B-1"

Sketch to Accompany Legal Description



LINE TABLE		
LINE	BEARING	LENGTH
L1	N70°03'59"W	143.45'
L2	N75°16'49"W	100.00'
L3	N70°26'09"W	200.00'
L4	S80°15'36"W	100.00'
L5	S64°08'56"W	100.00'
L6	S57°15'06"W	100.00'



Paul R. Huddleston Jr.
 PAUL R. HUDDLESTON JR., DATE: 9/5/12
 L.S. NO. 7083

HUNSAKER & ASSOCIATES IRVINE, INC. PLANNING ■ ENGINEERING ■ SURVEYING Three Hughes • Irvine, CA 92618 • P: (949) 583-1010 • F: (949) 583-0759	QUITCLAIM OF A PORTION OF I.R.W.D. EASEMENT (Bk. 11008, Pg. 784, O.R.) CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA		
	DATE: 09/05/12 REV. DATE: ----- DWG By: R.Beuschlein CK'd By: R. WHEELER	SCALE: 1" = 100'	W.O. 949-417X
FILE: I:\Protocol\stonegate\LD\7901\SHT01.dwg		H&A LEGAL No. 7901	SHEET 1 OF 1

EXHIBIT "A-2"

LEGAL DESCRIPTION

In the City of Irvine, County of Orange, State of California, being that 15.00 foot wide Water Easement granted to IRVINE RANCH WATER DISTRICT, lying within a portion of Lot C of Tract No. 17086, as shown on a map filed in Book 890, Pages 1 through 20, inclusive, of Miscellaneous Maps, in the office of the County Recorder of said county, described as follows:

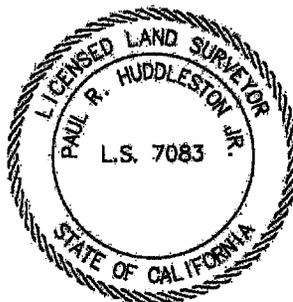
Being a strip of land 15.00 feet in width, lying southwesterly of the following described line:

COMMENCING at the northeasterly terminus of that certain line shown on said map as "North 40°39'17" East 911.80 feet", said line also being the northwesterly line of said Lot C; thence along said northwesterly line South 40°39'17" West 291.92 feet to the northwesterly terminus of that certain line described as "North 49°20'43" West 28.00 feet", said line being the northeasterly line of that certain easement in favor of the Irvine Ranch Water District as shown per said map, said point also being the **TRUE POINT OF BEGINNING**; thence along said northeasterly line, South 49°20'43" East 28.00 feet to a point on the southeasterly line of said Lot C, said point being the **POINT OF TERMINUS**.

The sidelines of said easement shall be prolonged or shortened to terminate northwesterly on the northwesterly line of said Lot C and southeasterly on the southeasterly line of said Lot C.

Contains an area of 420 square feet, more or less.

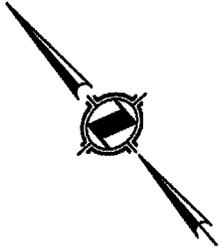

Paul R. Huddleston Jr., L.S. No. 7083
Date: 9/5/12



September 5, 2012
WO No. 949-417X
Page 1 of 1
H&A Legal No. 7903
By: R Beuschlein
Checked By: R. Wheeler

EXHIBIT "B-2"

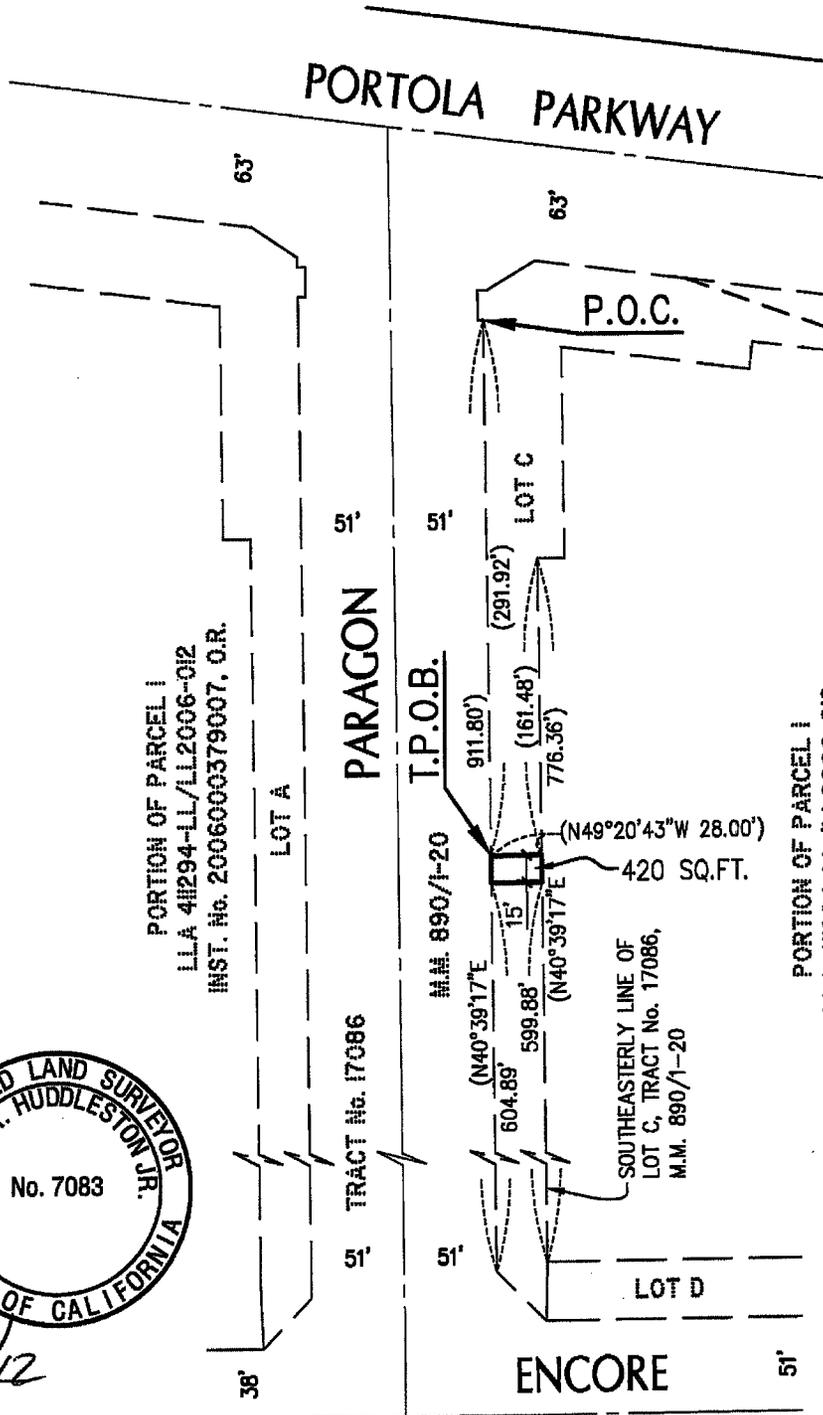
Sketch to Accompany Legal Description



() INDICATES RECORD DATA PER TRACT No. 17086, M.M. 890/1-20



Paul R. Huddleston Jr.
 PAUL R. HUDDLESTON JR., DATE: 9/5/12
 L.S. No. 7083



PORTION OF PARCEL I
 LLA 4#294-LL/LL2006-012
 INST. No. 2006000379007, O.R.

PORTION OF PARCEL I
 LLA 4#294-LL/LL2006-012
 INST. No. 2006000379007, O.R.

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

QUITCLAIM OF A PORTION OF I.R.W.D. EASEMENT (TR. 17086, M.M. 890/1-20)
 CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 09/05/12	REV. DATE: _____	DWG By: R.Beuschlein	CK'd By: R. WHEELER	SCALE: 1" = 100'	W.O. 949-417X
FILE: I:\Protocol\stonegate\LD\7903\SHT01.dwg				H&A LEGAL No. 7903	SHEET 1 OF 1

EXHIBIT "A-3"

LEGAL DESCRIPTION

In the City of Irvine, County of Orange, State of California, being a 25.00 foot wide and a 30.00 foot wide Sanitary Sewer Easement granted to IRVINE WATER DISTRICT, lying within those portions of Lots C and D of Tract No. 17086, as shown on a map filed in Book 890, Pages 1 through 20, inclusive, of Miscellaneous Maps, in the office of the County Recorder of said county, described as follows:

PARCEL 1:

Being a strip of land 25.00 feet in width, lying northeasterly of the following described line:

COMMENCING at the southwesterly terminus of that certain line shown on said map as "North 40°39'17" East 911.80 feet", said line also being the northwesterly line of said Lot C; thence along said northwesterly line North 40°39'17" East 112.00 feet to the northwesterly terminus of that certain line described as "North 49°20'43" West 28.00 feet", said line being the southwesterly line of that certain easement in favor of the Irvine Ranch Water District as shown per said map, said point also being the **TRUE POINT OF BEGINNING**; thence along said southwesterly line, South 49°20'43" East 28.00 feet to a point on the southeasterly line of said Lot C, said point being the **POINT OF TERMINUS**.

The sidelines of said easement shall be prolonged or shortened to terminate northwesterly on the northwesterly line of said Lot C and southeasterly on the southeasterly line of said Lot C.

Contains an area of 700 square feet, more or less.

PARCEL 2:

Being a strip of land 30.00 feet in width, lying northwesterly of the following described line:

COMMENCING at the southeasterly terminus of that certain line shown on said map as "North 49°20'43" West 818.53 feet", said line also being the southwesterly line of said Lot D; thence along said southwesterly line North 49°20'43" West 87.50 feet to the southwesterly terminus of that certain line described as "North 40°39'17" East 32.00 feet", said line being the southeasterly line of that certain easement in favor of the Irvine Ranch Water District as shown per said map, said point

September 5, 2012
WO No. 949-417X
Page 1 of 2
H&A Legal No. 7904
By: R Beuschlein
Checked By: R. Wheeler

EXHIBIT "A-3"

LEGAL DESCRIPTION

also being the **TRUE POINT OF BEGINNING**; thence along said southeasterly line, North 40°39'17" East 32.00 feet to a point on the northeasterly line of said Lot D, said point being the **POINT OF TERMINUS**.

The sidelines of said easement shall be prolonged or shortened to terminate southwesterly on the southwesterly line of said Lot D and northeasterly on the northeasterly line of said Lot D.

Contains an area of 960 square feet, more or less.



