

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

March 27, 2017

PLEDGE OF ALLEGIANCE

CALL TO ORDER

5:00 p.m., Board Room, District Office
15600 Sand Canyon Avenue, Irvine, California

ROLL CALL

Directors LaMar, Matheis, 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 three minutes per speaker on each subject. Consent Calendar items will be acted upon by one motion, without discussion, unless a request is made for specific items to be removed from the Calendar for separate action.

COMMUNICATIONS TO THE BOARD

1. A. Written:

B. Oral:

2. ITEMS RECEIVED TOO LATE TO BE AGENDIZED

Recommendation: Determine the need to discuss and/or take immediate action on item(s).

PRESENTATION

3. Hyatt House, Irvine – California’s First Fully Dual-Plumbed Hotel

Staff will provide a presentation on the new Hyatt House in Irvine, the first fully dual-plumbed hotel in California.

CONSENT CALENDAR

Resolution No. 2017-8

Items 4-7

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

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

5. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the March 13, 2017 Regular Board Meeting be approved as presented.

6. FEBRUARY 2017 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Monthly Interest Rate Swap Summary for February 2017, and Disclosure Report of Reimbursements to Board members and staff; approve the February 2017 Summary of Payroll ACH payments in the total amount of \$1,691,520 and approve the February 2017 accounts payable Disbursement Summary of warrants 374709 through 375074, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$12,161,916.

7. UC IRVINE COOLING TOWER RECYCLED WATER CONVERSION PIPELINE PHASE 1 FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the UC Irvine Cooling Tower Recycled Water Conversion Pipeline Phase I, project 07102; authorize the General Manager to file a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

ACTION CALENDAR

8. 2017 LEGISLATIVE UPDATE

Recommendation: That the Board adopt a "SUPPORT" position on AB 574 (Quirk), an "OPPOSE" position on AB 1667 (Friedman) and authorize staff to communicate the District's concerns regarding statewide requirements for dedicated irrigation meters to the author; and a "CO-SPONSOR AND SUPPORT" position on AB 986 and AB 1654, as proposed to be amended by ACWA; reaffirm its "SUPPORT" for the tax-exempt status of municipal bonds and "OPPOSE" any cap on tax-exempt municipal bond interest.

ACTION CALENDAR

9. ASSOCIATION OF CALIFORNIA WATER AGENCIES POLICY STATEMENT ON BAY-DELTA FLOW REQUIREMENTS

Recommendation: That the Board adopt a resolution in support of the Association of California Water Agencies policy statement on Bay-Delta Flow Requirements.

Reso No. 2017-

10. REVISED REAL ESTATE INVESTMENT POLICY

Recommendation: That the Board approve IRWD's Revised Real Estate Investment Policy.

11. SAND CANYON OFFICE DEVELOPMENT – PHASE II PROJECT/CONSTRUCTION MANAGEMENT

Recommendation: That the Board approve the retention of Newport Real Estate Services to provide project/construction management services related to the Sand Canyon Office Development Phase II in an amount not to exceed \$230,000.

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.

12. A. General Manager's Report

B. Directors' Comments

OTHER BUSINESS - Continued

12. C. Closed Session:

- 1) CONFERENCE WITH LEGAL COUNSEL RELATIVE TO ANTICIPATED LITIGATION – Government Code Section 54956.9(d)(2) – significant exposure to litigation (one or more potential cases);
- 2) CONFERENCE WITH LEGAL COUNSEL RELATIVE TO EXISTING LITIGATION – Government Code Section 54956.9(d)(1) IRWD v. OCWD Case No.30-2016-00858584-CU-WM-CJC);
- 3) CONFERENCE WITH LEGAL COUNSEL RELATIVE TO ANTICIPATED LITIGATION – Government Code Section 54956.9(d)(2) – significant exposure to litigation (one potential case); and
- 4) PUBLIC EMPLOYEE APPOINTMENT – Pursuant to Government Code Section 54957(b).
Title: Legal Counsel

D. Open Session

- E. Adjourn. The meeting will be adjourned to Tuesday, March 28, 2017 at 7:45 a.m. at IRWD's Operations Center for a tour of the Michelson Water Recycling Plant Biosolids and Energy Recovery Facility.

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.

March 27, 2017
Prepared and
Submitted by: L. Bonkowski
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

April 13-14 April Plenary Meeting, Sonoma, CA

Douglas Reinhart

March 27 Monthly Discussion of District Activities with the General Manager

John Withers

March 30 Exchange Club of Irvine Police Awards Banquet
April 26 MWDOC Board and Member Agency Elected Officials' Forum

Peer Swan

March 27 Monthly Discussion of District Activities with the General Manager

Mary Aileen Matheis

April 26 MWDOC Board and Member Agency Elected Officials' Forum
April 27 ACWA's Meet the President Event Hosted by Santa Margarita Water District

RECOMMENDATION:

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

LIST OF EXHIBITS:

None.

March 27, 2017

Prepared and

Submitted by: L. Bonkowski

Approved by: P. Cook



CONSENT CALENDAR

MINUTES OF BOARD MEETING

SUMMARY:

Provided are the minutes of the March 13, 2017 Regular Board Meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE MARCH 13, 2017 REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – March 13, 2017 Minutes

EXHIBIT "A"

MINUTES OF REGULAR MEETING – MARCH 13, 2017

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 March 13, 2017 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: LaMar.

Also Present: General Manager Cook, Executive Director of Finance Clary, Executive Director of Water Policy Weghorst, Executive Director of Operations Sheilds, Executive Director of Engineering and Water Quality Burton, Director of Water Resources Sanchez, Director of Public Affairs Beeman, Director of Treasury and Risk Management Jacobson, Director of Recycling Operations Zepeda, Director of Water Operations Roberts, Principle Engineer Malloy, Legal Counsel Arneson (via teleconference), Secretary Bonkowski, Principle Engineer Akiyoshi, Manager of Water Quality Lars Oldewage, Mr. Joe Lam, Mr. Alex Escalante, Mr. Jim Reed, and Mr. Bruce Newell.

ORAL AND WRITTEN COMMUNICATIONS: None.

ITEMS TOO LATE TO BE AGENDIZED: None.

PRESENTATIONS

NATURAL COMMUNITIES COALITION

Mr. Jim Sulentich of the Natural Communities Coalition expressed appreciation of the District for providing office space over the last 16 years.

OPERATIONS DATABASE MANAGEMENT SYSTEM IMPLEMENTATION

Using a PowerPoint presentation, Mr. Swift provided an overview of the District's Operations Database Management system including how it works, who uses it, examples of use, and future operations. He recognized Mr. Joe Lam and Mr. Alex Escalante who assisted in this effort along with Director of Administrative Services Tony Mossbarger and his team.

CONSENT CALENDAR

Director Reinhart asked that item No. 7, APPROVAL TO PURCHASE REPLACEMENT GAS CHROMATOGRAPH/MASS SPECTROMETER, be moved to the Action Calendar for discussion. There being no objection, this item was moved to the Action Calendar. On MOTION by Withers, seconded and unanimously carried, CONSENT CALENDAR ITEMS 5, 6, 8 AND 9 WERE APPROVED AS FOLLOWS:

CONSENT CALENDAR (Continued)

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

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

6. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the February 13, 2017 Regular Board Meeting be approved as presented.

8. SAN JOAQUIN MARSH CAMPUS SEWER LIFT STATION REHABILITATION FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the San Joaquin Marsh Campus Sewer Lift Station Rehabilitation, project 05186; authorize the General Manager to file a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

9. IRWD REAPPOINTMENT OF COMMISSIONER AND APPOINTMENT OF ALTERNATE COMMISSIONER TO THE BOARD OF THE SANTIAGO AQUEDUCT COMMISSION

Recommendation: That the Board adopt the following resolution by title rescinding Resolution No. 2011-6 and reappointing James Reed as Commissioner and appointing Mary Aileen Matheis as Alternate Commissioner to the Board of the Santiago Aqueduct Commission.

RESOLUTION NO. 2017-7

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT, RESCINDING
RESOLUTION NO. 2011-6 AND REAPPOINTING
COMMISSIONER AND APPOINTING ALTERNATE
COMMISSION TO THE BOARD OF THE SANTIAGO
AQUEDUCT COMMISSION

ACTION CALENDAR

APPROVAL TO PURCHASE REPLACEMENT GAS CHROMATOGRAPH/MASS SPECTROMETER

In response to Director Reinhart's inquiry, Manager of Water Quality Lars Oldewage verified that the spectrometer will provide the capacity necessary to measure samples in the parts per billion range for reporting purposes. There being no further comments, on MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE PURCHASE

OF A REPLACEMENT GAS CHROMATOGRAPH MASS SPECTROMETER FROM AGILENT TECHNOLOGIES IN THE AMOUNT OF \$129,996.

MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY FACILITIES VARIANCES AND CHANGE ORDERS

Executive Director of Engineering and Water Quality Burton reported that variances and change orders are required for the Michelson Water Recycling Plant (MWRP) Biosolids and Energy Recovery Facilities (Biosolids Project). Mr. Burton said that Variance No. 3 is with Ninyo & Moore who have been providing concrete sampling/testing, masonry grout sampling/testing, and welding inspection since 2013. He said that the effort to complete these samplings and inspections was underestimated and after review of the remaining effort needed, staff requested that Ninyo & Moore submit a variance for the remaining work along with in-place density testing during paving operations, which will occur in the later stages of construction. Variance No. 3 is in the amount of \$24,955.

Mr. Burton said that Black & Veatch (B&V) has provided contract administration, construction inspection, and construction management services since 2013. The current scope of work covered by Variance No. 5 for B&V includes preparing standard operating procedures (SOPs) for startup, shutdown, and isolation of equipment for cleaning of processes. Under Variance No. 5, B&V will prepare five overall "process system" SOPs. He said that after further discussion, staff desires individual "equipment" SOPs; therefore, a new list of SOPs was developed to ensure all items are covered. There is a total of 124 equipment SOPs to be written. Of the 124 SOPs, 52 equipment SOPs (existing SOPs) were generally covered under the Variance No. 5; however, he said that staff would like the scope of these SOPs expanded to include valve configuration tables, pre-check information, and shutdown procedures. There are also 72 entirely new equipment SOPs to be developed at the request of the staff. Staff requested an expanded scope of work for the 52 existing SOPs and the development of 72 new SOPs. This requires work activities that are beyond the existing scope of work in Variance No. 5. Staff requested B&V to submit a proposal to prepare the expanded scope as described. Variance No. 6 is in the amount of \$215,500.

Mr. Burton said that staff has negotiated with FBB and agreed to the labor and material costs contained in CCO No. 48, which contains the following items: 1) structural modifications of the elevator shafts in the amount of \$58,705.90; 2) SCADA programming update of polymer feed and storage system in the amount of \$23,685.14; 3) stairs and platform at SHB Load-Out Area in the amount of \$39,622.65; 4) additional polymer dilution flow meters and associated conduits and cables in the amount of \$38,978.70; 5) miscellaneous Andritz items in the amount of \$41,246.71; 6) remoted input output (RIO)-4001 changes in the amount of \$27,889.74; 7) RIO-3102 changes in the amount of \$18,280.62; 8) additional outlet and data locations in the SHB, in the amount of \$13,261.60; 9) new lighting in the SHB first floor area in the amount of \$102,503.46; 10) additional conduits and cables for thermocouples for several pumps in the amount of \$54,982.68; 11) additional wall panel framework at the SHB in the amount of \$128,000.00; 12) changes in uninterruptible power supply (UPS) units in the amount of \$128,052.94; and 13) addition of a circuit breaker at transformer T-14 in the amount of \$53,027.60. CCO No. 48 is in the amount of \$728,237.74.

Mr. Burton said CCO No. 49 has several items that result in credits to IRWD including: 1) mechanical piping modifications, in the credit amount of <\$23,897.73>; 2) changing the SHB roofing from EPDM to PVC in the credit amount of <\$9,000>; 3) net reduction of Scope of Work in SCADA valve matrix tables animation clarifications in the credit amount of <\$4,429.09>; 4) change in starters for MCC-4100/4101 cake transfer pump breakers in the credit amount of <\$4,047.43>; and 5) deletion of insulation for the SHB foundation in the credit amount of <\$5,724.95>.

Director Withers said that this item was reviewed and approved by the Engineering and Operations Committee on February 23, 2017. On MOTION by Withers, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 3 WITH NINYO & MOORE IN THE AMOUNT OF \$24,955 FOR SUPPLEMENTAL WELDING INSPECTION, MASONRY GROUT SAMPLING/TESTING, CONCRETE SAMPLING/TESTING, AND IN-PLACE DENSITY TESTING DURING PAVING OPERATIONS; AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 6 WITH BLACK & VEATCH IN THE AMOUNT OF \$215,500 FOR PREPARATION OF STANDARD OPERATING PROCEDURES; APPROVED CONTRACT CHANGE ORDER (CCO) NO. 48 IN THE AMOUNT OF \$728,237.74 WITH FILANC/BALFOUR-BEATTY FOR THE BIOSOLIDS PROJECT; AND APPROVED CCO NO. 49 IN THE CREDIT AMOUNT OF <\$47,099.20> WITH FILANC/BALFOUR-BEATTY FOR THE MICHELSON WATER RECYCLING PLANT BIOSOLIDS AND ENERGY RECOVERY, PROJECT NO. 4286.

AGREEMENT FOR LONG-TERM EXCHANGE PROGRAM WITH DUDLEY RIDGE WATER DISTRICT

Executive Director of Water Policy Weghorst reported that the existing IRWD-Buena Vista Water Storage District (BVWSD) unbalanced exchange program provides IRWD access to non-State Water Project (SWP) supplies that are stored in the Strand Ranch Integrated Banking Project (Water Bank). Mr. Weghorst said that staff has been pursuing the implementation of a mutually beneficial Long-Term Exchange Program with Dudley Ridge Water District (DRWD) that would allow IRWD to exchange its non-SWP water for an equal amount of SWP Table A water. The new program would provide drought assistance to DRWD landowners with agricultural operations in both Kern County and the DRWD service area through the use IRWD's non-SWP water during water-short years. IRWD would benefit by receiving SWP water that could be used in IRWD's service area consistent with the Coordinated Operating and Exchange Agreement with Metropolitan Water District of Southern California and Municipal Water District of Southern California (Coordinated Agreement).

Mr. Weghorst said that following the DRWD Board meeting on February 8, 2017, staff worked with the General Manager of DRWD to make further revisions to the agreement that are consistent with the modifications that were requested by the DRWD Board. These requested modifications were reviewed with the Supply Reliability Programs Committee on February 16, 2017. He said that since then several revisions have been made that more clearly describe the losses that will be applied to water returned by DRWD in fulfilling the requirements of each exchange. In addition, minor revisions were made that allow DRWD to request information from IRWD on the availability of non-SWP water in storage in IRWD's Water Bank including the Stockdale Integrated Banking Project.

Mr. Weghorst said that the proposed Long-Term Exchange Program Agreement would allow IRWD to recover and deliver up to 40,000 acre-feet of its non-SWP water that is stored in IRWD's Water Banks to DRWD in exchange for SWP water provided by DRWD. The SWP water would need to be returned to IRWD within five years, whenever the June 1 SWP Allocation is 65% or higher. The return deliveries can be made to either IRWD's Water Banks or to Metropolitan's reservoirs in Southern California consistent with the Coordinated Agreement. Deliveries to IRWD's Water Banks can be made either through underground transfers from the Kern Water Bank or on the surface for direct recharge. Return deliveries made through underground transfers or to Metropolitan's reservoirs would not incur any losses. Deliveries made to IRWD's Water Bank by direct recharge would incur 10% losses and DRWD would need to deliver enough SWP water into storage to ensure the completion of a 1-for-1 exchange. The agreement would expire on November 4, 2035.

Mr. Weghorst said that the agreement provides DRWD the opportunity to pre-deliver SWP water to IRWD's Water Banks in exchange for non-SWP water that IRWD would recover and deliver to DRWD within five years. DRWD's pre-delivery of water would be subject to IRWD's approval and confirmation that IRWD has non-SWP water in storage to complete the exchange.

Mr. Weghorst said that all costs associated with the program would be allocated on an equitable basis between IRWD and DRWD as set forth in the agreement. IRWD would be responsible for all costs for the acquisition, storage, recovery and conveyance of non-SWP water made available to DRWD. DRWD would be responsible for all costs for the acquisition, conveyance and recharge of SWP water returned to IRWD.

Director Withers asked staff to determine if language could be added relative to the termination date. On MOTION by Withers, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE THE 2017 AGREEMENT BETWEEN DUDLEY RIDGE WATER DISTRICT AND IRVINE RANCH WATER DISTRICT FOR A LONG-TERM EXCHANGE PROGRAM SUBJECT TO ANY SUBSTANTIVE CHANGES BEING APPROVED BY IRWD'S SUPPLY RELIABILITY PROGRAMS COMMITTEE.

