

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

**August 12, 2013**

**PLEDGE OF ALLEGIANCE**

**CALL TO ORDER**

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

**ROLL CALL**

Directors Matheis, LaMar, Swan, Withers and President Reinhart

**NOTICE**

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

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**COMMUNICATIONS TO THE BOARD**

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1. A. Written:

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

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

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

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**PUBLIC HEARING**

**Next Resolution No. 2013-31**

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3. **SEWER TAXES IN THE NEWPORT NORTH SERVICE AREA**

- a. Recommendation: Open the hearing.
- b. Inquire of the Secretary how the hearing was noticed.
- c. Receive and file the affidavit of posting and proof of publication.
- d. Inquire of the Secretary if there have been any written communications.
- e. Request legal counsel to describe the nature of the proceedings.
- f. Request the Executive Director of Finance to report on protests received.
- g. Hear any person who wishes to speak regarding sewer taxes in the Newport North service area.
- h. Inquire of the Board if it has any comments or questions.
- i. Close the hearing.
- j. Adopt a resolution by title.

Reso. No. 2013-

**PUBLIC HEARING - Continued**

**Next Resolution No. 2013-31**

4. REPORT ON WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS

- a. Open the hearing.
- b. Inquire of the Secretary how the hearing was noticed.
- c. Receive and file the affidavit of posting and proof of publication.
- d. Inquire of the Secretary if there have been any written communications.
- e. Request legal counsel to describe the nature of the proceedings.
- f. Hear any person who wishes to speak regarding the 2013 Report on Water Quality Relative to Public Health Goals.
- g. Inquire of the Board if it has any comments or questions.
- h. Close the hearing and receive and file the report.

**CONSENT CALENDAR**

**Items 5-10**

5. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the July 22, 2013 Regular Board meeting be approved as presented.

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

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

7. 2013 STATE LEGISLATIVE UPDATE

Recommendation: Receive and file.

8. APPROVAL OF FIRST SUPPLEMENTAL INDENTURE FOR 2009-A BONDS

Recommendation: That the Board approve the amended 2009-A Supplemental Indenture in substantially the form submitted and adopt a resolution approving First Supplemental Indenture and certain other actions in connection with substitution of Remarketing Agent (Consolidated Series 2000-A).

9. LONG-TERM FINANCE PLAN IMPROVEMENT DISTRICT CONSOLIDATIONS BUDGET ADDITION

Recommendation: That the Board approve the addition of projects 11742 (4710) and 21742 (4711) in the amounts of \$77,000 each to the FY 2013-14 Capital Budget, and approve Expenditure Authorizations for projects 11742 (4710) and 21742 (4711) in the amounts of \$77,000 each.

Reso. No. 2013-

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**CONSENT CALENDAR**

**Items 5-10**

10. REVISIONS TO WATER BANKING PROGRAM CAPITAL BUDGET AND EXPENDITURE AUTHORIZATIONS

Recommendation: That the Board authorize the addition of project 11738 (4661) for Water Banking Planning to the FY 2013-14 Capital Budget in the amount of \$275,000; authorize an increase to the FY 2013-14 Capital Budget for project 11645 (3766) Stockdale West Ranch Joint Banking Project in the amount of \$2,750,000; approve Expenditure Authorizations for project 11596 (1338) in the amount of \$82,500 for the Water Banking Agreements; project 11645 (3766) in the amount of \$16,500 for the Stockdale West Ranch Joint Banking Project; and project 11738 (4661) in the amount of \$275,000 for Water Banking Planning.

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**ACTION CALENDAR**

11. REVISED IRWD WATER RESOURCES FUNDING POLICY PRINCIPLES

Recommendation: That the Board approve the updated IRWD Water Resources Funding Policy Principles.

12. LETTER OF INTENT WITH SOLARCITY FOR JACKSON RANCH SOLAR PROJECT

Recommendation: That the Board authorize the General Manager to execute the Letter of Intent with SolarCity to share in development costs for a 3 MW solar generating facility at the Jackson Ranch; authorize an increase to the FY 2013-14 Capital Budget for project 11637 (3667) for \$61,100 from \$214,100 to \$275,200 for the Jackson Ranch Solar project; and approve an Expenditure Authorization for project 11637 (3667) for \$149,100.

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**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.

13. A. General Manager's Report

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**OTHER BUSINESS - Continued**

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13. B. Directors' Comments

C. Closed Session

- 1) Closed session conference relative to anticipated litigation - Government Code Section 54956.9(d)(2) - significant exposure to litigation - 26 cases - 13 claims filed under the Tort Claims Act, on file with the District, and 7 occurrences as follows: 3 potential claimants at 10632 N. Meads, Orange, CA; 10 potential claimants at 166, 174, and 186 Sydney Bay, 70 Twilight Bluff, 2 and 24 Tideline Bluff, and 18 Baffin Bay, Crystal Cove, CA, 2596 and 2620 Thorman Place, and 10436 Vernon, Tustin, CA;
- 2) Closed session conference with legal counsel relative to existing litigation - Government Code Section 54956.9(d)(1) -State of California, et al., ex rel. Hendrix v. J-M Manufacturing Company, Inc., et al.;
- 3) Closed session conference with legal counsel relative to anticipated litigation pursuant to Government Code Section 54956.9(d)(4) – initiation of litigation (one potential case); and
- 4) Closed session conference with legal counsel relative to anticipated litigation - Government Code Section 54956.9(d)(2) - significant exposure to litigation (two potential cases).


D. Adjourn.


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Availability of agenda materials: Agenda exhibits and other writings that are disclosable public records distributed to all or a majority of the members of the Irvine Ranch Water District Board of Directors in connection with a matter subject to discussion or consideration at an open meeting of the Board of Directors are available for public inspection in the District's office, 15600 Sand Canyon Avenue, Irvine, California ("District Office"). If such writings are distributed to members of the Board less than 72 hours prior to the meeting, they will be available from the District Secretary of the District Office at the same time as they are distributed to Board Members, except that if such writings are distributed one hour prior to, or during, the meeting, they will be available at the entrance to the Board of Directors Room of the District Office.

The Irvine Ranch Water District Board Room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.), please contact the District Secretary at (949) 453-5300 during business hours at least seventy-two (72) hours prior to the scheduled meeting. This agenda can be obtained in alternative format upon written request to the District Secretary at least seventy-two (72) hours prior to the scheduled meeting.

August 12, 2013

Prepared by: Cheryl Carter 

Submitted by: Cheryl Clary 

Approved by: Paul Cook 

## PUBLIC HEARING

### SEWER TAXES IN THE NEWPORT NORTH SERVICE AREA

#### SUMMARY:

On June 24, 2013, the Board adopted Rates and Charges for Fiscal Year 2013-14, which included monthly sewer charges of \$18.40 for a residential single family home and \$13.80 per unit for multiple family dwelling units. The Newport North customers will have the same rate, but the method of collection differs in that sewer fees are paid on an annual basis through the County tax rolls.

By adoption of Resolution No. 1987-45, the Board of Directors elected to have sewer charges for certain parcels of land located in the Newport North area collected on the tax roll together with the District's general taxes. That resolution directs the filing of a report containing a description of these parcels and the corresponding charges for each fiscal year. Staff recommends that the Board conduct a public hearing on the report, as has been done annually since 1987, in compliance with the requirements of the Health and Safety Code of the State of California. The District Secretary has noticed the public hearing to hear objections or protests to the report, if any.

#### OUTLINE OF PROCEEDINGS

President: Declare this to be the time and place for a hearing on the sewer taxes in the Newport North area, and declare the hearing open. Ask the Secretary how the hearing was noticed.

Secretary: The report was filed with the Secretary on July 8, 2013 and notice of the filing of the report and the time and place of this hearing was published in the Newport Beach/Costa Mesa Daily Pilot on July 27 and August 5, 2013. A notice was also posted in the District office on July 8, 2013.

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

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

Legal  
Counsel: Describe the proceedings.

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

President: Inquire whether there is anyone present who wishes to address the Board regarding the proposed collection of sewer charges on the tax roll.

President: Inquire whether there are any comments or questions from members of the Board of Directors. State that the hearing will be closed.

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

**RESOLUTION NO. 2013 -**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF IRVINE RANCH WATER DISTRICT ADOPTING  
SEWER TAXES IN THE NEWPORT NORTH SERVICE AREA**

**FISCAL IMPACTS:**

The sewer rates charged in Newport North are the same as any other area within the District, and therefore will be set at the equivalent of \$18.40 per month for residential single family home and \$13.80 per month for multiple family dwelling units for a total FY 2013-14 assessment of \$220.80 or \$165.60. The means of collection is the only difference for the customers in Newport North.

**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.

**FISCAL IMPACTS:**

None.

**COMMITTEE STATUS:**

This is a routine annual item for Board consideration and was not reviewed by a Committee.

**LIST OF EXHIBITS:**

Exhibit "A" – Resolution

## Exhibit "A"

### RESOLUTION NO. 2013-

#### RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT ADOPTING REPORT OF SEWER CHARGES TO BE COLLECTED ON TAX ROLL

WHEREAS, by Resolution No. 1987-45 adopted August 10, 1987, the Board of Directors of Irvine Ranch Water District ("IRWD") elected to have sewer charges for certain parcels collected on the tax roll each year in the same manner, by the same persons, and at the same time as, together with and not separately from, its general taxes, pursuant to Section 5473 et seq. of the California Health and Safety Code; and

WHEREAS, pursuant to said Resolution, a report has been filed with the Secretary containing a description of such parcels and the corresponding charges for fiscal year 2013-14 and notice was given as required by law of a hearing on the report to be held on Monday, the 12th day of August, 2013, at the hour of 5:00 p.m. of said day (or as soon thereafter as is reasonably practicable) in the Board of Directors meeting room of IRWD, 15600 Sand Canyon Avenue, Irvine, California; and

WHEREAS, at the time set, the duly noticed public hearing was held and all persons interested were given an opportunity to be heard concerning the report and to submit any objections or protests to the report.

NOW, THEREFORE, the Board of Directors of IRWD does hereby RESOLVE, DETERMINE and ORDER as follows:

Section 1. The Board of Directors hereby determines that protests to the report were not made by the owners of a majority of separate parcels of property described in the report.

Section 2. The Board of Directors hereby adopts the report containing a description of the parcels for which charges for sewer service shall be collected on the tax roll and containing the amount of the charges for each parcel for the Fiscal Year 2013-14, computed in conformity with the schedule of rates and charges adopted by Resolution No. 2013-21. The report is attached as Exhibit "A" and incorporated herein by this reference. Each charge set forth in Exhibit "A" is hereby determined to be adopted.

Section 3. The Secretary is hereby authorized and directed to endorse on the report a statement that the report was adopted by this Board on August 12, 2013, and to take whatever other action is required by the Auditor of the County of Orange in regard thereto.

Section 4. The Secretary is hereby authorized and directed to file a copy of such report with the Auditor of the County of Orange.

APPROVED, SIGNED and ADOPTED this 12th day of August, 2013.

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

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

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

By \_\_\_\_\_



August 12, 2013

Prepared by: L. Oldewage

Submitted by: K. Burton

Approved by: Paul Cook 

## PUBLIC HEARING

### REPORT ON WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS

#### SUMMARY:

The 2013 Report on Water Quality Relative to Public Health Goals is a triennial report required by the California Health and Safety Code summarizing constituents detected in the District's water supply at levels exceeding applicable Public Health Goals or Maximum Contaminant Level Goals during calendar years 2010, 2011 and 2012. A public hearing regarding the report will be held at this evening's Board meeting to accept any public comments that may be provided regarding the report.

#### BACKGROUND:

The California Health and Safety Code, Section 116470, requires public water systems with more than 10,000 service connections to prepare a brief written report that provides information regarding the detection of any contaminants above the Public Health Goals adopted by the State Office of Environmental Health Hazard Assessment or the Maximum Contaminant Level Goals set by the United States Environmental Protection Agency. These reports are intended to provide information to the public in addition to the Consumer Confidence Report that is mailed annually to each customer. The California Department of Public Health does not require public water systems to take any action to reduce or eliminate any exceedance of a public health goal.

A public water system that is required to prepare a Public Health Goal Report is also required to hold a public hearing for the purpose of accepting and responding to public comments regarding the report. The public hearing may be part of any regularly scheduled meeting. Due to the detection of a number of contaminants detected in the IRWD potable water system above the Public Health Goals, the District is required to prepare a Public Health Goal Report and hold a public hearing at which time public comments may be provided regarding the report. Attached as Exhibit "A" is the District's 2013 Report on Water Quality Relative to Public Health Goals.

### **OUTLINE OF PROCEEDINGS**

President: Declare this to be the time and place for the hearing on the Report on Water Quality Relative to Public Health Goals, and declare the hearing open.

Request the Secretary to report the manner by which the Notice of Hearing was given.

Secretary: The Notice of this hearing was published in the Orange County Register on August 5, 2013. A Notice was also posted in the District office on July 22, 2013. The Secretary presents an Affidavit of Posting and the Proof of Publication for the Board to receive and file.

Board: RECOMMENDATION: RECEIVE AND FILE THE AFFIDAVIT OF POSTING AND THE PROOF OF PUBLICATION PRESENTED BY THE SECRETARY.

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

Secretary: Respond.

President: Request legal counsel to describe the nature of the proceeding.

Counsel: Describe the proceeding.

President: Inquire if staff would like to give a report.

Staff: Respond.

President: Inquire whether there is anyone present who wishes to address the Board concerning the Report on Water Quality Relative to Public Health Goals.

Inquire whether there are any comments or questions from members of the Board of Directors. State that the hearing will be closed and the Board is to receive and file the report.

Board: RECOMMENDATION: THAT THE HEARING BE CLOSED AND THAT THE REPORT ON WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS BE RECEIVED AND FILED.

FISCAL IMPACTS:

None.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

LIST OF EXHIBITS:

Exhibit "A" – Report on Water Quality Relative to Public Health Goals PWS #3010092

# EXHIBIT "A"

## IRVINE RANCH WATER DISTRICT REPORT ON WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS PWS #3010092

### BACKGROUND:

Provisions of the California Health and Safety Code (Reference No. 1) specify that larger (>10,000 service connections) water utilities prepare a special report by July 1, 2013 if their water quality measurements have exceeded any Public Health Goals (PHGs). PHGs are non-enforceable goals established by the California Environmental Protection Agency's (Cal-EPA's) Office of Environmental Health Hazard Assessment (OEHHA). The law also requires that where OEHHA has not adopted a PHG for a constituent, the water suppliers are to use the Maximum Contaminant Level Goals (MCLGs) adopted by United States Environmental Protection Agency (USEPA). Only constituents which have a California primary drinking water standard and for which either a PHG or MCLG has been set are to be addressed. (Reference No. 2 is a list of all regulated constituents with the Maximum Contaminant Levels (MCLs) and PHGs or MCLGs.

There are a few constituents that are routinely detected in water systems at levels usually well below the drinking water standards for which no PHG or MCLG has yet been adopted by OEHHA or USEPA. These will be addressed in a future required report after a PHG has been adopted.

The law specifies what information is to be provided in the report. (See Reference No. 1)

If a constituent was detected in the District's water supply in 2010, 2011 or 2012 at a level exceeding an applicable PHG or MCLG, this report provides the information required by the law. Included is the numerical public health risk associated with the MCL and the PHG or MCLG, the category or type of risk to health that could be associated with each constituent, the best treatment technology available that could be used to reduce the constituent level, and an estimate of the cost to install that treatment if it is appropriate and feasible.

### What Are PHGs?

PHGs are set by the California Office of Environmental Health Hazard Assessment (OEHHA) which is part of Cal-EPA and are based solely on public health risk considerations. None of the practical risk-management factors that are considered by the USEPA or the California Department of Public Health (CDPH) in setting drinking water standards (MCLs) are considered in setting the PHGs. These factors include analytical detection capability, treatment technology available, benefits and costs. The PHGs are not enforceable and are not required to be met by any public water system. MCLGs are the federal equivalent to PHGs.

### Water Quality Data Considered:

All of the water quality data collected by the District's system from 2010 to 2012 for purposes of determining compliance with drinking water standards was considered. This data was summarized in our Annual Consumer Confidence Reports which were distributed to all of our customers in 2011, 2012 and 2013.

### Guidelines Followed:

The Association of California Water Agencies (ACWA) formed a workgroup which prepared guidelines for water utilities to use in preparing these newly required reports. The ACWA guidelines were used in the preparation of this report. No guidance was available from state regulatory agencies.

### Best Available Treatment Technology and Cost Estimates:

Both the USEPA and CDHS adopt what are known as Best Available Technologies (BATs) which are the best known methods of reducing contaminant levels to the MCL. Costs can be estimated for such technologies. However, since many PHGs and all MCLGs are set much lower than the MCL, it is not always possible or feasible to determine what treatment is needed to further reduce a constituent downward to or near the PHG or MCLG, many of which are set at zero. Estimating the costs to reduce a constituent to zero is difficult, if not impossible because it is not possible to verify by analytical means that the level has been lowered to zero. In some cases, installing treatment to try and further reduce very low levels of one constituent may have adverse effects on other aspects of water quality.

### CONSTITUENTS DETECTED THAT EXCEED A PHG OR A MCLG:

The following is a discussion of constituents that were detected in one or more of the District's drinking water sources at levels above the PHG, or if no PHG, above the MCLG.

#### Arsenic:

The PHG for arsenic is 0.004 parts per billion (ppb). The MCL, or drinking water standard, for arsenic is 10 ppb. We have detected arsenic in 12 of our 27 wells at the following levels: 2.9 ppb in Dyer Road Well Field (DRWF) Well 1, 5.1 ppb in DRWF Well 2, 2.8 ppb in DRWF Well 4, 5.7 ppb in DRWF Well 5, 4.6 ppb in DRWF Well 6, 2.1 ppb in DRWF Well 15, 5.1 ppb in DRWF Well 18, 3.8 ppb in Irvine Desalter Project (IDP) Well 76, 3.9 ppb in IDP Well 77, 4.6 ppb in IDP Well 107, 8.2 ppb in IDP Well 110 and 4.9 ppb in IDP Well 115. Arsenic was detected in product water from the IDP Potable Treatment Plant (IDP/PTP) at a level of 6.0 ppb. Arsenic was detected in imported water purchased from the Metropolitan Water District of Southern California (MWD), the highest level was 2.3 ppb and was not detected in the most recent sample. These levels were below the MCL. The category of health risk associated with arsenic, and the reason that a drinking water standard was adopted for it, is that some people who drink water containing arsenic above the MCL over many years may experience skin damage or circulatory system problems, and may have an increased risk of cancer. The numerical health risk for a PHG of 0.004 ppb is  $1 \times 10^{-6}$  (1 in 1,000,000). The BATs for arsenic to lower the level below the MCL are Reverse Osmosis (RO), Ion Exchange (IE), activated alumina, lime softening, electrodialysis reversal, oxidation/filtration or coagulation/filtration. RO or IE would be required to attempt to lower the arsenic levels to below the PHG. The IDP Potable Treatment Plant (PTP) is an RO facility which reduces arsenic levels in water from the IDP wells, though the plant would probably need to be operated with 0% bypass to meet the PHG. The estimated cost to install and operate such a treatment system on DRWF Wells 1, 2, 4, 5, 6, 15 and 18 that would reliably reduce the arsenic levels to below the PHG would be approximately \$14,535,000 per year including annualized capital and O&M costs. The estimated cost to install and operate such a treatment system at each MWD turnout that would reliably reduce the arsenic level to below the PHG would be approximately \$209,781,000 per year including annualized capital and

O&M costs. This would result in an assumed increased cost for each customer of \$2,476 per year.

#### Gross Alpha Activity:

OEHHA has not established a PHG for gross alpha activity. The MCLG for gross alpha activity is 0 pCi/l. The MCL, or drinking water standard, for gross alpha activity is 15 pCi/l. We have detected gross alpha activity in 7 of our 27 wells at the following levels: 3.0 pCi/l in DRWF Well 13, 3.1 pCi/l in DRWF Well 16, 8.6 pCi/l in IDP Well 76, 10 pCi/l in IDP Well 77, 8.3 pCi/l in IDP Well 107, 9.4 pCi/l in IDP Well 110 and 7.3 pCi/l in IDP Well 115. The IDP/PTP is an RO facility which reduces gross alpha activity levels in water from the IDP wells. Gross alpha activity was detected in the IDP/PTP product water at a level of 4.6 pCi/l. Gross alpha activity was detected in imported water purchased from MWD, the highest level was 5.6 pCi/l and the most recent sample was 3.0 pCi/l. All of these levels were below the MCL. The category of health risk associated with gross alpha activity, and the reason that a drinking water standard was adopted for it, is that people who drink water containing gross alpha activity above the MCL throughout their lifetime could experience an increased risk of cancer. The numerical health risk for a MCLG of 0 pCi/l is 0. The BATs for gross alpha activity to lower the level below the MCL are RO, IE, lime softening or coagulation/filtration. RO or IE would be required to attempt to lower the gross alpha activity level to the MCLG. The IDP PTP is an RO facility which reduces gross alpha activity levels in water from the IDP wells, though the plant would probably need to be operated with 0% bypass to meet the PHG. The estimated cost to install and operate such a treatment system on DRWF Wells 13 and 16 that would reliably reduce the gross alpha activity levels to below the PHG would be approximately \$4,153,000 per year including annualized capital and O&M costs. The estimated cost to install and operate such a treatment system at each MWD turnout that would reliably reduce the gross alpha activity level to the MCLG would be approximately \$209,781,000 per year including annualized capital and O&M costs. This would result in an assumed increased cost for each customer of \$2,361 per year.

#### Gross Beta Activity:

OEHHA has not established a PHG for gross beta activity. The MCLG for gross beta activity is 0 pCi/l. The MCL or drinking water standard for gross beta activity is 50 pCi/l. Gross beta activity was detected in imported water purchased from MWD, the highest level detected was 4.3 pCi/l and was not detected in the most recent sample. All of these levels were below the MCL. The category of health risk associated with gross beta activity, and the reason that a drinking water standard was adopted for it, is that people who drink water containing gross beta activity above the MCL throughout their lifetime could experience an increased risk of cancer. The numerical health risk for a MCLG of 0 pCi/l is 0. The BATs for gross beta activity to lower the level below the MCL are RO, IE, lime softening or coagulation/filtration. RO or IE would be required to attempt to lower the gross beta activity level to the MCLG. The estimated cost to install and operate such a treatment system at each MWD turnout that would reliably reduce the gross beta activity level to the MCLG would be approximately \$209,781,000 per year including annualized capital and O&M costs. This would result in an assumed increased cost for each customer of \$2,316 per year.

#### Uranium:

The PHG for uranium is 0.43 pCi/l. The MCL, or drinking water standard, for uranium is 20 pCi/l. We have detected uranium in 12 of our 27 wells at the following levels: 1.3 pCi/ in

DRWF Well 7, 1.2 pCi/ in DRWF Well 10, 1.8 pCi/ in DRWF Well 12, 1.6 pCi/ in DRWF Well 13, 1.9 pCi/ in DRWF Well 16, 2.1 pCi/ in DRWF Well 17, 1.1 pCi/l in DRWF Well 18, 9.3pCi/l in IDP Well 76, 9.5 pCi/l in IDP Well 77, 8.1 pCi/l in IDP Well 107, 8.6 pCi/l in IDP Well 110 and 5.8 pCi/l in IDP Well 115. The IDP/PTP is an RO facility which reduces uranium levels in water from the IDP wells. Uranium was detected in the IDP/PTP product water at a level of 2.9 pCi/l. Uranium was detected in imported water purchased from MWD, the highest level detected was 3.3 pCi/l and the most recent sample was 2.0 pCi/l. These levels were below the MCL. The category of health risk associated with uranium, and the reason that a drinking water standard was adopted for it, is that people who drink water containing uranium above the MCL throughout their lifetime could experience kidney problems or an increased risk of cancer. The numerical health risk for a PHG of 0.43 pCi/l is  $1 \times 10^{-6}$  (1 in 1,000,000). The BATs for uranium to lower the level below the MCL are RO, IE, lime softening or coagulation/filtration. RO or IE would be required to attempt to lower the uranium level to below the PHG. The IDP PTP is an RO facility which reduces uranium levels in water from the IDP wells, though the plant would probably need to be operated with 0% bypass to meet the PHG. The estimated cost to install and operate such a treatment system on DRWF Wells 7, 10, 12, 13, 16, 17 and 18 that would reliably reduce the uranium level to below the PHG would be approximately \$11,647,000 per year including annualized capital and O&M costs. The estimated cost to install and operate such a treatment system at each MWD turnout that would reliably reduce the gross beta activity level to the MCLG would be approximately \$209,781,000 per year including annualized capital and O&M costs. This would result in an assumed increased cost for each customer of \$2,443 per year.

#### Radium 228:

The PHG for radium 228 is 0.019 pCi/l. The MCL, or drinking water standard, for combined radium 226 and radium 228 is 5 pCi/l. We have detected radium 228 in 1 of our 27 wells at a level 1.0 pCi/l in IDP Well #110. The level detected were below the MCL. The category of health risk associated with radium 228, and the reason that a drinking water standard was adopted for it, is that people who drink water containing radium 228 above the MCL throughout their lifetime could experience an increased risk of cancer. The numerical health risk for a PHG of 0.019 pCi/l is  $1 \times 10^{-6}$  (1 in 1,000,000). The BATs for radium 228 to lower the level below the MCL are RO, IE, lime softening or coagulation/filtration. RO or IE would be required to attempt to lower the radium 228 levels to below the PHG. The IDP/PTP is an RO facility which reduces Radium 228 levels in water from the IDP wells. The IDP/PTP product water was analyzed for Radium 228 and it was not detected, therefore no cost estimate was prepared.

#### Combined Treatment Cost

Since the same technology is utilized to treat all of the constituents included in this report each of the locations above should only require a single treatment facility each to reduce levels of all of these constituents to below the PHG or MCLG. The estimated cost to install and operate such s treatment system on DRWF Wells 1, 2, 4, 5, 6, 7, 10, 12, 13, 16, 17 and 18 that would reliably reduce the levels of the above constituents to levels below the PHG or MCLG would be approximately \$19,966,000 per year including annualized capital and O&M costs. The estimated cost to install and operate such a treatment system at each MWD turnout that would reliably reduce the gross beta activity level to the MCLG would be approximately \$209,781,000 per year including annualized capital and O&M costs. This would result in an assumed increased cost for each customer of \$2,535 per year to lower the levels of Arsenic, gross alpha activity, gross beta activity and uranium to levels below the PHG or MCLG.

#### SUMMARY OF PHG EXCEEDENCES:

CONTAMINANT	UNITS	PHG [MCLG]	MCL	Level of Detection	Status
Arsenic	ppb	0.004	10	ND – 8.2	1
Gross Alpha Activity	pCi/L	[0]	15	ND – 10	1
Gross Beta Activity	pCi/L	[0]	50	ND – 4.3	1
Uranium	pCi/L	0.43	20	ND – 9.5	1

Notes: Tetrachloroethylene (PCE), perchlorate and fluoride were reported in 2010 PHG report, but are not required to be reported in 2013 PHG report.