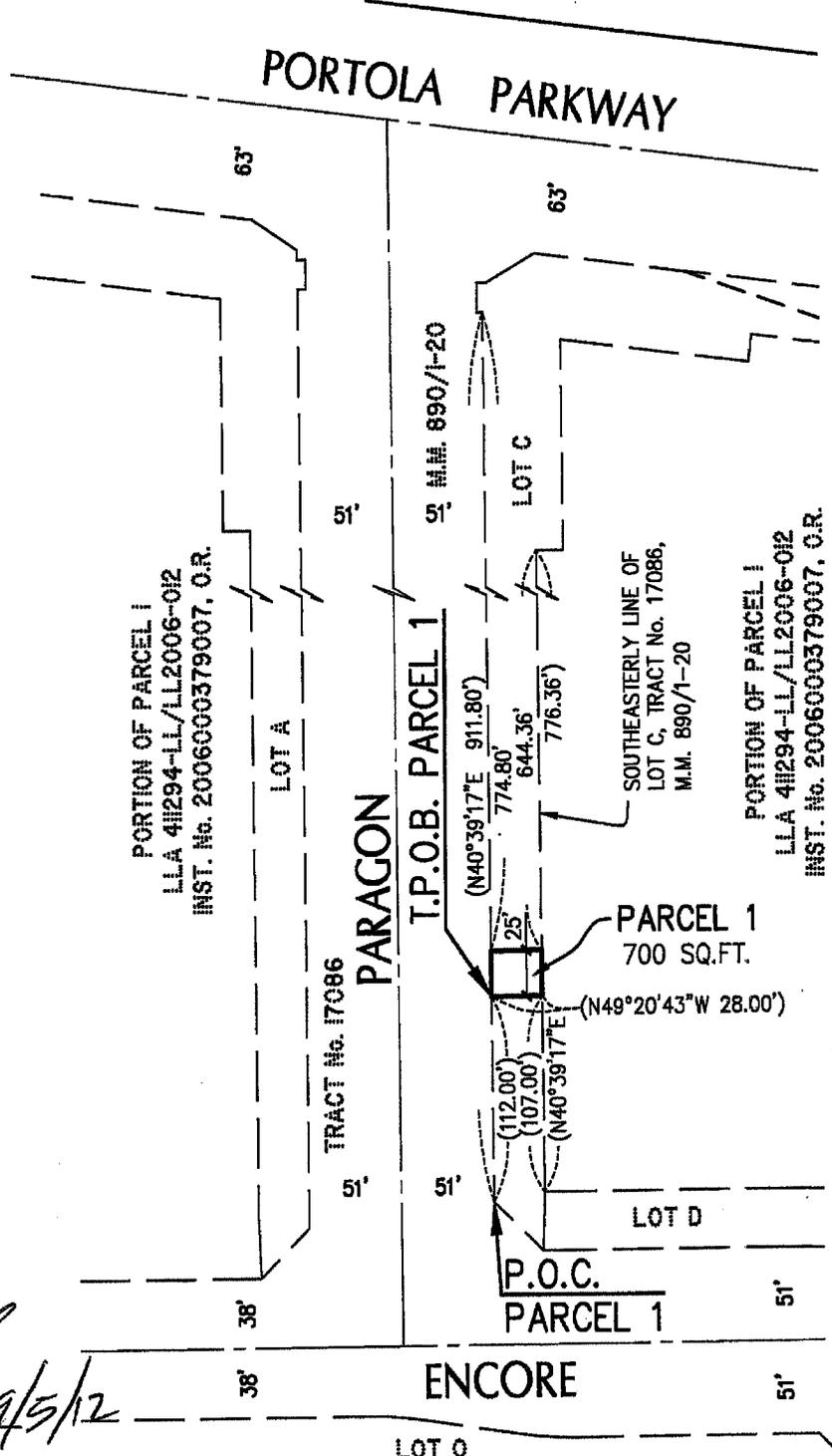
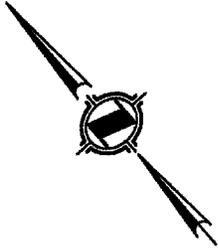
Paul R. Huddleston Jr., L.S./No. 7083
Date: 9/5/12



September 5, 2012
WO No. 949-417X
Page 2 of 2
H&A Legal No. 7904
By: R Beuschlein
Checked By: R. Wheeler

EXHIBIT "B-3"

Sketch to Accompany Legal Description



() INDICATES RECORD DATA PER TRACT No. 17086, M.M. 890/1-20

PORTION OF PARCEL 1
LLA 4#294-LL/LL2006-012
INST. No. 2006000379007, O.R.

PORTION OF PARCEL 1
LLA 4#294-LL/LL2006-012
INST. No. 2006000379007, O.R.



Paul R. Huddleston Jr.
9/5/12

PAUL R. HUDDLESTON JR., DATE:
L.S. NO. 7083

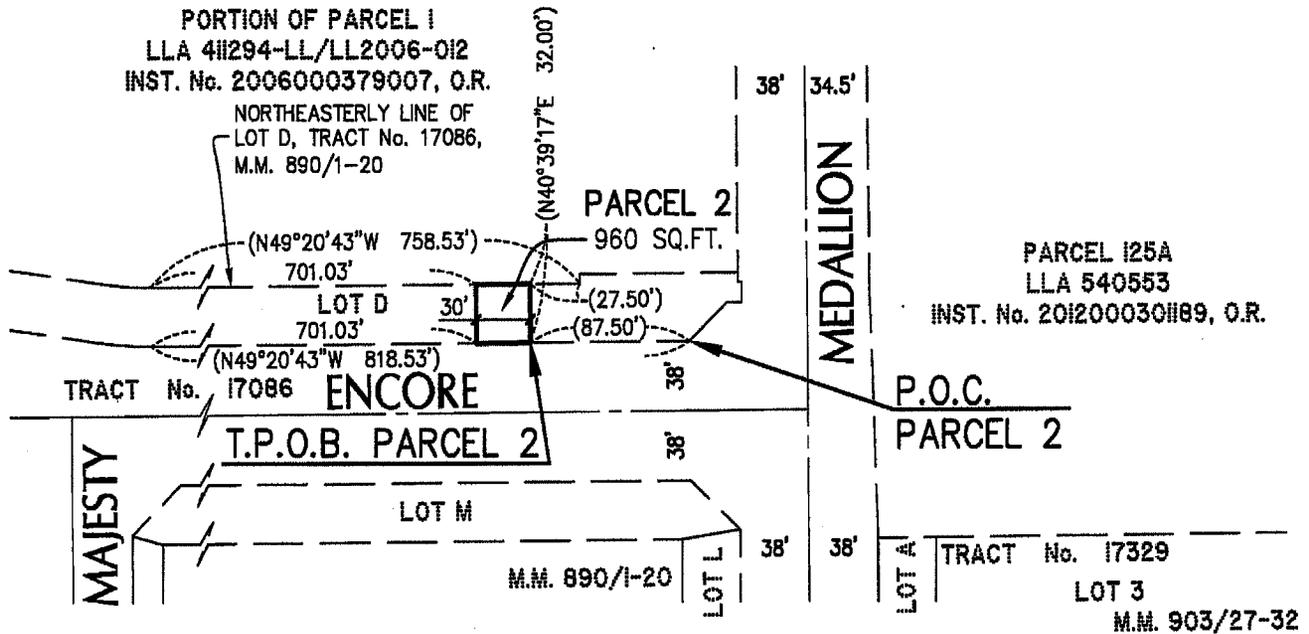
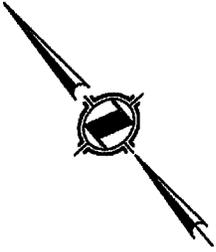
HUNSAKER & ASSOCIATES
IRVINE, INC.
PLANNING ■ ENGINEERING ■ SURVEYING
Three Hughes • Irvine, CA 92618 • PH: (949) 583-1010 • FX: (949) 583-0759

QUITCLAIM OF A PORTION OF I.R.W.D. EASEMENT (TR. 17086, M.M. 890/1-20)
CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 09/05/12	REV. DATE: -----	.DWG By: R.Beuschlein	CK'd By: R. WHEELER	SCALE: 1" = 100'	W.O. 949-417X
FILE: I:\Protocol\stonegate\LD\7904\SHT01.dwg			H&A LEGAL No. 7904	SHEET 1 OF 2	

EXHIBIT "B-3"

Sketch to Accompany Legal Description



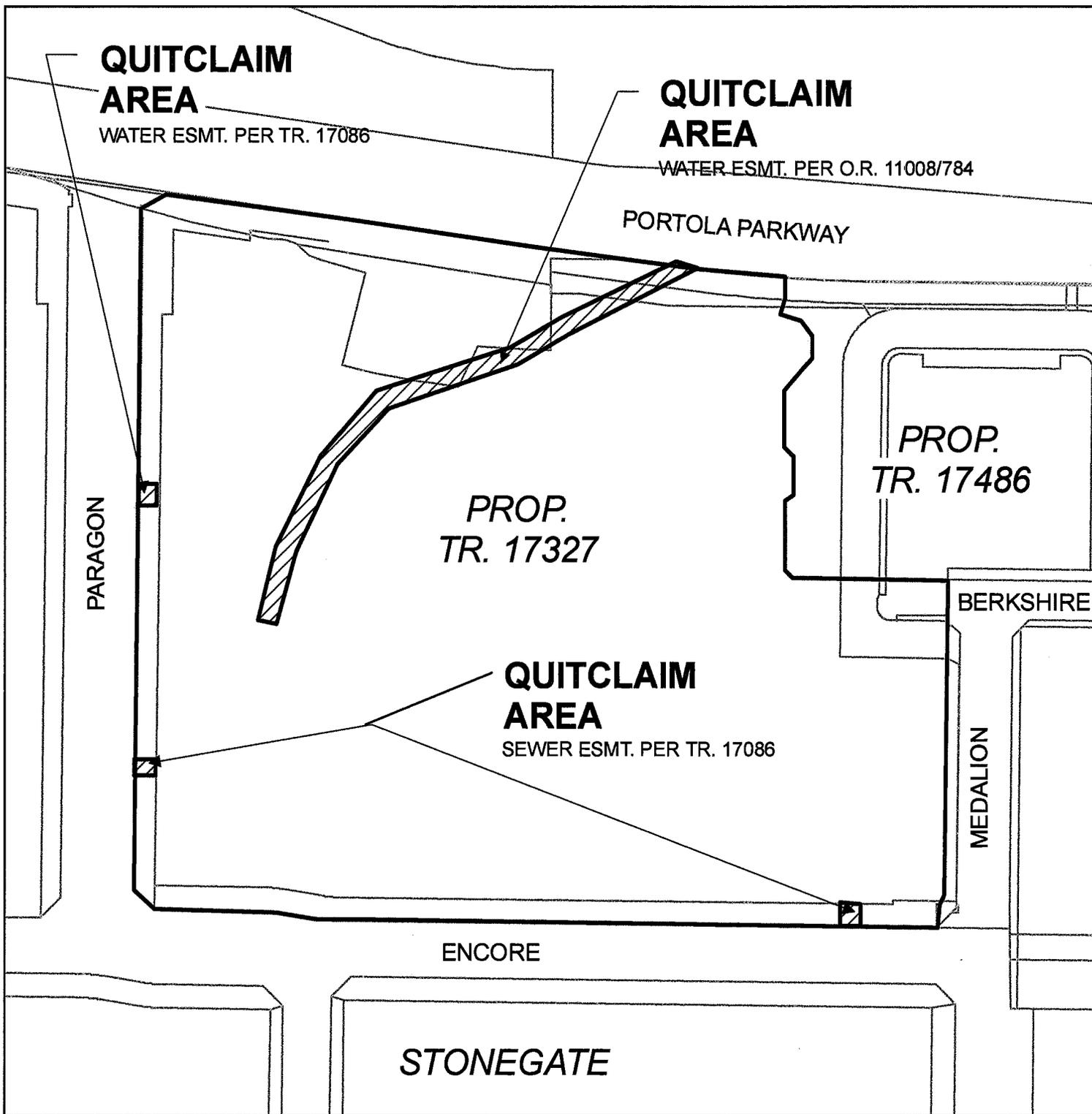
() INDICATES RECORD DATA PER
TRACT No. 17086, M.M. 890/1-20