OTHER BUSINESS

GENERAL MANAGER'S REPORT

General Manager Cook asked Executive Director of Water Resources Weghorst to provide the Board with an update on IRWD's Water Bank Recharge Operations in Kern County. Using a PowerPoint presentation, Mr. Weghorst reviewed the current recharge schedule, and provided a map highlighting these facilities.

Mr. Cook reported that the recruitment process for the open position in the General Manager's office is complete. He said that this position is also designated as the Assistant Board Secretary, and that after conducting an extensive internal and external recruitment, Ms. Kristine Swan was the selected candidate. He then introduced Ms. Swan to the Board.

Mr. Cook presented two American Society of Civil Engineers awards the District received; one for the Baker Water Treatment plant and the other for the Peters Canyon Channel Water Recapture and Reuse Pipeline.

DIRECTORS' COMMENTS

Director Matheis noted that she was unable to attend the ACC-OC Water Committee meeting, but was able to attend an OCBC annual dinner event, a luncheon honoring Representative Ken Calvert, a Lake Forest State of the City Address and Meet the Mayor Scott Voigts, an ACWA Winter conference in Washington, D.C., and an ACWA Legislative Symposium.

Director Withers noted that tomorrow evening on the National Geographic TV station, a program entitled "Water and Power: a California Heist" will be featured which will explore the water crisis. He reported on upcoming meetings he will be attending, including an NWRI Board meeting and an OCCOG event in Anaheim.

Director Swan reported that he attended both ACWA and CASA conferences in Washington, D.C., an OCWD Board and Committee meeting, an OC Watershed meeting, a WACO monthly meeting, a WACO planning meeting, and a Water Dialogue meeting.

Director Reinhart reported on his attendance at a MWDOC Board Meeting, and said he was unable to attend the SOCWA Board meeting.

IRWD's consultant Jim Reed reported on meetings he attended on behalf of the District.

CLOSED SESSION

President Reinhart said that a Closed Session would be held with Legal Counsel - Anticipated Litigation (Government Code Section 54956.9 (d)(2) - significant exposure to litigation (one potential case).

OPEN SESSION

Following the Closed Session, the meeting was reconvened with Reinhart, Withers, Swan, and Matheis present. President Reinhart said there was no action to report.

ADJOURNMENT

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

APPROVED and SIGNED this 27th day of March, 2017.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone

March 27, 2017

Prepared by: Jennifer Davis/Tanja Fournier

Submitted by: Robert Jacobson/Cheryl Clary

Approved by: Paul Cook

CONSENT CALENDAR

FEBRUARY 2017 TREASURY REPORTS

SUMMARY:

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

- A. The Investment Summary Report for February 2017. This Investment Summary Report is in conformity with the 2017 Investment Policy and provides sufficient liquidity to meet estimated expenditures during the next six months, as outlined in Exhibit "A".
- B. The Monthly Interest Rate Swap Summary as of February 28, 2017, as outlined in Exhibit "B".
- C. The Summary of Payroll ACH payments in the total amount of \$1,691,520, as outlined in Exhibit "C".
- D. The February 28, 2017 Disbursement Summary of warrants 374709 through 375074, wire transfers, Workers' Compensation distributions, payroll withholding distributions, and voided checks in the total amount of \$12,161,916 as outlined in Exhibit "D".
- E. The Disclosure Report of Reimbursements to Board Members and Staff for February 2017, detailing payments or reimbursements for individual charges of \$100.00 or more per transaction, as outlined in Exhibit "E".

FISCAL IMPACTS:

As of February 28, 2017, the book value of the investment portfolio was \$406,814,051, with a 0.95% rate of return and a market value of \$405,551,515. Based on the District's December 31, 2016 quarterly real estate investment rate of return of 13.35%, the weighted average return for the fixed income and real estate investments was 2.77%.

As of February 28, 2017, the total notional amount of the interest rate swap portfolio was \$130 million of fixed payer swaps. Cash accrual in February from all swaps was negative \$502,451.

Payroll ACH payments totaled \$1,691,520, and wire transfers, all other ACH payments, and checks issued for debt service, accounts payable, payroll, and water purchases for February totaled \$12,161,916.

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

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

RECOMMENDATION:

THAT THE BOARD RECEIVE AND FILE THE TREASURER'S INVESTMENT SUMMARY REPORT, THE MONTHLY INTEREST RATE SWAP SUMMARY FOR FEBRUARY 2017, AND DISCLOSURE REPORT OF REIMBURSEMENTS TO BOARD MEMBERS AND STAFF; APPROVE THE FEBRUARY 2017 SUMMARY OF PAYROLL ACH PAYMENTS IN THE TOTAL AMOUNT OF \$1,691,520 AND APPROVE THE FEBRUARY 2017 ACCOUNTS PAYABLE DISBURSEMENT SUMMARY OF WARRANTS 374709 THROUGH 375074, WORKERS' COMPENSATION DISTRIBUTIONS, WIRE TRANSFERS, PAYROLL WITHHOLDING DISTRIBUTIONS AND VOIDED CHECKS IN THE TOTAL AMOUNT OF \$12,161,916.

LIST OF EXHIBITS:

Exhibit "A" – Investment Summary Report

Exhibit "B" – Monthly Interest Rate Swap Summary

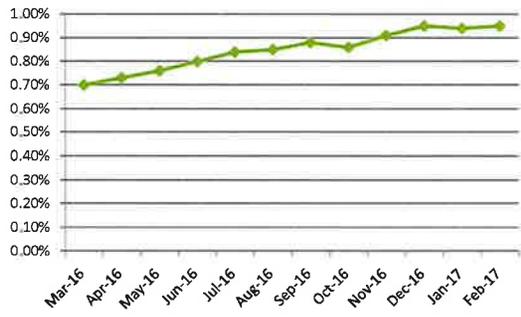
Exhibit "C" – Monthly Payroll ACH Summary

Exhibit "D" – Monthly Summary of District Disbursements

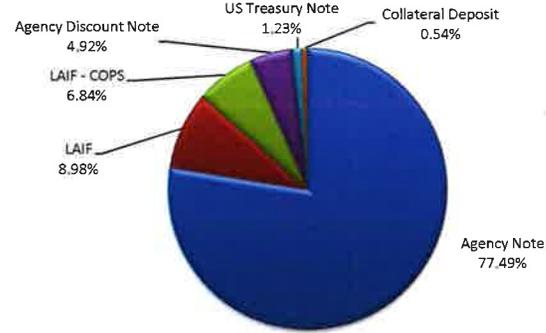
Exhibit "E" – Disclosure of Reimbursements to Board Members and Staff

Exhibit - "A" Irvine Ranch Water District Investment Portfolio Summary February 2017

Monthly Fixed Income Yield



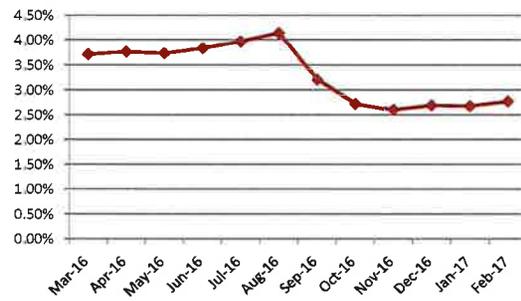
Portfolio Distribution



Investment Summary

Type	PAR	Book Value	Market Value
Agency Note	315,000,000	315,295,097	314,067,980
LAIF	36,500,000	36,500,000	36,478,970
LAIF - COPS	27,800,000	27,800,000	27,783,982
Agency Discount Note	20,000,000	19,976,782	19,979,400
US Treasury Note	5,000,000	5,037,539	5,036,550
Collateral Deposit	2,204,633	2,204,633	2,204,633
Grand Total	406,504,633	406,814,051	405,551,515

Weighted Average Return Including Real Estate Portfolio



Maturity Distribution



Top Issuers

Issuer	PAR	% Portfolio
Fed Home Loan Bank	136,000,000	33.46%
Fed Home Loan Mortgage Corp	74,000,000	18.20%
Fed Natl Mortgage Assoc	65,000,000	15.99%
State of California Treasury - LAIF	64,300,000	15.82%
Fed Farm Credit Bank	60,000,000	14.76%
US Treasury Note	5,000,000	1.23%
Citi-Group Collateral	2,204,633	0.54%
Merrill Lynch Collateral	0	0.00%
Grand Total	406,504,633	100.00%