Status: 1 – Reported in 2010 PHG report

2 – Not reported in 2010 PHG report, new PHG promulgated by CDPH

3 – Not reported in 2010 PHG report with previously existing PHG

#### RECOMMENDATIONS FOR FURTHER ACTION:

The drinking water quality of the Irvine Ranch Water District meets all State of California, Department of Public Health and USEPA drinking water standards set to protect public health. To further reduce the levels of the constituents identified in this report that are already significantly below the health-based Maximum Contaminant Levels established to provide “safe drinking water”, additional costly treatment processes would be required. The effectiveness of the treatment processes to provide any significant reductions in constituent levels at these already low values is uncertain. The health protection benefits of these further hypothetical reductions are not at all clear and may not be quantifiable. Therefore, no action is proposed.

#### REFERENCES:

No.1 Excerpt from California Health & Safety Code: Section 116470 (b)

No.2 Table of Regulated Constituents with MCLs, PHGs or MCLGs

CALIFORNIA PUBLIC HEALTH GOAL REQUIREMENTS  
REFERENCE NO. 1

California Health and Safety Code  
Section 116470

(b) On or before July 1, 1998, and every three years thereafter, public water systems serving more than 10,000 service connections that detect one or more contaminants in drinking water that exceed the applicable public health goal, shall prepare a brief written report in plain language that does all of the following:

(1) Identifies each contaminant detected in drinking water that exceeds the applicable public health goal.

(2) Discloses the numerical public health risk, determined by the office, associated with the maximum contaminant level for each contaminant identified in paragraph (1) and the numerical public health risk determined by the office associated with the public health goal for that contaminant.

(3) Identifies the category of risk to public health, including, but not limited to, carcinogenic, mutagenic, teratogenic, and acute toxicity, associated with exposure to the contaminant in drinking water, and includes a brief plainly worded description of these terms.

(4) Describes the best available technology, if any is then available on a commercial basis, to remove the contaminant or reduce the concentration of the contaminant. The public water system may, solely at its own discretion, briefly describe actions that have been taken on its own, or by other entities, to prevent the introduction of the contaminant into drinking water supplies.

(5) Estimates the aggregate cost and the cost per customer of utilizing the technology described in paragraph (4), if any, to reduce the concentration of that contaminant in drinking water to a level at or below the public health goal.

(6) Briefly describes what action, if any, the local water purveyor intends to take to reduce the concentration of the contaminant in public drinking water supplies and the basis for that decision.

(c) Public water systems required to prepare a report pursuant to subdivision (b) shall hold a public hearing for the purpose of accepting and responding to public comment on the report. Public water systems may hold the public hearing as part of any regularly scheduled meeting.

(d) The department shall not require a public water system to take any action to reduce or eliminate any exceedance of a public health goal.

(e) Enforcement of this section does not require the department to amend a public water system's operating permit.

(f) Pending adoption of a public health goal by the Office of Environmental Health Hazard Assessment pursuant to subdivision (c) of Section 116365, and in lieu thereof, public water systems shall use the national maximum contaminant level goal adopted by the United States Environmental Protection Agency for the corresponding contaminant for purposes of complying with the notice and hearing requirements of this section.

(g) This section is intended to provide an alternative form for the federally required consumer confidence report as authorized by 42 U.S.C. Section 300g-3(c).



Reference No. 2

**2013 PHG Triennial Report: Calendar Years 2010-2011-2012**

**MCLs, DLRs, and PHGs for Regulated Drinking Water Contaminants  
(Units are in milligrams per liter (mg/L), unless otherwise noted.)**

**Last Update: February 12, 2013**

(Reference: <http://www.cdph.ca.gov/certlic/drinkingwater/Pages/MCLsandPHGs.aspx>)

This table includes:

- CDPH's maximum contaminant levels (MCLs)
- CDPH's detection limits for purposes of reporting (DLRs)
- [Public health goals \(PHGs\) from the Office of Environmental Health Hazard Assessment \(OEHHA\)](#)
- PHGs for NDMA and 1,2,3-Trichloropropane (1,2,3-TCP is unregulated) are at the bottom of this table
- The federal MCLG for chemicals without a PHG, microbial contaminants, and the DLR for 1,2,3-TCP

Constituent	MCL	DLR	PHG or (MCLG)	Date of PHG
<b>Chemicals with MCLs in 22 CCR §64431—Inorganic Chemicals</b>				
Aluminum	1	0.05	0.6	2001
Antimony	0.006	0.006	0.02	1997
Arsenic	0.010	0.002	0.000004	2004
Asbestos (MFL = million fibers per liter; for fibers >10 microns long)	7 MFL	0.2 MFL	7 MFL	2003
Barium	1	0.1	2	2003
Beryllium	0.004	0.001	0.001	2003
Cadmium	0.005	0.001	0.00004	2006
Chromium, Total - OEHHA withdrew the 1999 0.0025 mg/L PHG in Nov 2001	0.05	0.01	(0.100)	
Chromium, Hexavalent (Chromium-6) - MCL to be established - currently regulated under the total chromium MCL	--	0.001	0.00002	2011
Cyanide	0.15	0.1	0.15	1997
Fluoride	2	0.1	1	1997
Mercury (Inorganic)	0.002	0.001	0.0012	1999 (rev2005)*
Nickel	0.1	0.01	0.012	2001
Nitrate (as NO3)	45	2	45	1997
Nitrite (as N)	1 as N	0.4	1 as N	1997
Nitrate + Nitrite	10 as N	0.4	10 as N	1997
Perchlorate	0.006	0.004	0.006	2004
Selenium	0.05	0.005	0.03	2010
Thallium	0.002	0.001	0.0001	1999 (rev2004)
<b>Copper and Lead, 22 CCR §64672.3</b>				
<i>Values referred to as MCLs for lead and copper are not actually MCLs; instead, they are called "Action Levels" under the lead and copper rule</i>				
Copper	1.3	0.05	0.3	2008
Lead	0.015	0.005	0.0002	2009

**Reference No. 2**

<b>Constituent</b>	<b>MCL</b>	<b>DLR</b>	<b>PHG or (MCLG)</b>	<b>Date of PHG</b>
<b>Radionuclides with MCLs in 22 CCR §64441 and §64443—Radioactivity</b>				
[units are picocuries per liter (pCi/L), unless otherwise stated; n/a = not applicable]				
Gross alpha particle activity - OEHHA concluded in 2003 that a PHG was not practical	15	3	(zero)	n/a
Gross beta particle activity - OEHHA concluded in 2003 that a PHG was not practical	4 mrem/yr	4	(zero)	n/a
Radium-226	--	1	0.05	2006
Radium-228	--	1	0.019	2006
Radium-226 + Radium-228	5	--	(zero)	--
Strontium-90	8	2	0.35	2006
Tritium	20,000	1,000	400	2006
Uranium	20	1	0.43	2001
<b>Chemicals with MCLs in 22 CCR §64444—Organic Chemicals</b>				
<b>(a) Volatile Organic Chemicals (VOCs)</b>				
Benzene	0.001	0.0005	0.00015	2001
Carbon tetrachloride	0.0005	0.0005	0.0001	2000
1,2-Dichlorobenzene	0.6	0.0005	0.6	1997 (rev2009)
1,4-Dichlorobenzene (p-DCB)	0.005	0.0005	0.006	1997
1,1-Dichloroethane (1,1-DCA)	0.005	0.0005	0.003	2003
1,2-Dichloroethane (1,2-DCA)	0.0005	0.0005	0.0004	1999 (rev2005)
1,1-Dichloroethylene (1,1-DCE)	0.006	0.0005	0.01	1999
cis-1,2-Dichloroethylene	0.006	0.0005	0.1	2006
trans-1,2-Dichloroethylene	0.01	0.0005	0.06	2006
Dichloromethane (Methylene chloride)	0.005	0.0005	0.004	2000
1,2-Dichloropropane	0.005	0.0005	0.0005	1999
1,3-Dichloropropene	0.0005	0.0005	0.0002	1999 (rev2006)
Ethylbenzene	0.3	0.0005	0.3	1997
Methyl tertiary butyl ether (MTBE)	0.013	0.003	0.013	1999
Monochlorobenzene	0.07	0.0005	0.2	2003
Styrene	0.1	0.0005	0.0005	2010
1,1,2,2-Tetrachloroethane	0.001	0.0005	0.0001	2003
Tetrachloroethylene (PCE)	0.005	0.0005	0.00006	2001
Toluene	0.15	0.0005	0.15	1999
1,2,4-Trichlorobenzene	0.005	0.0005	0.005	1999
1,1,1-Trichloroethane (1,1,1-TCA)	0.2	0.0005	1	2006
1,1,2-Trichloroethane (1,1,2-TCA)	0.005	0.0005	0.0003	2006
Trichloroethylene (TCE)	0.005	0.0005	0.0017	2009
Trichlorofluoromethane (Freon 11)	0.15	0.005	0.7	1997
1,1,2-Trichloro-1,2,2-Trifluoroethane (Freon 113)	1.2	0.01	4	1997 (rev2011)
Vinyl chloride	0.0005	0.0005	0.00005	2000
Xylenes	1.75	0.0005	1.8	1997

Reference No. 2

Constituent	MCL	DLR	PHG or (MCLG)	Date of PHG
<b>Chemicals with MCLs in 22 CCR §6444—Organic Chemicals</b>				
<b>(b) Non-Volatile Synthetic Organic Chemicals (SOCs)</b>				
Alachlor	0.002	0.001	0.004	1997
Atrazine	0.001	0.0005	0.00015	1999
Bentazon	0.018	0.002	0.2	1999 (rev2009)
Benzo(a)pyrene	0.0002	0.0001	0.000007	2010
Carbofuran	0.018	0.005	0.0017	2000
Chlordane	0.0001	0.0001	0.00003	1997 (rev2006)
Dalapon	0.2	0.01	0.79	1997 (rev2009)
1,2-Dibromo-3-chloropropane (DBCP)	0.0002	0.00001	0.0000017	1999
2,4-Dichlorophenoxyacetic acid (2,4-D)	0.07	0.01	0.02	2009
Di(2-ethylhexyl)adipate	0.4	0.005	0.2	2003
Di(2-ethylhexyl)phthalate (DEHP)	0.004	0.003	0.012	1997
Dinoseb	0.007	0.002	0.014	1997 (rev2010)
Diquat	0.02	0.004	0.015	2000
Endrin	0.002	0.0001	0.0018	1999 (rev2008)
Endothal	0.1	0.045	0.58	1997
Ethylene dibromide (EDB)	0.00005	0.00002	0.00001	2003
Glyphosate	0.7	0.025	0.9	2007
Heptachlor	0.00001	0.00001	0.000008	1999
Heptachlor epoxide	0.00001	0.00001	0.000006	1999
Hexachlorobenzene	0.001	0.0005	0.00003	2003
Hexachlorocyclopentadiene	0.05	0.001	0.05	1999
Lindane	0.0002	0.0002	0.000032	1999 (rev2005)
Methoxychlor	0.03	0.01	0.00009	2010
Molinate	0.02	0.002	0.001	2008
Oxamyl	0.05	0.02	0.026	2009
Pentachlorophenol	0.001	0.0002	0.0003	2009
Picloram	0.5	0.001	0.5	1997
Polychlorinated biphenyls (PCBs)	0.0005	0.0005	0.00009	2007
Simazine	0.004	0.001	0.004	2001
2,4,5-TP (Silvex)	0.05	0.001	0.025	2003
2,3,7,8-TCDD (dioxin)	3x10 <sup>-8</sup>	5x10 <sup>-9</sup>	5x10 <sup>-11</sup>	2010
Thiobencarb	0.07	0.001	0.07	2000
Toxaphene	0.003	0.001	0.00003	2003

Reference No. 2

Constituent	MCL	DLR	PHG or (MCLG)	Date of PHG
<b>Chemicals with MCLs in 22 CCR §64533—Disinfection Byproducts</b>				
Total Trihalomethanes	0.080	--	--	--
Bromodichloromethane	--	0.0010	(zero)	--
Bromoform	--	0.0010	(zero)	--
Chloroform	--	0.0010	(0.07)	--
Dibromochloromethane	--	0.0010	(0.06)	--
Haloacetic Acids (five) (HAA5)	0.060	--	--	--
Monochloroacetic Acid	--	0.0020	(0.07)	--
Dichloroacetic Acid	--	0.0010	(zero)	--
Trichloroacetic Acid	--	0.0010	(0.02)	--
Monobromoacetic Acid	--	0.0010	--	--
Dibromoacetic Acid	--	0.0010	--	--
Bromate	0.010	0.0050 or 0.0010 <sup>a</sup>	0.0001	2009
Chlorite	1.0	0.020	0.05	2009
<b>Microbiological Contaminants (TT = Treatment Technique)</b>				
Coliform % positive samples	%	5	(zero)	
<i>Cryptosporidium</i> **		TT	(zero)	
<i>Giardia lamblia</i> **		TT	(zero)	
<i>Legionella</i> **		TT	(zero)	
Viruses**		TT	(zero)	
<b>Chemicals with PHGs established in response to CDPH requests. These are <u>not</u> currently regulated drinking water contaminants.</b>				
N-Nitrosodimethylamine (NDMA)	--	--	0.000003	2006
1,2,3-Trichloropropane	--	0.000005	0.0000007	2009

**Notes:**

<sup>a</sup> CDPH will maintain a 0.0050 mg/L DLR for bromate to accommodate laboratories that are using EPA Method 300.1. However, laboratories using EPA Methods 317.0 Revision 2.0, 321.8, or 326.0 must meet a 0.0010 mg/L MRL for bromate and should report results with a DLR of 0.0010 mg/L per Federal requirements.

\*OEHHA's review of this chemical during the year indicated (rev20XX) resulted in no change in the PHG

\*\* Surface water treatment = TT

August 12, 2013

Prepared and

Submitted by: L. Bonkowski

Approved by: P. Cook

LB

PC

CONSENT CALENDAR

MINUTES OF REGULAR BOARD MEETING

SUMMARY:

Provided are the minutes of the July 22, 2013 Regular Board Meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE JULY 22, 2013 REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – Minutes – July 22, 2013

## EXHIBIT "A"

### MINUTES OF REGULAR MEETING – JULY 22, 2013

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 Reinhart on July 22, 2013 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Finance Clary, Executive Director of Engineering Burton, Executive Director of Operations Shields, Director of Public Affairs Beeman, Executive Director of Water Policy Heiertz, Director of Risk Management and Treasury Jacobson, Director of Water Resources Weghorst, Assistant Director of Conservation Sanchez, Legal Counsel Arneson, Secretary Bonkowski, Ms. Christine Compton, Ms. Shannon Reed, Mr. Jim Reed, Ms. Erika Blaska, Ms. Julie Bendzick-Sin, Mr. Ken Drake, Mr. Dave Hayden, Ms. Soha Vazirnia, Mr. Joe Constantino, Ms. Dawn Jordan, Ms. Cheryl Kelly, Mr. Mark Gingras, Ms. Tina Bertsch, and other members of the public and staff.

WRITTEN COMMUNICATION: None.

### ORAL COMMUNICATION

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

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - None.

## PRESENTATIONS

### PUBLIC RELATIONS SOCIETY OF AMERICA OF ORANGE COUNTY

Mr. Danny Craig from Public Relations Society of America of Orange County presented an award to Public Affairs and Conservation for its "Always Water Smart Campaign".

### RESOLUTION OF COMMENDATION FOR WAYNE POSEY

General Manager Cook commended Mr. Wayne Posey for his 33 years of service to the District. ON MOTION by LaMar, seconded and unanimously carried, THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

#### RESOLUTION NO. 2013-30

RESOLUTION OF THE BOARD OF DIRECTORS  
OF IRVINE RANCH WATER DISTRICT COMMENDING  
WAYNE POSEY FOR HIS DEDICATED AND  
OUTSTANDING SERVICE TO THE DISTRICT

### PUBLIC HEARING – REPORT ON WATER QUALITY RELATIVE TO PUBLIC HEALTH GOALS

General Manager Cook said that the required noticing requirements did not make it to the Orange County Register for advertising and requested that this item be referred to the August 12, 2013 Board meeting. There being no objections, this item was removed from tonight's agenda.

## CONSENT CALENDAR

On MOTION by Withers, seconded and unanimously carried, CONSENT CALENDAR ITEMS 6 THROUGH 12 WERE APPROVED AS FOLLOWS:

6. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the June 28, 2013 Adjourned Regular Board Meeting and July 8, 2013 Regular Board Meeting be approved.

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

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

## CONSENT CALENDAR (CONTINUED)

### 8. JUNE 2013 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate Swap Summary for June 2013; approve the June 2013 summary of payroll ACH payments in the total amount of \$1,417,224 and approve the June 2013 accounts payable disbursement summary of warrants 339700 through 340673, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$51,300,220.

### 9. STRATEGIC MEASURES DASHBOARD

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

### 10. URBAN RUNOFF DIVERSION PROJECT EXPENDITURE AUTHORIZATION

Recommendation: That the Board approve an Expenditure Authorization for project 11631 (3633) in the amount of \$47,000 for the urban runoff diversion project.

### 11. PLANNING AREA 51 HERITAGE FIELDS REACH B SEWER AND RECYCLED WATER CAPITAL IMPROVEMENTS

Recommendation: That the Board approve Expenditure Authorizations for projects 21139 (4266) and 30393 (4265) in the amounts of \$2,588,300 and \$887,700 and authorize the General Manager to execute a supplemental Reimbursement Agreement with Heritage Fields for Planning Area 51 Reach B Sewer and Recycled Water Capital Facilities.

### 12. REHABILITATION OF THE ZONE A RESERVOIR NO. 2 PROJECT - FINAL ACCEPTANCE

Recommendation: That the Board accept construction of Rehabilitation of the Zone A Reservoir No. 2 project; authorize the General Manager to file a Notice of Completion; and authorize the release of retention 35 days after filing of the Notice of Completion.

## ACTION CALENDAR

### PLANNING AREA 9B (STONEGATE) JEFFREY ROAD PIPELINES CONTRACT CHANGE ORDER

Executive Director of Engineering Burton reported that the Jeffrey Road Pipelines are currently being constructed between Irvine Boulevard and Portola Parkway in PA 9B. The project includes construction of approximately 5,000 lineal feet of 12-inch Zone 3 domestic water pipeline, 2,700 lineal feet of 36-inch Zone A recycled water pipeline, 2,700 lineal feet of 36-inch syphon pipeline, 4,800 lineal feet of 16-inch Zone B recycled water pipeline, and 1,400 lineal feet of 6-inch, 12-inch, and 20-inch Zone C recycled water pipelines.



Mr. Burton said that a future IRWD pump station site has recently being identified on the northwest corner of Jeffrey Road and Irvine Boulevard. This pump station is planned to be a multi-zone station including Zone A to Syphon, Syphon to Zone B, and Syphon to Zone C. Staff recommends that the laterals to the future pump station site be installed with the current Jeffrey Road Pipelines project to minimize construction cost, traffic impacts, and future disruption to residents. The laterals include a 16-inch Zone B lateral, 20-inch Zone C lateral, 36-inch Zone A lateral and 36-inch Syphon lateral into the new pump station site. Mr. Burton said that Leatherwood Construction submitted a construction change order to perform the work in the negotiated amount of \$180,205 which staff believes is reasonable.

Director Withers reported that this item was reviewed and approved by the Engineering and Operations Committee on July 16, 2013. On MOTION by Withers, seconded and unanimously carried, THE BOARD APPROVED A CONTRACT CHANGE ORDER IN THE AMOUNT OF \$180,205 TO THE REIMBURSEMENT AGREEMENT WITH THE IRVINE COMMUNITY DEVELOPMENT COMPANY FOR PLANNING AREA 9B JEFFREY ROAD PIPELINES, PROJECTS 10423 (1519), 30422 (1024), AND 30389 (4176) TO PERFORM ADDITIONAL LATERAL WORK FOR A FUTURE IRWD PUMP STATION.

THREE-YEAR CATHODIC PROTECTION MONITORING PROGRAM CONSULTANT SELECTION FOR FISCAL YEARS 2013-14 THROUGH 2015-16

Executive Director of Engineering Burton reported that the District uses impressed current and galvanic cathodic protection systems (CP Systems) to protect metallic pipelines and reservoirs from corrosion. Mr. Burton said that the District has routinely utilized consultant services to monitor, evaluate and adjust the 19 metallic pipeline and 13 steel tank reservoir CP Systems for a two-year period. He said that this monitoring contract will be for a three-year period and includes the addition of three pipelines and five steel reservoirs due to the recent CP System installation on the University Drive and Kelvin Avenue pipelines and on the Santiago Canyon reservoirs.

Mr. Burton said that a Request for Proposal was issued on May 13, 2013 to Corpro Companies, Farwest Corrosion, HDR/Schiff, RBF and R.F. Yeager Engineering. He said that of the five consultants, Farwest declined to attend the pre-proposal meeting and did not submit a proposal. He said that staff evaluated the proposals using the consultants' team, project approach, and relevant experience as criteria. RBF based its proposed labor hours on their current experience performing as the incumbent cathodic protection monitoring consultant and its amount is consistent with the hours used in the previous eight years of the program. R.F. Yeager Engineering's and HDR/Schiff's proposed labor hours for data collection are lower than what is expected to monitor the 18 reservoirs and approximately 67 miles of pipelines with approximately 500 test stations. Mr. Burton said that although RBF's fee is slightly higher than the others, RBF has provided excellent service for the past two years, has maintained their schedule, and kept costs within budget. RBF has also provided value-added services, e.g. GPS location aerial exhibits of the test stations. He said that staff ranked RBF as the best consultant and recommends awarding the agreement for cathodic protection monitoring with this firm.

Director Withers said that this item was reviewed and approved by the Engineering and Operations Committee on July 16, 2013. On MOTION by Withers, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH RBF CONSULTING FOR \$236,505 FOR THE THREE-YEAR CATHODIC PROTECTION MONITORING PROGRAM FOR FY 2013-14 THROUGH FY 2015-16.

#### GENERAL MANAGER'S REPORT

General Manager Cook reported that at an OCWD Water Issues Committee meeting a conversation was held on ocean desalination and its Committee is recommending a buy-in with Poseidon Resources. Mr. Cook said that staff will be watching very carefully OCWD's actions on this issue and will follow IRWD's policy position paper on this matter.

Mr. Cook updated the Board on Newport Beach's CCTV contract proposal noting that IRWD ranked in the middle. He said that the contract proposal will be submitted to the City Council for its approval with a low bid at \$.29 per foot versus IRWD's bid at \$.71 per foot.

Mr. Cook said that ACC-OC approached IRWD to again host its annual event on October 10, 2013 at the Learning Center Campus which staff approved. He said that that this Friday IRWD will also be hosting Southern California Water Committee workshop at headquarters with President Reinhart welcoming the guests.

Mr. Cook further noted an article from the Orange County Register noting *hidden gems* in Irvine, and that the San Joaquin Wildlife Sanctuary was featured as its top gem.

#### DIRECTORS' COMMENTS

Director Matheis reported on her attendance at an OCBC Orange County Forum with a presentation on oils reserves throughout the world which she said was encouraging. She also said she attended an El Toro Water District Recycled Water Expansion Groundbreaking ceremony.

Director Withers noted that General Manager Cook placed before each director a Press Release on OCSD's agreement to expand its dry weather urban runoff from four million gallons to 10 million gallons per day which will be a positive step for IRWD. He reported on his attendance at an OC Taxpayer's dinner. He said relative to General Manager Cook's comment on the OCWD's interest in desalination, he made a suggestion as to the manner in which the District could respond.

Director Swan also relayed his concerns on the recent OCWD interest in ocean desalination buy-in which was recommended by Mesa Consolidated. Director Withers suggested that this item be agendized at a future Board meeting workshop for discussion.

Director LaMar reported on his attendance at an OCBC OC Forum lunch meeting and an OCBC Infrastructure meeting.

Director Reinhart reported on his attendance along with Director Swan on a tour with Fullerton Mayor and OCWD Director Bruce Whitaker, a WACO monthly meeting, an OCWD Annexation

meeting, a MWDOC Board meeting, an ETWD Recycled Water Expansion Project groundbreaking ceremony, a SOCWA Executive Committee meeting, a WateReuse conference call and WateReuse meeting on financial matters. He said that tomorrow he will be attending an OCWD/IRWD Ad Hoc Committee meeting with Director Swan and staff.

Consultant Jim Reed reported on the meetings he attended for the District including WACO and a south county meeting.

### CLOSED SESSION

President Reinhart said that the following closed sessions would be held this evening:

- 1) Conference with Real Property Negotiator (Government Code Section 54956.8).  
Property: State project water entitlements to be added to various parcels--Portions of Sections 25, 26, 34, and 35 of T23S R19E MDB&M  
Negotiating Parties: Carpinteria Valley Water District and Dudley Ridge Water District  
Agency Negotiator: Paul Cook, General Manager  
Purpose of Negotiations: Price and Terms of Payment
- 2) Conference with Legal Counsel relative to anticipated litigation-- Government Code Section 54956.9(d)(4) – initiation of litigation (one potential case) (potential settlement construction contractor).  
–
- 3) Conference with Legal Counsel relative to anticipated litigation- Government Code Section 54956.9(d)(2) - significant exposure to litigation (two potential cases)

### OPEN SESSION

The meeting was reconvened with LaMar, Matheis, Reinhart, Withers and Swan present. President Reinhart said that no action was reported from the Closed Session.

### ADJOURNMENT

There being no further business, President Reinhart adjourned the meeting.

APPROVED and SIGNED this 12<sup>th</sup> day of August, 2013.

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President, IRVINE RANCH WATER DISTRICT

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Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

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Legal Counsel - Bowie, Arneson, Wiles & Giannone

August 12, 2013  
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

8/13/13 IRWD Long-Term Financial Planning Workshop  
8/14-16/13 Urban Water Institute's Annual Conference, San Diego, CA

Mary Aileen Matheis

8/07/13 MWDOC/MWD Directors Board Workshop  
8/13/13 IRWD Long-Term Financial Planning Workshop  
8/14-16/13 Urban Water Institute's Annual Conference, San Diego, CA

Douglas Reinhart

7/20/13 WateReuse Association & WateReuse Research Foundation Board Meeting  
8/14-16/13 Urban Water Institute's Annual Conference, San Diego, CA  
8/28/13 Meeting with General Manager Paul Cook regarding District activities

Peer Swan

8/07/13 MWDOC/MWD Directors Board Workshop  
8/16/13 ACWA Special Executive Committee Meeting, Sacramento, CA.

John Withers

8/24/13 IRWD Representative - OCSD Honor Walk Inductee Event

RECOMMENDATION:

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

LIST OF EXHIBITS:

None

August 12, 2013

Prepared by: C. Compton

Submitted by: G. Heiertz

Approved by: Paul Cook 

## CONSENT CALENDAR

### 2013 STATE LEGISLATIVE UPDATE

#### SUMMARY:

This report provides an update on the 2013 State legislative session and IRWD State legislative priorities. An updated copy of the 2013 State Legislative Matrix is attached as Exhibit "A".