HUNSAKER & ASSOCIATES
IRVINE, INC.
PLANNING ■ ENGINEERING ■ SURVEYING
Three Hughes • Irvine, CA 92618 • PH: (949) 583-1010 • FX: (949) 583-0799

**QUITCLAIM OF A PORTION OF I.R.W.D.
EASEMENT (TR. 17086, M.M. 890/1-20)**
CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA

DATE: 09/05/12	REV. DATE: -----	.DWG By: R.Beuschlein	CK'd By: R. WHEELER	SCALE: 1" = 100'	W.O. 949-417X
FILE: I:\Protocol\stonegate\LD\7904\SHT02.dwg				H&A LEGAL No. 7904	SHEET 2 OF 2

EXHIBIT "C"
LOCATION MAP



**QUITCLAIM OF EASEMENTS
TO IRVINE COMMUNITY DEVELOPMENT COMPANY LLC**



November 12, 2012
Prepared by: R. Thatcher/M. Hoolihan
Submitted by: K. Burton
Approved by: Paul Cook 

CONSENT CALENDAR

QUITCLAIM OF REAL PROPERTY
IRVINE COMMUNITY DEVELOPMENT COMPANY
VILLAGE OF STONEGATE (TRACT NO. 17486)

SUMMARY:

Irvine Community Development Company LLC (ICDC) is currently developing the Village of Stonegate. A portion of the development was subdivided into Tract Nos. 17086 and 17328. Subsequently, ICDC is in the process of re-subdividing a portion of both tracts into Tract No. 17486. Due to the re-subdivision and major lotting changes, ICDC has requested that the District quitclaim that certain easement for waterline purposes dedicated on the map of Tract No. 17086 and that certain easement for sewer, water and access purposes dedicated on the map of Tract No. 17328, both lying within the boundary of proposed Tract No. 17486. Staff has reviewed the request and concurs that the easements can be quitclaimed. New easements for sewer, water and access purposes will be dedicated to the District on the new map. The quitclaim deed of the existing easements will record concurrently or after the new map records. The resolution authorizing this quitclaim is attached as Exhibit "A", the quitclaim deed is attached as Exhibit "B", and a map showing the location of the existing easements and quitclaim area is attached as Exhibit "C".

FISCAL IMPACT:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable. Not a project as defined under CEQA.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2012 - _____

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. 2012 - _____

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

WHEREAS, Irvine Community Development Company LLC ("ICDC") has requested that the Irvine Ranch Water District ("IRWD") Board approve the quitclaim of the existing easement for waterline purposes lying within Lots B and XX dedicated by and of Tract No. 17086, filed in Book 890, Pages 1 through 20 of Miscellaneous Maps, and the easement for sewer, water and access purposes lying within Lot K dedicated by and of Tract No. 17328, filed in Book 904, Pages 6 through 12 of Miscellaneous Maps, both of Records of Orange County, California; and

WHEREAS, the purpose of the quitclaim is because ICDC is re-subdividing portions of the above- mentioned Tract No. 17086 and 17328 into Tract No. 17486; and

WHEREAS, ICDC will be dedicating new easements for sewer, water and access purposes to IRWD on the new Tract Map; and

WHEREAS, staff has reviewed and confirmed that the easements herein referred 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 12th day of November, 2012.

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

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

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

By _____

EXHIBIT "B"

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

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

ASSESSOR PARCEL NO(S):

580-133-02, 03 & 09

(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 City of Irvine, County of Orange, State of California, as more particularly described on Exhibit "A-1" and "A-2", 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: _____, 2012

IRVINE RANCH WATER DISTRICT,
a California Water District

By: _____
Name: Mary Aileen Matheis
Title: President

By: _____
Name: Nancy Savedra
Title: Assistant District Secretary

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

On _____, 2012, before me, _____, a Notary Public in and for said State, personally appeared Mary Aileen Matheis and Nancy Savedra, 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 _____
 Notary Public in and for said State

(SEAL)

EXHIBIT "A-1"

LEGAL DESCRIPTION

In the City of Irvine, County of Orange, State of California, being that portion of Lots B and XX of Tract No. 17086, as shown on a map filed in Book 890, Pages 1 through 20, inclusive, of Miscellaneous Maps, in the office of the County Recorder of said county, described as follows:

Being a strip of land 15.00 feet in width, lying southeasterly of the following described line:

COMMENCING at the northwesterly terminus of that certain line shown on said map as "North 49°22'07" West 247.00 feet", said line also being the southwesterly line of said Lot XX; thence along said southwesterly line South 49°22'07" East 227.23 feet to the southwesterly terminus of that certain line described as "North 40°38'01" East 36.00 feet", said line being the northwesterly line of that certain easement in favor of the Irvine Ranch Water District as shown per said map, said point also being the **TRUE POINT OF BEGINNING**; thence along said northwesterly line, North 40°38'01" East 36.00 feet to a point on the northeasterly line of said Lot B, said point being the **POINT OF TERMINUS**.

The sidelines of said easement shall be prolonged or shortened to terminate southwesterly on the southwesterly line of said Lot XX and northeasterly on the northeasterly line of said Lot B.

Contains an area of 540 square feet, more or less.


Paul R. Huddleston Jr., L.S. No. 7083
Date: 9/4/12



September 4, 2012
WO No. 949-417X
Page 1 of 1
H&A Legal No. 7888
By: R Beuschlein
Checked By: R. Wheeler

EXHIBIT "A-2"

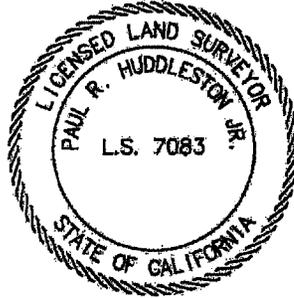
LEGAL DESCRIPTION

In the City of Irvine, County of Orange, State of California, being all of Lot K of Tract No. 17328, as shown on a map filed in Book 904, Pages 6 through 12, inclusive, of Miscellaneous Maps, in the office of the County Recorder of said county

Contains an area of 4,344 square feet, more or less.

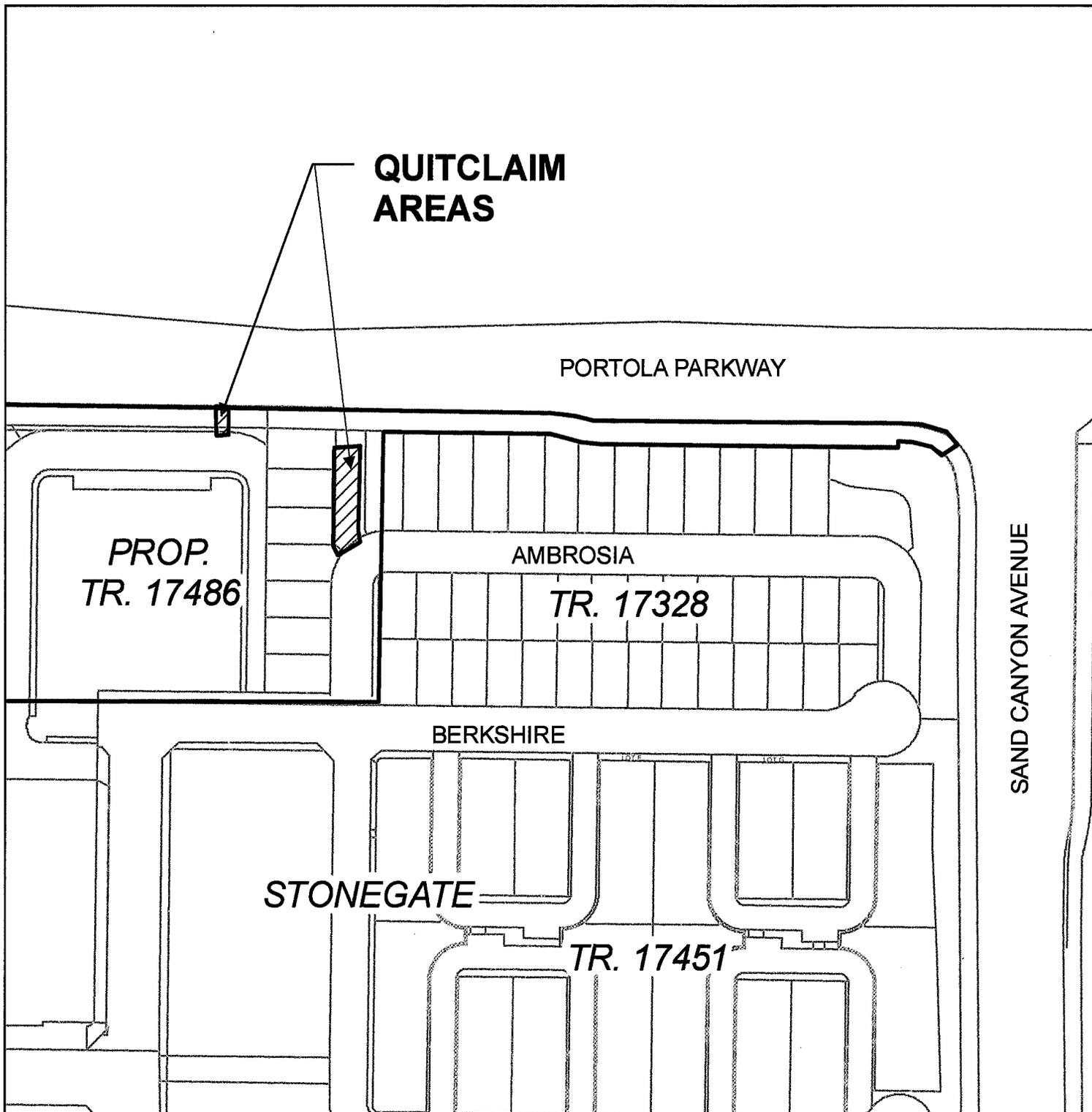


Paul R. Huddleston Jr., L.S., No. 7083
Date: 8/23/12



August 22, 2012
WO No. 949-417X
Page 1 of 1
H&A Legal No. 7889
By: R. Beuschlein
Checked By: R. Wheeler