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

02/28/17

SETTLMT *	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE ⁽¹⁾ 2/28/2017	UNREALIZED ⁽²⁾ GAIN/(LOSS)
08/19/16			03/01/17		LAIF	State of California Tsy.	\$36,500,000		0.680%	\$36,500,000.00	\$36,500,000.00	36,478,969.54	(21,030.46)
09/01/16			03/01/17		LAIF - COPS	State of California Tsy.	27,800,000		0.680%	\$27,800,000.00	\$27,800,000.00	27,783,982.28	(16,017.72)
06/15/15	N/A	N/A	03/30/17	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	0.625%	0.727%	4,990,950.00	4,999,598.70	5,000,050.00	451.30
01/12/17	N/A	N/A	03/31/17	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	0.530%	0.538%	4,994,258.50	4,997,791.73	4,998,350.00	558.27
06/16/16	N/A	N/A	04/21/17	NR	FNMA - Discount Note	Fed Natl Mortgage Assoc	5,000,000	0.530%	0.539%	4,977,254.15	4,996,245.83	4,996,600.00	354.17
06/16/16	N/A	N/A	04/27/17	Aaa/AA+/NR	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.125%	0.607%	5,022,271.95	5,004,030.16	5,005,000.00	969.84
06/16/16	N/A	N/A	05/12/17	NR	FNMA - Discount Note	Fed Natl Mortgage Assoc	5,000,000	0.570%	0.580%	4,973,875.00	4,994,300.00	4,994,600.00	300.00
08/27/15	N/A	N/A	05/30/17	NR	FHLB - Note	Fed Home Loan Bank	5,000,000	0.625%	0.642%	4,998,500.00	4,999,789.72	4,999,200.00	(589.72)
06/16/16	N/A	N/A	06/30/17	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	0.800%	0.614%	5,009,614.00	5,003,069.38	5,001,250.00	(1,819.38)
12/09/16	N/A	N/A	07/07/17	NR	FHLB - Discount Note	Fed Home Loan Bank	5,000,000	0.647%	0.658%	4,981,041.65	4,988,444.43	4,989,850.00	1,405.57
11/05/15	N/A	N/A	08/28/17	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	0.750%	0.800%	4,995,500.00	4,998,776.44	5,000,750.00	1,973.56
09/16/15	N/A	N/A	09/15/17	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.900%	0.915%	4,998,500.00	4,999,593.15	5,005,800.00	6,206.85
01/30/17	N/A	N/A	10/31/17	NR	US Treasury - Note	US Treasury	5,000,000	1.875%	0.743%	5,042,154.40	5,037,538.95	5,036,550.00	(988.95)
12/08/16	N/A	N/A	11/21/17	AAA/NR/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	0.750%	0.866%	9,989,000.00	9,991,623.56	9,997,200.00	5,576.44
12/18/15	Continuous after	12/13/13	12/12/17	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.820%	1.132%	4,969,500.00	4,987,968.28	4,998,250.00	10,281.72
04/22/16	N/A	N/A	01/29/18	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	4,000,000	0.850%	0.856%	3,999,600.00	3,999,793.51	3,994,480.00	(5,313.51)
03/01/16	Quarterly	05/26/16	02/26/18	NR/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.050%	1.050%	5,000,000.00	5,000,000.00	4,999,350.00	(650.00)
03/23/16	N/A	N/A	03/23/18	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.100%	0.908%	5,019,000.00	5,010,072.60	4,995,000.00	(15,072.60)
04/07/16	N/A	N/A	04/09/18	NA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.750%	0.790%	4,996,000.00	4,997,792.35	4,985,550.00	(12,242.35)
05/16/16	N/A	N/A	05/16/18	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.750%	0.801%	4,995,000.00	4,996,979.45	4,978,450.00	(18,529.45)
05/13/16	N/A	N/A	05/21/18	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	0.875%	0.768%	5,010,700.00	5,006,466.40	4,988,750.00	(17,716.40)
05/24/16	N/A	N/A	06/08/18	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	11,000,000	1.250%	0.995%	11,056,540.00	11,035,214.17	11,022,550.00	(12,664.17)
06/29/16	One Time	12/29/16	06/29/18	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	10,000,000	1.000%	0.679%	10,016,000.00	10,010,630.14	9,990,100.00	(20,530.14)
09/01/16	One Time	07/27/17	07/27/18	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	0.750%	0.928%	4,983,250.00	4,987,618.52	4,974,000.00	(13,618.52)
12/21/16	One Time	08/15/17	08/15/18	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	1.000%	1.245%	4,980,000.00	4,982,325.58	4,988,400.00	6,074.42
09/01/16	One Time	02/28/17	08/28/18	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.000%	1.000%	5,000,000.00	5,000,000.00	4,978,550.00	(21,450.00)
09/01/16	NA	NA	09/14/18	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.125%	0.916%	5,021,000.00	5,015,884.25	5,000,300.00	(15,584.25)
12/28/16	NA	NA	09/14/18	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.125%	1.225%	4,991,500.00	4,992,356.80	5,000,300.00	7,943.20
10/12/16	N/A	N/A	09/27/18	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	0.900%	0.952%	9,990,000.00	9,991,678.32	9,956,700.00	(34,978.32)
10/12/16	N/A	N/A	09/28/18	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	0.880%	0.942%	4,994,000.00	4,995,005.59	4,977,450.00	(17,555.59)
09/01/16	NA	NA	10/01/18	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.030%	0.925%	5,010,750.00	5,008,189.80	4,987,500.00	(20,689.80)
10/12/16	One Time	04/12/17	10/12/18	Aaa/NR/NR	FFCB - Note	Fed Farm Credit Bank	10,000,000	1.000%	1.041%	9,992,000.00	9,993,315.07	9,943,300.00	(50,015.07)
10/12/16	N/A	N/A	11/27/18	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	10,000,000	1.625%	0.956%	10,140,360.00	10,118,654.85	10,072,500.00	(46,154.85)
12/21/16	N/A	N/A	12/05/18	Aaa/AA+/AAA	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.100%	1.319%	4,978,900.00	5,071,485.49	4,985,750.00	(85,735.49)
09/01/16	NA	NA	12/14/18	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.750%	0.941%	5,091,300.00	5,037,828.65	5,043,750.00	5,921.35
12/27/16	NA	NA	12/14/18	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.750%	1.320%	5,041,536.20	4,980,968.63	5,043,750.00	62,781.37
09/01/16	One Time	07/30/18	01/30/19	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.950%	1.009%	4,993,000.00	4,994,438.14	4,961,650.00	(32,788.14)
10/26/16	One Time	07/30/18	01/30/19	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.950%	1.035%	4,990,000.00	4,991,880.15	4,961,650.00	(30,230.15)
10/26/16	One Time	07/30/18	01/30/19	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.950%	1.040%	4,990,000.00	4,991,452.78	4,961,650.00	(29,802.78)
10/12/16	Continuous after	02/12/18	02/12/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	1.050%	1.093%	9,990,000.00	9,991,406.80	9,954,400.00	(37,006.80)
09/01/16	NA	NA	03/08/19	Aaa/AA+/AAA	FHLB - Note	Fed Home Loan Bank	5,000,000	1.500%	0.964%	5,066,500.00	5,053,388.34	5,016,150.00	(37,238.34)
10/12/16	One Time	03/29/17	03/29/19	Aaa/AA+/AAA	FHLB - Note	Fed Home Loan Mortgage Corp	5,000,000	1.050%	1.050%	4,999,950.00	4,999,956.68	4,967,200.00	(32,756.68)
10/12/16	N/A	N/A	04/15/19	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	10,000,000	1.125%	0.992%	10,032,800.00	10,028,498.36	9,963,700.00	(64,798.36)
10/31/16	One Time	04/26/17	04/26/19	Aaa/AA+/AAA	FHLMC - Note	Fed Farm Credit Bank	5,000,000	1.050%	1.060%	4,998,750.00	4,998,915.38	4,968,950.00	(29,965.38)
09/01/16	One Time	08/28/17	05/28/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.030%	1.048%	4,997,550.00	4,997,993.89	4,948,300.00	(49,693.89)