#### BACKGROUND:

The California State Assembly returned from summer recess on August 5, 2013. The California State Senate will return one week later on August 12, 2013. Both houses will remain in session until adjournment on September 13, 2013, which is the last day for the Legislature to act on regular session bills before the Interim Recess. The Governor has until October 13, 2013, to sign or veto legislation passed by the Legislature during the first year of the 2013-14 legislative session. The State Legislature will reconvene from the Interim Recess on January 6, 2014, unless a special session is called.

#### State Budget Update:

##### *June State Revenue Numbers Released:*

On July 10, 2013, State Controller John Chiang released his monthly report on the State's finances. He announced that the State took in \$100.1 billion in revenue during the 2012-13 fiscal year. This was \$2.0 billion, or two percent, more than estimated. Controller Chiang also released the June 2013 revenues, which came in at \$13.1 billion. This amount was \$1.2 billion, or 10.1 percent, higher than the forecast contained in Governor Brown's May Revise.

The State ended the 2011-12 Fiscal Year with a cash deficit of \$9.6 billion, which was covered by external borrowing. With the greater than projected revenue received last December and the higher revenues received in recent months, the State's cash deficit has narrowed to \$2.4 billion.

Despite the higher than anticipated revenues, Controller Chiang cautioned that "California's history of boom or bust revenue cycles should be a cautionary tale that informs our spending decisions and incentivizes policymakers to prudently pay down accumulated debt." However, with the May and June figures coming in significantly higher than expected, the Legislature will face greater pressure to increase spending in areas which were impacted by spending cuts over the past few years.

IRWD 2013 Legislative Priorities:

*AB 803 (Gomez) – Water Recycling Act of 2013:*

On July 3, 2013, the Senate Environmental Quality Committee (Senate EQ) passed AB 803 (Gomez, D-Los Angeles) on a 9-to-0 vote, and referred the bill to the Senate Committee on Appropriations (Senate Appropriations) with a recommendation that it be placed on the Appropriations Consent Calendar. Unless the bill is determined to be without significant fiscal impact and sent directly to the Senate Floor under Senate Rule 28.8, the bill will likely be heard in Senate Appropriations on August 12, 2013.

Staff will provide an update at the Water Resources Policy and Communications Committee meeting on any new developments. IRWD currently has a “SUPPORT” position on this bill.

*AB 1200 (Levine) – Recycled water: agricultural irrigation impoundments:*

AB 1200 (Levine, D-San Rafael), which would create a voluntary pilot project for the purpose of investigating the potential water quality impacts associated with maximizing the use of recycled water in agricultural irrigation impoundments within the San Francisco Bay Regional Water Quality Board region, was heard in Senate EQ on June 26, 2013, and unanimously passed and referred to Senate Appropriations. It has been set for hearing in Senate Appropriations on August 12, 2013.

The bill was amended on July 2, 2013. The amendments make the San Francisco Bay Regional Water Quality Control Board’s authorization of the pilot project permissive instead of prescriptive, and ensure that the pilot project will be consistent with any applicable waste discharge requirements including the requirements to obtain and hold a NPDES permit. The July 2 amendments also provide that upon review of a final report on the outcome of the pilot project, “the San Francisco Bay Regional Water Quality Control Board may work to develop a formula for future waste discharge requirements to be issued for similar purposes and report to the state board and the Legislature with any recommendations for similar policies within the regional board’s region or statewide.”

Staff will provide an oral update to the Committee on any new developments, as appropriate. IRWD currently has a “SUPPORT” position on this bill.

Updates on Other 2013 Legislation of Interest to IRWD:

*AB 145 (Perea/Rendon) – Relocation of Responsibility for the State’s Drinking Water Program:*

On July 3, 2013, the Senate Health Committee heard AB 145 (Perea, D-Fresno). The Committee passed the bill on a 7-to-2 vote. Before the vote Senator Ed Hernandez (D-West Covina), who chairs the committee, announced that he had been contacted by the Brown Administration and was asked to pass the bill from the Senate Health Committee in its current form in order to keep the bill alive while allowing the Administration time to work on the bill over the summer recess. In deference to the Administration’s request, the majority of members voted in favor of the bill. Senator Hernandez committed to being directly involved in the discussions between the

Administration and the author, and stated that the Senate Health Committee will revisit AB 145 if its contents undergo significant changes. The Administration released its plans for the Office of Drinking Water during the Legislature's summer recess. The Administration has agreed that the Drinking Water Program should be moved to the State Water Resources Control Board.

AB 145 will next be heard in Senate Appropriations on August 12, 2013. Staff will provide an oral update on any new developments, as appropriate.

*AB 543 (Campos) – CEQA: translation:*

AB 543 (Campos, D-San Jose), which would require a lead agency to translate certain CEQA documents and notices when a project is proposed that will impact a community comprised of a substantial number of non-English-speaking people, has been referred to Senate EQ. The bill was set for hearing on July 3, 2013, but the hearing was canceled at the author's request. The author has made AB 543 a two-year bill.

IRWD currently has an "OPPOSE" position on this bill.

*SB 322 (Hueso) – Water Recycling:*

SB 322 (Hueso, D-San Diego), which would require the Department of Public Health to administer an expert panel to evaluate Direct Potable Reuse (DPR) no later than February 15, 2014, and evaluate the feasibility of developing uniform water recycling criteria for DPR, was doubled referred to the Assembly Environmental Safety and Toxic Material Committee (ESTM) and the Assembly Water, Parks and Wildlife Committee (WPW). On July 2, 2013, the bill was heard by ESTM. It was passed and referred to WPW on a 6-to-0 vote. The bill is scheduled to be heard by WPW on August 13, 2013. Staff will provide an oral update on any new developments, as appropriate.

IRWD currently has a "SUPPORT" position on this bill.

*Water Bond:*

In May, Assembly Speaker John Pérez appointed a Water Bond Working Group in the Democratic caucus to lead a program to brief Democratic members of the Assembly on the water bond and water issues generally. The members of the working group are Assemblymembers Toni Atkins (D-San Diego), Raul Bocanegra (D-Arleta), Wesley Chesbro (D-Santa Rosa), Susan Eggman (D-Stockton), Mike Gatto (D-Burbank), Richard Gordon (D-Los Altos), Kevin Mullin (D-San Mateo), and Henry Perea (D-Fresno). The working group is chaired by Assemblymember Anthony Rendon (D-Lakewood).

In addition to providing water policy briefings for colleagues from their regions, the working group has developed principles to guide the development of a water bond. On July 2, 2013, the working group presented those principles to WPW for discussion. Attached as Exhibit "B" is a copy of the working group's "Principles for Developing a Water Bond." Attached as Exhibit "C" is a copy of the background information the working group distributed to WPW as part of its presentation on the water bond.



FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on August 1, 2013.

RECOMMENDATION:

RECEIVE AND FILE.

LIST OF EXHIBITS:

Exhibit "A" – 2013 IRWD Legislative Matrix

Exhibit "B" – Assembly Water Bond Working Group "Principles for Developing a Water Bond"

Exhibit "C" – Assembly Water Bond Working Group "BACKGROUND: Principles for Developing a Water Bond"

**EXHIBIT "A"**  
**IRWD 2013 LEGISLATIVE MATRIX**  
Updated August 1, 2013

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>	<b>Notes</b>
<b><u>AB 1</u></b> Alejo (D)	Water Quality: Integrated Plan: Salinas Valley		Appropriates funds for use by the Greater Monterey County Regional Water Management Group, referred to as the management group, to develop the integrated plan to address the drinking water and wastewater needs of disadvantaged communities in the Salinas Valley whose waters have been affected by waste discharges.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
<b><u>AB 11</u></b> Logue (R)	Reserve Peace Officers: Emergency Rescue Personnel		Requires specified employers to permit an employee who performs emergency duty as a volunteer firefighter, reserve peace officer, or as emergency rescue personnel to take a leave of absence for the purpose of engaging in fire, law enforcement, or emergency rescue training.	07/08/2013 - In SENATE. Read third time. Passed SENATE. To enrollment.	
<b><u>AB 21</u></b> Alejo (D)	Safe Drinking Water Small Community Grant Fund		Authorizes the assessment of a specified annual charge in lieu of interest on loans for water projects made pursuant to the Safe Drinking Water State Revolving Fund, and the deposit of that money into the Safe Drinking Water State Small Community Emergency Grant Fund. Authorizes the expending of the money in the fund for grants for specified water projects that serve disadvantaged and severely disadvantaged communities.	06/26/2013 - From SENATE Committee on HEALTH: Do pass to Committee on APPROPRIATIONS.	
<b><u>AB 25</u></b> Campos (D)	Employment: Social Media		Applies existing law that prohibits a private employer from requiring or requesting an employee or applicant for employment to disclose a username or password for the purpose of accessing personal social media, to access personal social media in the presence of the employer, or to divulge any personal social media to public employers. Provides that these provisions apply to public employers generally, including charter cities and counties.	06/25/2013 - In SENATE. Read second time. To third reading.	
<b><u>AB 30</u></b> Perea (D)	Water Quality		Amends the Porter-Cologne Water Quality Control Act to authorize the Water Resources Control Board to assess an annual charge in connection with any financial assistance under the Water Pollution Control Revolving Fund without a change unless the board makes a prescribed determination, at which time the board would replace the charge with an identical interest rate. Relates to deposits into the State Water Pollution Control Revolving Fund Small Community Grant Fund and expansion of grants from the fund.	06/24/2013 - In SENATE Committee on APPROPRIATIONS: To Suspense File.	
<b><u>AB 37</u></b>	Water Management:		Requires that in each integrated regional water management region	06/27/2013 - Re-	

**EXHIBIT "A"**  
**IRWD 2013 LEGISLATIVE MATRIX**  
Updated August 1, 2013

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
Perea (D)	Funding: Disadvantaged Communities		not less than a specified percentage of any funding for such planning purposes be used to facilitate and support the participation of disadvantaged communities in such planning and for project that address critical water supply or water quality needs for disadvantaged communities.	referred to SENATE Committees on NATURAL RESOURCES AND WATER and APPROPRIATIONS.	
<b>AB 52</b> Gatto (D)	Native Americans: California Environmental Quality Act		Requires a lead agency to make best efforts to avoid, preserve, and protect specified Native American resources with a project that may have a significant effect on the environment. Requires the agency to take specified actions if the project may adversely affect tribal cultural resources, a reservation or rancheria. Requires the revision of guidelines to include criteria for determining whether a proposed project has a significant effect on the environmental to include effects on tribal cultural resources.	07/03/2013 - To SENATE Committee on ENVIRONMENTAL QUALITY.	
<b>AB 69</b> Perea (D)	Groundwater: Drinking Water: Nitrate at Risk Fund		Requires the State Water Resources Control Board to develop a public information program on matter involving groundwater quality monitoring and to place the information on its Internet Web site. Establishes the Nitrate at Risk Fund for loans and grants to water systems for specified purposes. Provides for a nitrogen fertilizer materials charge to fund the loans and grants.	07/11/2013 - From SENATE Committee on AGRICULTURE with author's amendments.;07/11/2013 - In SENATE. Read second time and amended. Re-referred to Committee on AGRICULTURE.	
<b>AB 72</b> Holden (D)	Municipal Water District: Board of Directors		Requires the directors of a municipal water district, except directors elected at a district formation election, to take office on the first Friday in December succeeding their election.	06/17/2013 - Signed by GOVERNOR.;06/17/2013 - Chaptered by Secretary of State. Chapter No. 8	
<b>AB 115</b> Perea (D)	Safe Drinking Water State Revolving Fund		Relates to the state Safe Drinking Water Act. Authorizes the Department of Public Health to fund projects by grant or loan where multiple water systems apply for funding as a single applicant for the	07/01/2013 - In SENATE Committee on	

**EXHIBIT "A"**  
**IRWD 2013 LEGISLATIVE MATRIX**  
**Updated August 1, 2013**

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			purpose of consolidating water systems or extending services to households relying on private wells. Authorizes funding of a project to benefit a disadvantaged community.	APPROPRIATIONS: To Suspend File.	
<b>AB 118</b> Env Safety & Toxic Material Cmt	Safe Drinking Water State Revolving Fund		Limits loans and grants from the Safe Drinking Water State Revolving Fund for planning and preliminary engineering studies, project design, and construction costs to those incurred by community and not-for-profit public water systems. Specifies that certain water systems have no ability to repay a loan. Authorizes a loan applicant to receive up to the full cost of a project in the form of a loan, subject to specified conditions.	06/26/2013 - From SENATE Committee on HEALTH: Do pass to Committee on APPROPRIATIONS.	
<b>AB 122</b> Rendon (D)	Energy Assessment: Nonresidential Buildings: Financing		Enacts the Nonresidential Building Energy Retrofit Financing Act. Requires the Energy Resources Conservation and Development Commission to establish a program to develop a request for proposal for a third-party administrator and to develop and operate the program to provide financial assistance, through authorizing the issuance of, revenue bonds, to owners of eligible nonresidential buildings for implementing energy property improvement. Requires a public report on program efficacy.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Not heard.	
<b>AB 142</b> Water, Parks and Wildlife Cmt	Water Resources: Infrastructure		Requires the Department of Water Resources to initiate and complete a comprehensive study of state and local water supply infrastructure needs and to provide a report to the Legislature that summarizes those findings.	05/06/2013 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.	
<b>AB 145</b> Perea (D)	State Water Resources Control Board: Drinking Water		Transfers to the State Water Resources Control Board the various duties and responsibilities imposed on the State Department of Public Health by the State Safe Drinking Water Act and the Safe Drinking Water State Revolving Fund Law of 1997. Requires the State Environmental Protection Agency to prepare a project initiation document for the transfer of the state drinking water program from the State Department of Public Health to a Division of Drinking Water Quality.	07/03/2013 - From SENATE Committee on HEALTH: Do pass to Committee on APPROPRIATIONS.	
<b>AB 153</b>	Global Warming Solutions		Amends the Global Warming Solutions Act of 2006. Requires the	05/24/2013 - In	

**EXHIBIT "A"**  
**IRWD 2013 LEGISLATIVE MATRIX**  
Updated August 1, 2013

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
Bonilla (D)	Act of 2006: Offsets		State Air Resources Board to adopt a specified process for the review and consideration of new offset protocols for reducing greenhouse gases and, commencing in 2014 and continuing thereafter, use that process to review and consider new offset protocols. Requires the board to adopt guidelines and incentives that prioritize the approval of specified offset protocols. Requires the board to submit a specified annual report to the Legislature.	ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
<u><b>AB 183</b></u> Dickinson (D)	Delta Protection Commission: Executive Director		Amends the Johnson-Baker-Andal-Boatwright Delta Protection Act of 1992. Requires the Executive Director of the Delta Commission to determine a discretionary project located in the primary zone to be consistent with the resource management plan provided that the project satisfies specified criteria. Authorizes appeals to specified decisions.	02/15/2013 - To ASSEMBLY Committees on WATER, PARKS AND WILDLIFE and NATURAL RESOURCES.	
<u><b>AB 194</b></u> Campos (D)	Open Meetings: Protections for Public Criticism		Makes it a misdemeanor for a member of a legislative body, while acting as a chairperson of a legislative body of a local agency, to prohibit public criticism protected under the Ralph M. Brown Act. Authorizes a district attorney to commence an action for the purpose of obtaining a judicial determination that an action taken by a legislative body of a local agency in violation of the protection for public criticism is null and void.	02/07/2013 - To ASSEMBLY Committee on LOCAL GOVERNMENT.	
<u><b>AB 218</b></u> Dickinson (D)	Employment Applications: Criminal History		Prohibits a state or local agency from asking an applicant for employment to disclose information regarding a criminal conviction until the agency has determined the applicant meets the minimum employment qualifications for the position. Includes specified findings and declarations of the Legislature in support of this policy.	07/02/2013 - From SENATE Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.	
<u><b>AB 229</b></u> Perez J (D)	Infrastructure and Revitalization Financing Districts		Authorizes the creation of an infrastructure and revitalization financing district and the issuance of debt with voter approval. Authorizes the creation of a district for up to 40 years and the issuance of debt with a final maturity date of up to 30 years. Authorizes a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases.	06/25/2013 - In SENATE. Read second time. To third reading.	

**EXHIBIT "A"**  
**IRWD 2013 LEGISLATIVE MATRIX**  
Updated August 1, 2013

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
<b>AB 243</b> Dickinson (D)	Local Government: Infrastructure Financing Districts		Authorizes the creation of an infrastructure and revitalization financing district and the issuance of debt with voter approval. Authorizes a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases if special conditions are met. Authorizes a district to fund various projects, including watershed land used for the collection and treatment of water for urban uses, flood management, open space, habitat restoration and development purposes.	07/02/2013 - In SENATE. Read second time. To third reading.	
<b>AB 294</b> Holden (D)	Local-State Joint Investment Partnership Program		Establishes a pilot program whereby certain local government entities, upon the approval and oversight of the Infrastructure and Economic Development Bank, are authorized to reallocate their annual payments of property tax revenue directed to the Educational Revenue Augmentation Fund to instead finance certain kinds of public works that further state policy. Requires each entity operating a project under the program and the bank to submit reports on program results.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
<b>AB 295</b> Water, Parks and Wildlife Cmt	Water: Water Supply: Infrastructure		Requires the State Water Resources Control Board and the Drinking Water and Environmental Management Division of the State Department of Public Health to initiate and complete a comprehensive study relating to the need for state funding for water projects and to provide a report to the Legislature summarizing those findings.	05/06/2013 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.	
<b>AB 371</b> Salas (D)	Sewage Sludge: Kern County		Authorizes the Kern County Board of Supervisors, upon a majority vote, to regulate or prohibit by ordinance, in a manner more stringent than state or federal law and in a nondiscriminatory manner, the land application of sewage sludge in unincorporated areas in the jurisdiction of the county. Relates to applications for waste discharge.	05/16/2013 - In ASSEMBLY. To Inactive File.	
<b>AB 378</b> Hueso (D)	Resources: Delta Research		Requires a person conducting Delta research whose research is funded, in whole or in part, by the state, to take specified actions with regard to the sharing of the primary data, samples, physical collections, and other supporting materials created or gathered in the course of that research. Authorizes the Delta Independent Science	03/07/2013 - To ASSEMBLY Committees on ACCOUNTABILITY AND	

**EXHIBIT "A"**  
**IRWD 2013 LEGISLATIVE MATRIX**  
Updated August 1, 2013

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			Board to adopt guidelines to provide adjustments to, and, where essential, exceptions from, these requirements.	ADMINISTRATIVE REVIEW and WATER, PARKS AND WILDLIFE.	
<b><u>AB 380</u></b> Dickinson (D)	California Environmental Quality Act: Notice		Amends the California Environmental Quality Act. Requires that notices regarding environmental impact reports filed by lead agencies need to be filed with the Office of Planning and Research and the county clerk and posted by the clerk for public review. Provides notice requirements for projects that are determined to be exempted from the Act.	06/13/2013 - To SENATE Committee on ENVIRONMENTAL QUALITY.	
<b><u>AB 410</u></b> Jones-Sawyer (D)	Public Employee Health Benefits: Enrollment		Permits an annuitant who reinstates from retirement under the Public Employees' Retirement System for employment by the state or a contracting agency and who subsequently retires again on or after a specified date to enroll in a health benefit plan under the Public Employees' Medical and Hospital Care Act for which they are eligible as an annuitant of the employer from which they retired, upon specified conditions. Requires the person's retirement to occur within a specified time period after separation.	06/24/2013 - In SENATE Committee on APPROPRIATIONS: To Suspend File.	
<b><u>AB 416</u></b> Gordon (D)	Local Emission Reduction Program		Creates the Local Emission Reduction Program and requires money to be available from the general fund for providing grants and other financial assistance to develop and implement greenhouse gas emissions reduction projects in the state, giving consideration to the ability of a project to create local job training and job creation benefits and achieve greenhouse gas emissions reduction. Provides the public entities that will be required to administer the program.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
<b><u>AB 426</u></b> Salas (D)	Water Transfers: Water Rights Decrees		Amends existing law that provides that any water right determined under a court decree issued after a specified date, is transferable. Eliminates the requirement that a court decree be issued after a specified date.	07/11/2013 - From SENATE Committee on APPROPRIATIONS: To second reading without further hearing pursuant to Senate Rule 28.8.	

**EXHIBIT "A"**  
**IRWD 2013 LEGISLATIVE MATRIX**  
Updated August 1, 2013

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
<b>AB 436</b> Jones-Sawyer (D)	Inverse Condemnation: Comparative Fault		Applies the doctrine of comparative fault to inverse condemnation actions. Requires a court or arbitrator to reduce the compensation paid to a plaintiff in an inverse condemnation proceeding in direct proportion to his or her percentage of fault, if any, in the damaging of property that constitutes a taking. Provides the circumstances under which the plaintiff shall not recover his or her postoffer costs and shall pay the defendant's postoffer costs, including expert witness costs.	07/02/2013 - In SENATE Committee on JUDICIARY: Not heard.	
<b>AB 507</b> Garcia (D)	Public Employees Retirement: Retirement Death Benefit		Requires that the amount paid pursuant to the Public Employees Retirement Law Post Retirement Death Benefit be a specified amount for a death occurring during a specified period. Increases that amount each year as specified at which point the amount would be a specified amount and would be adjusted annually thereafter.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
<b>AB 515</b> Dickinson (D)	California Environmental Quality Act: Judicial Review		Establishes a CEQA Compliance Division of the Superior Court in a county in which the Attorney General maintains an office. Provides the division with original jurisdiction over actions of proceedings brought pursuant to the CEQA and matters related to land use and environmental laws. Provides decisions of the division may be reviewed by way of a petition for an extraordinary writ. Provides the contents of a writ if a public agency is found to be in error and what action the agency must take to comply.	04/23/2013 - In ASSEMBLY Committee on JUDICIARY: Not heard.	
<b>AB 536</b> Wagner (R)	Contractors: Payments		Amends existing law that allows specified persons to withhold from a contractor or subcontractor no more than a specified percentage of any disputed amount if there is a good faith dispute over the amount due on a contract payment. Excludes specified amounts from being considered disputed amounts, provides that disputed amounts shall not include any action related liquidated damages assessed by the owner against the prime contractor, and any amount regarding a mechanic's lien to stop payment notice.	04/16/2013 - In ASSEMBLY Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION: Not heard.	
<b>AB 543</b> Campos (D)	California Environmental Quality Act: Translation	Oppose	Requires a lead agency to translate certain notices required by the California Environmental Quality Act and a summary of any negative declaration, mitigated negative declaration, or environmental impact report when a group of non-English-speaking	06/13/2013 - Re-referred to SENATE Committee on ENVIRONMENTAL	



**EXHIBIT "A"**  
**IRWD 2013 LEGISLATIVE MATRIX**  
**Updated August 1, 2013**

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			people comprises at minimum percentage of the population within the lead agency's jurisdiction and the proposed project is to be located at or near an area where the group of non-English-speaking people comprises that same percentage of residents of the area.	QUALITY.	
<b><u>AB 551</u></b> Ting (D)	Local Government: Urban Agriculture Incentive Zones		Enacts the Urban Agriculture Incentive Zones Act. Authorizes, under specified conditions, a county or a city and county and a landowner to enter into a contract to enforceably restrict the use of vacant, unimproved or otherwise blighted lands for small-scale production of agricultural crops. Requires the county assessor to consider, when valuing real property for property taxation purposes, property that is enforceably restricted by a contract entered into pursuant to the Act.	07/09/2013 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.	
<b><u>AB 607</u></b> Perea (D)	Worker's Compensation: Dependent Children		Amends existing law that establishes a workers' compensation system. Eliminates the requirement that, in order to conclusively presume that children under 18, or certain adult children, are wholly dependent for support on the deceased employee-parent, there not be a surviving totally dependent parent.	06/26/2013 - From SENATE Committee on LABOR AND INDUSTRIAL RELATIONS: Do pass to Committee on APPROPRIATIONS.	
<b><u>AB 613</u></b> Hueso (D)	Water Reclamation		Makes technical, nonsubstantive changes to a provision of the Water Recycling Law that provides that a person recycling water or using recycled water in violation of specific provisions is guilty of a misdemeanor.	02/20/2013 - INTRODUCED.	
<b><u>AB 621</u></b> Wagner (R)	Local Government: Bonds		Relates to local government bonds and investment firms. Prohibits a local agency from entering into a financial advisory, legal advisory, underwriting, or similar relationship with an individual or firm that provides or will provide bond campaign services to the bond campaign. Defines certain terms for those purposes.	07/03/2013 - In SENATE Committee on GOVERNANCE AND FINANCE: Heard, remains in Committee.	
<b><u>AB 662</u></b> Atkins (D)	Local Government: Infrastructure Financing Districts		Deletes a prohibition on the inclusion of redevelopment project areas in infrastructure financing districts. Relates to the dissolution of redevelopment and community development agencies and designation of successor agencies. Authorizes a successor agency to	06/11/2013 - In SENATE. Read second time and amended. Re-referred	

**EXHIBIT "A"**  
**IRWD 2013 LEGISLATIVE MATRIX**  
Updated August 1, 2013

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			enter into contracts, make land use decisions, and administer certain projects if the project will not commit new tax funds or affect the flow of tax increment to taxing agencies. Relates to obligation payments. Regards highway improvement contracts.	to Committee on APPROPRIATIONS.	
<b><u>AB 683</u></b> Mullin (D)	Local Government: Fines and Penalties: Assessments		Authorizes a city, county, city and county, or special district to, after notice and public hearing, specially assess any fines or penalties not paid after demand by the city, county, city and county or district against real property owned by the person owing those fines or penalties, where the fines or penalties are related to ordinance violation on the real property upon which the fines or penalties would be specially assessed, and the ordinance violations constitute a threat to public health and safety.	07/09/2013 - In SENATE. Read second time. To third reading.	
<b><u>AB 687</u></b> Hernandez R (D)	Electricity		Requires the Public Utilities Commission, when authorizing additional direct transactions for retail nonresidential end-use customers, to provide the highest priority to acquire electric services from other providers to entities treating and remediating groundwater that is identified as contaminated on a site listed as a Superfund site in a disadvantaged or severely disadvantaged community or a public drinking water system of such communities. Requires the treatment and remediation using certain moneys.	07/10/2013 - In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.	
<b><u>AB 690</u></b> Campos (D)	Jobs and Infrastructure Financing Districts		Revises and recasts the provisions governing infrastructure financing districts. Provides for the creation of jobs and infrastructure financing districts without voter approval. Makes various conforming changes. Authorizes a public financing authority to enter into joint powers agreements with affected taxing entities with regard to nontaxing authority or powers only. Authorizes a district to implement hazardous cleanup under the Polanco Redevelopment Act.	04/09/2013 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;04/09/2013 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL	