EXHIBIT "C"
LOCATION MAP



QUITCLAIM OF SEWER, WATER AND ACCESS EASEMENTS
TO IRVINE COMMUNITY DEVELOPMENT COMPANY LLC



November 12, 2012
Prepared by: Gretchen Maswadeh
Submitted by: Janet Wells
Approved by: Paul Cook 

ACTION CALENDAR

PROPOSED DECREASES TO CALPERS EMPLOYER PAID MEMBER CONTRIBUTIONS (EPMC)

SUMMARY:

As part of the multi-year process to transition employees to paying the full 8% of the CalPERS employee contribution, increases in the employee contribution rates are proposed as follows:

- Effective March 1, 2013, all Full-time Regular Employees will pay an additional 1% into CalPERS, decreasing the EPMC from 3% to 2% and increasing the employee contributions from 5% to 6%, and
- Effective March 1, 2013, all Department Directors and Executive Directors (Senior Management) will pay an additional 1% into CalPERS, decreasing the EPMC from 1% to 0% and increasing the employee contributions from 7% to the full 8%.

The General Manager and the (vacant) Assistant General Manager positions (defined as Executive Management) have been paying the full 8% since March 1, 2012.

Staff recommends the Board approve the decrease to EPMC for Full-time Regular Employees and Senior Management as outlined above and adopt the required resolutions indicating the change in the EPMC.

BACKGROUND:

During the review of the Operating Budget for Fiscal Year 2011-12, opportunities to manage costs associated with the current IRWD employee pension program were identified. On April 25, 2011, a multi-year process was implemented that would eventually transition all of the District's employees to paying the full 8% of the CalPERS employee contribution. The following adjustments of employee-paid contributions have already been implemented:

- Effective July 1, 2011, CalPERS employee contributions for Executive Management increased from 1% to 6%; Senior Management employee contributions increased from 1% to 5%; and all other Full-time Regular Employee contributions increased from 1% to 3%. All Full-time Regular Employee positions and the Senior Management positions also received a 2% increase in salary effective July 1, 2011.
- Effective March 1, 2012, CalPERS employee contributions for Executive Management increased from 6% to 8%; Senior Management employee contributions increased from 5% to 7%; and all other Full-time Regular Employee contributions increased from 3% to 5%.

Shifts in Employee Paid Contributions Effective March 2, 2013:

At its meeting on September 24, 2012 and in conjunction with the signing of the Memorandum of Understanding between the IRWD Employees Association (IRWDEA) and IRWD, the Board agreed to decrease EPMC as described above, effective with the first pay period in March 2013 (March 2, 2013). For the Board to make the adjustments to the EPMC to CalPERS, it needs to adopt resolutions stipulating the specific amount of each adjustment. The resolutions associated with these adjustments are attached as Exhibit “A”.

FISCAL IMPACTS:

During the budgetary process, staff projected a reduction in EPMC for Senior Management of 1% and for Full-Time Regular employees of 1.5%. This was expected to reduce the monthly EPMC for the last four months of the fiscal year by approximately \$20,000 per month, resulting in a total annual budget for EPMC of \$683,000. As a result of shifting only 1% of EPMC for Full-time Regular employees, for the last four months of the fiscal year, EPMC will only be reduced by approximately \$14,000 per month. Therefore, the projected annual cost for EPMC for FY 2012-13 will be approximately \$24,000 (3.5%) over budget.

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on November 6, 2012.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTIONS BY TITLE AUTHORIZING THE DECREASE TO THE EMPLOYER PAID MEMBER CONTRIBUTIONS TO CALPERS:

RESOLUTION 2012-

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

RESOLUTION 2012-

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

Action Calendar – Proposed Decreases to CalPERS Employer Paid Member Contributions
(EPMC)

November 12, 2012

Page 3

LIST OF EXHIBITS:

Exhibit “A” – Resolutions to adopt decreases in Employer Paid Member Contributions for Senior Management and Full-Time Regular Employees

Exhibit "A"

RESOLUTION 2012-

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

WHEREAS, the governing body of the Irvine Ranch Water District (District) has the authority to implement Government Code Section 20691; and

WHEREAS, the governing body of the District has a written policy which specifically provides for the normal member contributions to be paid by the employer; and

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the District of a resolution to commence said Employer-Paid Member Contributions (EPMC); and

WHEREAS, the governing body of the District has identified conditions for the purpose of its election to pay EPMC.

NOW, THEREFORE, the governing body of the Board of Directors of Irvine Ranch Water District modifies its prior election to pay EPMC as set forth below:

Section 1. The modified EPMC benefit adopted and set forth below in this Resolution shall apply to all employees of Senior Management staff.

Section 2. This benefit shall consist of paying 0% (zero percent) of the normal member contributions as EPMC.

Section 3. The effective date of this Resolution shall be March 2, 2013.

ADOPTED, SIGNED and APPROVED this 12th day of November, 2012.

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 AND GIANNONE
Legal Counsel

RESOLUTION 2012-

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

WHEREAS, the governing body of the Irvine Ranch Water District (District) has the authority to implement Government Code Section 20691; and

WHEREAS, the governing body of the District has a written policy which specifically provides for the normal member contributions to be paid by the employer; and

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the governing body of the District of a resolution to commence said Employer-Paid Member Contributions (EPMC); and

WHEREAS, the governing body of the District has identified conditions for the purpose of its election to pay EPMC.

NOW, THEREFORE, the governing body of the Board of Directors of Irvine Ranch Water District modifies its prior election to pay EPMC as set forth below:

Section 1. The modified EPMC benefit adopted and set forth below in this Resolution shall apply to all Full-time Regular Employees.

Section 2. This benefit shall consist of paying 2% (two percent) of the normal member contributions as EPMC.

Section 3. The effective date of this Resolution shall be March 2, 2013.

ADOPTED, SIGNED and APPROVED this 12th day of November, 2012.

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 AND GIANNONE
Legal Counsel

November 12, 2012

Prepared by: Gretchen Maswadeh *GM*

Submitted by: Janet Wells *JW*

Approved by: Paul Cook *PC*

ACTION CALENDAR

PROPOSED CONSUMER PRICE INDEX CHANGES TO SALARY GRADE SCHEDULE AND EMPLOYEE COST OF LIVING ADJUSTMENTS

SUMMARY:

The Bureau of Labor Statistics has released the Consumer Price Index (CPI) for the one-year period ending September 2012, which reflects a 2.18% increase from September 2011 to September 2012. Staff requests that the Board:

- Approve an increase to the Salary Range Schedule; and
- Approve a Cost of Living Adjustment (COLA) of 2.18% for eligible employees.

BACKGROUND:

On January 18, 1999, the Board of Directors approved the separation of the COLA component from the overall employee merit increase. Each year, staff recommends changes to the Salary Grade Schedule and employee cost of living adjustments based on a September to September comparison of the CPI for the Orange-Riverside-Los Angeles All Urban Consumers. The COLA adjustments are made effective December 1 of each year. This item implements the COLA to be effective December 1, 2012 and was included in the Memorandum of Understanding between IRWD Employees Association (IRWDEA) and IRWD, dated September 24, 2012.

Salary Grade Schedule Changes:

The salary grade ranges were last adjusted December 1, 2011. This change was based on the Board-approved COLA.

Attached as Exhibit "B-1" is the Consumer Price Index information for September 2011 and September 2012, reflecting a change in CPI from 233.022 to 238.104, or 2.18%. Exhibit "B-2" reflects the calculation of the COLA. The impact to the salary grade schedule is detailed in Exhibit "C".

FISCAL IMPACTS:

During the budgetary process, staff included a 1.2% or approximately \$319,700 increase in salaries for COLA for FY 2012-13. Actual funds needed to implement a 2.18% increase for the last seven months of the fiscal year will be approximately \$321,700. Therefore, the projected annual cost for FY 2012-13 for COLA will be approximately \$2,000 (0.006%) over budget.

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on November 6, 2012.

RECOMMENDATION:

THAT THE BOARD APPROVE A 2.18% INCREASE TO THE SALARY GRADE RANGES AND A 2.18% COST OF LIVING ADJUSTMENT (COLA) FOR EACH ELIGIBLE EMPLOYEE, BOTH EFFECTIVE DECEMBER 1, 2012. STAFF ALSO REQUESTS THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION 2012-

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT, RESCINDING
RESOLUTION NO. 2012-38 AND ESTABLISHING
A REVISED SCHEDULE OF POSITIONS AND SALARY
RATE RANGES

LIST OF EXHIBITS:

- Exhibit "A" – Resolution
- Exhibit "B" – Bureau of Labor Statistics Consumer Price Index
- Exhibit "C" – Revised Salary Grade Schedule

Exhibit "A"

RESOLUTION NO. 2012 -

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT,
RESCINDING RESOLUTION NO. 2012-38 AND
ESTABLISHING A REVISED SCHEDULE OF POSITIONS
AND SALARY RATE RANGES

WHEREAS, the Board of Directors of Irvine Ranch Water District, by adoption of Resolution No. 2012-38 on September 10, 2012, established a Schedule of Positions and Salary Rate Ranges of the Irvine Ranch Water District; and

WHEREAS, the Board of Directors of Irvine Ranch Water District has reviewed the Schedule of Positions and Salary Rate Ranges and desires to make revisions thereto.