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

02/28/17

SETTLMT *	Call Schedule	Initial Call	Maturity Date	Rating	INVESTMENT TYPE	INSTITUTION / ISSUER	PAR Amount	COUPON DISCOUNT	YIELD	ORIGINAL COST	CARRY VALUE	MARKET VALUE ⁽¹⁾ 2/28/2017	UNREALIZED ⁽²⁾ GAIN/(LOSS)
09/01/16	NA	NA	06/14/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.625%	0.987%	5,087,400.00	5,071,829.72	5,027,750.00	(44,079.72)
10/12/16	NA	NA	06/14/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.625%	1.103%	5,068,515.88	5,060,083.16	5,027,750.00	(32,333.16)
10/12/16	NA	NA	07/19/19	Aaa/AA+/AAA	FHLMC - Note	Fed Home Loan Mortgage Corp	5,000,000	0.875%	1.098%	4,969,652.90	4,973,258.50	4,942,000.00	(31,258.50)
09/01/16	One Time	01/26/17	07/26/19	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.150%	1.180%	4,995,700.00	4,996,435.63	4,970,600.00	(25,835.63)
09/01/16	One Time	08/28/17	08/28/19	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.150%	1.160%	4,998,500.00	4,998,748.85	4,933,500.00	(65,248.85)
09/01/16	One Time	02/28/17	08/28/19	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.125%	1.132%	4,999,000.00	4,999,165.90	4,962,150.00	(37,015.90)
09/28/16	Quarterly	03/09/17	09/09/19	Aaa/AA+/AAA	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.125%	1.142%	4,997,500.00	4,997,856.81	4,926,750.00	(71,106.81)
09/28/16	Continuous after	12/27/16	09/27/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.250%	1.189%	5,001,500.00	5,001,288.85	4,951,650.00	(49,638.85)
10/12/16	Continuous after	10/03/17	10/03/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	10,000,000	1.125%	1.160%	9,989,780.00	9,990,909.28	9,900,100.00	(90,809.28)
10/12/16	Continuous after	10/11/17	10/11/19	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	10,000,000	1.120%	1.205%	9,975,000.00	9,977,742.23	9,899,500.00	(78,242.23)
11/08/16	Quarterly	05/08/17	11/08/19	Aaa/AA+/NR	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.250%	1.245%	5,000,750.00	5,000,672.60	4,957,150.00	(43,522.60)
11/28/16	NA	NA	11/15/19	Aaa/AA+/NR	FHLB - Note	Fed Home Loan Bank	5,000,000	1.375%	1.440%	4,990,550.00	4,991,362.25	4,983,900.00	(7,462.25)
11/28/16	Quarterly	05/25/17	11/25/19	Aaa/AA+/NR	FNMA - Note	Fed Natl Mortgage Assoc	5,000,000	1.400%	1.503%	4,985,000.00	4,986,277.47	4,978,050.00	(8,227.47)
12/12/16	NA	NA	12/12/19	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.450%	1.440%	5,001,450.00	5,001,345.29	4,994,700.00	(6,645.29)
12/21/16	NA	NA	12/19/19	Aaa/AA+/NR	FFCB - Note	Fed Farm Credit Bank	5,000,000	1.500%	1.621%	4,982,350.00	4,983,480.38	4,994,800.00	11,319.62
SUB-TOTAL							<u>\$404,300,000</u>			<u>\$404,651,554.63</u>	<u>\$404,609,417.95</u>	<u>\$403,346,881.82</u>	<u>(\$1,262,536.13)</u>
RESTRICTED CASH (Swap Collateral Deposits)⁽⁴⁾													
01/03/17					Collateral Deposit	Citi-Group	\$2,204,633		0.660%	\$2,204,633.13	\$2,204,633.13	2,204,633.13	
01/13/17					Collateral Deposit	Merrill Lynch	-						
SUB-TOTAL							<u>\$2,204,633</u>			<u>\$2,204,633.13</u>	<u>\$2,204,633.13</u>	<u>\$2,204,633.13</u>	
TOTAL INVESTMENTS							<u>\$406,504,633</u>			<u>\$406,856,187.76</u>	<u>\$406,814,051.08</u>	<u>\$405,551,514.95</u>	
					February	Petty Cash Ck Balance				3,400.00 1,084,421.61			
						Bank of America				<u>\$407,944,009.37</u>			

⁽¹⁾ LAIF market value is as of the most recent quarter-end as reported by LAIF	Outstanding Variable Rate Debt	\$304,900,000		
Security market values are determined using Bank of New York ("Trading Prices"), Bloomberg and/or broker dealer pricing	Net Outstanding Variable Rate Debt (Less \$130 million fixed-payer swaps)	\$174,900,000		
	Investment Balance:	\$407,944,009		
⁽²⁾ Gain (loss) calculated against carry value using the trading value provided by Bank of New York/or Brokers	Investment to Variable Rate Debt Ratio:	233%		
⁽³⁾ Real estate rate of return is based on most recent quarter end return	Portfolio - Average Number of Days To Maturity ⁽⁴⁾	493		
⁽⁴⁾ Swap Collateral Deposits assumes 6 month maturity, dependent on interest rate changes				
	Investment Portfolio	Real Estate⁽³⁾ Portfolio	Weighted Avg. Return	
	February	0.95%	13.35%	2.77%
	January	0.94%	13.35%	2.68%
	Change	0.01%		0.09%

This Investment Summary Report is in conformity with the 2017 Investment Policy and provides sufficient liquidity to meet the next six months estimated expenditures
*S - Step up

Irvine Ranch Water District
 Summary of Real Estate
 12/31/2016

	<u>ACQUISITION DATE</u>	<u>PROPERTY TYPE</u>	<u>OWNERSHIP INTEREST</u>	<u>ORIGINAL COST</u>	<u>ESTIMATED MARKET VALUE 6/30/2016</u>	<u>RATE OF RETURN QUARTER ENDED 12/31/2016</u>
Sycamore Canyon	Dec-92	Apartments	Fee Simple	\$ 43,550,810	\$ 143,910,000	17.76%
Wood Canyon Villas	Jun-91	Apartments	Limited Partner	\$ 6,000,000	\$ 27,296,298	8.55%
ITC (230 Commerce)	Jul-03	Office Building	Fee Simple	\$ 5,739,845	\$ 9,384,000	2.51%
Waterworks Business Pk.	Nov-08	Research & Dev.	Fee Simple	\$ 8,630,577	\$ 7,650,000	5.93%
Sand Canyon Professional Center	Jul-12	Medical Office	Fee Simple	<u>\$ 8,648,594</u>	<u>\$ 10,608,000</u>	<u>9.05%</u>
				<u>\$ 72,569,826</u>	<u>\$ 198,848,298</u>	<u>13.35%</u>

IRVINE RANCH WATER DISTRICT INVESTMENT SUMMARY REPORT
INVESTMENT ACTIVITY
Feb-17

MATURITIES/SALES/CALLS

PURCHASES

DATE	SECURITY TYPE	PAR	YIELD	Settlement Date	Maturity Date	SECURITY TYPE	PAR	YIELD TO MATURITY
2/22/2017	FHLMC - Note	\$5,000,000	0.57%					

**IRVINE RANCH WATER DISTRICT
INTEREST RATE SWAP MONTHLY SUMMARY REPORT - DETAIL
February 28, 2017**

LIBOR Avg %	Prior Mo. 0.77%	Current Mo. 0.78%	12-Mo Avg 0.55%
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Current Fiscal Year Active Swaps								Cash Flow				(Since 6/06)	Mark to Market	
Effective Date	Maturity Date	Years to Maturity	Counter Party	Notional Amt	Type	Base Index	Fixed Rate	Prior Month	Current Month	Fiscal YTD	Cumulative Cash Flow	Current Mark to Market	Notional Difference	
Fixed Payer Swaps - By Effective Date														
6/4/2006	6/4/2019	2.3	ML	\$ 20,000,000	FXP	LIBOR	6.200%	(90,307)	(80,970)	\$ (740,932)	\$ (10,568,108)	\$ 17,880,323	\$ (2,119,677)	
6/4/2006	6/4/2019	2.3	CG	20,000,000	FXP	LIBOR	6.200%	(90,307)	(80,970)	(740,932)	(10,568,108)	17,880,464	(2,119,536)	
6/17/2006	6/17/2019	2.3	CG	30,000,000	FXP	LIBOR	6.140%	(134,088)	(120,205)	(1,099,092)	(15,677,543)	26,816,325	(3,183,675)	
3/10/2007	3/10/2029	12.0	ML	30,000,000	FXP	LIBOR	5.687%	(123,234)	(110,153)	(1,010,225)	(14,125,254)	19,202,273	(10,797,727)	
3/10/2007	3/10/2029	12.0	CG	30,000,000	FXP	LIBOR	5.687%	(123,234)	(110,153)	(1,010,225)	(14,125,254)	19,207,282	(10,792,718)	
Totals/Weighted Avgs				6.8	\$ 130,000,000		5.949%	\$ (561,170)	\$ (502,451)	\$ (4,601,406)	\$ (65,064,268)	\$ 100,986,667	\$ (29,013,333)	
Total Current Year Active Swaps					\$ 130,000,000			\$ (561,170)	\$ (502,451)	\$ (4,601,406)	\$ (65,064,268)	\$ 100,986,667	\$ (29,013,333)	