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<b>AB 743</b> Logue (R)	Local Government Reorganization		Amends Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Provides that the authority to initiate, conduct and complete specified changes in organization or reorganizations does not apply to any territory that became surrounded or substantially surrounded by a city to which the annexation is proposed, except for islands that were created as a result of boundary adjustments between two counties.	GOVERNMENT. 07/08/2013 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY for concurrence.	
<b>AB 756</b> Melendez (R)	Environmental Quality Act: Court Review: Public Works		Applies the provisions of the California Environmental Quality Act and the Jobs and Economic Improvement Through Environmental Leadership Act of 2011 to a public works project, defined to mean an infrastructure project carried out by the city, county, special district, or state government or contracted out to a private entity by the special district or local or state government.	04/11/2013 - From ASSEMBLY Committee on JUDICIARY with author's amendments.;04/11/2013 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on JUDICIARY.	
<b>AB 766</b> Gaines B (R)	Attorney General: Investigations		Prohibits the Attorney General from offering a promise of use or transactional immunity during the course of an investigation into the misuse of public funds, unless specified findings are made. Requires the Attorney General to submit a written copy of the findings to a presiding judge.	04/16/2013 - In ASSEMBLY Committee on PUBLIC SAFETY: Not heard.	
<b>AB 792</b> Mullin (D)	Utility User Tax: Exemption: Distributed Generation		Exempts from any utility user tax imposed by a local jurisdiction, the consumption of electricity generated by a renewable distributed generation system that is installed before a specified date, for the exclusive use of a single customer.	07/09/2013 - In SENATE. Read second time and amended. To third reading.	
<b>AB 794</b> Gorell (R)	Environmental Quality: Use of Landfill & Organic Waste		Exempts from the requirements of the California Environmental Quality Act a project that takes landfill materials or organic waste and converts then into renewable green energy if the lead agency	03/04/2013 - To ASSEMBLY Committee on	

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			finds that the project will result in a net reduction in greenhouse gas emissions or support sustainable agriculture. Exempts from the requirements of the act a project that uses biological processes to convert organic waste streams into nonchemical soil fertility products.	NATURAL RESOURCES.	
<b>AB 801</b> Brown (D)	Junk Dealers and Recyclers: Nonferrous Materials		Requires junk dealers and recyclers to obtain specified information before providing payment for nonferrous materials marked with an indicia of ownership. Requires that this information be retained as part of the written record of purchases.	03/04/2013 - To ASSEMBLY Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION.	
<b>AB 803</b> Gomez (D)	Water Recycling Act of 2013	Support	Creates the Water Recycling Act of 2013. Authorizes compliance with effluent limitations and any other permit or waste discharge requirements for the release or discharge of advanced treated purified water that meets certain conditions. Requires certain notification prior to any discharge being allowed. Requires a cemetery supplied with disinfected tertiary recycled water that installs a hose bib in a public access area to post visible signage and labeling indicating that the water is nonpotable.	07/03/2013 - From SENATE Committee on ENVIRONMENTAL QUALITY: Do pass as amended to Committee on APPROPRIATIONS.	
<b>AB 811</b> Lowenthal B (D)	Excavations: Regional Notification Center System		Amends existing law that requires any person planning to conduct an excavation to contact a regional notification center prior to excavation. Requires statewide information provided by operators and excavators regarding facility events to be compiled and made available in an annual report by regional notification centers and posted on the Internet Web sites of those regional notification centers.	07/08/2013 - In SENATE. Read second time. To Consent Calendar.	
<b>AB 823</b> Eggman (D)	Environment: State Farmland Protection Act	Oppose	Enacts the Farmland Protection Act. Requires that a lead agency reviewing a development project require that all feasible mitigation of the identified significant environmental impacts associated with the conversion of agricultural lands be completed by the project applicant and to consider the permanent protection or replacement of such land as feasible mitigation for identified significant effects on	04/29/2013 - From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on	

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<b><u>AB 841</u></b> Torres (D)	Junk Dealers and Recyclers: Nonferrous Materials		the land caused by the project. Amends existing law that prohibits a junk dealer or a recycler from providing payment for nonferrous material unless the payment is made by cash or check, and the check is mailed or the cash or check is provided no later than three days after the date of the sale, and other requirements are met. Allows the payment for nonferrous materials only by check mailed to the seller's address.	AGRICULTURE. 06/11/2013 - In SENATE. Read second time. To third reading.	
<b><u>AB 850</u></b> Nazarian (D)	Public Capital Facilities: Water Quality		Authorizes specified joint powers authorities, upon application of a local agency that owns and operates a publicly owned utility, to issue rate reduction bonds for a utility project. Provides the bonds are secured by utility project property. Authorizes the authority to impose on customers a separate nonbypassable charge, to finance the rate reduction bond, and to adjust utility project charge to correct for any overcollection or undercollection. Requires approval before using bonds for such financing.	07/10/2013 - Re-referred to SENATE Committee on APPROPRIATIONS.	
<b><u>AB 892</u></b> Daly (D)	Parcel Taxes		Requires the State Board of Equalization to annually report specified information relating to the imposition of locally assessed parcel taxes including the type and rate of a parcel tax and the number of parcels subject to or exempt from the parcel tax.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
<b><u>AB 953</u></b> Ammiano (D)	California Environmental Quality Act		Amends the California Environmental Quality Act, which defines environment and significant effect on the environment for certain purposes. Revises those definitions. Requires a lead agency to include in an environmental assessment report, a detailed statement on any effects that may result in the locating a proposed project near natural hazards or adverse environmental conditions.	05/31/2013 - In ASSEMBLY. To Inactive File.	
<b><u>AB 993</u></b> Linder (R)	Contractors: Arbitration		Amends the Contractors' State License Law. Provides a party that submits a dispute with contractor to arbitration waives any right to recover attorney's fees or to challenge the arbitrator's award attorney's fees in a related civil action. Relates to the setting of the time, date, and location for a arbitration related hearing. Requires good cause to exclude any person from a hearing. Revises requirements regarding the recording of the hearing. Authorizes the	06/17/2013 - From SENATE Committee on BUSINESS, PROFESSIONS & ECON. DEVELOPMENT: Do pass to	

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			reopening of a hearing prior to any award.	Committee on JUDICIARY.	
<b><u>AB 1035</u></b> Muratsuchi (D)	Local Agencies: Financial Reports		Raises the amount forfeited for failure to submit financial reports to all local agencies. Doubles fines if the agency fails to submit the report to the Controller for 2 consecutive years. Triples the fines if the agency fails to submit the report to the Controller for 3 or more consecutive years. Requires the Controller to conduct an independent audit report of an agency that issues conduit revenue bonds. Specifies the agency that has a forfeiture or payment still must file the report.	06/11/2013 - In SENATE Committee on GOVERNANCE AND FINANCE: Not heard.	
<b><u>AB 1043</u></b> Chau (D)	Drinking Water, Quality, Flood, River Protection		Amends the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006. Eliminates the requirement to develop and adopt regulations and requires a grantee of certain initiative bond act funds to take specific actions to recover the costs of cleanup and to utilize those funds for certain groundwater contamination cleanup projects.	06/25/2013 - In SENATE Committee on NATURAL RESOURCES AND WATER: Not heard.	
<b><u>AB 1080</u></b> Alejo (D)	Community Revitalization & Investment Authorities		Authorizes certain public entities of a community revitalization and investment area to form a community revitalization plan within a community revitalization and investment authority to carry out the Community Redevelopment Law in a specified manner. Requires the authority to adopt a community revitalization plan for a community revitalization and investment area and authorizes the authority to include in that plan a provision for the receipt of tax increment funds.	07/09/2013 - From SENATE Committee on TRANSPORTATION AND HOUSING: Do pass as amended to Committee on APPROPRIATIONS.	
<b><u>AB 1090</u></b> Fong (D)	Public Officers: Conflicts of Interest: Contracts		Provides that a person who violates the prohibition against being financially interested in a contract, or who causes another person to violate or who aids and abets another person in violating the prohibition, is subject to administrative and civil fines. Authorizes the Fair Political Practices Commission to enforce these violations by bringing an administrative or civil action against a person who is subject to the prohibition, upon specified authorization. Relates to requests for advice.	07/02/2013 - From SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS: Do pass to Committee on APPROPRIATIONS.	

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<u><b>AB 1131</b></u> Skinner (D)	Firearms		Extends the prohibitory period for possession of a firearm or deadly weapon for a person who communicates to a licensed psychotherapist a serious threat of physical violence against a reasonably identifiable victim or victims. Allows a person to petition the court to allow them to possess a firearm under specified provisions of existing law. Relates to procedures for the return of a confiscated firearm for individual detained for examination and mentally ill individuals. Relates to required reporting.	07/02/2013 - From SENATE Committee on PUBLIC SAFETY: Do pass to Committee on APPROPRIATIONS.	
<u><b>AB 1140</b></u> Daly (D)	Public Works: Prevailing Wages		States that if the Director of Industrial Relations determines, within a semiannual period, that there is a change in any prevailing rate of per diem wages in a locality, that determination applies to any public works. Authorizes any contractor, awarding body, or representative affected by a change in rates to file with the director a verified petition to review the determination of that rate. Requires the initiation of an investigation or hearing to make a final determination.	06/26/2013 - From SENATE Committee on LABOR AND INDUSTRIAL RELATIONS: Do pass to Committee on APPROPRIATIONS.	
<u><b>AB 1149</b></u> Campos (D)	Identity Theft: Local Agencies		Relates to disclosure of any breach of an agency security to any resident whose unencrypted personal information was acquired by an unauthorized person. Provides disclosure requirements applying to a breach of computerized data that is owned or licensed by a local agency.	06/25/2013 - From SENATE Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.	
<u><b>AB 1181</b></u> Gray (D)	Public Employee Organizations: Members: Paid Leave		Requires the local public agency to give reasonable time off, without loss of compensation or other benefits, to employee representatives when they are testifying or appearing as the designated representative of the employee organization in proceedings before the Public Employment Relations Board concerning a charge filed by the organization against the public agency or by an agency against the organization, or when they are testifying or representing the organization in personnel or merit matters.	06/26/2013 - In SENATE. Read second time. To third reading.	
<u><b>AB 1200</b></u> Levine (D)	Recycled Water: Agricultural Irrigation Impoundments	Support	Permits the San Francisco Bay Regional Water Quality Board to authorize a voluntary pilot project for the purposes of investigating potential water quality impacts associated with maximizing the supplementation of agricultural irrigation impoundments with	07/02/2013 - In SENATE. Read second time and amended. Re-referred	

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			disinfected tertiary treated recycled water, if the board finds the project satisfies specified criteria. Requires the project to include a stakeholder advisory group. Authorizes a formula development for future waste discharge requirements.	to Committee on APPROPRIATIONS.	
<b>AB 1212</b> Levine (D)	Public Contracts: Bids: Equal Materials or Service		Prohibits certain bid specifications from requiring a bidder to provide submission of data substantiating a request for a substitution of an equal item prior to the bid or proposal deadline.	03/07/2013 - To ASSEMBLY Committee on ACCOUNTABILITY AND ADMINISTRATIVE REVIEW.	
<b>AB 1248</b> Cooley (D)	Local Agencies: Internal Control Guidelines		Requires the Controller to develop internal control guidelines applicable to a local agency to prevent and detect financial errors and fraud. Requires the Controller to post the completed guidelines on the Controller's Internet Web site and update them.	06/25/2013 - From SENATE Committee on GOVERNMENTAL ORGANIZATION: Do pass to Committee on APPROPRIATIONS.	
<b>AB 1251</b> Gorell (R)	Water Quality: Stormwater		Requires the Secretary for Environmental Protection to convene a stormwater task force to review, plan, and coordinate stormwater-related activity to maximize regulatory effectiveness in reducing water pollution. Requires the task force to submit a statewide stormwater management plan to the Legislature. Requires the task force to consider specified issues in developing the plan.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
<b>AB 1331</b> Water, Parks and Wildlife Cmt	Water Resources: Assessments of Public Funding		Requires the Department of Water Resources to provide an analysis that assesses currently available public funding and estimates the additional public investment needed to ensure the state meets priority needs related to infrastructure, integrated water management, water supply reliability, water recycling, flood management, and watershed and aquatic ecosystem conservations and protection and for access to safe drinking water. Requires an assessment of needed funds to implement the Delta Plan.	06/13/2013 - To SENATE Committees on NATURAL RESOURCES AND WATER and ENVIRONMENTAL QUALITY.	



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<b>AB 1349</b> Gatto (D)	CalConserve Water Use Efficiency Revolving Fund		Establishes the CalConserve Water Use Efficiency Revolving Fund for the purpose of water use efficiency projects. Requires moneys in the fund to be used for purposes that include, but are not limited to, at-or-below market interest rate loans.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
<b>AB 1365</b> Perez J (D)	State and Local Agency Reports: Legislative Counsel		Requires the Legislative Council to make a list of agency reports available to the public by posting it on an Internet Web site. Authorizes state and local agencies to file certain reports with the Counsel electronically, with a hyperlink for report access. Removes the requirement to remove obsolete reports from the list of reports and that the list be provided to each member of the Legislature. Requires providing a hyperlink to each member whereby the list or report could be accessed.	06/25/2013 - From SENATE Committee on GOVERNMENTAL ORGANIZATION: Do pass to Committee on APPROPRIATIONS.	
<b>ACA 1</b> Donnelly (R)	Administrative Regulations: Legislative Approval		Requires an administrative agency to submit all regulations to the Legislature for approval. Authorizes the Legislature, by means of a concurrent resolution, to approve a regulation adopted by an administrative agency of the state.	05/01/2013 - In ASSEMBLY Committee on ACCOUNTABILIT Y AND ADMINISTRATIVE REVIEW: Failed passage.	
<b>ACA 8</b> Blumenfield (D)	Local Government Financing: Voter Approval		Proposes an amendment to the Constitution to create an additional exception to the 1% limit for an ad valorem tax rate imposed by a city, county, city and county, or special district, to service bonded indebtedness incurred to fund specified public improvements and facilities, or buildings used primarily to provide sheriff, police, or fire protection services, that is approved by 55% of the voters of the city, county, city and county, or special district.	06/27/2013 - To SENATE Committees on GOVERNANCE AND FINANCE and ELECTIONS AND CONSTITUTIONAL AMENDMENTS.	
<b>SB 1</b> Steinberg (D)	Sustainable Communities Investment Authority		Authorizes certain public entities of a Sustainable Communities Investment Area to form a Sustainable Communities Investment Authority to carry out the Community Redevelopment Law. Provides for tax increment funding receipt under certain economic	07/03/2013 - From ASSEMBLY Committee on HOUSING AND	

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			development and planning criteria. Establishes prequalification requirements for receipt of funding. Requires monitoring and enforcement of prevailing wage requirements within the area.	COMMUNITY DEVELOPMENT: Do pass to Committee on LOCAL GOVERNMENT.	
<b>SB 13</b> Beall (D)	Public Employees' Retirement Benefits		Corrects an erroneous cross-reference in the Public Employees' Pension Reform Act of 2013 regarding the Judges' Retirement System I and II defined benefit formula adoption. Amends the act regarding employers offering one of more defined benefit formulas to new safety members. Relates to contribution rates for defined pension plans. Repeals provisions regarding disability retirements. Relates to state miscellaneous or industrial members contributions or service credit. Requires related regulations.	06/26/2013 - From ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY: Do pass to Committee on APPROPRIATIONS.	
<b>SB 14</b> Gaines T (R)	Bear Lake Reservoir: Recreational Use		Relates to existing law which prohibits recreational use in which there is bodily contact with water in a reservoir in which water is stored for domestic use. Exempts from this prohibition any participant in the Bear Lake Reservoir, and establishes standards in this regard, including water treatment, monitoring, and reporting requirements. Subjects the Lake Alpine Water Company to suspension or revocation of any permit issued. Deems a violation would be subject to fines, penalties, or enforcement actions.	07/03/2013 - From ASSEMBLY Committee on APPROPRIATIONS: Do pass. To Consent Calendar.	
<b>SB 24</b> Walters (R)	Public Employees' Retirement: Benefit Plans		Authorizes a local agency public employer or public retirement system that offers a defined benefit pension plan to offer a benefit formula with a lower benefit factor at normal retirement age and that results in a lower normal cost than the benefit formulas that are currently required, for purposes of addressing a fiscal necessity.	01/10/2013 - To SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT.	
<b>SB 33</b> Wolk (D)	Infrastructure Financing Districts: Voter Approval		Revises provisions governing infrastructure financing districts. Eliminates the requirement of voter approval for creation of the district and for bond issuance, and authorizes the legislative body to	07/03/2013 - From ASSEMBLY Committee on	

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			create the district subject to specified procedures. Authorizes the creation of such district subject to specified procedures. Authorizes a district to finance specified actions and project. Prohibits the district from providing financial assistance to a vehicle dealer or big box retailer.	APPROPRIATIONS: Do pass.	
<b>SB 39</b> De Leon (D)	Energy: School Facilities: Energy Efficiency Projects		Enacts the Clean Energy Employment and Student Advancement Act of 2013. Requires the Office of Public School Construction to award grants to a school district for energy efficiency upgrades pursuant to the State Clean Energy Jobs Act. Establishes a program to provide related assistance in such upgrades for districts and charter schools. Provides related contracting and contractor requirements.	06/17/2013 - To ASSEMBLY Committees on NATURAL RESOURCES and UTILITIES AND COMMERCE.	
<b>SB 40</b> Pavley (D)	Safe, Clean, and Reliable Drinking Water Supply Act		Changes the name of the Safe, Clean, and Reliable Drinking Water Supply Act of 2012 to the Safe, Clean, and Reliable Drinking Water Supply Act of 2014. Declares the intent of the Legislature to amend the act for the purpose of reducing and potentially refocusing the bond.	01/31/2013 - Re-referred to SENATE Committees on NATURAL RESOURCES AND WATER and RULES.	
<b>SB 42</b> Wolk (D)	Clean, Secure Water Supply and Delta Recovery Act		Enacts the Clean, Secure Water Supply and Delta Recovery Act of 2014. Authorizes the issuance of general obligation bonds for the Sacramento-San Joaquin Delta Recovery.	01/10/2013 - To SENATE Committee on NATURAL RESOURCES AND WATER.	
<b>SB 64</b> Corbett (D)	Global Warming Solutions: Clean Technology Investment		Creates the Clean Technology Investment Account within the Greenhouse Gas Reduction Fund. Requires appropriations of moneys in the fund or other funds to the account in the Budget Act. Makes such funds available for grants to nonprofit public benefit corporations and regional technology alliances to design and implement program that accelerate the development, demonstration, and deployment of technologies that would reduce greenhouse gas emissions and foster job creation in the state.	06/24/2013 - Re-referred to ASSEMBLY Committee on NATURAL RESOURCES.	
<b>SB 123</b>	Environmental and Land-Use		Requires the Judicial Council to direct the creation of an	05/23/2013 - In	

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Corbett (D)	Court		environmental and land-use division within the Superior Courts selected by the Council to process civil proceedings brought pursuant to the California Environmental Quality Act or in specified subject areas, including air quality, biological resources, climate change, hazards and hazardous materials, land use planning, and water quality. Increases the fees for environmental license plates with revenue for the environmental and land use court.	SENATE Committee on APPROPRIATIONS: Held in committee.	
<b>SB 124</b> Corbett (D)	Public Contracts: Bid Preferences: Clean Energy		Requires state agencies and the Trustees of the California State University that accept bids or proposals for a contract for the purchase or installation of a clean energy device, technology, or system, to provide a preference to a bidder that certifies that all of the parts of the clean energy device, technology, or system to be installed have been manufactured in the state, to reduce toxic emissions and greenhouse gases. Authorizes energy service contracts.	07/03/2013 - From ASSEMBLY Committee on ACCOUNTABILITY AND ADMINISTRATIVE REVIEW: Do pass as amended to Committee on APPROPRIATIONS.	
<b>SB 176</b> Galgiani (D)	Administrative Procedures		Requires the Office of Administrative Law to allow electronic submission to the office by a state agency of notices required to be published and information required to be submitted pursuant to specified provisions of existing law. Expands the public discussion required described in existing law to require a state agency proposing to adopt regulations, prior to publication of a notice of proposed adoption, amendment, or repeal, to involve parties that would be subject to the regulations in such discussions.	06/18/2013 - From ASSEMBLY Committee on ACCOUNTABILITY AND ADMINISTRATIVE REVIEW with author's amendments.;06/18/2013 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on ACCOUNTABILITY	

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<b>SB 182</b> Governance and Finance Cmt	Validations		Enacts the Second State Validating Act of 2013, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.	06/24/2013 - In SENATE. From Unfinished Business. To Inactive File.	
<b>SB 183</b> Governance and Finance Cmt	Validations		Enacts the Third State Validating Act of 2013, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.	06/24/2013 - In SENATE. From Unfinished Business. To Inactive File.	
<b>SB 184</b> Governance and Finance Cmt	Local Government: Omnibus Bill		Relates to the procedures governing the offering of subdivided lands for sale or lease, the definition of family member and domestic partner under the Public Cemetery District Law, the provisions of law regarding the abuse of public office or position to include bribery of a Member of the Legislature, subdivision map provisions, facsimile signatures and the county recorder, historical property use contracts recording, and the Baldwin Hill Conservancy, and the Ventura County Resource Conservation District.	07/03/2013 - From ASSEMBLY Committee on APPROPRIATIONS: Do pass. To Consent Calendar.	
<b>SB 193</b> Monning (D)	Hazard Evaluation System and Information Service		Relates to the repository of data on toxic materials and harmful physical agents in places of employment. Requires, upon request from the repository, chemical manufacturers, formulators, suppliers, distributors and importers to provide names and addresses of customers who have purchased specified chemicals or commercial products. Provides for current and past customers and confidentiality of records. Requires notification of the Secretary of Environmental Protection of relevant information.	07/02/2013 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS: Do pass as amended to Committee on APPROPRIATIONS.	
<b>SB 322</b> Hueso (D)	Water Recycling	Support	Requires the State Department of Public Health to investigate the feasibility of developing uniform water recycling criteria for direct potable reuse. Requires the department to convene a panel to establish regulatory criteria for such reuse. Requires the panel to	07/03/2013 - In ASSEMBLY. Read second time and amended. Re-referred	

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			include a limnologist. Requires convening of a related advisory group, task force, or other group. Authorizes the department to contract with a public university or other research institution. Authorizes acceptance of funds from nonstate sources.	to Committee on WATER, PARKS AND WILDLIFE.	
<b>SB 367</b> Block (D)	Developmental Services: Regional Centers		Requires that training and support to contracted regional centers for persons with developmental disabilities include issues relating to linguistic and cultural competency. Requires each regional center to post on its Internet Web site information regarding the training and support provided. Requires a center performance review to include an evaluation of center's director in providing services that are linguistically and culturally appropriate.	06/17/2013 - To ASSEMBLY Committee on HUMAN SERVICES.	
<b>SB 390</b> Wright (D)	Employee Wage Withholdings: Failure to Remit		Makes it a crime for an employer to fail to remit withholdings from an employee's wages that were made pursuant to state, local, or federal law. Prescribes how recovered withholdings or court-imposed restitution, if any, are to be forwarded or paid.	07/03/2013 - In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.	
<b>SB 395</b> Jackson (D)	Hazardous Waste: Wells		Amends part of the Hazardous Waste Control Law that prohibits a person from discharging hazardous waste into an injection well unless certain conditions are met and imposes other requirements upon the operator of such well and defines injection for these purposes as excluding wells regulated by the Division of Oil and Gas. Deletes the exclusion of those regulated wells from the definition of injection well. Requires testing of the waste. Specifies that oil field waste does not include hazardous waste.	05/30/2013 - In SENATE. From third reading. To Inactive File.	
<b>SB 407</b> Hill (D)	Local Government: Officers and Employees: Contracts		Relates to prohibitions against automatic renewal of contracts that provide compensation increases for local agency executives. Includes within the definition of local agency executive any person who is a deputy or assistant chief executive officer, and any person whose position is held by an employment contract between that person and the local agency.	06/26/2013 - From ASSEMBLY Committee on LOCAL GOVERNMENT: Do pass to Committee on APPROPRIATIONS.	
<b>SB 424</b>	Vehicles: Windshields:		Exempts from the prohibition against placing an object that obstructs	03/11/2013 - To	

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Emmerson (R)	Obstructions		or reduces the driver's clear view in or upon a vehicle owned by a government agency if those objects or materials do not interfere with the driver's clear view of approaching traffic.	SENATE Committee on TRANSPORTATION AND HOUSING.	
<b>SB 425</b> DeSaulnier (D)	Public Works: the Public Works Peer Review Act of 2013		Allows a public agency, principally tasked with administering, planning, developing, and operating a public works project, to establish a specified peer review group. Requires the administering agency, if a peer group is established, to draft a charter, published on the agency's Internet Web site, related to the duties of the peer review group.	07/03/2013 - From ASSEMBLY Committee on ACCOUNTABILITY AND ADMINISTRATIVE REVIEW: Do pass to Committee on APPROPRIATIONS.	
<b>SB 436</b> Jackson (D)	California Environmental Quality Act: Notice		Relates to the California Environmental Quality Act. Requires a lead agency to conduct at least one public scoping meeting for the specified projects and to provide notice to the specified entities of at least one public scoping meeting. Revises the meeting notice requirements to require the notice be given to a list of specified parties including the State Clearinghouse and project applicants.	07/03/2013 - From ASSEMBLY Committee on APPROPRIATIONS: Do pass.	
<b>SB 449</b> Galgiani (D)	Local Water Supply Programs or Projects: Funding	Oppose	Prohibits the State Department of Water Resources from funding, through loans, grants or direct expenditure, specific programs or projects within the service area of an urban or agricultural water supplier that receives water from, transferred through, or used in the CALFED Bay-Delta watershed, unless the department determines that the supplier is reducing its dependence on the Delta.	05/23/2013 - In SENATE Committee on APPROPRIATIONS: Held in committee.	
<b>SB 462</b> Monning (D)	Employment: Compensation		Amends existing law which requires a court in any action brought for the nonpayment of wages, fringe benefits, or health and welfare or pension fund contributions, to award reasonable attorney's fees and costs to the prevailing party. Makes the award where the prevailing party is not an employee contingent on a finding that the employee brought the court action in bad faith.	07/03/2013 - In ASSEMBLY. Read second time. To third reading.	
<b>SB 536</b> Berryhill T (R)	Property-Related Services		Provides that a county shall not be obligated to provide subsidies to cure any deficiencies in funding of property-related services	06/17/2013 - To ASSEMBLY	

**EXHIBIT "A"**  
**IRWD 2013 LEGISLATIVE MATRIX**  
Updated August 1, 2013

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			provided within the jurisdiction of a defined district, under any of certain specified circumstances. Provides that this prohibition would not apply if the county's governing board had agreed to subsidize the district's services before the completion of a majority protest proceeding or election.	Committee on LOCAL GOVERNMENT.	
<b>SB 556</b> Corbett (D)	Agency: Ostensible: Nongovernmental Entities		Relates to third person contracts and ostensible agencies. Prohibits a person, firm, corporation, or association that is a nongovernmental entity and contracts to perform labor or services for a public entity from displaying on a vehicle or uniform a seal, emblem, insignia, trade, brand name, or any other term, symbol, or content that reasonably could be interpreted as implying the labor or services are being performed by employees of a public agency, unless the vehicle and uniform displays a disclosure.	07/02/2013 - In ASSEMBLY. Read second time. To third reading.	
<b>SB 617</b> Evans (D)	California Environmental Quality Act		Amends various provisions of the California Environmental Quality Act. Requires that notices regarding environmental impact reports filed by lead agencies need to be filed with the Office of Planning and Research and the county clerk and posted by that clerk for public review. Provides additional duties regarding notices by the Office and the clerk. Requires a statement in the report regarding the placement of the project near natural hazards or adverse environment conditions. Repeals specified exemptions.	05/30/2013 - In SENATE. From third reading. To Inactive File.	
<b>SB 620</b> Wright (D)	Water Replenishment Districts		Amends the Water Replenishment District Act. Eliminates a requirement that a specified percentage of a district reserve fund be expended for water purchases. Provides that an operator of a water-producing facility is liable to a district for a specified financial penalty for failing to be registered with the district or to make specified reports. Requires a district to establish a budget advisory committee. Relates to the awarding of attorney's fees in related civil actions.	07/03/2013 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;07/03/2013 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on	



**EXHIBIT "A"**  
**IRWD 2013 LEGISLATIVE MATRIX**  
**Updated August 1, 2013**

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
				WATER, PARKS AND WILDLIFE.	
<b>SB 628</b> Beall (D)	Infrastructure Financing: Transit Priority Projects		Eliminates the requirement of voter approval for the adoption of an infrastructure financing plan, the creation of an infrastructure financing district, and the issuance of bonds with respect to a transit priority project. Requires a specified percentage of the revenue for increasing, improving, and preserving the supply of lower and moderate-income housing. Requires a low-income housing replacement ordinance.	07/03/2013 - From ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT: Do pass as amended.	
<b>SB 633</b> Pavley (D)	CEQA		Amends the California Environmental Quality Act that requires the submission of a subsequent or supplemental environmental impact report when new information which was not known and could not have been known at the time of the original report was certified as complete, becomes available. Requires the new information that becomes available was not known and could not have been known by the lead agency or any responsible agency at the time the report was certified as complete. Relates to exemptions.	07/01/2013 - From ASSEMBLY Committee on NATURAL RESOURCES: Do pass as amended to Committee on APPROPRIATIONS.	
<b>SB 636</b> Hill (D)	Redevelopment Property Tax Trust		Modifies the provision of law relating to the allocation of remaining local property tax revenues in the Redevelopment Property Tax Trust Fund by deleting language requiring that the provision be construed in such a manner so as to not increase any allocations of excess, additional, or remaining Educational Revenue Augmentation Fund funds that would otherwise have been allocated to cities, counties, cities and counties, or special districts pursuant to existing law.	05/23/2013 - In SENATE Committee on APPROPRIATIONS: Held in committee.	
<b>SB 658</b> Correa (D)	Orange County Water District Act	SupportinCo ncept	Relates to the Orange County Water District Act that requires the person causing or threatening to cause the contamination or pollution to the surface or groundwaters of the district to be liable to the district for reasonable costs actually incurred in cleaning up or containing the contamination or pollution, abating the effects of the contamination or pollution, or taking other remedial action. Makes that person also liable for costs in investigating the contamination and pollution.	05/24/2013 - In SENATE. From third reading. To Inactive File.	