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

Section 1. That the Schedule of Positions and Salary Rate Ranges adopted by Resolution No. 2012-38 on September 10, 2012 is hereby rescinded, effective December 1, 2012.

Section 2. That the Schedule of Positions and Salary Rate Ranges for the Irvine Ranch Water District be and hereby is approved and adopted as more particularly set forth in Exhibit "C" to this Resolution, attached hereto and by this reference made a part hereto.

Section 3. That the provisions of this Resolution shall be effective December 1, 2012.

ADOPTED, SIGNED and APPROVED THIS 12th day of November 2012.

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

CONSUMER PRICE INDEXES PACIFIC CITIES AND U. S. CITY AVERAGE
September 2012
ALL ITEMS INDEXES

(1982-84=100 unless otherwise noted)

MONTHLY DATA	All Urban Consumers (CPI-U)						Urban Wage Earners and Clerical Workers (CPI-W)					
	Indexes			Percent Change			Indexes			Percent Change		
				Year ending	1 Month ending	Year ending				1 Month ending		
	Sep 2011	Aug 2012	Sep 2012	Aug 2012	Sep 2012	Sep 2012	Sep 2011	Aug 2012	Sep 2012	Aug 2012	Sep 2012	Sep 2012
U. S. City Average.....	226.889	230.379	231.407	1.7	2.0	0.4	223.688	227.056	228.184	1.7	2.0	0.5
(1967=100).....	679.658	690.113	693.192	-	-	-	666.299	676.329	679.690	-	-	-
Los Angeles-Riverside-Orange Co.....	233.022	237.222	238.104	2.3	2.2	0.4	226.096	230.229	231.085	2.5	2.2	0.4
(1967=100).....	688.450	700.858	703.465	-	-	-	668.183	680.396	682.927	-	-	-
West	229.147	233.001	234.083	2.1	2.2	0.5	224.237	227.681	228.798	2.0	2.0	0.5
(Dec. 1977 = 100)	370.404	376.633	378.382	-	-	-	360.785	366.326	368.123	-	-	-
West - A*.....	233.221	237.607	238.684	2.3	2.3	0.5	226.764	230.849	232.024	2.3	2.3	0.5
(Dec. 1977 = 100)	380.300	387.451	389.208	-	-	-	367.086	373.699	375.601	-	-	-
West - B/C**(Dec. 1996=100).....	138.564	139.971	140.600	1.3	1.5	0.4	138.770	140.055	140.649	1.3	1.4	0.4

BI-MONTHLY DATA	All Urban Consumers (CPI-U)						Urban Wage Earners and Clerical Workers (CPI-W)					
	Indexes			Percent Change			Indexes			Percent Change		
				Year ending	2 Months ending	Year ending				2 Months ending		
	Aug 2011	Jun 2012	Aug 2012	Jun 2012	Aug 2012	Aug 2012	Aug 2011	Jun 2012	Aug 2012	Jun 2012	Aug 2012	Aug 2012
San Francisco-Oakland-San Jose.....	234.608	239.806	241.170	2.6	2.8	0.6	231.445	236.890	238.445	2.7	3.0	0.7
(1967=100).....	721.251	737.231	741.425	-	-	-	704.769	721.349	726.085	-	-	-
Seattle-Tacoma-Bremerton.....	233.810	239.540	240.213	2.7	2.7	0.3	230.558	236.222	236.750	2.7	2.7	0.2
(1967=100).....	712.742	730.211	732.261	-	-	-	683.835	700.634	702.199	-	-	-

* A = 1,500,000 population and over

** B/C = less than 1,500,000 population

Dash (-) = Not Available.

Release date Oct. 16, 2012. The next monthly releases are scheduled for Nov. 15, 2012. The next bi-monthly releases are scheduled for Nov. 15, 2012.

Please note: As of October 1, 2009 all hotline numbers were discontinued with the exception of San Francisco's. Customers can continue to receive information by calling the BLS West Region Information Office: (415) 625-2270.

This card is available on the day of release by electronic distribution. Just go to www.bls.gov/bls/list.htm and sign up for the free on-line delivery service. For questions, please contact us at BLInfoSF@BLS.GOV or (415) 625-2270.

Consumer Price Index Calculation

SEP 11	0.51%	233.022	3.09%	2.47%
OCT 11	3.10%	233.049	2.76%	
NOV 11	-0.14%	232.731	3.01%	
DEC 11	-0.50%	231.567	2.17%	
JAN 12	0.81%	233.441	2.09%	
FEB 12	0.47%	234.537	2.09%	
MAR 12	1.02%	236.941	2.02%	
APR 12	-0.03%	236.866	1.52%	
MAY 12	0.07%	237.032	1.57%	
JUN 12	-0.42%	236.025	1.59%	
JUL 12	-0.11%	235.776	1.93%	
AUG 12	0.61%	237.222	2.32%	
SEP 12	0.37%	238.104	2.18%	

9/2010 to 9/2011: 3.09% increase, less 0.62% = 2.47% COLA

9/2011 to 9/2012: 2.18% increase, COLA effective 12/1/12

IRVINE RANCH WATER DISTRICT
SALARY GRADE SCHEDULE

October-December 1, 2012

<u>NON-EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE 1.N	\$ <u>25332588</u>	\$ <u>31403208</u>	\$ <u>32963368</u>
SALARY GRADE 2.N	\$ <u>25882644</u>	\$ <u>32263296</u>	\$ <u>33873461</u>
SALARY GRADE 3.N	\$ <u>26422700</u>	\$ <u>33153387</u>	\$ <u>34813557</u>
SALARY GRADE 4.N	\$ <u>26902749</u>	\$ <u>34113485</u>	\$ <u>35813659</u>
SALARY GRADE 5.N	\$ <u>27502810</u>	\$ <u>35053581</u>	\$ <u>36813761</u>
SALARY GRADE 6.N Office Assistant Mail Coordinator	\$ <u>28062867</u>	\$ <u>36073686</u>	\$ <u>37873870</u>
SALARY GRADE 7.N	\$ <u>28622924</u>	\$ <u>37073788</u>	\$ <u>38933978</u>
SALARY GRADE 8.N	\$ <u>29242988</u>	\$ <u>38143897</u>	\$ <u>40054092</u>
SALARY GRADE 9.N	\$ <u>29813046</u>	\$ <u>39194004</u>	\$ <u>41154205</u>
SALARY GRADE 10.N	\$ <u>30413107</u>	\$ <u>40254113</u>	\$ <u>42264318</u>
SALARY GRADE 11.N Material Control Clerk I Maintenance Apprentice Utility Worker	\$ <u>31003168</u>	\$ <u>41294219</u>	\$ <u>43344428</u>
SALARY GRADE 12.N	\$ <u>31623231</u>	\$ <u>42504343</u>	\$ <u>44634560</u>
SALARY GRADE 13.N Customer Service Specialist I Computer Operator	\$ <u>32213291</u>	\$ <u>43724467</u>	\$ <u>45914691</u>
SALARY GRADE 14.N	\$ <u>32933365</u>	\$ <u>44954593</u>	\$ <u>47204823</u>

<u>NON-EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE 15.N Office Specialist Collection Systems Technician I	\$ <u>33643437</u>	\$ <u>46144715</u>	\$ <u>48454951</u>
SALARY GRADE 16.N Accounting Clerk Customer Service Field Technician Metering Systems Technician I Water Maintenance Technician I Laboratory Analyst	\$ <u>34433518</u>	\$ <u>47434846</u>	\$ <u>49805089</u>
SALARY GRADE 17.N Customer Service Specialist II	\$ <u>35163593</u>	\$ <u>48624968</u>	\$ <u>51055216</u>
SALARY GRADE 18.N Material Control Clerk II	\$ <u>35943672</u>	\$ <u>49935102</u>	\$ <u>52435357</u>
SALARY GRADE 19.N Senior Office Specialist Purchasing Coordinator	\$ <u>36753755</u>	\$ <u>51195231</u>	\$ <u>53765493</u>
SALARY GRADE 20.N Senior Accounting Clerk Engineering Technician I Operator I Maintenance Mechanic Collection Systems Technician II	\$ <u>37743856</u>	\$ <u>52845399</u>	\$ <u>55495670</u>
SALARY GRADE 21.N Customer Service Specialist III Senior Customer Service Field Technician Collection Systems CCTV Technician II	\$ <u>38803965</u>	\$ <u>54445563</u>	\$ <u>57175842</u>
SALARY GRADE 22.N Executive Secretary Sr. Purchasing Coordinator Metering Systems Tech. II Water Maintenance Technician II Facilities Services Technician Vehicle/Equipment Mechanic Recycled Water Specialist	\$ <u>39874074</u>	\$ <u>56165738</u>	\$ <u>58976026</u>
SALARY GRADE 23.N Construction Inspector I	\$ <u>40934182</u>	\$ <u>57865912</u>	\$ <u>60756207</u>

<u>NON-EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE 24.N Buyer Cross Connection Specialist Wetlands Specialist Water Use Efficiency Specialist	\$ <u>42084300</u>	\$ <u>59676097</u>	\$ <u>62656402</u>
SALARY GRADE 25.N Engineering Technician II Senior Collection Systems Technician Senior Collection Systems CCTV Technician	\$ <u>43194413</u>	\$ <u>61506284</u>	\$ <u>64586599</u>
SALARY GRADE 26.N Executive Assistant Safety and Security Specialist Metering Systems Tech. III Water Maintenance Technician III Scientist	\$ <u>44524549</u>	\$ <u>63336471</u>	\$ <u>66496794</u>
SALARY GRADE 27.N Accountant Risk Analyst Senior Vehicle/Equipment Maintenance Mechanic Operator II Senior Maintenance Mechanic Senior Recycled Water Specialist	\$ <u>45824682</u>	\$ <u>65196661</u>	\$ <u>68456994</u>
SALARY GRADE 28.N Construction Inspector II Automation Technician Landscape Contracts Administrator Electrical Technician Instrumentation Technician	\$ <u>47164819</u>	\$ <u>67136859</u>	\$ <u>70497203</u>
SALARY GRADE 29.N Public Affairs Specialist Payroll Administrator Senior Buyer Engineering Technician III Senior Wetlands Specialist Operator III Lead Maintenance Mechanic Recycled Water Project Specialist Senior Water Use Efficiency Specialist	\$ <u>48564962</u>	\$ <u>69087059</u>	\$ <u>72537411</u>