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

Current Fiscal Year - Total Swaps								Cash Flow				Mark to Market	
Prior Month	Current Month	Fiscal YTD	Cumulative Cash Flow	Current Mark to Market	Notional Difference								
\$ (561,170)	\$ (502,451)	\$ (4,601,406)	\$ (65,064,268)	\$ 100,986,667	\$ (29,013,333)								

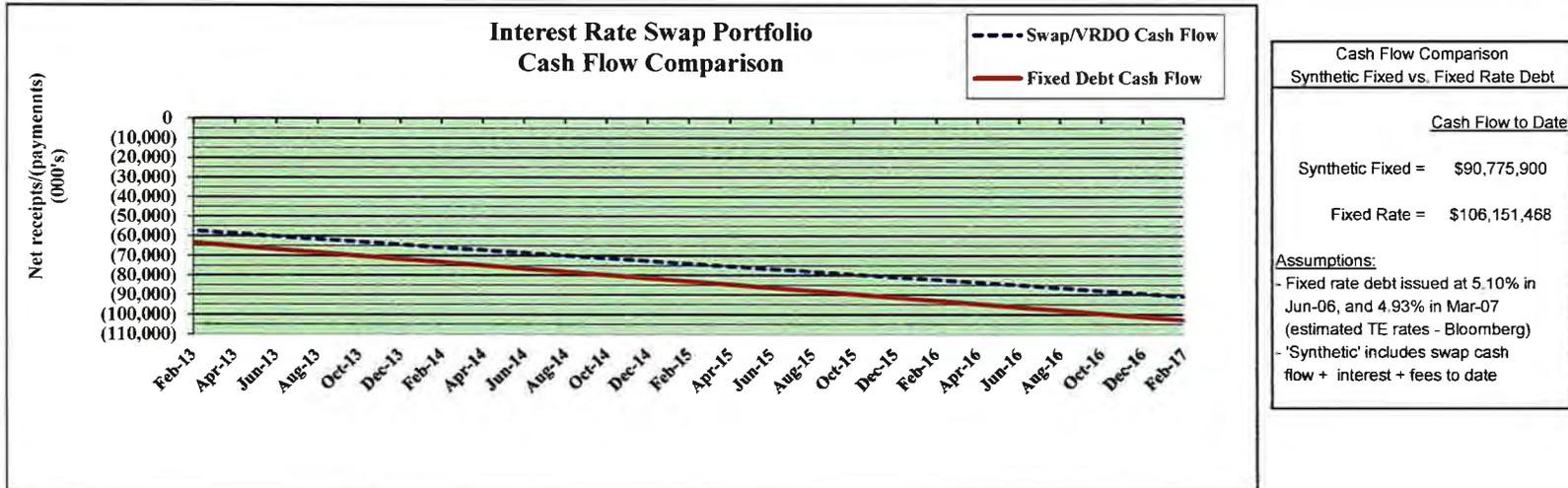


Exhibit "C"

MONTHLY SUMMARY OF PAYROLL ACH PAYMENTS

**February
2017**

	AMOUNT	VENDOR	PURPOSE
2/3/2017	854,489.49	BANK OF AMERICA	ACH Payments for Payroll
2/17/2017	837,030.25	BANK OF AMERICA	ACH Payments for Payroll
	<u>\$1,691,519.74</u>		

✓

Exhibit "D"

IRWD Ledger

Void Payment Register

Report Date: 08-FEB-2017 11:51

Include Zero Amount Payments: No
Display Payee Address: No

Period From: 01-FEB-17

Page: 1

To: 28-FEB-17

Date: Void Date

Bank: Bank of America N.A.

Branch: Los Angeles

Account: Checking AP and PR

Bank Account Currency: USD

Payment Currency: USD (US Dollar)

Payment Number	Date	Payee Name	Site	Address	Payment Amount	Void Date
Payment Document: IRWD CHECK						
371152	22-SEP-16	ECKLUND, MARIELLE	PAY		16.44	07-FEB-17
371599	06-OCT-16	ARMATIS, DANIEL	PAY		37.16	07-FEB-17
371691	06-OCT-16	LUO, YANNI	PAY		19.94	07-FEB-17
371710	06-OCT-16	MORRIS, COLIN	PAY		12.48	07-FEB-17
371720	06-OCT-16	NGUY, LAURA	PAY		23.02	07-FEB-17
371739	06-OCT-16	PARK, ESTELLE	PAY		22.87	07-FEB-17
371784	06-OCT-16	ROSS, WILLIAM	PAY		22.73	07-FEB-17
371798	06-OCT-16	SIJMAY SOLUTIONS INC.	PAY		60.98	07-FEB-17
371801	06-OCT-16	SMALL, BENJAMIN	PAY		12.62	07-FEB-17
371814	06-OCT-16	SU, CELIA	PAY		17.57	07-FEB-17
372017	13-OCT-16	TAKAHASHI, SHIN	TOKYO		19.19	07-FEB-17
372018	13-OCT-16	TANG, TRACY	PAY		19.19	07-FEB-17
372020	13-OCT-16	THE F. GASPORRA LIVING TRUS	PAY		39.76	07-FEB-17
372046	13-OCT-16	WATANABE, KIYOHICO	PAY		26.05	07-FEB-17
372060	13-OCT-16	YEE, RICHARD	PAY		16.98	07-FEB-17
372165	20-OCT-16	KAZEMPOOR, MOHAMMAD	PAY		20.69	07-FEB-17
372203	20-OCT-16	QUINTERO, GLORIA	PAY		24.21	07-FEB-17
372209	20-OCT-16	RODRIGUEZ, LIZZETTE	PAY		18.58	07-FEB-17
372258	20-OCT-16	WANG, ZIXUN	PAY		27.15	07-FEB-17
372270	20-OCT-16	ZHANG, YI	PAY		25.99	07-FEB-17
372297	27-OCT-16	BARNES, BEAU	PAY		58.66	07-FEB-17
Payment Document Subtotal					542.26	

Payment Number	Date	Payee Name	Site	Address	Payment Amount	Void Date
Payment Document: IRWD Wire						
11931	03-FEB-17	GREAT-WEST LIFE & ANNUITY I DENVER			111,369.25	08-FEB-17
Payment Document Subtotal					111,369.25	