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**IRWD 2013 LEGISLATIVE MATRIX**  
Updated August 1, 2013

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
<b>SB 673</b> DeSaulnier (D)	Land Use: Development Project Review		Requires a city, county, or city and county, including a charter city or charter city and county, prior to approving or disapproving a proposed development project to cause a cost benefit analysis to be prepared, which would be paid for by the project applicant. Provides that such analysis would include specified assessments and projections including an assessment of the effect that the construction and operation of the development would have on the ability to implement general plan goals.	05/30/2013 - In SENATE. From third reading. To Inactive File.	
<b>SB 731</b> Steinberg (D)	Environment: California Environmental Quality Act		Relates to the state environmental quality act. Provides that aesthetic impacts of a residential, mixed-use residential, or employment center project within a transit priority area shall not be considered significant impacts on the environment. Requires guidelines for thresholds of significance and the transportation and parking impacts to be made available to the public. Requires preparation of environmental impact reports. Extends tolling agreements for judicial actions and mitigation measures.	07/01/2013 - From ASSEMBLY Committee on NATURAL RESOURCES: Do pass as amended to Committee on LOCAL GOVERNMENT.	
<b>SB 735</b> Wolk (D)	Sacramento-San Joaquin Delta Reform Act		Amends existing law that establishes the Delta Stewardship Council to create a Delta management plan. Authorizes prescribed local entities to enter into a memorandum of understanding or other written agreement with the council and the Department of Fish and Wildlife regarding multispecies conservation plans that describes how the parties would ensure that multispecies conservation plans that have been adopted or are under development are consistent with the Delta Plan.	06/17/2013 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.	
<b>SB 749</b> Wolk (D)	Habitat Protection: Endangered Species		Authorizes the Department of Fish and Wildlife to lease department-managed lands for agricultural activities. Authorizes the moneys collected from those leases to be used to support the management, maintenance, restoration and operations of such lands. Requires the identification and maintenance of lands for the purpose of restoring and enhancing upland nesting cover and associated waterfowl brood habitat. Relates to the endangered species determinations.	07/03/2013 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.	
<b>SB 750</b>	Building Standards		Requires a water purveyor that provides water service to a newly	07/03/2013 - From	

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Updated August 1, 2013

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
Wolk (D)			constructed multiunit residential structure or newly constructed mixed-use residential and commercial structure that submits an application for a water connection to require the installation of either a water meter or a submeter to measure water supplied to each individual dwelling unit. Requires such meters comply with laws and regulations regarding the meter's usage. Imposes certain requirements regarding meters on landlords.	ASSEMBLY Committee on HOUSING AND COMMUNITY DEVELOPMENT: Do pass as amended to Committee on WATER, PARKS & WILDLIFE.	
<b>SB 754</b> Evans (D)	Environmental Quality Act		Amends the California Environmental Quality Act. Authorizes a person meeting specified requirements to bring an action or proceeding to enforce the implementation of the mitigation measures specified in a reporting and monitoring program if a project applicant fails to implement those measures. Prohibits a project proponent to contract for, direct or prepare the initial study, environmental impact report or negative declaration. Prohibits the use of a prior EIR for specified purposes.	05/23/2013 - In SENATE Committee on APPROPRIATIONS: Held in committee.	
<b>SB 757</b> Berryhill T (R)	Junk Dealers		Relates to junk dealers and recyclers. Permits a seller to use a passport from any country or a Matricula Consular issued by Mexico, along with another form of identification bearing an address, or an identification card issued by the United States, as identification. Specifies that the provisions governing secondhand dealers and coin dealers do not apply to junk dealers.	06/17/2013 - To ASSEMBLY Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION.	
<b>SB 761</b> DeSaulnier (D)	Family Temporary Disability Insurance		Provides that it is unlawful for an employer who regularly employs 10 or more individuals, or agent of an employer to discharge or in any other manner to discriminate against an individual because he or she has applied for, used or indicated an intent to apply for or use, family temporary disability insurance benefits.	05/30/2013 - In SENATE. From third reading. To Inactive File.	
<b>SB 770</b> Jackson (D)	Unemployment Compensation: Disability Benefits		Relates to family temporary disability leave. Expands the scope of the family temporary disability program to include time off to care for a seriously ill grandparent, grandchild, sibling, or parent-in-law.	06/17/2013 - To ASSEMBLY Committee on INSURANCE.	

**EXHIBIT "A"**  
**IRWD 2013 LEGISLATIVE MATRIX**  
 Updated August 1, 2013

<b>Bill No. Author</b>	<b>Title</b>	<b>IRWD Position</b>	<b>Summary/Effects</b>	<b>Status</b>	<b>Notes</b>
<u><b>SB 772</b></u> Emmerson (R)	Drinking Water		Requires the Department of Health, or a local health agency, annually to provide the address and telephone number for each public water system and state small water system to the Public Utilities Commission and to a local agency formation commission. Relates to requests of information from entities that provide drinking water and the review of retail water suppliers in a county.	03/11/2013 - To SENATE Committees on GOVERNANCE AND FINANCE and RULES.	
<u><b>SCA 10</b></u> Huff (R)	Legislative Procedure		Authorizes a committee to hear or act on a bill if the bill, in the form to be considered by the committee, has been in print and published on the Internet for at least 15 days. Prohibits either house of the Legislature from passing a bill until the bill, in the form to be voted on, has been made available to the public, in print and published on the Internet, for at least 72 hours preceding the vote.	01/31/2013 - To SENATE Committee on RULES.	



## EXHIBIT "B"

### **Proposed Principles for Developing a Water Bond**

**July 2, 2013**

- 1) Authorize bond funding for future state investment that accomplishes critical statewide water policy priorities, including:
    - a. Protect the Sacramento-San Joaquin Delta.
    - b. Increase regional self-reliance and diversification for water supply, and reduce reliance on water imported from other watersheds, using Integrated Regional Water Management as the instrument for achieving regional self-reliance.
    - c. Ensure that all Californians, especially disadvantaged communities, have access to clean and safe drinking water.
    - d. Restore the health of California's watersheds, to protect our important coastal and inland waterways, especially for salmon that depend on both.
    - e. Promote development of new water technology to support greater water conservation and water reuse.
    - f. Expand California water storage options, including surface storage, groundwater cleanup, and stormwater capture.
    - g. Strike a fair, intelligent balance between improvements and maintenance of existing infrastructure and construction of new infrastructure.
  - 2) Increase accountability for spending of State water bond funding, including:
    - a. Prohibit earmarks to specific water projects, and establish competitive processes for awarding water bond funding.
    - b. Make water investment decisions on a regional basis, through the Integrated Regional Water Management Program.
    - c. Set standards and performance indicators to demonstrate progress on water bond investments.
    - d. Leverage State bond funding with federal, regional and local funding sources.
    - e. Require beneficiaries to pay for their benefits, while the public pays for public benefits.
    - f. Repurpose currently authorized, but unspent water bond funding from past voter-approved water bond measures.
    - g. Acknowledge all California's needs for infrastructure bond funding, including funding needs for education and transportation, in developing a bond that authorizes a reasonable amount of funding for water needs.
  - 3) Respect existing California water rights, including area-of-origin protections.
  - 4) Retain policy prohibiting use of water bond funding for construction or mitigation of new water conveyance facilities in the Delta.
-

## EXHIBIT "C"

### **BACKGROUND: Principles for Developing a Water Bond**

**July 2, 2013**

The November 2014 ballot includes a measure asking the voters to authorize general obligation bond funding totaling \$11.14 billion for water infrastructure (2014 Water Bond). The Legislature originally approved this bond measure in 2009, for the November 2010 ballot. The proposed bond measure included, and still includes, funding for drought relief, integrated regional water management, the Sacramento-San Joaquin Delta (Delta), watershed protection, groundwater cleanup and water recycling.

In 2010, after certain initiatives qualified for the same ballot and polling showed flagging support for the water bond, the Legislature amended and postponed the bond measure to November 2012. Last year, polling showed that voters still would not support an \$11.14 billion water bond. Assembly Speaker John Pérez and Senate President Pro Tempore Darrell Steinberg convened water bond stakeholders to encourage them to discuss reducing the size of the proposed water bond. When stakeholders could not agree to how to reduce the bond and polling showed continued lagging voter support, the Legislature delayed the bond measure to 2014. The appropriate structure of a water bond on the 2014 ballot remains an issue for the Legislature.

#### **I. 2009 Delta/Water Legislation – 7<sup>th</sup> Extraordinary Session**

The Legislature originally approved the current water bond measure in the context of a package of legislation related to the Delta and water policy, the 2009 Delta/Water Legislation. The Legislature had worked all year on the Delta and water issues, starting with the Administration's submission of a Strategic Plan for the Delta on January 3. In a unique process, the Legislature convened bi-partisan, bi-cameral briefings on a plan for the Delta and on Delta governance. Following those briefings, certain legislators and their staff developed bills related to the Delta and certain water issues. The Legislature held hearings on those bills during August 2009. During this same period, the Legislature considered competing measures on water conservation, arising out of Governor Schwarzenegger's proposal to reduce urban water use by 20% by 2020. Some discussions regarding a water bond also proceeded, based on a Schwarzenegger proposal that had been considered every year since 2006. On the last night of the regular session, Senator Steinberg compiled the water bills (except the water bond) into one bill, but that bill did not pass.

**Governor Threatens Veto of All Bills If No Bond.** In that final week of session and the week before the deadline for the Governor to sign or veto bills, Schwarzenegger threatened to veto all bills unless the Legislature passed a package of water bills that included a water bond. He convened “the Big 5” to discuss a water package. Just before the deadline, the leadership agreed, in concept, on a package. Legislative leaders agreed to take the proposal to their caucuses. Schwarzenegger decided on the other bills on their merits and called the 7<sup>th</sup> Extraordinary Session to address water. In the weeks that followed, the Legislature continued working on the package of water bills, including a water bond measure authored by Senator Dave Cogdill.

**Special Session Bond Bill.** On October 27, Senator Cogdill introduced Senate Bill 2 of the 7<sup>th</sup> Extraordinary Session (SB 2 X7), a \$9.4 billion bond measure. In the days that followed, Senator Cogdill and Assemblymember Anna Caballero worked with other legislators on negotiating a water bond. The Assembly convened on Sunday afternoon, November 1, to consider the 2009 Delta/Water Legislation. On November 2, Senator Cogdill amended his bond bill, to increase the amount to \$9.99 billion, and the Senate passed the bond to the Assembly. Late on November 3, the Assembly passed the Delta Reform Act (SB 1 X7). The Assembly then amended the bond bill two more times in the early morning of November 4, leading to a total of authorized bond funding of \$11.14 billion. The Assembly passed that bond bill before dawn on November 4.

**Water Policy Bills Independent of Water Bond Bill.** The 7<sup>th</sup> Extraordinary Session resulted in passage of a package of bills that comprehensively addressed the challenges California faced in shaping its water future. The package, which the Governor signed in the following weeks, included SB 1 X7 (Delta Reform Act); SB 2 X7 (water bond); SB 6 X7 (Groundwater Elevation Monitoring); and SB 7 X7 (Water Conservation/20x2020), and SB 8 X7 (Water Rights Reporting & Enforcement). Each bill explicitly subjected its enactment to enactment of the other bills. Those other bills, however, were not conditioned on the bond bill’s passage and enactment by the voters. The package and the bond bill passed independently of each other.

**A. SB 1 X7: Delta Reform Act**

SB 1 X7 (Simitian) included several segments – reform of the Delta Protection Commission, creation of the Delta Conservancy, and the Delta Reform Act of 2009 (Reform Act). The Reform Act created the Delta Stewardship Council and required the Council’s development of a Delta Plan to set the path forward for all state and local agencies in managing the Delta’s valuable resources. The bill also imposed conditions on state agencies adopting a “Bay-Delta Conservation Plan” (BDCP) involving new conveyance of water from the Sacramento River to the state and federal water projects export facilities in the South Delta. The Reform Act also included requirements for various actions by the State, to achieve the “Coequal Goals” of water supply reliability and Delta ecosystem restoration. Section 85054 defines the Coequal Goals as:

*the two goals of providing a more reliable water supply for California and protecting, restoring, and enhancing the Delta ecosystem. The coequal goals shall be achieved in a manner that protects and enhances the unique cultural, recreational, natural resource, and agricultural values of the Delta as an evolving place.*

The 2014 Water Bond includes \$2.25 billion for the Delta, including \$750 million for Delta counties and cities and \$1.5 billion for the Delta ecosystem. The Assembly floor analysis includes substantial description and analysis of SB 1 X7.

**B. SB 2 X7: The Water Bond**

SB 2 X7 (Cogdill) placed an \$11.14 billion bond measure on the November 2010 ballot. More information on the specific provisions of the bond can be found at the Assembly Water, Parks & Wildlife Committee's webpage – [Water Bond Reference Page](#).

**C. SB 6 X7: Statewide Groundwater Monitoring**

SB 6 X7 (Steinberg) created a statewide groundwater elevation program, relying on volunteer agencies overlying each aquifer to report the depth to groundwater. After Schwarzenegger vetoed several groundwater bills in the preceding years, SB 6 X7 represented the first statewide program to monitor groundwater supplies. It did not go as far as previous bills that the Governor had vetoed. It also included limitations on the groundwater monitoring program. SB 6 X7 established a program that, over the years, will create a foundation of information as to the conditions of California's groundwater aquifers.

**D. SB 7 X7: Water Conservation – 20 x 2020**

SB 7 X7 (Steinberg) culminated a multi-year effort to expand water conservation in California. In February 2008, Governor Schwarzenegger called for Californians to reduce their urban water use by 20% by 2020 (20x2020). Over the next year, bills by then-Assemblymen Laird and Feuer proposed to implement the Governor's call. The bill that passed adopted the 20x2020 objective for urban agencies and created an agricultural water management program. The 20x2020 program provided flexibility for urban water suppliers in achieving that objective, to allow for agencies' previous water conservation efforts. Since passage, several urban water agencies have reported that they already have complied with the 20x2020 objective, although the reasons for their success may not be related to water conservation efforts arising out of the legislation.

**E. SB 8 X7: Water Rights Reporting & Enforcement**

SB 8 X7 (Steinberg) addressed several issues related to water rights reporting and enforcement, as well as appropriated \$579 million from bond funding for actions in the Delta. On water use reporting, the bill removed a long-standing exemption for Delta water users to report their water users and imposed significant penalties for failure to report. These penalties resulted in many more water users across the state reporting their water use. The \$579-million appropriation directed state funding to Delta levees, drought response (through Integrated Regional Water Management), and development of BDCP.

## **II. Development of Principles for Developing a Water Bond**

After the Legislature postponed the election on the water bond to 2014, discussions among stakeholders about how to reformulate the water bond continued. This past winter, Senate committees held hearings on topics related to the water bond. In February, the Senate hearing addressed "California's Debt Condition: Priming the Pump for a Water Bond." In March, the hearing addressed "What's Changed Since the Legislature Passed the Safe, Clean, and Reliable Drinking Water Supply Act of 2010?" The Senate now has two water bond bills that remain in the Senate Natural Resources & Water Committee (SB 40/Pavley and SB 42/Wolk). The Assembly Water, Parks & Wildlife Committee authored a bill, AB 1331, requiring studies of the financial needs in three issue areas – the Delta, safe drinking water, and water infrastructure.



### **A. Water Bond Working Group – Member Briefings on Water**

In May, Assembly Speaker John Pérez appointed a working group in the Democratic caucus, to lead a program to brief Democratic Assemblymembers on the water bond and water issues generally. The Speaker also stated publicly that work on the water bond would not start until after passage of the budget. He appointed Assemblymember Anthony Rendon to chair the Water Bond Working Group (Working Group). Working Group members organized water policy briefings for their colleagues from their regions. Briefings included speakers and discussion about water policy and the potential needs for water bond funding.

### **B. Proposed Principles: Issues for Consideration**

Drawing on these briefings and discussions, the Water Bond Working Group began discussing principles for developing a water bond after passage of the State Budget. The Working Group then identified priorities and accountability measures for developing a water bond that would gain the support of 2/3 of the Legislature and the voters. The Working Group's proposed principles (the Principles) accompany this background paper and may be found at: <http://awpw.assembly.ca.gov/waterbondreferencedocuments>

The Principles raise issues for further consideration by the Legislature and stakeholders. They are intended to start a statewide discussion about the future of California water and how Californians finance the water infrastructure they need. Legislators may use the Principles as the foundation for a conversation with their constituents. The water community may use them to frame their discussions and their interaction with the Legislature. The Principles are the beginning of the discussion, not the conclusion.

### **1. Priorities for Water Bond Funding**

The Working Group identified priorities that have emerged as critical to California's water future. The Working Group's proposed priorities arise out of discussions in the Legislature, the water community and the state at large. Water community organizations have adopted water bond priorities. The Principles reflect some of the most important challenges and issues to building California's future for effective management of its water resources. These priorities include:

- The Delta
- Regional Self-Reliance/Integrated Regional Water Management
- Safe Drinking Water for All Californians (especially for disadvantaged communities)
- Health of California's Watersheds (especially for salmon)
- Water Conservation and Water Reuse
- Water Storage – surface and groundwater
- Balance Between Existing and New Infrastructure

These priorities may raise issues as to the amount of the need, their relative priority, and the structure of the funding allocations. The priorities also may raise questions as to the underlying policy. Discussions about the water bond – inside and outside the Capitol – have included many questions about what a new water bond might include and how it implements State water policy. In some cases, the 2009 Delta/Water Legislation may provide a policy framework. Or the underlying policy may have evolved since 2009. Policy may appear in the bond or may be developed in independent legislation. Any legislation signed by the Governor before the voters

approve the bond in November 2014 may provide the basis for interpreting the bond's language. Specifically, the priorities may raise the following questions:

- *The Delta:* How does the bond funding implement the 2009 Delta/Water Legislation, including the Coequal Goals? Does the bond fund ecosystem restoration connected to the BDCP (i.e. the required Natural Community Conservation Plan for the Delta tunnels)? Does bond funding support Delta County efforts to improve conditions in the Delta? Does the bond implement operational assurances for the Delta tunnels?
- *Regional Self-Reliance:* How does bond funding support state policy on reducing reliance on Delta water exports, in statute and in the new Delta Plan? Does bond funding support development of new technology and local water resources, such as stormwater capture? Does bond funding incentivize water agencies to collaborate in deciding water infrastructure funding priorities for their entire region?
- *Safe Drinking Water:* Can the bond funding clean up the unsafe drinking water suffered by the small, disadvantaged communities discussed in the Assembly in recent years? Which agency has responsibility for making this funding available to disadvantaged communities?
- *Health of California's Watersheds:* Does the bond protect the coastal and inland waterways on which the iconic salmon depend? Will the bond protect North Coast rivers from further diversions? Will the bond fund water infrastructure that addresses its effects on fishery habitat? Does bond funding support water management efforts in upper watersheds?
- *Water Conservation/Reuse:* Does the bond fund specific technology for increasing water-use efficiency? How do water conservation and reuse programs relate to regional water governance and self-reliance? How does bond funding relate to 20x2020?
- *Water Storage:* Do the terms of the current "Statewide Water System Operational Improvement" chapter, such as continuous appropriation, still apply? How does the bond define "public benefits" of water storage? Does the bond fund storage projects that partially benefit local or regional needs? Does the bond fund only "statewide" water storage? How does bond funding protect the State's interests in storage projects? Who controls the State's "public benefits?" How does bond funding improve regional governance and management of groundwater storage resources?
- *Existing/New Infrastructure:* Does the bond pay for rehabilitation or improvement of existing infrastructure? Does the bond fund existing regional water infrastructure?

These questions only begin the discussion about developing the water bond, but they reflect a different approach to the bond's development – a focus on the priorities for the future of California's water at the start of the process. The priorities and the questions they engender emphasize the ultimate objectives of water bond funding, not the specific projects that specific stakeholders request. As is often advocated in water debates, they "put policy before plumbing."

## **2. Accountability**

The Working Group concluded that the next bond needs to be crafted to assure voters that the use of bond funding will be used carefully for the state's water needs. The 2009 water bond bill received public criticism for some of the specific allocations. The 2010 bill postponing the water bond bill deleted certain provisions from the bond. The Principles therefore start with a prohibition on earmarks to specific water infrastructure projects and a commitment to competitive processes for funding decisions. The accountability provisions also include a policy favoring regional water management, so that decisions as to funding priorities may be made among many agencies within each region. The Principles also propose to leverage other funding resources and repurpose authorized funding from previously approved water-related bonds.

### **3. Assurances**

The 2014 Water Bond included several provisions that assured certain stakeholders as to how the bond funding may affect their interests. The Principles specify two of those assurances to be retained, as an important part of developing a new water bond:

- respect for existing water rights, including area-of-origin protections
- prohibition on bond funding for construction or mitigation of any new water conveyance facility in the Delta

August 12, 2013

Prepared by: Rob Jacobson/Tanja Fournier

Submitted by: Cheryl Clary

Approved by: Paul Cook 

## CONSENT CALENDAR

### APPROVAL OF FIRST SUPPLEMENTAL INDENTURE FOR 2009-A BONDS

#### SUMMARY:

#### BACKGROUND:

In June 2013, the Board approved adding US Bank as Remarketing Agent on the District's 2009-A bond issue, which will result in average annual remarketing fee savings of \$31,250. Subsequent to that approval, staff was made aware that US Bank uses two legal entities to serve as Remarketing Agent:

- US Bancorp Investments, Inc (USBII)
- U.S. Bank Municipal Securities Group (MSG)

Currently, the District's Indenture specifies that the Remarketing Agent "shall be a member of the Financial Industry Regulatory Authority (FINRA)". USBII is a member of FINRA; however, MSG is regulated by the Office of the Comptroller of the Currency (OCC), and is not a member of FINRA. FINRA and OCC provide regulatory oversight of the banking and securities industry – FINRA is a private corporation that acts as a self-regulatory organization, and the OCC is an independent bureau of the United States Treasury Department. US Bank would like the ability to remarket the District's bonds through MSG and USBII, which will provide additional distribution.

Legal counsel has provided a Supplemental Indenture for approval by the Board that adds the ability for the Remarketing Agent to be a member of FINRA, or a national bank regulated by the OCC. Staff recommends the Board approve the amended 2009-A Supplemental Indenture in substantially the form submitted and adopt a resolution approving First Supplemental Indenture and certain other actions in connection with substitution of Remarketing Agent (Consolidated Series 2009-A)

#### FISCAL IMPACTS:

Adding US Bank as remarketing agent on the 2009-A bonds will result in average annual remarketing fee savings of \$31,250. The legal fee in connection with the Supplemental Indenture for the 2009-A bonds is estimated at \$4,000.

#### 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 August 6, 2013.

Supplemental Indenture 2009-A bonds 8-2013.docx

RECOMMENDATION:

THAT THE BOARD APPROVE THE AMENDED 2009-A SUPPLEMENTAL INDENTURE IN SUBSTANTIALLY THE FORM SUBMITTED AND ADOPT A RESOLUTION BY THE FOLLOWING TITLE:

RESOLUTION NO. 2013-\_\_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE IRVINE RANCH WATER DISTRICT APPROVING  
FIRST SUPPLEMENTAL INDENTURE AND CERTAIN OTHER  
ACTIONS IN CONNECTION WITH SUBSTITUTION OF  
REMARKETING AGENT (CONSOLIDATED SERIES 2009-A)

LIST OF EXHIBITS:

Exhibit "A" – Resolution

Exhibit "B" – 2009-A Supplemental Indenture

Exhibit "A"

RESOLUTION NO. 2013-\_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE IRVINE RANCH WATER DISTRICT APPROVING  
FIRST SUPPLEMENTAL INDENTURE AND CERTAIN OTHER  
ACTIONS IN CONNECTION WITH SUBSTITUTION OF  
REMARKETING AGENT (CONSOLIDATED SERIES 2009A)

WHEREAS, the Irvine Ranch Water District (the "District") has issued its Bonds of Irvine Ranch Water District, Consolidated Series 2009A (the "Bonds"); and

WHEREAS, the Bonds were issued pursuant to an Indenture of Trust dated as of June 1, 2009 (the "Original Indenture"), by and between the District and U.S. Bank National Association, as trustee (the "Trustee"); and

WHEREAS, the Board of Directors has adopted Resolution No. 2013-26, authorizing certain actions including the removal and replacement of the remarketing agent for the Bonds; and

WHEREAS, in conjunction with the proposed replacement of the remarketing agent for the Bonds, this Board of Directors has determined that it is in the interest of the District to supplement the Original Indenture, desires to approve the form of a first supplemental indenture for that purpose; and

WHEREAS, there has been placed on file with the Secretary of the District said form of the first supplemental indenture of trust;

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

Section 1. The first supplemental indenture of trust, by and between the District and the Trustee, to be dated as of July 1, 2013, is hereby approved in the form on file with the Secretary upon adoption of this resolution, and the President and Secretary of the District are authorized and directed to execute it in such form, with such changes, insertions and deletions as are approved by the Treasurer of the District with the concurrence of the President, which approval will be conclusively evidenced by execution and delivery thereof. The form of the first supplemental indenture of trust, as so executed and delivered (the "First Supplemental Indenture") is incorporated herein as of its date, by this reference.