<u>NON-EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE 30.N Facilities Services Supervisor Fleet Supervisor Senior Electrical Technician Senior Instrumentation Technician Collection Systems Supervisor	\$ <u>50035112</u>	\$ <u>71127267</u>	\$ <u>74687631</u>
SALARY GRADE 31.N Human Resources Analyst Treasury Analyst Information Services Coordinator Construction Inspector III Cross Connection Supervisor Water Maintenance Supervisor Senior Scientist Water Use Efficiency Analyst	\$ <u>51515263</u>	\$ <u>73267486</u>	\$ <u>76917859</u>
SALARY GRADE 32.N Automation Specialist Network Administrator Mechanical Maintenance Supervisor	\$ <u>52995415</u>	\$ <u>75437707</u>	\$ <u>79208093</u>
SALARY GRADE 33.N Supervising Wetlands//Wildlife Biologist Operations Coordinator	\$ <u>54545573</u>	\$ <u>77627931</u>	\$ <u>81508328</u>
SALARY GRADE 34.N Electrical/Instrumentation Designer Electrical Supervisor Instrumentation Supervisor	\$ <u>56165738</u>	\$ <u>79778151</u>	\$ <u>83768559</u>
SALARY GRADE 35.N Operations Supervisor	\$ <u>57855911</u>	\$ <u>82168395</u>	\$ <u>86278815</u>
<i>Effective Date</i> 10/01/12 <u>12/01/12</u>			

**IRVINE RANCH WATER DISTRICT
SALARY GRADE SCHEDULE**

~~October-December~~ 1, 2012

<u>EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE 1.E	\$40724161	\$52325346	\$54935613
SALARY GRADE 2.E	\$42074299	\$54355553	\$57075831
SALARY GRADE 3.E	\$43434438	\$56385761	\$59206049
SALARY GRADE 4.E	\$44784576	\$58535981	\$61466280
SALARY GRADE 5.E	\$46144715	\$60716203	\$63756514
SALARY GRADE 6.E	\$47734877	\$63066443	\$66226766
SALARY GRADE 7.E	\$49275034	\$65396682	\$68657015
SALARY GRADE 8.E	\$50865197	\$67946942	\$71347290
SALARY GRADE 9.E	\$52415355	\$70437197	\$73957556
SALARY GRADE 10.E Customer Service Supervisor Assistant Engineer Administrative Assistant Analyst	\$54175535	\$73117470	\$76777844
SALARY GRADE 11.E Senior Accountant Laboratory QA/QC Recycled Water Supervisor	\$55905712	\$75817746	\$79608134
SALARY GRADE 12.E Programmer/Analyst GIS Supervisor	\$57725898	\$78718043	\$82648444

<u>EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE 13.E Senior Human Resources Analyst Right of Way & Real Property Manager Automation Programmer Senior Analyst Laboratory Supervisor Water Use Efficiency Supervisor	<u>\$59586088</u>	<u>\$81578335</u>	<u>\$85648751</u>
SALARY GRADE 14.E District Secretary Associate Engineer Assistant Facilities/Fleet Manager	<u>\$61526286</u>	<u>\$84728657</u>	<u>\$88959089</u>
SALARY GRADE 15.E Senior Programmer/Analyst Senior Network Administrator Support Analyst	<u>\$63476485</u>	<u>\$87888980</u>	<u>\$92279428</u>
SALARY GRADE 16.E Customer Service Manager Construction & Repair Manager Principal Analyst Collection Systems Manager Laboratory Manager Regulatory Compliance Manager	<u>\$65596702</u>	<u>\$91219320</u>	<u>\$95779786</u>
SALARY GRADE 17.E District Safety and Security Manager Accounting Manager Purchasing Manager Engineer Construction Inspection Manager Water Maintenance Manager Facilities/Fleet Manager Electrical Maintenance Manager Energy & Water Resource Planner Government Relations Manager	<u>\$67686916</u>	<u>\$94579663</u>	<u>\$992910145</u>
SALARY GRADE 18.E Public Affairs Manager Human Resources Manager Treasury Manager Manager of Contracts Admin & Risk Business Analyst Chief Plant Operator Water Quality Manager Water Resources Manager	<u>\$69877139</u>	<u>\$981710031</u>	<u>\$1030710532</u>

<u>EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE 19.E Operations Manager Superintendent of Maintenance & Reliability Recycled Water Development Manager	<u>\$72107367</u>	<u>\$1017910401</u>	<u>\$1068910922</u>
SALARY GRADE 20.E Assistant Controller Applications & Support Manager Networking & Support Manager Senior Engineer Assistant Director of Water Operations	<u>\$74337595</u>	<u>\$1055610786</u>	<u>\$1108411326</u>
SALARY GRADE 21.E	<u>\$76607827</u>	<u>\$1093811176</u>	<u>\$1148511735</u>
SALARY GRADE 22.E	<u>\$79068078</u>	<u>\$1134411591</u>	<u>\$1191212172</u>
SALARY GRADE 23.E Principal Engineer Assistant Director of Water Policy	<u>\$81568334</u>	<u>\$1175512011</u>	<u>\$1234412613</u>
SALARY GRADE 24.E	<u>\$83778560</u>	<u>\$1222812495</u>	<u>\$1283913119</u>
SALARY GRADE 25.E Treasurer/Assistant Director of Finance	<u>\$86368824</u>	<u>\$1269112968</u>	<u>\$1332513615</u>
SALARY GRADE 26.E	<u>\$90309227</u>	<u>\$1336213653</u>	<u>\$1403014336</u>
SALARY GRADE 27.E Director of Public Affairs Director of Human Resources Director of Administrative Services Director of Wastewater Operations Director of Water Resources	<u>\$94449650</u>	<u>\$1406914376</u>	<u>\$1477315095</u>
SALARY GRADE 28.E	<u>\$987810093</u>	<u>\$1481115134</u>	<u>\$1555215891</u>
SALARY GRADE 29.E	<u>\$1032910554</u>	<u>\$1559515935</u>	<u>\$1637516732</u>

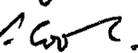
<u>EXEMPT</u>	<u>MINIMUM</u>	<u>MAXIMUM</u>	<u>EXCEPTIONAL PERFORMANCE TOP OF RANGE</u>
SALARY GRADE 30.E Executive Director of Finance Executive Director of Engineering & Planning Executive Director of Operations Executive Director of Water Policy	<u>\$1080511041</u>	<u>\$1642216780</u>	<u>\$1724317619</u>
SALARY GRADE 31.E	<u>\$1134311590</u>	<u>\$1735417732</u>	<u>\$1822218619</u>
SALARY GRADE 32.E Assistant General Manager	<u>\$1191112171</u>	<u>\$1834318743</u>	<u>\$1926019680</u>
SALARY GRADE 33.E	<u>\$1250412777</u>	<u>\$1938319806</u>	<u>\$2035320797</u>
SALARY GRADE 34.E General Manager	<u>\$1313113417</u>	<u>\$2048420931</u>	<u>\$2150821977</u>

| *Effective Date* 10/01/1212/01/12

November 12, 2012

Prepared and

Submitted by: Rob Jacobsen 

Approved by: Paul Cook 

ACTION CALENDAR

ADDITIONAL CONTRIBUTIONS FOR FY 2012-13 TO THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM

SUMMARY:

Staff requests that the Board approve an additional contribution not to exceed a total of \$5,000,000 to California Public Employees Retirement System (CalPERS) during the fiscal year 2012-13, with the timing and amount of the additional contributions delegated to the Finance and Personnel Committee. The ability to make additional contributions is consistent with the District's policy principles to strategically reduce the District's actuarially-determined unfunded liability.

BACKGROUND:

CalPERS required employer contributions can be made in two ways: (1) a lump sum payment option made between July 1 and July 15 of the beginning of the new fiscal year; or (2) making payments based on each semi-monthly payroll total based on a payroll percentage established annually by CalPERS's actuaries. The IRWD Operating Budget for FY 2012-13 included \$4,210,300 for the CalPERS employer contribution rate and included an additional contribution of approximately \$2,328,000 (paid quarterly) to reduce the District's unfunded liability.

Additional contributions in excess of the District's employer contribution rate can be made during the fiscal year at the discretion of the District. In addition to the previously approved CalPERS contributions for FY 2012-13, staff recommends that the District make an excess contribution(s) not to exceed a total of \$5,000,000 to CalPERS during the fiscal year 2012-13, with the timing and amount of additional contributions delegated to the Finance and Personnel Committee. The opportunity to make additional contributions is consistent with the District's policy principles to strategically reduce its actuarially-determined unfunded liability, and would be determined based on consideration of the District's liquidity and expected cash flow needs.

Additional contributions to reduce the District's unfunded liability is consistent with previous years when excess contributions have been made based on expected liquidity and cash flow expectations. Beginning in FY 2008-09, the District has made additional contributions in excess of its annual required contribution totaling approximately \$11.6 million.

FISCAL IMPACTS:

Excess contribution(s) to the California Public Employees Retirement System would be reflected as a loan from the District's Replacement Fund.

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 November 6, 2012.

RECOMMENDATION:

THAT THE BOARD APPROVE THE OPTION TO MAKE AN EXCESS CONTRIBUTION(S), IN ADDITION TO THE PREVIOUSLY APPROVED FY 2012-13 OPERATING BUDGET AMOUNT, WITH THE ADDITIONAL CONTRIBUTION AMOUNT(S) NOT TO EXCEED A TOTAL OF \$5,000,000 TO CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CALPERS) DURING THE FISCAL YEAR 2012-13, WITH THE TIMING AND AMOUNT OF THE ADDITIONAL CONTRIBUTION(S) DELEGATED TO THE FINANCE AND PERSONNEL COMMITTEE.

LIST OF EXHIBITS:

None.

November 12, 2012
Prepared by: K. Welch
Submitted by: P. Weghorst / G. Heiertz
Approved by: Paul Cook 

ACTION CALENDAR

INDEMNIFICATION AND REIMBURSEMENT AGREEMENT WITH DUDLEY RIDGE WATER DISTRICT

SUMMARY:

The District has been working with Dudley Ridge Water District (DRWD) on developing a long-term unbalanced exchange program that would allow IRWD to store State Water Project (SWP) water allocated to Jackson Ranch in IRWD's Strand Ranch Integrated Banking Project in Kern County (Exchange Program). Staff recommends that the Board approve an Indemnification and Reimbursement Agreement between IRWD and DRWD and authorize the General Manager to concur with the unbalanced exchange terms per the proposed letter to the California Department of Water Resources (DWR).