IRWD Ledger

Void Payment Register

Report Date: 08-FEB-2017 11:51

Include Zero Amount Payments: No
Display Payee Address: No

Period From: 01-FEB-17

Page: 2

To: 28-FEB-17

Date: Void Date

Report Count: 22

Report Total

111,911.51

Total Voids

*** End of Report ***

IRWD Ledger Payment Register For 01-FEB-17 To 28-FEB-17 Report Date: 08-FEB-2017 11:51
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 1
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
374709		02-FEB-17	Spangenberg, Carl W (Carl)		40.14			Negotiable
374710		02-FEB-17	Fike, Ethan O (Ethan)		205.00	06-FEB-17	205.00	Reconciled
374711		02-FEB-17	Soto, Franklin E (Frank)		260.00	07-FEB-17	260.00	Reconciled
374712		02-FEB-17	Nash, Joel		70.62	06-FEB-17	70.62	Reconciled
374713		02-FEB-17	Cortez, Malcolm A (Malcolm)		51.54			Negotiable
374714		02-FEB-17	Reynoso, Pio (Pio)		265.00	06-FEB-17	265.00	Reconciled
374715		02-FEB-17	Gallegos, Richard (Richard)		43.16	06-FEB-17	43.16	Reconciled
374716		02-FEB-17	Lao, Richard S		16.19			Negotiable
374717		02-FEB-17	ALPHA TRAFFIC SERVICES, INC.	FULLERTON	0.00			Negotiable
374718		02-FEB-17	DELL MARKETING LP	PO BOX 910916 IRVINE	0.00			Negotiable
374719		02-FEB-17	IRWD		0.00			Negotiable
374720		02-FEB-17	A STITCH ON TIME.COM		118.53	06-FEB-17	118.53	Reconciled
374721		02-FEB-17	AFLAC		232.04			Negotiable
374722		02-FEB-17	AFLAC		6,951.93			Negotiable
374723		02-FEB-17	AIRGAS, INC.		256.20	06-FEB-17	256.20	Reconciled
374724		02-FEB-17	ALTA NURSERY, INC.		672.96			Negotiable
374725		02-FEB-17	ANTHONY N. LARSEN		600.00			Negotiable
374726		02-FEB-17	APEX LIFE SCIENCES, LLC		2,380.00	06-FEB-17	2,380.00	Reconciled
374727		02-FEB-17	AT&T		880.62			Negotiable
374728		02-FEB-17	AT&T INTERNET SERVICES		2,075.61			Negotiable
374729		02-FEB-17	AT&T SERVICES, INC.		1,337.35			Negotiable
374730		02-FEB-17	ATTORNEY GENERAL'S REGISTRY OF CHARITABLE TRUSTS		150.00			Negotiable
374731		02-FEB-17	BATTERIES PLUS AND BATTERIES PLUS BULBS		932.25	07-FEB-17	932.25	Reconciled
374732		02-FEB-17	BEHRENS AND ASSOCIATES, INC.		6,467.50	07-FEB-17	6,467.50	Reconciled
374733		02-FEB-17	BELMONT, FRANCIS		257.24	07-FEB-17	257.24	Reconciled
374734		02-FEB-17	BIGWIG MONSTER, LLC		6,000.00			Negotiable
374735		02-FEB-17	BRITHINEE ELECTRIC		14,101.77	06-FEB-17	14,101.77	Reconciled
374736		02-FEB-17	C WELLS PIPELINE MATERIALS INC		7,346.40			Negotiable

IRWD Ledger Payment Register For 01-FEB-17 To 28-FEB-17 Report Date: 08-FEB-2017 11:51
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 2
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
374737		02-FEB-17	CAPTIVE AUDIENCE MARKETING INC.		85.32	07-FEB-17	85.32	Reconciled
374738		02-FEB-17	CITY OF NEWPORT BEACH		576.00	07-FEB-17	576.00	Reconciled
374739		02-FEB-17	CLEARINGHOUSE		477.67			Negotiable
374740		02-FEB-17	COLONIAL LIFE & ACCIDENT INSURANCE CO.		2,045.37			Negotiable
374741		02-FEB-17	CONDITION MONITORING SERVICES INC		3,400.00	06-FEB-17	3,400.00	Reconciled
374742		02-FEB-17	CS-AMSCO		2,114.99	03-FEB-17	2,114.99	Reconciled
374743		02-FEB-17	DANGELO CO		4,396.20	06-FEB-17	4,396.20	Reconciled
374744		02-FEB-17	DCSE, INC.		2,160.00	03-FEB-17	2,160.00	Reconciled
374745		02-FEB-17	DEE JASPAR & ASSOCIATES, INC.		1,317.75			Negotiable
374746		02-FEB-17	DEZURIK INC		3,301.80	06-FEB-17	3,301.80	Reconciled
374747		02-FEB-17	E. J. MEYER COMPANY, INC.		29,694.36			Negotiable
374748		02-FEB-17	E. J. MEYER COMPANY, INC.		299.94	07-FEB-17	299.94	Reconciled
374749		02-FEB-17	ELECTRICAL SYSTEMS ENGINEERING CO		11,250.00			Negotiable
374750		02-FEB-17	ENVIRONMENTAL RESOURCE ASSOCIATES		351.77	07-FEB-17	351.77	Reconciled
374751		02-FEB-17	FARRELL &		713.54	06-FEB-17	713.54	Reconciled

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
374752	02-FEB-17		ASSOCIATES FIERRO, SERGIO D		3,324.99	06-FEB-17	3,324.99	Reconciled
374753	02-FEB-17		FISHER SCIENTIFIC COMPANY LLC		4,285.40	06-FEB-17	4,285.40	Reconciled
374754	02-FEB-17		FRANCHISE TAX BOARD		20.00			Negotiable
374755	02-FEB-17		FRONTIER CALIFORNIA INC.		205.68			Negotiable
374756	02-FEB-17		GCI CONSTRUCTION, INC.		17,812.50			Negotiable
374757	02-FEB-17		GENERAL PUMP COMPANY INC		30,694.50			Negotiable
374758	02-FEB-17		GRAINGER		568.02	06-FEB-17	568.02	Reconciled
374759	02-FEB-17		GRAYBAR ELECTRIC COMPANY		15,822.91	06-FEB-17	15,822.91	Reconciled
374760	02-FEB-17		HACH COMPANY		15,685.57			Negotiable
374761	02-FEB-17		HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY		112.48			Negotiable

IRWD Ledger Payment Register For 01-FEB-17 To 28-FEB-17 Report Date: 08-FEB-2017 11:51
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 3
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
374762	02-FEB-17		HEALTHY BUILDINGS INTERNATIONAL, INC		13,720.00			Negotiable
374763	02-FEB-17		HELPMATES STAFFING SERVICES		1,359.60	03-FEB-17	1,359.60	Reconciled
374764	02-FEB-17		HILL BROTHERS CHEMICAL COMPANY		1,866.26			Negotiable
374765	02-FEB-17		HIT PROPERTIES LLC		7.96	06-FEB-17	7.96	Reconciled
374766	02-FEB-17		HOME DEPOT USA INC		566.99	07-FEB-17	566.99	Reconciled
374767	02-FEB-17		HOPKINS TECHNICAL PRODUCTS INC		4,677.66			Negotiable
374768	02-FEB-17		HUNSAKER & ASSOCIATES IRVINE		1,120.00	06-FEB-17	1,120.00	Reconciled
374769	02-FEB-17		INFOSYS LIMITED		28,220.00			Negotiable
374770	02-FEB-17		IRVINE PIPE & SUPPLY INC		650.84	07-FEB-17	650.84	Reconciled
374771	02-FEB-17		IRWD EMPLOYEE ASSOCIATION		1,330.00			Negotiable
374772	02-FEB-17		IRWD-PETTY CASH CUSTODIAN		1,391.52	03-FEB-17	1,391.52	Reconciled
374773	02-FEB-17		KELVIN APARTMENTS LLC		173,280.80			Negotiable
374774	02-FEB-17		KPMG LLP		59,150.00			Negotiable
374775	02-FEB-17		LENNAR HOMES		324.00			Negotiable
374776	02-FEB-17		MARINA LANDSCAPE MAINTENANCE, INC.		3,685.62	06-FEB-17	3,685.62	Reconciled
374777	02-FEB-17		MC MASTER CARR SUPPLY CO		1,345.00	06-FEB-17	1,345.00	Reconciled
374778	02-FEB-17		MECSOFT CORPORATION		400.00	06-FEB-17	400.00	Reconciled
374779	02-FEB-17		MUNICIPAL WATER DISTRICT OF ORANGE COUNTY		17,830.41			Negotiable
374780	02-FEB-17		NAUTILUS ENVIRONMENTAL, INC.		1,600.00	03-FEB-17	1,600.00	Reconciled
374781	02-FEB-17		OLIN CORPORATION		2,969.02	07-FEB-17	2,969.02	Reconciled
374782	02-FEB-17		ONESOURCE DISTRIBUTORS LLC		21,859.46			Negotiable
374783	02-FEB-17		ORANGE COUNTY SANITATION DISTRICT		3,744,096.00			Negotiable
374784	02-FEB-17		ORANGE COUNTY SANITATION DISTRICT		1,570.00	03-FEB-17	1,570.00	Reconciled
374785	02-FEB-17		ORANGE COUNTY SHERIFF'S OFFICE		62.50			Negotiable

IRWD Ledger Payment Register For 01-FEB-17 To 28-FEB-17 Report Date: 08-FEB-2017 11:51
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 4
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
374786	02-FEB-17		PACIFIC TECHNICAL EQUIPMENT AND ENGINEERING, INC.		10,048.00			Negotiable
374787	02-FEB-17		PARKWAY LAWNMOWER SHOP		214.67	06-FEB-17	214.67	Reconciled
374788	02-FEB-17		PENHALL RENTAL		222.98	06-FEB-17	222.98	Reconciled
374789	02-FEB-17		PERKINELMER HEALTH SCIENCES INC		6,636.00	07-FEB-17	6,636.00	Reconciled