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Section 2. The President, Secretary and each other officer of the District hereby is authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this resolution.

ADOPTED, SIGNED AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
President  
IRVINE RANCH WATER DISTRICT and  
of the Board of Directors thereof

\_\_\_\_\_  
Secretary  
IRVINE RANCH WATER DISTRICT and  
of the Board of Directors thereof

APPROVED AS TO FORM:

BOWIE, ARNESON,  
WILES & GIANNONE  
Legal Counsel - IRWD

By \_\_\_\_\_

Exhibit "B"

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FIRST SUPPLEMENTAL INDENTURE OF TRUST

by and between the

IRVINE RANCH WATER DISTRICT

and

U.S. Bank National Association,  
as Trustee

Dated as of July 1, 2013

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\$75,000,000

BONDS OF IRVINE RANCH WATER DISTRICT,  
CONSOLIDATED SERIES 2009A

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Constituting the Consolidated Several  
General Obligations of Improvement  
District Nos. 105, 112, 113, 121, 130, 140, 161, 182, 184, 186,  
188, 212, 213, 221, 230, 240, 250, 261, 282, 284, 286 and 288

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## **FIRST SUPPLEMENTAL INDENTURE OF TRUST**

**THIS FIRST SUPPLEMENTAL INDENTURE OF TRUST** dated as of July 1, 2013 (this “First Supplemental Indenture”), by and between IRVINE RANCH WATER DISTRICT, a California water district (“IRWD” or the “District”), and U.S. Bank National Association, a national banking association, as trustee (the “Trustee”);

### **WITNESSETH:**

**WHEREAS**, IRWD has issued its Bonds of Irvine Ranch Water District, Consolidated Series 2009A (the “Bonds”), constituting the consolidated several general obligations of Improvement District Nos. 105, 112, 113, 121, 130, 140, 161, 182, 184, 186, 188, 212, 213, 221, 230, 240, 250, 261, 282, 284, 286 and 288, pursuant to the Original Indenture (capitalized terms used herein and not otherwise defined shall have the meanings given such terms pursuant to Section 1.02 hereof);

**WHEREAS**, the Bonds and the Indenture provide among other things, that the Owners may elect (or may be required) in certain instances to tender their Bonds for purchase upon the terms and conditions contained in the Bonds and the Indenture;

**WHEREAS**, the Indenture provides for the appointment of a remarketing agent to perform certain duties, including the use of its best efforts to remarket any Bonds tendered for purchase by the Owners;

**WHEREAS**, IRWD and Goldman, Sachs & Co. (“GSC”) previously entered into a remarketing agreement, dated as of June 1, 2009, pursuant to which GSC agreed to and accepted the duties and responsibilities of the remarketing agent under the Indenture;

**WHEREAS**, GSC has resigned as the remarketing agent under the Indenture;

**WHEREAS**, IRWD has determined to appoint U.S. Bancorp Investments, Inc. and U.S. Bank Municipal Securities Group, a Division of U.S. Bank National Association, as the remarketing agent under the Indenture;

**WHEREAS**, IRWD and the Trustee desire to enter into this First Supplemental Indenture, for which the Bank has given its consent;

**WHEREAS**, such consent of the Bank has been filed with the Trustee on August 13, 2013;

**WHEREAS**, IRWD has determined that all acts and proceedings required by law necessary to constitute the Original Indenture, as supplemented by this First Supplemental Indenture, a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken in due time, form and manner; and the execution and delivery of this First Supplemental Indenture have been in all respects duly authorized;

NOW, THEREFORE, KNOW ALL PERSONS BY THESE PRESENTS, THIS FIRST SUPPLEMENTAL INDENTURE OF TRUST WITNESSETH THAT, IN CONSIDERATION OF THE PREMISES, THE ACCEPTANCE BY THE TRUSTEE OF THE TRUSTS ORIGINALLY CREATED BY THE ORIGINAL INDENTURE, THE MUTUAL CONSENTS HEREIN CONTAINED AND FOR OTHER VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, IT IS AGREED BY AND BETWEEN IRWD AND THE TRUSTEE AS FOLLOWS:

## ARTICLE I

### AUTHORITY AND DEFINITIONS

**SECTION 1.01. Supplemental Indenture of Trust.** This First Supplemental Indenture is supplemental to the Original Indenture.

**SECTION 1.02. Definitions.**

(a) Except as provided by this First Supplemental Indenture, all terms which are defined in Section 1.01 of the Original Indenture shall have the same meanings, respectively, in this First Supplemental Indenture as such terms are given in said Section 1.01 of the Original Indenture.

(b) Additional Definitions. The following terms shall, for all purposes of the First Supplemental Indenture, have the meanings set forth below:

**“First Supplemental Indenture”** means this First Supplemental Indenture of Trust, amending and supplementing the Original Indenture.

**“OCC”** means the Office of the Comptroller of the Currency of the U.S. Department of the Treasury.

**“Original Indenture”** means the Indenture of Trust, dated as of June 1, 2009, by and between IRWD and the Trustee, relating to the Bonds of Irvine Ranch Water District, Consolidated Series 2009A.

**SECTION 1.03. Rules of Construction.** Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa. Defined terms shall include any variant of the terms set forth in this Article XII. References to Articles, Sections and Exhibits shall, unless otherwise specified, be to the Articles, Sections and Exhibits of this First Supplemental Indenture. The terms **“hereby,” “hereof,” “hereto,” “herein,” “hereunder,”** and any similar terms, as used in this First Supplemental Indenture, refer to this First Supplemental Indenture.

## ARTICLE II

### AMENDMENT TO THE ORIGINAL INDENTURE

**SECTION 2.01. Amendment of Section 8.06; Appointment of Remarketing Agent.**

The third sentence of the second paragraph in Section 8.06 of the Original Indenture is hereby amended to read as follows:

Any successor Remarketing Agent shall be selected by IRWD and shall (i) be a member of FINRA or national bank regulated by the OCC, (ii) have capitalization of at least \$50,000,000 and (iii) be authorized by law to perform all the duties set forth in this Indenture. In the event two or more entities are selected by IRWD to act jointly and concurrently as a successor Remarketing Agent, each of the entities acting as the successor Remarketing Agent shall independently satisfy the requirements set forth in the preceding sentence.

## ARTICLE III

### MISCELLANEOUS

**SECTION 3.01. Effective Date of First Supplemental Indenture.** This First Supplemental Indenture shall be effective when the requisite written consents are filed with the Trustee pursuant to Sections 9.01(a) and 11.09 of the Original Indenture.

**SECTION 3.02. Original Indenture to Remain in Effect.** Save and except as supplemented and amended by this First Supplemental Indenture, the Original Indenture shall remain in full force and effect.

**SECTION 3.03. Counterparts.** This First Supplemental Indenture may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same instrument.

**IN WITNESS WHEREOF**, IRWD has caused this First Supplemental Indenture of Trust to be signed in its name and on its behalf by the President of its Board of Directors, and its seal to be hereunto affixed and attested by its Secretary, thereunto duly authorized, and to evidence its acceptance of the trusts hereby created, the Trustee has caused this First Supplemental Indenture of Trust to be signed in its name and on its behalf by its duly authorized signatory.

**IRVINE RANCH WATER DISTRICT**

By: \_\_\_\_\_  
Douglas J. Reinhart, President of the  
Board of Directors of the  
Irvine Ranch Water District

[SEAL]

ATTEST:

\_\_\_\_\_  
Leslie Bonkowski, Secretary of  
the Board of Directors of  
the Irvine Ranch Water District

**U.S. BANK NATIONAL ASSOCIATION, as  
Trustee**

By: \_\_\_\_\_  
Authorized Signatory

AS  
August 12, 2013  
Prepared by: R. Thatcher/M. Hoolihan  
Submitted by: K. Burton/C. Clary *K.B.*  
Approved by: Paul Cook *[Signature]*

## CONSENT CALENDAR

### LONG TERM FINANCE PLAN IMPROVEMENT DISTRICT CONSOLIDATIONS BUDGET ADDITION

#### SUMMARY:

As part of the on-going discussion on the Long Term Finance Plan (LTFP), staff presented an Improvement District (ID) consolidation plan to the Board on June 28, 2013. Staff was requested to move forward with the next phase of the LTFP which includes creating new Plans of Works (POWs) and legal descriptions for the proposed IDs. Staff proposes to complete the POWs in-house with assistance from the District's Legal Counsel and retain RBF Consulting (RBF) to complete the legal descriptions for the proposed IDs. To facilitate this work, staff recommends that the Board:

- Approve the addition of Projects 11742 and 21742 in the amounts of \$77,000 each to the FY 2013-14 Capital Budget; and
- Approve Expenditure Authorizations for Projects 11742 and 21742 in the amounts of \$77,000 each.

#### BACKGROUND:

Staff has been working with the Finance and Personnel Committee and a developers working group to develop the LTFP which will address how capital and replacement projects will be financed in the future. As the District approaches build out, an important next step to the LTFP is the consolidation of IDs. The plan includes the consolidation of currently developed areas within the District into two developed ID while creating four new developing IDs for undeveloped areas and preserving several other existing developing IDs. The first significant step in this process is to develop Plans of Works and legal descriptions for the new IDs.

*Plans of Works:* Several new POWs will be necessary to complete the consolidation of the IDs as described above. The POWs will be generated from a combination of previously published POWs, the District's long term capital improvement program, various Sub-Area Master Plans, and other planning documents. Staff expects to be complete with the POWs by the end of September 2013.

*Legal Descriptions for Reconfigured IDs:* To accommodate the consolidation process, approximately 40 legal descriptions for the various annexations and detachments are required. The goal is to complete and process the legal descriptions by December 1, 2013 so the LTFP can be implemented by July 2014. This requires an expedited schedule for the preparation of the legal descriptions and review and approval by the County of Orange as required by the State Board of Equalization. At the August 6, 2013 Finance and Personnel Committee, RBF was awarded a contract to create the necessary legal descriptions, assist in processing the review through the County, and address any comments or changes requested by the County.

Staff recommends that Projects 11742 and 21742 be added to FY 2013-14 Capital Budget to fund staff and IRWD legal counsel time to prepare the POWs documents, for staff and RBF time and expenses in preparing ID legal descriptions, and County and State Board of Equalization processing fees.

**FISCAL IMPACTS:**

To fund both the completion of the POWs and the legal descriptions, staff requests the addition of two projects to the FY 2013-14 Capital Budget, and the approval of Expenditure Authorizations in the amounts shown in the table below and in Exhibit “A”.

Project No.	Current Budget	Addition <Reduction>	Total Budget	Existing EA	This EA Request	Total EA Request
11742 (4710)	\$-0-	\$77,000	\$77,000	\$-0-	\$77,000	\$77,000
21742 (4711)	\$-0-	\$77,000	\$77,000	\$-0-	\$77,000	\$77,000
<b>TOTAL</b>	<b>\$-0-</b>	<b>\$154,000</b>	<b>\$154,000</b>	<b>\$-0-</b>	<b>\$154,000</b>	<b>\$154,000</b>

**ENVIRONMENTAL COMPLIANCE:**

Activities such as executing agreements for consulting services are exempt from the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15061 (b) (3). These types of activities are covered by the general rule that CEQA applies only to projects which have the potential for causing a significant direct effect on the environment or reasonably indirect effect on the environment.

**COMMITTEE STATUS:**

This item was reviewed by the Finance and Personnel Committee on August 6, 2013.

**RECOMMENDATION:**

**THAT THE BOARD APPROVE THE ADDITION OF PROJECTS 11742 (4710) AND 21742 (4711) IN THE AMOUNTS OF \$77,000 EACH TO THE FY 2013-14 CAPITAL BUDGET, AND APPROVE EXPENDITURE AUTHORIZATIONS FOR PROJECTS 11742 (4710) AND 21742 (4711) IN THE AMOUNTS OF \$77,000 EACH.**

**LIST OF EXHIBITS:**

Exhibit “A” – Expenditure Authorizations

# IRVINE RANCH WATER DISTRICT EXHIBIT "A"

## Expenditure Authorization

Project Name: LTFP ID CONSOLIDATION  
 EPMS Project No: 21742 EA No: 1  
 Oracle Project No: 4711  
 Project Manager: HOOLIHAN, MICHAEL  
 Project Engineer: AKIYOSHI, ERIC  
 Request Date: July 24, 2013

ID Split: Regional Sewer w/LAWD w/ Enhance (11/08)

### Improvement District (ID) Allocations

ID No.	Allocation %	Source of Funds
211	2.2	CAPITAL FUND
212	.9	BONDS YET TO BE SOLD**
213	1.3	BONDS YET TO BE SOLD**
215	2.1	CAPITAL FUND
221	4.4	BONDS YET TO BE SOLD**
230	2.9	BONDS YET TO BE SOLD**
235	3.8	PREVIOUSLY SOLD BONDS
240	.8	BONDS YET TO BE SOLD**
250	6.8	BONDS YET TO BE SOLD**
253	.3	BONDS YET TO BE SOLD**
261	1.8	BONDS YET TO BE SOLD**
282	.5	BONDS YET TO BE SOLD**
284	.5	BONDS YET TO BE SOLD**
286	.1	BONDS YET TO BE SOLD**
288	.1	BONDS YET TO BE SOLD**
299	71.5	CAPITAL FUND ENHANCEMENT**

**Total 100.0%**

### Summary of Direct Cost Authorizations

Previously Approved EA Requests:	\$0
This Request:	\$77,000
<b>Total EA Requests:</b>	<b>\$77,000</b>
Previously Approved Budget:	\$0
Budget Adjustment Requested this EA:	\$77,000
<b>Updated Budget:</b>	<b>\$77,000</b>
<b>Budget Remaining After This EA</b>	<b>\$0</b>

Comments:

Phase	This EA Request	Previous EA Requests	EA Requests to Date	This Budget Request	Previous Budget	Updated Budget	Start	Finish
ENGINEERING - PLANNING IRWD	15,000	0	15,000	15,000	0	15,000	8/13	7/14
ENGINEERING - PLANNING OUTSIDE	50,000	0	50,000	50,000	0	50,000	8/13	7/14
LEGAL	5,000	0	5,000	5,000	0	5,000	8/13	7/14
Contingency - 10.00% Subtotal	\$7,000	\$0	\$7,000	\$7,000	\$0	\$7,000		
<b>Subtotal (Direct Costs)</b>	<b>\$77,000</b>	<b>\$0</b>	<b>\$77,000</b>	<b>\$77,000</b>	<b>\$0</b>	<b>\$77,000</b>		
Estimated G/A - 170.00% of direct labor*	\$25,500	\$0	\$25,500	\$25,500	\$0	\$25,500		
<b>Total</b>	<b>\$102,500</b>	<b>\$0</b>	<b>\$102,500</b>	<b>\$102,500</b>	<b>\$0</b>	<b>\$102,500</b>		
Direct Labor	\$15,000	\$0	\$15,000	\$15,000	\$0	\$15,000		

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

EA Originator: \_\_\_\_\_ 7/24/2013

Department Director: \_\_\_\_\_ 7/30/13

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

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

\*\* IRWD hereby declares that it reasonably expects those expenditures marked with two asterisks to be reimbursed with proceeds of future debt to be incurred by IRWD in a maximum principal amount of \$105,000. The above-captioned project is further described in the attached staff report and additional documents, if any, which are hereby incorporated by reference. The intent is to reimburse costs of the above-captioned project is made under Treasury Regulation Section 1.150-2.



# IRVINE RANCH WATER DISTRICT

## Expenditure Authorization

Project Name: LTFP ID CONSOLIDATION  
 EPMS Project No: 11742 EA No: 1  
 Oracle Project No: 4710  
 Project Manager: HOOLIHAN, MICHAEL  
 Project Engineer: AKIYOSHI, ERIC  
 Request Date: July 24, 2013

ID Split: Regional DW w/LAWD w/ Enhance (11/08)

### Improvement District (ID) Allocations

ID No.	Allocation %	Source of Funds
112	1.0	BONDS YET TO BE SOLD**
113	1.2	BONDS YET TO BE SOLD**
115	1.7	CAPITAL FUND
121	3.5	BONDS YET TO BE SOLD**
130	2.7	BONDS YET TO BE SOLD**
135	4.4	PREVIOUSLY SOLD BONDS
140	.9	BONDS YET TO BE SOLD**
150	7.1	BONDS YET TO BE SOLD**
153	.8	BONDS YET TO BE SOLD**
154	.3	BONDS YET TO BE SOLD**
161	1.8	BONDS YET TO BE SOLD**
182	.7	BONDS YET TO BE SOLD**
184	.6	BONDS YET TO BE SOLD**
186	.2	BONDS YET TO BE SOLD**
188	.2	BONDS YET TO BE SOLD**
199	72.9	CAPITAL FUND ENHANCEMENT**

Total 100.0%


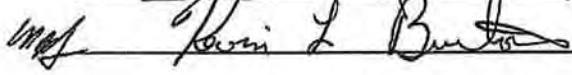
### Summary of Direct Cost Authorizations

Previously Approved EA Requests:	\$0
This Request:	\$77,000
<b>Total EA Requests:</b>	<b>\$77,000</b>
Previously Approved Budget:	\$0
Budget Adjustment Requested this EA:	\$77,000
<b>Updated Budget:</b>	<b>\$77,000</b>
<b>Budget Remaining After This EA</b>	<b>\$0</b>

Comments:

Phase	This EA Request	Previous EA Requests	EA Requests to Date	This Budget Request	Previous Budget	Updated Budget	Start	Finish
ENGINEERING - PLANNING IRWD	15,000	0	15,000	15,000	0	15,000	8/13	7/14
ENGINEERING - PLANNING OUTSIDE	50,000	0	50,000	50,000	0	50,000	8/13	7/14
LEGAL	5,000	0	5,000	5,000	0	5,000	8/13	7/14
Contingency - 10.00% Subtotal	\$7,000	\$0	\$7,000	\$7,000	\$0	\$7,000		
<b>Subtotal (Direct Costs)</b>	<b>\$77,000</b>	<b>\$0</b>	<b>\$77,000</b>	<b>\$77,000</b>	<b>\$0</b>	<b>\$77,000</b>		
Estimated G/A - 170.00% of direct labor*	\$25,500	\$0	\$25,500	\$25,500	\$0	\$25,500		
<b>Total</b>	<b>\$102,500</b>	<b>\$0</b>	<b>\$102,500</b>	<b>\$102,500</b>	<b>\$0</b>	<b>\$102,500</b>		
Direct Labor	\$15,000	\$0	\$15,000	\$15,000	\$0	\$15,000		

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

EA Originator:  7/24/2013  
 Department Director:  7/30/13  
 Finance: \_\_\_\_\_  
 Board/General Manager: \_\_\_\_\_

\*\* IRWD hereby declares that it reasonably expects those expenditures marked with two asterisks to be reimbursed with proceeds of future debt to be incurred by IRWD in a maximum principal amount of \$105,000. The above-captioned project is further described in the attached staff report and additional documents, if any, which are hereby incorporated by reference. The official intent to reimburse costs of the above-captioned project is made under Treasury Regulation Section 1.150-

August 12, 2013

Prepared By: K. Welch

Submitted By: P. Weghorst/G. Heiertz

Approved By: Paul Cook

## CONSENT CALENDAR

### REVISIONS TO WATER BANKING PROGRAM CAPITAL BUDGET AND EXPENDITURE AUTHORIZATIONS

#### SUMMARY:

To initiate staff work on water banking projects included in the Fiscal Year (FY) 2013-14 Capital Budget and to facilitate fixed asset management and effective tracking of future costs associated with the District's water banking expansion efforts, staff recommends the Board approve the following Capital Budget requests for Water Resources and Environmental Compliance projects for the FY 2013-14 Capital Budget:

1. Approve an Expenditure Authorization for \$82,500 for the Water Banking Agreements Project 11596 (1338) included in the FY 2013-14 Capital Budget;
2. Authorize the addition of the Water Banking Planning Project 11738 (4661) to the FY 2013-14 Capital Budget, and approve an Expenditure Authorization in the amount of \$275,000 with offsetting amounts to be made available from the closing of the Water Banking Expansion Project 11368 (1006); and
3. Authorize a budget increase to the Stockdale West Ranch Joint Banking Project 11645 (3766) in the amount of \$2,750,000, and approve an Expenditure Authorization in the amount of \$16,500 with offsetting amounts to be made available from the closing of the Water Banking Expansion Project 11368 (1006).

#### BACKGROUND:

The Fiscal Year (FY) 2013-14 Capital Budget includes water banking related projects that require expenditure authorizations for staff and legal counsel to conduct the work associated with these projects. In addition, changes are needed in the way that staff is managing the budgets and Expenditure Authorizations related to water banking expansion efforts to help facilitate fixed asset management and effective tracking of future costs. Staff recommends that the Board approve the following actions related to water banking projects that are included in the approved FY 2013-14 Capital Budget and related to the District's water banking expansion efforts:

#### Water Banking Agreements Project 11596 (1338):

The Water Banking Agreements Project 11596 (1338) consists of administering existing water banking agreements and developing new agreements associated with water banking activities at the Strand Ranch, Stockdale West and Jackson Ranch. New water banking agreements will be developed as mutually beneficial partnerships are identified and staff will submit draft agreements for the Board's consideration. Staff requests an Expenditure Authorization for \$75,000 for staff time to develop these agreements.

Water Banking Expansion Related Projects:

The Water Banking Expansion Project 11368 (1006) is included in the FY 2013-14 Capital Budget with approximately \$3.17 million remaining in the budget, including contingency. Staff will close Project 11368 (1006) as all prior expenditures in the project are being recorded to a fixed asset account related to the purchase of the Stockdale West Ranch. The remaining funds in the project budget were intended for the following:

- The future lease of 50,000 acre-feet of storage in the Rosedale-Rio Bravo Water Storage District (Rosedale) Conjunctive Use Program;
- For staff and consultants to evaluate and assess new properties to expand IRWD's water banking projects; and
- For staff to prepare the District's Water Banking Business Plan.

To facilitate fixed asset management and effective tracking of future costs associated with the District's water banking expansion efforts, staff recommends closing the Water Banking Expansion Project 11368 (1006) and utilizing the associated remaining funds as follows:

1. The Water Banking Expansion Project 11368 (1006) includes \$2,500,000 for the future lease of 50,000 acre-feet (AF) of storage in Rosedale's Conjunctive Use Program. An Environmental Impact Report is currently being prepared for the Stockdale West Ranch Joint Banking Project which includes evaluation of the 50,000 AF of leased storage. To offset the reduction in the budget that will occur as a result of closing the Water Banking Expansion Project 11368 (1006), staff recommends a budget increase in the amount of \$2,750,000 to the Stockdale West Ranch Joint Banking Project 11645 (3766) for the District's future 50,000 AF storage lease. In addition, an Expenditure Authorization is requested for Stockdale West Ranch Joint Banking Project which includes \$5,000 for staff time and \$10,000 for legal review of ongoing environmental compliance work.
2. The Water Banking Expansion Project 11368 (1006) also includes budget for staff and consultants to evaluate and assess new properties to expand IRWD's water banking projects and for the development of the Water Banking Business Plan. To offset the reduction in the budget that will occur as a result of closing the Water Banking Expansion Project 11368 (1006), staff recommends the addition of Water Banking Planning Project 11738 (4661) to the FY 2013-14 Capital Budget in the amount of \$275,000 for staff to complete this work. Staff will submit to the Water Banking Committee and Board budget requests that would be required for any proposed property acquisitions in the future. Staff requests an Expenditure Authorization for the Water Banking Planning Project 11738 (4661) that includes \$100,000 for staff time, \$140,000 for outside planning activities to fund due diligence studies and evaluation of new properties, and \$10,000 for legal services.

FISCAL IMPACTS:

Staff will close the Water Banking Expansion Project 11368 (1006) and is requesting offsetting increases in the FY 2013-14 Capital Budget for the Stockdale West Ranch Joint Banking Project

11645 (3766) budget in the amount of \$2,750,000 and adding the Water Banking Planning Project 11738 (4661) to the FY 2013-14 Capital Budget in the amount of \$275,000. The net impact of these actions will be a decrease of \$145,000 to the FY 2013-14 Capital Budget. The Water Banking Agreements and Stockdale West Ranch Joint Banking Project are included in the approved FY 2013-14 Capital Budget. Requested budget increases and Expenditure Authorizations are summarized below and the Expenditure Authorizations are attached as Exhibit “A”.

Project No.	Current Budget	Addition <Reduction>	Total Budget	Existing EA	This EA Request	Total EA Request
11596 (1338)	\$ 228,800	\$ 0	\$ 228,800	\$ 146,300	\$ 82,500	\$ 228,800
11645 (3766)	\$ 2,682,900	\$ 2,750,000	\$ 5,432,900	\$ 301,400	\$ 16,500	\$ 317,900
11738 (4661)	\$ 0	\$ 275,000	\$ 275,000	\$ 0	\$275,000	\$ 275,000
<b>Total</b>	<b>\$2,911,700</b>	<b>\$3,025,000</b>	<b>\$ 5,936,700</b>	<b>\$ 447,700</b>	<b>\$374,000</b>	<b>\$ 821,700</b>

ENVIRONMENTAL COMPLIANCE:

The Water Banking Agreements and Water Banking Planning Projects include studies that are not subject to the California Environmental Quality Act (CEQA). If the Water Banking Planning Project results in a recommended land purchase or construction activity, staff will return to the Board for consideration and approval of the appropriate environmental compliance documents. Environmental compliance work for the Stockdale West Ranch Joint Banking Project is currently underway and staff will return to the Board for consideration and approval of an Environmental Impact Report.

COMMITTEE STATUS:

This item was reviewed by the Water Banking Committee on July 23, 2013.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE ADDITION OF PROJECT 11738 (4661) FOR WATER BANKING PLANNING TO THE FY 2013-14 CAPITAL BUDGET IN THE AMOUNT OF \$275,000; AUTHORIZE AN INCREASE TO THE FY 2013-14 CAPITAL BUDGET FOR PROJECT 11645 (3766) STOCKDALE WEST RANCH JOINT BANKING PROJECT IN THE AMOUNT OF \$2,750,000; APPROVE EXPENDITURE AUTHORIZATIONS FOR PROJECT 11596 (1338) IN THE AMOUNT OF \$82,500 FOR THE WATER BANKING AGREEMENTS; PROJECT 11645 (3766) IN THE AMOUNT OF \$16,500 FOR THE STOCKDALE WEST RANCH JOINT BANKING PROJECT; AND PROJECT 11738 (4661) IN THE AMOUNT OF \$275,000 FOR WATER BANKING PLANNING.