BACKGROUND:

On January 25, 2010, the Board of Directors authorized the purchase of the Jackson Ranch located in the DRWD service area. The purchase included 883.26 acres of land, Kern Water Bank participation rights, stored water and the right to use 1,748 acre-feet of SWP Table A water that is allocated to the land in accordance with the DRWD's Rules and Regulations. It is IRWD's intention to deliver the Table A water allotted to the Jackson Ranch to the Strand Ranch Integrated Banking Project (Water Bank) for storage on an unbalanced exchange basis.

On July 19, 2012, staff presented proposed terms for an Exchange Program with DRWD and the Committee authorized staff and legal counsel to work with DRWD to finalize the terms for the proposed Exchange Program and prepare a letter agreement incorporating the proposed terms for further consideration by the Committee and Board. The proposed terms for the Exchange Program provide for IRWD to store up to 8,700 acre-feet of the Jackson Ranch SWP supplies in the Water Bank over the next five years on an unbalanced exchange basis. One-half of the delivered water would be returned to Jackson Ranch within ten years as required by DWR. During years when Table A water is being delivered to the Water Bank, irrigation of areas at the Jackson Ranch that are still being farmed would occur using water from storage in IRWD's account in the Kern Water Bank.

The terms for the proposed Exchange Program were presented at the DRWD Board meeting on October 10, 2012. After discussion of the program, DRWD determined that the Exchange Program as proposed is consistent with DRWD's Rules and Regulations and that a separate agreement would not be necessary to implement the program. DRWD will facilitate the implementation of the proposed program through DWR contingent upon the execution of an Indemnification and Reimbursement Agreement with IRWD.

Indemnification and Reimbursement Agreement:

In order to not impact or incur any costs to other DRWD landowners, DRWD has requested that an Indemnification and Reimbursement Agreement be executed. This agreement includes a provision for IRWD to reimburse DRWD for all costs incurred by DRWD related to the Exchange Program. These DRWD costs are not expected to be significant. Staff and IRWD legal counsel assisted in the preparation of the agreement that is attached as Exhibit "A". Staff recommends that the Board authorize the General Manager to execute this agreement with DRWD, subject to non-substantive changes.

MWD Consent:

Metropolitan Water District of Southern California's (MWD) consent of the proposed Exchange Program is needed for IRWD to secure SWP and have it delivered by exchange into IRWD's service area. Through MWD's consent, MWD will act on IRWD's behalf as the exchangee under the terms of the existing Coordinated Operating, Water Storage, Exchange and Delivery Agreement (MWD Agreement). As the exchangee for IRWD's SWP water transactions, MWD has the right to decide whether the IRWD-secured SWP water is delivered into storage at the Water Bank or to MWD's reservoirs in Southern California. If the water is stored in Southern California, MWD would ensure that 50 percent of the water is returned to DRWD within ten years as required by DWR.

Letter to DWR:

In order to facilitate the Exchange Program, DRWD will follow the procedures that it uses for implementing exchange programs for other DRWD land owners. This procedure minimizes DRWD and DWR costs to process and administer annual delivery requests. DRWD with the assistance of IRWD staff has prepared a letter to DWR requesting a State Water Contractors review of the program with a follow up recommendation to DWR to develop the long-term agreements needed to approve the program. This letter to DWR is attached as Exhibit "B" and includes the terms for the proposed Exchange Program and includes signature blocks for IRWD's concurrence and MWD's consent. DWR will prepare exchange and delivery agreements for the program which will be similar to those prepared for IRWD's Pilot Exchange Programs with Antelope East-Kern Water Agency and the Central Coast Water Authority. Staff is requesting that the Board authorize the General Manager's concurrence with the unbalanced exchange terms per the letter to the DWR, subject to non-substantive changes.

FISCAL IMPACTS:

The unit cost of SWP water to IRWD's service area resulting from the proposed Exchange Program and the cost of returning half the water back to the Jackson Ranch for irrigation under a farm lease arrangement is presented in Exhibit "C". If MWD opts to store the water in its Southern California reservoirs, then the cost of water at IRWD's service area will be \$929 per acre-foot. If the water is stored in the Water Bank, then the estimated cost to IRWD's service area will be \$983 per acre-foot for water recovered by exchange and \$1,043 per acre-foot for water recovered by pumping groundwater wells.

Consistent with the MWD Agreement, all water stored, recovered and delivered into IRWD's service area from the IRWD/DRWD Exchange Program will be treated as extraordinary supply during periods of an MWD Water Supply Allocation. The cost of water to be delivered to IRWD from the proposed Exchange Program is expected to break even with MWD's Full Service Tier-2 rate within a few years. Currently the Tier-2 rate is \$920 per acre-foot and the MWD Allocation plan Penalty rate is \$2,634 per acre-foot.

The cost of water returned to the Jackson Ranch for future irrigation by a farm leasee will range from \$157 to \$271 per acre-foot depending on where MWD opts to store the water and how the water is to be recovered from the Water Bank. Additional costs may be assigned to the leasee for the recovery of IRWD's cost of the purchase of the SWP Table A allotment associated with the Jackson Ranch.

ENVIRONMENTAL COMPLIANCE:

An Initial Study/Negative Declaration for the IRWD Jackson Ranch Water Allocation Project was prepared and circulated for public review in compliance with the California Environmental Quality Act (CEQA). A Notice of Determination for the final Negative Declaration for the Project was filed by IRWD on January 14, 2010, and by DRWD on January 20, 2010. The Negative Declaration evaluated the delivery of IRWD's SWP Table A water from the Jackson Ranch to the Water Bank.

A Final Environmental Impact Report (FEIR) for the Strand Ranch Integrated Water Banking Project was prepared, approved, and certified in compliance with CEQA. The FEIR evaluated the delivery of SWP water to the Strand Ranch Integrated Water Banking Project and to IRWD's service area through MWD's facilities.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE INDEMNIFICATION AND REIMBURSEMENT AGREEMENT BETWEEN IRVINE RANCH WATER DISTRICT AND DUDLEY RIDGE WATER DISTRICT AND AUTHORIZE THE GENERAL MANAGER TO CONCUR WITH THE UNBALANCED EXCHANGE TERMS PER THE LETTER TO THE DEPARTMENT OF WATER RESOURCES, BOTH SUBJECT TO NON-SUBSTANTIVE CHANGES.

EXHIBITS:

- Exhibit "A" – Indemnification and Reimbursement Agreement Between IRWD and Dudley Ridge Water District
- Exhibit "B" – DRWD Letter to DWR Requesting Implementation of the IRWD Exchange Program
- Exhibit "C" – Per Acre-Foot Cost of SWP Water Under the Proposed DRWD Unbalanced Exchange Program

EXHIBIT "A"

INDEMNIFICATION AGREEMENT

THIS AGREEMENT is made effective as of October __, 2012 by and between the Dudley Ridge Water District, a California water district ("DRWD") and the Irvine Ranch Water District, a California water district ("IRWD"), with reference to the following facts:

A. DRWD holds a long-term Water Supply Contract with the California Department of Water Resources pursuant to which it is entitled to receive certain quantities of water from the State Water Project ("SWP").

B. IRWD is a landowner in DRWD and wishes to transfer up to 8,700 acre feet of the SWP water allocated to IRWD's land in DRWD between 2013 and 2017 (inclusive) for delivery to IRWD's Strand Ranch Integrated Banking Project. At least 50% of the SWP water so delivered to such Project, less reasonable losses, will be returned to DRWD for use on IRWD's lands in DRWD by 2022, while the balance of that water will be delivered for use within IRWD. The foregoing arrangement is referred to below as the "Exchange."

C. DRWD has determined that the Exchange is consistent with DRWD policy and has agreed to facilitate the Exchange. However, DRWD wishes to ensure that costs incurred by DRWD for the benefit of IRWD in connection with the Exchange are borne solely by IRWD so as not to spread those costs to other DRWD landowners.

THEREFORE, in consideration of the mutual terms, conditions and covenants set forth below, the parties agree as follows:

1. Indemnification. In consideration for DRWD's agreement to facilitate the Exchange, IRWD shall indemnify, defend and hold DRWD and its directors, officers, employees, agents, attorneys and consultants free and harmless from and against any and all loss, cost, litigation, expense or claims, including without limitation attorneys' fees and costs (collectively, "Claims") incurred by any of them directly or indirectly resulting from any actions undertaken by or on behalf of DRWD in connection with the Exchange, any environmental compliance performed or not performed by DRWD in connection with the Exchange, or otherwise relating in any way to the Exchange, except to the extent a Claim is the direct result of the willful misconduct of the party that would otherwise be indemnified.

2. DRWD Out of Pocket Costs. Without limiting the generality of Section 1 of this Agreement in any way, IRWD shall pay or reimburse DRWD for all expenses and costs incurred by DRWD in connection with activities undertaken by DRWD relating to the Exchange, whether at IRWD's request, as required by law or DRWD policy, or as otherwise determined to be appropriate by DRWD's Manager-Engineer. The expenses to be paid or reimbursed by IRWD include without limitation (i) actual out-of-pocket expenses incurred by DRWD (but not costs of DRWD staff), (ii) the actual amount of legal fees, consulting fees and similar third-party charges incurred by DRWD for the benefit of IRWD in connection with the Exchange, including without limitation the costs incurred by DRWD in connection with preparing any environmental documentation, (iii) all costs of litigation (including without limitation attorneys' fees) actually incurred by DRWD in defending any action brought as the result of or challenging DRWD's actions in connection with the Exchange, and (v) damages actually payable by DRWD relating to any activities DRWD undertakes in connection with the Exchange, except to the extent such damages are the direct result of the willful misconduct of DRWD.

3. Entire Agreement. This Agreement constitutes the entire agreement between the IRWD and DRWD with respect to the subject matter hereof. This Agreement supersedes all prior negotiations, discussions, contracts, agreements or understandings between the parties hereto, and no evidence of any prior or contemporaneous parol agreement or understanding shall be admissible to vary its terms. The foregoing notwithstanding, this Agreement shall not supersede the Agreement Between Dudley Ridge Water District and Irvine Ranch Water District, dated February 25, 2010. This Agreement shall not be amended or modified in any way except by a written instrument executed by each party hereto.

4. Interpretation. It is agreed and acknowledged by the parties that this Agreement has been arrived at through negotiation involving their respective counsel, and that each party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement.

5. Cumulative Rights; Waiver. No failure by either party to exercise, and no delay in exercising any rights, shall be construed or deemed to be a waiver thereof, nor shall any single or partial exercise by either party preclude any other or future exercise thereof or the exercise of any other right. Any waiver of any provision or of any breach of any provision of this Agreement must be in writing, and any waiver by either party of any breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of that provision or of any breach of any other provision of this Agreement.

6. Attorneys' Fees. Should any litigation be commenced between the parties concerning this Agreement, or the rights and duties of any of them in relation thereto, the party prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to recover its attorneys' fees and other costs of litigation as determined by the court or in a separate action brought for that purpose.

7. Choice of Laws; Venue. This Agreement shall be governed and construed in accordance with the laws of the State of California. Venue for any action brought for the purpose of enforcing any provision of this Agreement shall be brought only in Kings County, California.

8. Severability. In the event any of the terms or provisions of this Agreement shall be held to be invalid, then any such invalidity shall not affect any other term of provision contained herein, which terms and provisions shall remain in full force and effect, and the invalid terms or provisions shall be deemed reformed to be valid to the maximum extent permitted by law.

9. Counterparts. This Agreement may be executed in counterparts.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

DUDLEY RIDGE WATER DISTRICT

IRVINE RANCH WATER DISTRICT

By _____
Dale K. Melville, Manager-Engineer

By _____
Paul Cook, General Manager

Approved
as to
terms:


EXHIBIT "B"

200.033(2012)
300.0347

DUDLEY RIDGE WATER DISTRICT

DIRECTORS
JOSEPH C. MacILVAINE, PRESIDENT
LARRY RITCHIE, VICE PRESIDENT
STEVEN D. JACKSON, SECRETARY
JOHN VIDOVICH
BERNARD PUGET

286 W. CROMWELL AVENUE
FRESNO, CALIFORNIA 93711-6162

PHONE (559) 449-2700
FAX (559) 449-2715

MANAGER-ENGINEER
DALE K. MELVILLE
ASSESSOR-COLLECTOR-TREASURER
RICK BESECKER
LEGAL COUNSEL
GARY W. SAWYERS

November 1, 2012

Rob Cooke, Chief
State Water Project Analysis Office
Department of Water Resources
P.O. Box 942836
Sacramento, CA 94236-0001

Dear Rob:

On behalf of Dudley Ridge Water District ("DRWD"), Irvine Ranch Water District ("IRWD"), and Metropolitan Water District of Southern California ("MWDSC"), I am providing the Department of Water Resources ("DWR") this letter and enclosures describing a proposed multi-year 2 for 1 exchange. IRWD is a landowner in DRWD that has banking facilities in Kern County¹, a Coordinated Operating, Water Storage, Exchange and Delivery Agreement with MWDSC (Coordinated Operating Agreement)² and demands within the IRWD service area located inside MWDSC. The purpose of this letter is to request DWR's approval of the water exchange program as presented. By their concurrence and consent below, both IRWD and MWDSC are in support of the proposed exchange.

Basically, the proposed exchange would deliver all or a portion of IRWD's allocated DRWD SWP water to IRWD's Strand Ranch Integrated Banking Project (Water Bank) or, at MWDSC's option, to MWDSC storage facilities in Southern California in accordance with the Coordinated Operating Agreement. Accordingly, Kern County Water Agency ("KCWA") would be a party to the DWR approval agreement in that water would be delivered into KCWA's service area when water is stored in the Water Bank. Through the Coordinated Operating Agreement, 50% of the DRWD water (less proportional losses) would be used inside of MWDSC within IRWD's service area and the remaining 50% (less proportional losses) will be returned for IRWD's use within DRWD. Up to 8,700 acre-feet would be delivered from DRWD over the five year period from 2013-2017; the portion of the water to be returned to DRWD would be returned by 2022.

The proposed exchange is consistent with DRWD's policy for temporary transfers that allows *"Non District-approved banking or exchange programs where at least 50% of the water (after reasonable losses) is returned to the District within a ten year period, or other period as allowed by the California Department of Water Resources."* Furthermore, the exchange as described is

¹ IRWD has ownership interest in the Strand Ranch Integrated Banking Project and, through DRWD, a portion of the Kern Water Bank.

² IRWD has a Coordinated Operating, Water Storage, Exchange and Delivery Agreement with MWDSC that allows IRWD to secure State Water Project (SWP) water on behalf of MWDSC for the benefit of both agencies. MWDSC can choose to either store IRWD secured SWP water in IRWD's Strand Ranch Integrated Banking Project or in MWDSC reservoirs in southern California.

consistent with the IRWD's CEQA documentation for the Strand Ranch Integrated Banking Project (CEQA certified 5/27/2008) and CEQA for the IRWD Jackson Ranch Water Allocation Project (NOD filed 1/14/2010 by IRWD and 1/20/2010 by DRWD). The later document specifically describes this 2 for 1, unbalanced exchange among the parties indicated (DRWD, KCWA, IRWD, and MWDSC).

By copy of this letter to the State Water Contractors ("SWC"), we are requesting the SWC initiate an internal review with the SWC Water Transfers Committee and/or SWC Board of Directors and follow-up with a recommendation to the Department to approve this water exchange program. The need for a recommendation from the SWC Board for this exchange is because the authority delegated to the SWC General Manager (SWC Resolution adopted 1/17/2008) addresses exchanges made in one year for return in multiple years, but does not address delegating authority to the General Manager to recommend exchanges made over multiple years, even though the return period is within a ten-year period from the initial transfer.

To assist DWR in preparing a long-term agreement approving this water exchange program, enclosed is a completed "Contract Information Form".

Your review and approval of the proposed water exchange program is appreciated in advance. Please contact me or Rick Besecker at our office, Holly Melton at KCWA (661-634-1467), and/or Kevin Donhoff at MWDSC (213-217-6359) if you have any questions or need additional information.

Respectfully,

Dale K. Melville, Manager-Engineer

CONCURRENCE:

IRVINE RANCH WATER DISTRICT

By: _____
General Manager

CONSENT:

In accordance with Paragraph 3.2 of that agreement entitled "Coordinated Operating, Water Storage, Exchange and Delivery Agreement," (the "Coordinated Operating Agreement") dated as of April 21, 2011, by and among The Metropolitan Water District of Southern California ("Metropolitan"), the Municipal Water District of Orange County and the Irvine Ranch Water District, and in accordance with Section 15(d) of Metropolitan's State Water Project Contract with the California Department of Water Resources, THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA hereby

provides its written consent to IRWD's acquisition of State Water Project Water on Metropolitan's behalf as described in the Exchange Program defined herein, so long as that water meets the requirements of Section 3.1(a) of the Coordinated Operating Agreement.

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

By: _____
General Manager

Encl -- DWR Contract Information Form

Copy: Terry Erlewine, SWC (w/ encl.)
Geoff Shaw, DWR-SWPAO (w/ encl.)
DRWD Board of Directors (w/o encl.)
Gary Sawyers (w/o encl.)
Paul Weghorst, IRWD (w/ encl.)
Holly Melton, KCWA (w/encl.)
James Bodnar, MWDSC (w/encl.)
Kevin Donhoff, MWDSC (w/ encl.)

EXHIBIT "C"
Per Acre-Foot Cost of State Water Project Water
Under Proposed Dudley Ridge Water District Unbalanced Exchange Program¹

Year 2012	Cost of Water at IRWD Service Area			Jackson Ranch Lessee Cost of Water ⁴		
	Water is Delivered Directly to MWD's Reservoirs	Water is Stored in the Strand Ranch and Recovered by Exchange	Water is Stored in the Strand Ranch and Recovered by Pumping	Water is Delivered to MWD's Reservoirs and Returned to DRWD Directly by MWD	Water is Stored at Strand and Recovered by Exchange to DRWD	Water is Stored at Strand and Recovered by Pumping to DRWD
Cost of Water into Storage						
Pro-rata Share of DRWD's Cost of Water ²	\$ 135.00	\$ 135.00	\$ 135.00	\$ 135.00	\$ 135.00	\$ 135.00
SWP Variable Cost (Water toll) ³	\$ -	\$ -	\$ -	\$ 22.00	\$ 22.00	\$ 22.00
Cross Valley Canal Pumping Costs	\$ -	\$ 7.00	\$ 7.00	\$ -	\$ 7.00	\$ 7.00
Rosedale-Rio Bravo WSD's Admin Fee	\$ -	\$ 3.00	\$ 3.00	\$ -	\$ 3.00	\$ 3.00
KCWA Administration Fee	\$ -	\$ 5.00	\$ 5.00	\$ -	\$ 5.00	\$ 5.00
Water Banking Losses (15%)		\$ 25.52	\$ 25.52		\$ 25.52	\$ 25.52
Subtotal	\$ 135.00	\$ 175.52	\$ 175.52	\$ 157.00	\$ 197.52	\$ 197.52
Recovery and Delivery to IRWD or DRWD's service area:						
Rosedale-Rio Bravo WSD's Exchange Fee	\$ -	\$ 5.00	\$ -	\$ -	\$ 5.00	\$ -
Well pumping	\$ -	\$ -	\$ 65.00	\$ -	\$ -	\$ 65.00
Rosedale-Rio Bravo WSD's Admin Fee	\$ -	\$ 3.00	\$ 3.00	\$ -	\$ 3.00	\$ 3.00
KCWA Administration Fee	\$ -	\$ 5.00	\$ 5.00	\$ -	\$ 5.00	\$ 5.00
MWD's 2012 Full Service Tier-1 Rate	\$ 794.00	\$ 794.00	\$ 794.00	\$ -	\$ -	\$ -
Subtotal	\$ 794.00	\$ 807.00	\$ 867.00	\$ -	\$ 13.00	\$ 73.00
Total	\$ 929.00	\$ 982.52	\$ 1,042.52	\$ 157.00	\$ 210.52	\$ 270.52

MWD's 2012 Full Service Tier 2 Rate \$ 920.00
Total MWD Allocation Penalty Rate (100% <= 115%) \$ 2,634.00

¹Costs presented in this table assume a 60% SWP allocation of 1,048.8 AF with 524.4 AF being available for delivery to each of the IRWD and Jackson Ranch service areas if MWD opts to store water in southern California and 445.7 AF being available to each of the IRWD and Jackson Ranch service areas if the water is stored in the Strand Ranch.

²Costs are converted to a per acre-foot basis and include DRWD Benefit Assessment, Standby and Improvement District Charges.

³SWP Variable Cost, or water toll (\$22) shall be paid by MWD for water delivered to IRWD's service area.

⁴Additional cost to Jackson Ranch Lessee may include recovery of a portion of IRWD's cost of the purchase of the SWP Table A allotment associated with the Jackson Ranch.