LIST OF EXHIBITS:

Exhibit “A” – Expenditure Authorizations

# IRVINE RANCH WATER DISTRICT EXHIBIT "A"

## Expenditure Authorization

**Project Name:** WATER BANKING AGREEMENTS  
**EPMS Project No:** 11596 **EA No:** 3  
**Oracle Project No:** 1338  
**Project Manager:** WEGHORST, PAUL  
**Project Engineer:** WELCH, KELLY  
**Request Date:** July 2, 2013

**ID Split:** Regional Water Split with LAWD (11/08)

### Improvement District (ID) Allocations

ID No.	Allocation %	Source of Funds
112	3.6	BONDS YET TO BE SOLD**
113	4.4	BONDS YET TO BE SOLD**
115	6.2	CAPITAL FUND
121	12.8	BONDS YET TO BE SOLD**
130	10.0	BONDS YET TO BE SOLD**
135	16.2	PREVIOUSLY SOLD BONDS
140	3.5	BONDS YET TO BE SOLD**
150	26.1	BONDS YET TO BE SOLD**
153	2.9	BONDS YET TO BE SOLD**
154	1.2	BONDS YET TO BE SOLD**
161	6.7	BONDS YET TO BE SOLD**
182	2.5	BONDS YET TO BE SOLD**
184	2.3	BONDS YET TO BE SOLD**
186	.8	BONDS YET TO BE SOLD**
188	.8	BONDS YET TO BE SOLD**
<b>Total</b>	<b>100.0%</b>	

### Summary of Direct Cost Authorizations

<b>Previously Approved EA Requests:</b>	\$146,300
<b>This Request:</b>	\$82,500
<b>Total EA Requests:</b>	\$228,800
<b>Previously Approved Budget:</b>	\$228,800
<b>Budget Adjustment Requested this EA:</b>	\$0
<b>Updated Budget:</b>	\$228,800
<b>Budget Remaining After This EA</b>	\$0

**Comments:**

Phase	This EA Request	Previous EA Requests	EA Requests to Date	This Budget Request	Previous Budget	Updated Budget	Start	Finish
ENGINEERING - PLANNING IRWD	75,000	103,000	178,000	0	178,000	178,000	7/11	6/15
LEGAL	0	30,000	30,000	0	30,000	30,000	7/11	6/15
Contingency - 10.00% Subtotal	\$7,500	\$13,300	\$20,800	\$0	\$20,800	\$20,800		
<b>Subtotal (Direct Costs)</b>	\$82,500	\$146,300	\$228,800	\$0	\$228,800	\$228,800		
Estimated G/A - 170.00% of direct labor*	\$117,200	\$185,400	\$302,600	\$0	\$302,600	\$302,600		
<b>Total</b>	\$199,700	\$331,700	\$531,400	\$0	\$531,400	\$531,400		
Direct Labor	\$75,000	\$103,000	\$178,000	\$0	\$178,000	\$178,000		

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

EA Originator:

*Kellie Wilson*

7-17-13

Department Director:

*Paul Weghorst*

7/17/13

Finance:

Board/General Manager:

\*\* IRWD hereby declares that it reasonably expects those expenditures marked with two asterisks to be reimbursed with proceeds of future debt to be incurred by IRWD in a maximum principal amount of \$543,000. The additional documents, if any, which are hereby incorporated by reference into this project is made under Treasury Regulation Section 1.150-2.

described in the attached staff report and  
int to reimburse costs of the above-captioned

A-1

# IRVINE RANCH WATER DISTRICT

## Expenditure Authorization

Project Name: WATER BANKING PLANNING  
 EPMS Project No: 11738 EA No: 1  
 Oracle Project No: 4661  
 Project Manager: WEGHORST, PAUL  
 Project Engineer: WELCH, KELLY  
 Request Date: July 17, 2013

ID Split: Regional Water Split with LAWD (11/08)

### Improvement District (ID) Allocations

ID No.	Allocation %	Source of Funds
112	3.6	BONDS YET TO BE SOLD**
113	4.4	BONDS YET TO BE SOLD**
115	6.2	CAPITAL FUND
121	12.8	BONDS YET TO BE SOLD**
130	10.0	BONDS YET TO BE SOLD**
135	16.2	PREVIOUSLY SOLD BONDS
140	3.5	BONDS YET TO BE SOLD**
150	26.1	BONDS YET TO BE SOLD**
153	2.9	BONDS YET TO BE SOLD**
154	1.2	BONDS YET TO BE SOLD**
161	6.7	BONDS YET TO BE SOLD**
182	2.5	BONDS YET TO BE SOLD**
184	2.3	BONDS YET TO BE SOLD**
186	.8	BONDS YET TO BE SOLD**
188	.8	BONDS YET TO BE SOLD**
<b>Total</b>	<b>100.0%</b>	

### Summary of Direct Cost Authorizations

Previously Approved EA Requests:	\$0
This Request:	\$275,000
<b>Total EA Requests:</b>	<b>\$275,000</b>
Previously Approved Budget:	\$0
Budget Adjustment Requested this EA:	\$275,000
<b>Updated Budget:</b>	<b>\$275,000</b>
<b>Budget Remaining After This EA</b>	<b>\$0</b>

Comments:

Phase	This EA Request	Previous EA Requests	EA Requests to Date	This Budget Request	Previous Budget	Updated Budget	Start	Finish
ENGINEERING - PLANNING IRWD	100,000	0	100,000	100,000	0	100,000	7/13	6/14
ENGINEERING - PLANNING OUTSIDE	140,000	0	140,000	140,000	0	140,000	7/13	6/14
LEGAL	10,000	0	10,000	10,000	0	10,000	7/13	6/14
Contingency - 10.00% Subtotal	\$25,000	\$0	\$25,000	\$25,000	\$0	\$25,000		
<b>Subtotal (Direct Costs)</b>	<b>\$275,000</b>	<b>\$0</b>	<b>\$275,000</b>	<b>\$275,000</b>	<b>\$0</b>	<b>\$275,000</b>		
Estimated G/A - 170.00% of direct labor*	\$170,000	\$0	\$170,000	\$170,000	\$0	\$170,000		
<b>Total</b>	<b>\$445,000</b>	<b>\$0</b>	<b>\$445,000</b>	<b>\$445,000</b>	<b>\$0</b>	<b>\$445,000</b>		
Direct Labor	\$100,000	\$0	\$100,000	\$100,000	\$0	\$100,000		

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

EA Originator:

Kellie Wilson 7-17-13

Department Director:

[Signature] 7/17/13

Finance:

\_\_\_\_\_

Board/General Manager:

\_\_\_\_\_

\*\* IRWD hereby declares that it reasonably expects those expenditures marked with two asterisks to be reimbursed with proceeds of future debt to be incurred by IRWD in a maximum principal amount of \$454,000 as described in the attached staff report and additional documents, if any, which are hereby incorporated by intent to reimburse costs of the above-captioned project is made under Treasury Regulation Section 1.150-2.

# IRVINE RANCH WATER DISTRICT

## Expenditure Authorization

Project Name: STOCKDALE WEST RANCH JOINT BANKING PROJECT

EPMS Project No: 11645 EA No: 3

Oracle Project No: 3766

Project Manager: WEGHORST, PAUL

Project Engineer: WELCH, KELLY

Request Date: July 12, 2013

ID Split: Regional Water Split with LAWD (11/08)

### Improvement District (ID) Allocations

ID No.	Allocation %	Source of Funds
112	3.6	BONDS YET TO BE SOLD**
113	4.4	BONDS YET TO BE SOLD**
115	6.2	CAPITAL FUND
121	12.8	BONDS YET TO BE SOLD**
130	10.0	BONDS YET TO BE SOLD**
135	16.2	PREVIOUSLY SOLD BONDS
140	3.5	BONDS YET TO BE SOLD**
150	26.1	BONDS YET TO BE SOLD**
153	2.9	BONDS YET TO BE SOLD**
154	1.2	BONDS YET TO BE SOLD**
161	6.7	BONDS YET TO BE SOLD**
182	2.5	BONDS YET TO BE SOLD**
184	2.3	BONDS YET TO BE SOLD**
186	.8	BONDS YET TO BE SOLD**
188	.8	BONDS YET TO BE SOLD**
<b>Total</b>	<b>100.0%</b>	

### Summary of Direct Cost Authorizations

Previously Approved EA Requests:	\$301,400
This Request:	\$16,500
<b>Total EA Requests:</b>	<b>\$317,900</b>
Previously Approved Budget:	\$2,682,900
Budget Adjustment Requested this EA:	\$2,750,000
<b>Updated Budget:</b>	<b>\$5,432,900</b>
<b>Budget Remaining After This EA</b>	<b>\$5,115,000</b>

Comments:

Phase	This EA Request	Previous EA Requests	EA Requests to Date	This Budget Request	Previous Budget	Updated Budget	Start	Finish
ENGINEERING - PLANNING IRWD	5,000	55,000	60,000	0	60,000	60,000	6/13	8/15
ENGINEERING - PLANNING OUTSIDE	0	33,000	33,000	0	33,000	33,000	3/12	6/14
ENGINEERING DESIGN - IRWD	0	0	0	0	25,000	25,000	7/13	6/16
ENGINEERING DESIGN - OUTSIDE	0	0	0	0	250,000	250,000	7/13	6/16
ENGINEERING - CA&I IRWD	0	0	0	0	75,000	75,000	3/14	6/16
ENGINEERING - CA&I OUTSIDE	0	0	0	0	300,000	300,000	3/14	6/16
CONSTRUCTION	0	0	0	2,500,000	1,500,000	4,000,000	3/14	6/15
LEGAL	10,000	20,000	30,000	0	30,000	30,000	3/12	6/16
ENGINEERING ENVIRONMENTAL-OUTS	0	166,000	166,000	0	166,000	166,000	3/12	6/14
Contingency - 10.00% Subtotal	\$1,500	\$27,400	\$28,900	\$250,000	\$243,900	\$493,900		
<b>Subtotal (Direct Costs)</b>	<b>\$16,500</b>	<b>\$301,400</b>	<b>\$317,900</b>	<b>\$2,750,000</b>	<b>\$2,682,900</b>	<b>\$5,432,900</b>		
Estimated G/A - 170.00% of direct labor*	\$3,000	\$99,000	\$102,000	\$0	\$272,000	\$272,000		
<b>Total</b>	<b>\$19,500</b>	<b>\$400,400</b>	<b>\$419,900</b>	<b>\$2,750,000</b>	<b>\$2,954,900</b>	<b>\$5,704,900</b>		
Direct Labor	\$5,000	\$55,000	\$60,000	\$0	\$160,000	\$160,000		

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

EA Originator: Kellie Wilson 7-17-13

Department Director: [Signature] 7/12/13

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

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

\*\* IRWD hereby declares that it reasonably expects those expenditures marked with two asterisks to be reimbursed with proceeds of future debt to be incurred by IRWD in a maximum principal amount of \$5,819,000. additional documents, if any, which are hereby incorporated by reference into this authorization. The intent to reimburse costs of the above-captioned project is made under Treasury Regulation Section 1.150-2.

August 12, 2013

Prepared by: C. Compton

Submitted by: G. Heiertz

Approved by: Paul Cook 

## ACTION CALENDAR

### REVISED IRWD WATER RESOURCES FUNDING POLICY PRINCIPLES

#### SUMMARY:

Irvine Ranch Water District policy position papers are reviewed periodically to determine if the positions are still valid, need to be revised or if new papers should be written on different issues. Based on the discussions taking place in Sacramento regarding the 2014 water bond, staff has updated the existing IRWD Water Resources Funding Policy Principles paper that was previously adopted by the Board on May 29, 2007 and recommends Board approval of those revisions.

#### BACKGROUND:

In 2004, IRWD began producing policy “white papers” on topics of particular interest to the District. Because of IRWD’s standing in the water industry, the opinion of the District is regularly solicited on issues of vital interest to the industry and the community. In order to keep these position papers current and usable for explaining the District’s position, staff occasionally recommends that the Board review the papers and when appropriate, incorporate revisions. A draft of the proposed August 2013 IRWD Water Resources Funding Policy Principles is attached as Exhibit “A”.

IRWD’s Water Resources Funding Policy Principles paper was last revised and adopted by the Board on May 29, 2007. A copy of the 2007 Policy is attached as Exhibit “B”. At that time, Proposition 1E, the Disaster Preparedness and Flood Protection Bond Act, and Proposition 84, the Clean Water, Parks and Coastal Protection Act, had recently been approved by the voters authorizing additional bond funding for water resources in California. The California Legislature was debating the implementation of Proposition 1E and Proposition 84, and a future water bond package. As a result, the Water Resources Funding Policy Principles paper, appropriately, outlined IRWD’s position on those issues.

Following the adoption of the policy paper, Proposition 1E and Proposition 84 were implemented, and the California Legislature reached agreement on an \$11.14 billion water bond package. The Safe, Clean and Reliable Drinking Water Supply Act of 2010 was placed on the November 2010 ballot.

In 2010, the Legislature moved the water bond to the November 2012 ballot. In 2012, after polling showed that voters would not support an \$11.14 billion water bond, Assembly Speaker John Pérez and Senate President pro Tem Darrell Steinberg convened a water bond stakeholders group to discuss reducing the size of the water bond. In order to allow time for greater discussion on the bond’s reformulation, the Legislature moved the water bond to the November 2014 ballot.

Earlier this year, Assembly Speaker John Pérez appointed a water bond working group to work on revising the 2014 bond. On July 2, 2013, the working group presented the principles and



priorities it had developed for reshaping the bond to the Assembly Water, Parks and Wildlife Committee. Assemblymember Anthony Rendon, who is and will continue to be a key player in the reformulation of the 2014 water bond as Chairman of both the Assembly Water, Parks and Wildlife Committee and the water bond working group, said that the working group is taking a fresh look at the water bond, and is looking to “work collaboratively and engage everyone in government and the public” on the reformulated composition of the bond. He requested that interested parties share their thoughts on the 2014 bond with members of the working group.

Any changes to the existing bond will require a two-thirds vote in both the Assembly and State Senate. The final bond will have to win the support of a majority of voters in a statewide election.

Water resources infrastructure funding will continue to be a point of discussion within and around the State Capitol during the 2013-2014 legislative session and beyond. Given that discussions concerning the 2014 bond and potential modifications are underway, staff has updated the IRWD Water Infrastructure Funding Policy Principles adopted by the Board on May 29, 2007, to reflect the current landscape and recommends that the Board approve the updated IRWD Water Infrastructure Funding Policy Principles

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

None.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on August 1, 2013.

RECOMMENDATION:

THAT THE BOARD APPROVE THE UPDATED IRWD WATER RESOURCES FUNDING POLICY PRINCIPLES.

LIST OF EXHIBITS:

Exhibit “A” – Proposed IRWD Water Infrastructure Funding Policy Principles

Exhibit “B” – May 29, 2007, IRWD Water Infrastructure Funding Policy Principles

# EXHIBIT “A”

## PROPOSED IRWD WATER RESOURCES FUNDING POLICY PRINCIPLES AUGUST 1, 2013

### ISSUE SUMMARY:

The California Legislature is discussing the reformulating of the Safe, Clean and Reliable Drinking Water Supply Act of 2014. As a state and federal leader in water resources public policy and governance, the Irvine Ranch Water District (IRWD) has worked tirelessly to promote policy initiatives that allow the District, along with other water purveyors in California, to enhance the quality and reliability of water supplies throughout the state. As a means of providing input into the discussions surrounding the water bond, and in order to guide the District’s advocacy efforts related to California infrastructure funding, the following policy principles have been adopted by the IRWD Board of Directors.

### POLICY PRINCIPLES:

Any water resource bond or infrastructure funding measure adopted by the Legislature or put before California voters should be guided by the following principles:

- 1) **The State has a role in financing water infrastructure.** The state should play a role in the financing of water infrastructure that is of demonstrated statewide significance and benefit including:
  - Projects that enhance and optimize statewide water supply reliability and quality.
  - Projects that support ecosystem restoration in the Delta.
- 2) **Infrastructure financing measures must be fiscally responsible.** Any proposed water bond or water infrastructure funding measure should be fiscally responsible and politically viable. Transparency and accountability should be built into all bond or funding measures.
- 3) **Balance of the 2009 Delta/Water Package must be maintained.** The Safe, Clean and Reliable Drinking Water Supply Act was carefully crafted as part of the 2009 Delta/Water Package. Reformulating the bond risks unraveling the careful balance that allowed that package to be completed. Special care must be taken to maintain the balance and goals behind the 2009 package.
- 4) **Water bond must support co-equal goals.** A reformulated bond must continue to support the co-equal goals of water supply reliability and ecosystem restoration. The bond should:
  - Maintain funding for the Delta ecosystem restoration.
  - Appropriate adequate funds for statewide storage and drought relief projects both north and south of the Delta.
  - Fund local resource development to reduce dependence on the Delta. Funding for regional projects should be distributed through Integrated Regional Water Management Planning programs while funding decisions on projects of statewide significance should be made at the state level.
  - Support water supply reliability enhancement through the funding of water recycling, conservation, and groundwater protection and quality improvement projects. These projects should increase local supply reliability and reduce reliance on the Delta.

- 5) **Water bond should support pursuit of a safe and secure water supply.** To support a safe and secure water supply, the bond must include a long term Delta solution that addresses enhanced conveyance and environmental protection consistent with the Bay Delta Conservation Plan and the Delta Plan development process. The bond should be limited to funding large-scale water storage and conveyance projects that best enhance and optimize water supply reliability, reduce reliance on the Delta, and substantially improve water quality.
- 6) **Distribution of funds should be equitable, balanced and reasonable.** A water bond or water infrastructure funding measure must strengthen water supply reliability and water quality for all Californians. Bond proceeds should be distributed to beneficial projects throughout the entire state in an equitable, balanced and reasonable manner.
- 7) **Funded project must demonstrate cost effectiveness and benefit.** Any proposed water bond or water infrastructure financing measure should include specific criteria which must be met before a project obtains funding. The specific criteria should include cost-effectiveness, a project proponent's ability to implement the project, specific timelines for project implementation, and a high level of measurable benefit.
- 8) **Bond proceeds should be leveraged to the maximum extent possible.** Bond proceeds should be leveraged to the maximum extent possible utilizing local or federal matching funds. Projects funded with a higher percentage of non-state funds should be given priority. Additionally, funds should be allocated in the most cost-effective manner possible. Innovative funding mechanisms such as design-build and public-private partnerships should be encouraged to the greatest extent practicable.
- 9) **Administrative costs should be minimized.** The allocation of bond funds should be handled within existing state resources to minimized bond administration cost. Bond authority should be implemented and allocated in a comprehensive and cohesive manner through either the budget process or legislative consensus. Bond funds should not be allocated through a series of piecemeal legislative efforts.
- 10) **A statewide user fee should not be imposed.** A "user fee" or "beneficiary pays" program should never be a statewide program. If such a fee is necessary, it should only be regionally administered, collected and distributed. Any such fee should be equitably and proportionally based on the project benefits derived by those who are subject to the fee, and "beneficiary" must be clearly defined to ensure a clear legal nexus between financial responsibility and benefits.
  - If a statewide water fee or public goods charge is established, it should include an exemption for water providers that have implemented a rate structure that provides a method for collecting revenue dedicated to water conservation projects such as IRWD's allocation-based conservation rate structure.
  - If a statewide fee is established, the challenges local water providers face in setting rates, including Proposition 218 requirements, should be taken into account.

## EXHIBIT “B”

### IRWD WATER RESOURCES FUNDING POLICY PRINCIPLES

MAY 2007

- Programs and projects to be funded by a new water resources bond must be of demonstrated state-wide significance and benefit.
- New water resources bond proposals should be limited to large-scale surface water storage and conveyance projects that best enhance and optimize water supply reliability and a substantial improvement to water quality.
- New water resources bond proposals must include a long term Delta solution that addresses enhanced conveyance and environmental protection.
- Specific criteria for Proposition 84 and 1E as well as new bond funding must include cost-effectiveness, ability to implement, specific timelines, and measurable benefits.
- Projects must demonstrate that they are cost effective and provide the greatest benefit to the largest number of participants. Additionally, funds should be allocated in the most cost-effective manner possible; utilizing innovative funding mechanisms such as design-build and public-private partnerships to the greatest extent practicable.
- Any new water resources bond funding, and Proposition 1E and 84 funds to the extent practicable, should be dedicated to the design, construction, and environmental mitigation of the project in order to make construction funds available to pull projects through the system.
- Bond proceeds should be leveraged to the maximum extent possible and should be required to have specified levels of regional matching funds.
- The distribution of bond proceeds to beneficial projects throughout the state should be equitable, balanced and reasonable.
- Administrative costs should be minimized, and the establishment of separate state bureaucracy to determine the allocation bond funds back to the regions should be opposed.
- A “user fee” or “beneficiary pays” program should never be a statewide program. If such a fee is necessary, it should only be regionally administered, collected and distributed. Any such fee should be equitably and proportionally based on the project benefits derived by those who are subject to the fee and “beneficiary” must be clearly defined.
- Bond funding should be authorized through the legislative process to the extent practicable rather than through a signature-gathering initiative process.
- Current water resources bond authority should be implemented and allocated in a comprehensive and cohesive manner through either the budget process or legislative consensus. These funds should not be allocated through a series of piecemeal legislative efforts.

August 12, 2013

Prepared by: R. Bennett

Submitted by: P. Weghorst/G. Heiertz

Approved by: Paul Cook



## ACTION CALENDAR

### LETTER OF INTENT WITH SOLARCITY FOR JACKSON RANCH SOLAR PROJECT

#### SUMMARY:

On May 22, 2013, the Water Banking Committee provided input on a draft Letter of Intent (LOI) with SolarCity to share in the development costs and benefits of implementing a 3 MW solar generating facility at IRWD's Jackson Ranch in Kings County. The draft LOI was submitted to SolarCity for its review at the end of May. Since that time, SolarCity has completed both a financial and legal review of the LOI and associated terms for the proposed project and its Chief Financial Officer has executed the document without any further revisions. Staff recommends that the Board:

- Authorize the General Manager to execute the Letter of Intent with SolarCity;
- Authorize a budget increase to the FY 2013-14 Capital Budget for Project 11637 (3667) for \$61,100 from \$214,100 to \$275,200; and
- Approve an Expenditure Authorization for Project 11637 (3667) for \$149,100.

#### BACKGROUND:

On February 13, 2012, staff was authorized to investigate the feasibility of developing a solar power generating facility at the Jackson Ranch. On August 28, 2012, the results of the feasibility investigation were presented to the Technology Ad Hoc Committee and staff soon after issued a Request for Qualifications (RFQ) to identify potential solar developers for the project. Staff updated the Board on December 18, 2012 on what was learned during the RFQ process and made recommendations related to pursuing a 3 MW solar photovoltaic (PV) project in partnership with SolarCity.

On May 22, 2013, staff reviewed with the Water Banking Committee a draft LOI with SolarCity that sets forth preliminary, indicative, and non-binding terms for IRWD and SolarCity to share in development costs and benefits of implementing a 3 MW solar PV project at IRWD's Jackson Ranch. SolarCity has completed both a financial and legal review of the LOI and the proposed project and on July 22, 2013 provided an executed copy of the LOI for IRWD's consideration. The LOI was signed by the Chief Financial Officer of the company.

#### Project Overview:

A 3 MW solar PV generating facility at IRWD's Jackson Ranch is estimated to require about twenty acres of land. As presented in Exhibit "A", two potential development sites are being considered. Financial modeling by SolarCity indicates a 3 MW single-axis tracker facility is estimated to cost \$10.5 million to construct and would produce approximately 7,300,000 kWh per year of electricity. Gross revenues before taxes are estimated to be approximately \$804,000 in the first year. It is envisioned that SolarCity would fund the construction of the project

facilities and upon completion would likely sell the project to one of its banking partners. SolarCity would maintain and operate the facility over the life of the project.

IRWD would financially benefit from the proposed solar PV project through the lease of Jackson Ranch lands to SolarCity. The lease payments are expected to be a fixed cost per acre and would be negotiated prior to the execution of a project development agreement and would depend on the final terms of the Renewable Electric Market Adjusting Tariff (ReMAT) program and IRWD's level of participation in the project.

Letter of Intent with SolarCity:

Exhibit "B" is the signed LOI from SolarCity that sets forth preliminary, indicative and non-binding terms that may be used as the basis to develop a definitive agreement to share in the development costs and benefits of the project. The LOI includes a term sheet that identifies various activities to be performed by SolarCity and IRWD separately and those activities in which responsibilities would be shared. These activities include feasibility studies, environmental compliance work and submitting applications to Pacific Gas & Electric (PG&E) for the ReMAT program and for interconnection to the local distribution system. The project terms also describe project development responsibilities and include a summary of the costs already expended and expected to be spent by each entity in the future.

The cost table included in Exhibit "B" reflects income to the District assuming a conservative fixed lease of \$1,000 per acre per year. This income estimate is approximately 2.5 percent of the project's estimated gross revenue and is considered a good starting point for future negotiations. Estimated costs for SolarCity prior to construction are estimated at \$122,900 while IRWD's additional costs for its share of environmental compliance work, permitting and PG&E design related studies, beyond the \$92,100 already spent on feasibility studies, are expected to be approximately \$100,000.

FISCAL IMPACTS:

The Jackson Ranch Solar Project 11637 (3667) is included in the FY 2013-14 Capital Budget. Staff is requesting a budget increase of \$61,100 from \$214,100 to \$275,200 for the Jackson Ranch Solar Project as shown in the following table. Staff also requests an Expenditure Authorization in the amount of \$149,100 as shown below and in Exhibit "C" that includes \$30,000 for staff time, \$10,000 for legal assistance and \$95,500 for IRWD's share for environmental compliance, permitting and PG&E design related studies.

Project No.	Current Budget	Addition <Reduction>	Total Budget	Existing EA	This EA Request	Total EA Request
3667	\$214,100	\$61,100	\$275,200	\$126,100	\$149,100	\$275,200

ENVIRONMENTAL COMPLIANCE:

The construction and operation of a solar PV project will be subject to compliance with the California Environmental Quality Act (CEQA) of 1970 (as amended), codified at California

Public Resources Code Sections 21000 et. seq., and the State CEQA Guidelines in the Code of Regulations, Title 14, Division 6, Chapter 3. IRWD will take the lead in the preparation of the appropriate environmental document.

COMMITTEE STATUS:

This item was reviewed by the Water Banking Committee on July 23, 2013 with the understanding that staff would present any necessary budget and Expenditure Authorizations to the Board on August 12, 2013. In addition, an Expenditure Authorization of \$44,000 for staff and legal time related to the Jackson Ranch Solar Project was also reviewed by the Water Banking Committee on July 23, 2013 under a separate item. In order to consolidate the financial requirements for the Jackson Ranch Solar Project into one item, the \$44,000 Expenditure Authorization requested on July 23, 2013 has been included in Exhibit "C".

RECOMMENDATION:

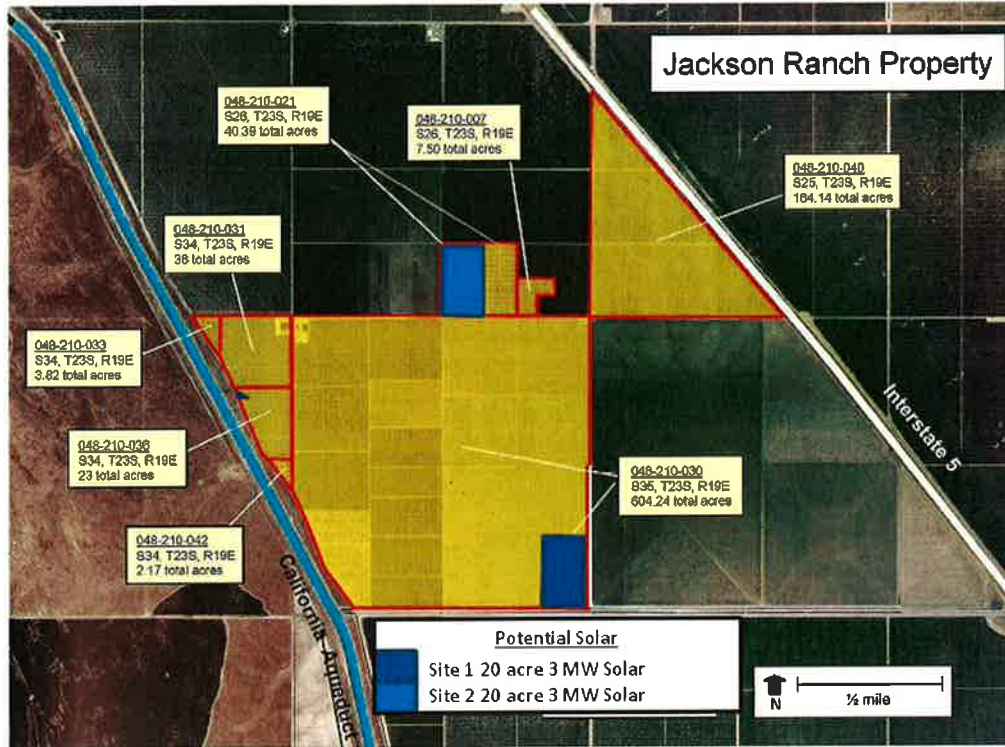
THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE LETTER OF INTENT WITH SOLARCITY TO SHARE IN DEVELOPMENT COSTS FOR A 3 MW SOLAR GENERATING FACILITY AT THE JACKSON RANCH; AUTHORIZE AN INCREASE TO THE FY 2013-14 CAPITAL BUDGET FOR PROJECT 11637 (3667) FOR \$61,100 FROM \$214,100 TO \$275,200 FOR THE JACKSON RANCH SOLAR PROJECT; AND APPROVE AN EXPENDITURE AUTHORIZATION FOR PROJECT 11637 (3667) FOR \$149,100.

LIST OF EXHIBITS:

- Exhibit "A" – Location Map with Potential 3 MW Solar PV Development Sites
- Exhibit "B" – Letter of Intent from SolarCity
- Exhibit "C" – Expenditure Authorization for Jackson Ranch Solar Project 11637 (3667)

# Exhibit "A"

## Location Map with Two Potential 3 MW Solar Development Sites





# EXHIBIT "B"



July 17, 2013

Irvine Ranch Water District  
15600 Sand Canyon Avenue  
Irvine, CA 92619-7000  
Attn: Paul Cook, General Manager

Dear Mr. Cook:

This letter of intent ("**Letter of Intent**") is intended to set forth certain preliminary, indicative and non-binding terms under which SolarCity Corporation ("**SolarCity**") and **Irvine Ranch Water District**, a California water district formed under and existing pursuant to Section 34000 *et seq.* of the California Water Code ("**Company**") wish to have further discussions and negotiations with respect to the Proposed Transactions (as defined below). SolarCity and Company are sometimes hereinafter referred to individually as a "**Party**" and collectively as the "**Parties**".

1. Proposed Transaction. The term sheet attached hereto as Exhibit A (the "**Term Sheet**") outlines the indicative general terms and conditions that the Parties may use as the basis for further discussions and negotiations in order to reach definitive agreements (such agreements being the "**Agreements**") for the **Jackson Ranch 3 MW Solar Generation Facility** (the "**Proposed Transactions**"). Unless otherwise defined herein, capitalized terms shall have the meanings given to them in the Term Sheet. The execution and delivery of the Agreements shall be subject to, among other things, the approval of the Agreements by each Party's boards of directors or other appropriate management bodies.
2. Costs and Expenses. All costs and expenses related to the preparation, negotiation and execution of the Letter of Intent and the Agreements, including attorneys' fees, financial advisor fees, accounting fees, broker or finders fees and other professional fees and expenses, shall be borne by the Party that incurred such costs or expenses regardless of whether or not the Agreements are executed and delivered by the Parties.
3. Termination. During the term of this letter, Company shall not engage in any discussions with any third party for the Proposed Transactions. This Letter of Intent will automatically terminate on the earliest to occur of the (x) date of execution of the last of the Agreements; (y) 5:00 p.m. (prevailing time in San Francisco, California) on July 16, 2015; and (z) notice in writing by either Party to the other Party, that such Party has decided to discontinue negotiations (such earliest date being, the "**Termination Date**"). Notwithstanding any termination of this Letter of Intent, the provisions of Sections 2, 4, 5, 6, 7 and 8 shall survive termination of this Letter of Intent indefinitely. Termination of this Letter of Intent shall not relieve either Party from any liability for breach of the binding terms of this Letter of Intent occurring prior to such termination.
4. Confidentiality. All information and data furnished or obtained hereunder by either Party respecting the operations or property of the other (including the terms and conditions of this Letter of Intent, the Term Sheet and the Agreements, and any negotiations thereof) shall be held strictly confidential and shall not be disclosed to third parties without written authorization of the Party providing such information or data.
5. Entire Agreement. This Letter of Intent sets out the Parties' entire understanding as of this date with respect to the subject matter hereof, and there are no other written or oral agreements or understandings among the Parties with respect to the subject matter hereof.
6. Governing Law. This Letter of Intent shall be governed by and construed in accordance with the laws of the State of California, without regard to the choice of law rules thereof that would result in the application of the laws of any other jurisdiction. Any dispute arising from or relating to this Letter of Intent shall be arbitrated in San

Francisco, California. The arbitration shall be administered by JAMS in accordance with its Comprehensive Arbitration Rules and Procedures, and judgment on any award may be entered in any court of competent jurisdiction. If the Parties agree, a mediator may be consulted prior to arbitration. The prevailing party in any dispute arising out of this Letter of Intent shall be entitled to reasonable attorneys' fees and costs.

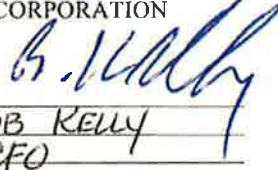
7. Counterparts. This Letter of Intent may be executed in counterparts, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument. Facsimile or PDF transmission of any signed original document, and retransmission of any facsimile or PDF transmission, will be the same as delivery of any original document.

8. Legal Effect of Letter of Intent. This Letter of Intent is not an offer, agreement or a commitment on the part of SolarCity or Company or any parent company or affiliate of any of them. The Parties understand that except as expressly set forth in this Section 8, this Letter of Intent (including the attached Term Sheet) constitutes a non-binding statement of SolarCity's preliminary proposal with respect to the Agreements and does not contain all matters upon which agreement would need to be reached in order for the Agreements to be consummated, and therefore does not constitute a binding commitment or agreement with respect to the Agreements themselves. Any representation to the contrary is void. Any actions taken by a Party in reliance on the non-binding terms expressed herein (including in the Term Sheet) or on statements made during negotiations pursuant to this Letter of Intent shall be at that Party's own risk, and this Letter of Intent shall not be the basis for a contract by estoppel, implied contract or any other legal theory. If the Parties execute this Letter of Intent, the Parties agree to negotiate the terms of the Agreements in good faith; provided, however, that nothing in the Letter of Intent shall prohibit or restrict the ability of either SolarCity or Company to exercise its sole discretion in such negotiations, including without limitation its decision to discontinue negotiations at any time under clause (z) of Section 3, and nothing shall require either Party to enter into the Agreements except on mutually agreeable terms. Nothing in this Letter of Intent shall create a joint venture, partnership or establish a relationship of principal and agent or any other fiduciary relationship between or among any of the Parties. Notwithstanding the foregoing, the Parties acknowledge and agree that Sections 2, 3, 4, 5, 6, 7 and this Section 8 create, and are intended to create, binding legal and contractual obligations of the Parties.

If the foregoing terms and conditions are satisfactory to you and reflect your understanding with respect to the matters referred to in this Letter of Intent, please sign and date the enclosed copy of this Letter of Intent where indicated below and return such copy, as so signed and dated, to the undersigned on or before [\_\_\_\_\_, 20\_\_].

Very truly yours,

SOLARCITY CORPORATION

By:   
Name: BOB KELLY  
Title: CFO



Accepted and agreed this [\_\_ day of \_\_\_\_\_, 20\_\_]:

IRVINE RANCH WATER DISTRICT

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Exhibit "A"**  
**Term Sheet**  
**Jackson Ranch 3 MW Solar Generation Facility**

**Entities:** SOLARCITY (SOLARCITY) and Irvine Ranch Water District (the "IRWD"), collectively referred to as "the Parties".

**Description:** This Term Sheet between SOLARCITY and IRWD outlines the general terms and conditions that the Parties may use as the basis for further discussions and negotiations in order to reach definite agreements to construct, operate, and maintain a 3 MW Solar Generation Facility at the Jackson Ranch ("the Project").

**Effective Date:** The effective date of this Term Sheet is the date the Letter of Intent between SOLARCITY and IRWD is accepted and agreed upon.

**Term:** This Term Sheet shall be in effect 24 months from the date the Letter of Intent between SOLARCITY and IRWD is accepted and agreed upon.

**Jackson Ranch:** The Jackson Ranch consists of 883.26 acres located in southwestern Kings County, California approximately 9.4 miles southeast of Kettleman City. The ranch consists of eight parcels located in an area bounded by the California Aqueduct on the west and Interstate 5 (I-5) on the east (**Figure 1**). All of the parcels are located in an agricultural area within the Dudley Ridge Water District.

**Feasibility Studies:** SOLARCITY agrees to perform a feasibility assessment of the Project's interconnection requirements, estimated revenue potential, and estimated return on investment (ROI). In addition, SOLARCITY will develop initial array layouts and project budgets.

IRWD agrees to provide SOLARCITY the results of a feasibility assessment for the Project at the Jackson Ranch that includes the following documents:

- Alta survey, title search documentation and mineral right investigations.
- Jackson Ranch Solar Project – Solar Power Generating Facility (Provost & Pritchard, June, 2012)
- Jackson Ranch Solar Project – Preliminary Environmental Feasibility Study (Dudek, June, 2012),
- Jackson Ranch Solar Project – Interconnection Transmission Analysis (Z-Global, April 2012)
- Jackson Ranch Baseline Property Assessment (Dee Jasper and Associates)

**PG&E Application:** SOLARCITY agrees to track the Renewable Energy - Market Adjusting Tariff (ReMAT) program and perform an initial line and circuit analysis to connect the Project to PG&E's distribution system. In addition, SOLARCITY will prepare and submit an interconnection application to PG&E that includes a system design, stamped drawings, application fee, review and scoping meetings with PG&E and queue management. If requested by PG&E, IRWD will fund an impact study. SOLARCITY will consolidate the PG&E application data and prepare a final interconnection scope and budget.

**Re-MAT Application:** SOLARCITY will perform a legal review of the ReMat program's standard Power Purchase Agreement (PPA) and prepare and submit an application for the Project to the ReMAT program. IRWD will pay for the ReMAT application. The Parties agree to share the cost of the ReMAT security deposit.

- Land Lease:** The Parties will negotiate a Lease Option Agreement that would allow SOLARCITY to lease from IRWD up to 20 acres of the Jackson Ranch at one of two sites to construct operate and maintain the Project. The first site is located in the south-east corner of parcel 048-210-030 while the second site is located in the western half of parcel 048-210-021 (**Figure 2**).
- Development:** The Parties agree to share (50% SOLARCITY and 50% IRWD) in the cost to develop project financing options and other miscellaneous development costs including geotechnical studies, and permitting. IRWD agrees to prepare an appropriate environmental document for the project. SOLARCITY agrees to develop and manage all engineering, procurement and construction (EPC) activities associated with the Project.
- Cost Summary:** For informational purposes only, **Table 1** is a summary of the estimated costs expected to be paid by SOLARCITY and IRWD to perform the activities described in this Term Sheet.

**Table 1  
 Estimated Costs**

Category	#	Task	Responsible Party	Estimated Cost (\$)		
				SOLARCITY	IRWD	Total
<b>Feasibility Studies</b>	1	Feasibility Assessment (Land)	IRWD	\$0	\$92,100	\$92,100
	2	Feasibility Assessment (Interconnection), including travel	SOLARCITY	\$2,900	\$0	\$2,900
	3	Financial Assessment (Revenue & ROI)	SOLARCITY	\$1,200	\$0	\$1,200
	4	Initial System Design & Budget	SOLARCITY	\$2,300	\$0	\$2,300
	5	ReMAT Program Tracking (CPUC, App Process, Pricing, etc.)	SOLARCITY	\$1,500	\$0	\$1,500
<b>Interconnection App.</b>	6	Initial PG&E Line & Circuit Analysis (Consultant)	SOLARCITY	\$4,500	\$0	\$4,500
	7	Interconnection Application Preparation & Submittal				
		7.1 System Design	SOLARCITY	\$2,800	\$0	\$2,800
		7.2 Stamped Dwgs (SLD, Array Design, Equip Plan & Specs)	SOLARCITY	\$2,600	\$0	\$2,600
		7.3 Application Fee (\$800)	SOLARCITY	\$800	\$0	\$800
		7.4 Review & Scoping Mtgs with PG&E, including travel	SOLARCITY	\$2,800	\$0	\$2,800
		7.5 Queue Management	SOLARCITY	\$1,000	\$0	\$1,000
	8	PG&E Impact Study (if required)	IRWD	\$0	\$10,000	\$10,000
	9	Final Interconnection Scope & Budget Development	SOLARCITY	\$3,000	\$0	\$3,000
<b>Re-MAT Program App.</b>	10	Legal Review of PG&E Std Offer PPA	Both Parties	\$12,000	\$0	\$12,000
	11	ReMAT Program Application (PPR) Preparation & Submittal	SOLARCITY	\$3,000	\$0	\$3,000
	12	ReMAT Program Application (PPR) Fee (?)	IRWD	\$500	\$0	\$500
<b>Land Lease Agreement</b>	13	Land Lease Option Agreement Development	Both Parties	\$5,000	\$5,000	\$10,000
	14	Land Lease Option Fee (est. \$50/acre/year)	SOLARCITY	\$1,000	\$0	\$1,000
	15	Land Lease Agreement Contract Development	Both Parties	\$10,000	\$5,000	\$15,000
<b>Project Development</b>	16	Project Financing Development	SOLARCITY	\$3,500	\$0	\$3,500
	17	Project Development Costs				
		17.1 Geotechnical Study	Both Parties	\$12,500	\$0	\$12,500
		17.2 CEQA Study	IRWD	\$0	\$40,000	\$40,000
		17.3 Permits	Both Parties	\$10,000	\$10,000	\$20,000
	18	ReMAT Program Security Deposit (est. \$20/kW)	Both Parties	\$30,000	\$30,000	\$60,000
	19	EPC Contract Development	SOLARCITY	\$10,000	\$0	\$10,000
<b>Total</b>				<b>\$122,900</b>	<b>\$192,100</b>	<b>\$315,000</b>
<b>Land Lease Payments</b>	20	Annual Land Lease Pymts to IRWD (\$1000/acre/year)	SOLARCITY	\$20,000	\$0	\$20,000

Figure 1  
Jackson Ranch

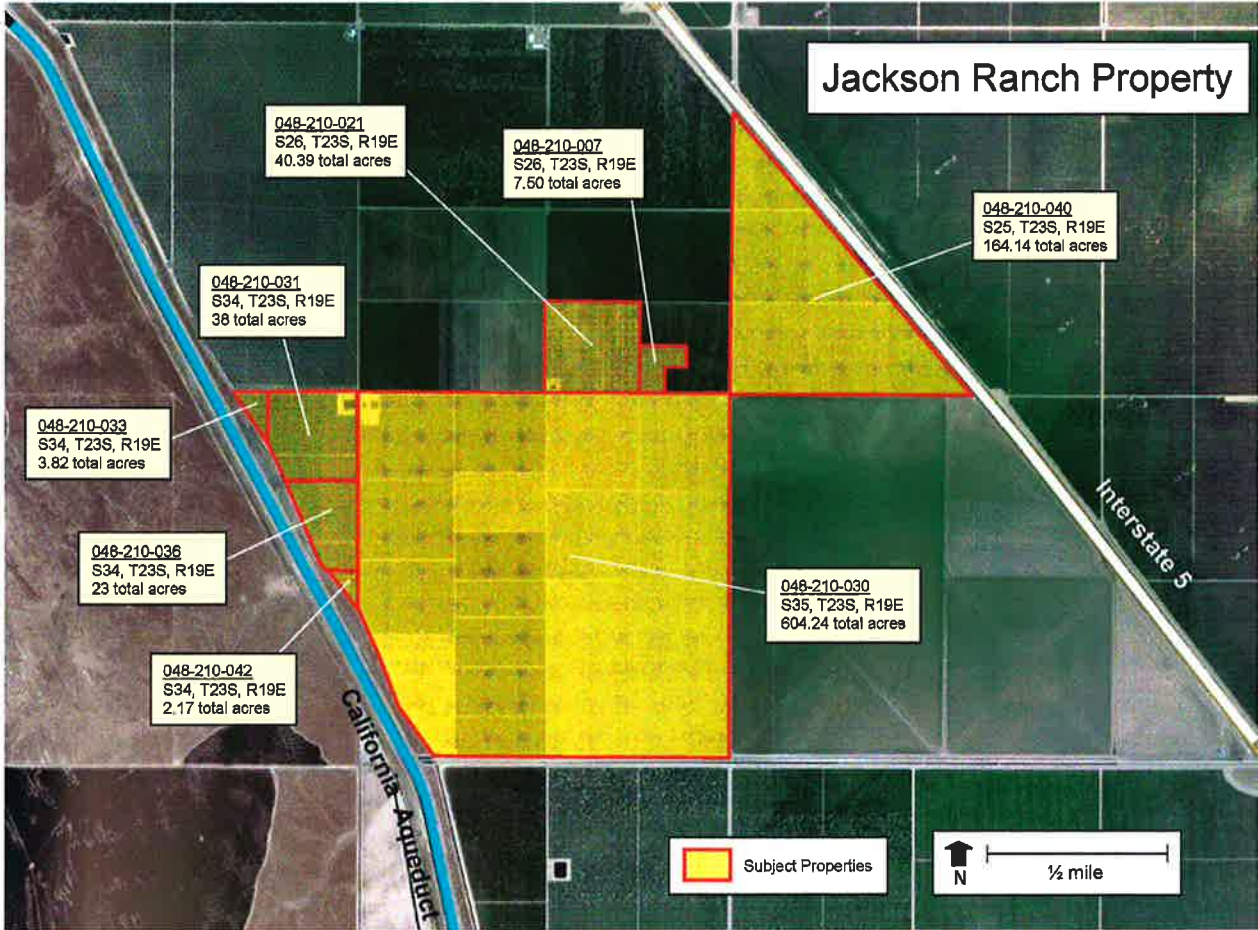
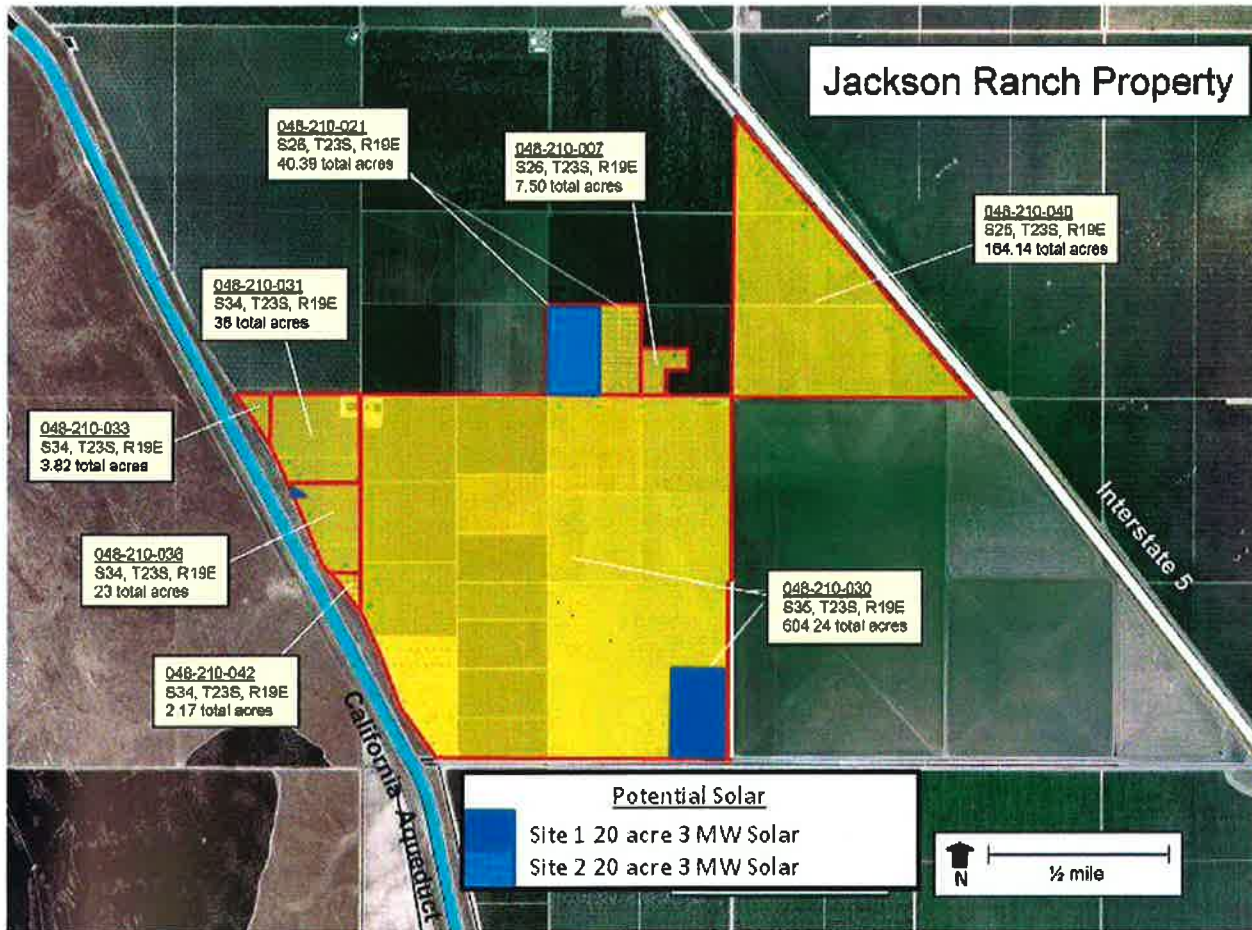


Figure 2  
Potential 20 ac 3 MW Solar





# EXHIBIT "C"

## IRVINE RANCH WATER DISTRICT Expenditure Authorization

**Project Name:** JACKSON RANCH SOLAR PROJECT  
**EPMS Project No:** 11637    **EA No:** 3  
**Oracle Project No:** 3667  
**Project Manager:** WEGHORST, PAUL  
**Project Engineer:** BENNETT, RAY  
**Request Date:** July 26, 2013

**ID Split:** Regional Water Split with LAWD (11/08)  
**Improvement District (ID) Allocations**

ID No.	Allocation %	Source of Funds
112	3.6	BONDS YET TO BE SOLD**
113	4.4	BONDS YET TO BE SOLD**
115	6.2	CAPITAL FUND
121	12.8	BONDS YET TO BE SOLD**
130	10.0	BONDS YET TO BE SOLD**
135	16.2	PREVIOUSLY SOLD BONDS
140	3.5	BONDS YET TO BE SOLD**
150	26.1	BONDS YET TO BE SOLD**
153	2.9	BONDS YET TO BE SOLD**
154	1.2	BONDS YET TO BE SOLD**
161	6.7	BONDS YET TO BE SOLD**
182	2.5	BONDS YET TO BE SOLD**
184	2.3	BONDS YET TO BE SOLD**
186	.8	BONDS YET TO BE SOLD**
188	.8	BONDS YET TO BE SOLD**
<b>Total</b>	<b>100.0%</b>	

### Summary of Direct Cost Authorizations

<b>Previously Approved EA Requests:</b>	\$126,100
<b>This Request:</b>	\$149,100
<b>Total EA Requests:</b>	\$275,200
<b>Previously Approved Budget:</b>	\$214,100
<b>Budget Adjustment Requested this EA:</b>	\$61,100
<b>Updated Budget:</b>	\$275,200
<b>Budget Remaining After This EA</b>	\$0

Comments:

Phase	This EA Request	Previous EA Requests	EA Requests to Date	This Budget Request	Previous Budget	Updated Budget	Start	Finish
ENGINEERING - PLANNING IRWD	30,000	50,000	80,000	0	80,000	80,000	1/12	6/14
ENGINEERING - PLANNING OUTSIDE	0	49,600	49,600	0	49,600	49,600	1/12	6/14
ENGINEERING DESIGN - OUTSIDE	50,000	0	50,000	50,000	0	50,000	8/13	6/14
LEGAL	10,000	5,000	15,000	0	15,000	15,000	1/12	6/14
ENGINEERING ENVIRONMENTAL-OUTS	45,500	10,000	55,500	5,500	50,000	55,500	8/13	6/14
Contingency - 10.00% Subtotal	\$13,600	\$11,500	\$25,100	\$5,600	\$19,500	\$25,100		
<b>Subtotal (Direct Costs)</b>	<b>\$149,100</b>	<b>\$126,100</b>	<b>\$275,200</b>	<b>\$61,100</b>	<b>\$214,100</b>	<b>\$275,200</b>		
Estimated G/A - 170.00% of direct labor*	\$46,000	\$90,000	\$136,000	\$0	\$136,000	\$136,000		
<b>Total</b>	<b>\$195,100</b>	<b>\$216,100</b>	<b>\$411,200</b>	<b>\$61,100</b>	<b>\$350,100</b>	<b>\$411,200</b>		
Direct Labor	\$30,000	\$50,000	\$80,000	\$0	\$80,000	\$80,000		

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

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

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

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

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

\*\* IRWD hereby declares that it reasonably expects those expenditures marked with two asterisks to be reimbursed with proceeds of future debt to be incurred by IRWD in a maximum principal amount of \$420,000. The above-captioned project is further described in the attached staff report and additional documents, if any, which are hereby incorporated by reference. This declaration of official intent to reimburse costs of the above-captioned project is made under Treasury Regulation Section 1.150-2.