374790	02-FEB-17	PERS LONG TERM CARE	900.58				Negotiable
374791	02-FEB-17	PRE-PAID LEGAL SERVICES INC	1,577.96				Negotiable
374792	02-FEB-17	PUMP CHECK	1,540.00	06-FEB-17	1,540.00		Reconciled
374793	02-FEB-17	R & S SOIL PRODUCTS INC	840.45				Negotiable
374794	02-FEB-17	R D OLSON CONSTRUCTION	687.05	06-FEB-17	687.05		Reconciled
374795	02-FEB-17	RAM AIR ENGINEERING INC	4,795.33	07-FEB-17	4,795.33		Reconciled
374796	02-FEB-17	RINCON TRUCK CENTER INC.	1,560.00	06-FEB-17	1,560.00		Reconciled
374797	02-FEB-17	RS HUGHES COMPANY, INC.	251.06				Negotiable
374798	02-FEB-17	SCHINDLER ELEVATOR CORPORATION	188.97	07-FEB-17	188.97		Reconciled
374799	02-FEB-17	SHAMROCK SUPPLY CO INC	172.23	06-FEB-17	172.23		Reconciled
374800	02-FEB-17	SOUTHERN CALIFORNIA EDISON COMPANY	126,982.84	06-FEB-17	126,982.84		Reconciled
374801	02-FEB-17	STANTEC CONSULTING SERVICES INC.	8,000.00	06-FEB-17	8,000.00		Reconciled
374802	02-FEB-17	SUN, YUEFENG	56.24				Negotiable
374803	02-FEB-17	TETRA TECH, INC	43,859.21				Negotiable
374804	02-FEB-17	TOLL BROS., INC.	101.22				Negotiable
374805	02-FEB-17	TROPICAL PLAZA NURSERY INC	364.09	06-FEB-17	364.09		Reconciled
374806	02-FEB-17	ULTRA SCIENTIFIC	509.16	07-FEB-17	509.16		Reconciled
374807	02-FEB-17	UNITED PARCEL SERVICE INC	146.89	06-FEB-17	146.89		Reconciled
374808	02-FEB-17	UNITED STATES POST OFFICE	25,000.00				Negotiable
374809	02-FEB-17	VERIZON WIRELESS SERVICES LLC	2,237.25	07-FEB-17	2,237.25		Reconciled
374810	02-FEB-17	VWR INTERNATIONAL, LLC	595.36	06-FEB-17	595.36		Reconciled

IRWD Ledger
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 5
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
374811	02-FEB-17	02-FEB-17	WACO FILTERS CORPORATION		263.82	07-FEB-17	263.82	Reconciled
374812	02-FEB-17	02-FEB-17	WASTE MANAGEMENT OF ORANGE COUNTY		2,087.04	06-FEB-17	2,087.04	Reconciled
374813	02-FEB-17	02-FEB-17	WATER SYSTEMS OPTIMIZATION, INC.		852.50			Negotiable
374814	02-FEB-17	02-FEB-17	WATERSMART SOFTWARE, INC		17,975.00			Negotiable
374815	02-FEB-17	02-FEB-17	WAXIE'S ENTERPRISES, INC		313.24	06-FEB-17	313.24	Reconciled
374816	02-FEB-17	02-FEB-17	WESTERN EXTERMINATOR COMPANY		344.00			Negotiable
374817	02-FEB-17	02-FEB-17	YORK INSURANCE SERVICES GROUP INC - CA		15,872.50			Negotiable
374818	02-FEB-17	02-FEB-17	PAULUS ENGINEERING, INC.	PAY	133,051.30			Negotiable
374819	02-FEB-17	02-FEB-17	JOHNSON-PELTIER	PAY	44,504.13			Negotiable
374820	03-FEB-17	03-FEB-17	ACCUSOURCE, INC.		643.25			Negotiable
374821	03-FEB-17	03-FEB-17	ALEXANDER'S CONTRACT SERVICES, INC.		112,957.48			Negotiable
374822	03-FEB-17	03-FEB-17	APEX LIFE SCIENCES, LLC		1,190.00			Negotiable
374823	03-FEB-17	03-FEB-17	ARCADIS U.S., INC.		7,804.96			Negotiable
374824	03-FEB-17	03-FEB-17	AUTOZONE PARTS, INC.		458.27			Negotiable
374825	03-FEB-17	03-FEB-17	BANK OF NEW YORK MELLON TRUST COMPANY NA		3,000.00			Negotiable
374826	03-FEB-17	03-FEB-17	BATTERIES PLUS AND BATTERIES PLUS BULBS		122.48			Negotiable
374827	03-FEB-17	03-FEB-17	BEARCOM		1,641.57			Negotiable
374828	03-FEB-17	03-FEB-17	BEHRENS AND ASSOCIATES, INC.		2,850.04			Negotiable
374829	03-FEB-17	03-FEB-17	BEST DRILLING AND PUMP, INC.		100,144.25			Negotiable
374830	03-FEB-17	03-FEB-17	BLACK & VEATCH CORPORATION		262,173.27			Negotiable
374831	03-FEB-17	03-FEB-17	BOWIE, ARNESON, WILES & GIANNONE		10,340.33			Negotiable
374832	03-FEB-17	03-FEB-17	CALIFORNIA BARRICADE RENTAL, INC.		4,022.50			Negotiable

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

Payment Register For 01-FEB-17 To 28-FEB-17
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Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
374833		03-FEB-17	CALIFORNIA MUNICIPAL STATISTICS INC		3,450.00			Negotiable
374834		03-FEB-17	CANON FINANCIAL SERVICES, INC		295.24			Negotiable
374835		03-FEB-17	CHO DESIGN ASSOCIATES, INC		17,280.00			Negotiable
374836		03-FEB-17	CITY OF LAKE FOREST		5,000.00			Negotiable
374837		03-FEB-17	CITY OF NEWPORT BEACH		576.00			Negotiable
374838		03-FEB-17	COUNTY OF ORANGE		2,520.00			Negotiable
374839		03-FEB-17	DELL MARKETING LP		387.88			Negotiable
374840		03-FEB-17	DISCOUNT COURIER SERVICE		67.47			Negotiable
374841		03-FEB-17	DUDEK		10,822.81			Negotiable
374842		03-FEB-17	EI&C ENGINEERING INC		59,450.00			Negotiable
374843		03-FEB-17	ELECTRICAL SYSTEMS ENGINEERING CO		5,000.00			Negotiable
374844		03-FEB-17	FIRE EXTINGUISHING SAFETY & SERVICE		902.11			Negotiable
374845		03-FEB-17	FISERV		295.80			Negotiable
374846		03-FEB-17	FUSCOE ENGINEERING, INC.		6,776.00			Negotiable
374847		03-FEB-17	GE GRID SOLUTIONS, LLC		8,463.05			Negotiable
374848		03-FEB-17	GM SAGER CONSTRUCTION CO, INC.		19,500.00			Negotiable
374849		03-FEB-17	GRAINGER		307.57			Negotiable
374850		03-FEB-17	HEALTH SCIENCE ASSOCIATES, INC.		7,026.00			Negotiable
374851		03-FEB-17	HELPMATES STAFFING SERVICES		7,674.45			Negotiable
374852		03-FEB-17	HERITAGE FIELDS EL TORO, LLC		912,607.85			Negotiable
374853		03-FEB-17	HILL BROTHERS CHEMICAL COMPANY		2,534.10			Negotiable
374854		03-FEB-17	HOME DEPOT USA INC		168.00			Negotiable
374855		03-FEB-17	IRVINE PIPE & SUPPLY INC		2,117.70			Negotiable
374856		03-FEB-17	IRWD-PETTY CASH CUSTODIAN		3,000.00			Negotiable
374857		03-FEB-17	JIG CONSULTANTS		2,800.00			Negotiable

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

Payment Register For 01-FEB-17 To 28-FEB-17
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Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
374858		03-FEB-17	JOE RHODES MAINT SERVICE INC		16.81			Negotiable
374859		03-FEB-17	KLEINFELDER, INC.		12,080.00			Negotiable
374860		03-FEB-17	LAGUNA BEACH COUNTY WATER DISTRICT		9,267.69			Negotiable
374861		03-FEB-17	LEWIS INVESTMENT COMPANY, LLC		304,610.19			Negotiable
374862		03-FEB-17	LEWIS MANAGEMENT CORP.		330.00			Negotiable
374863		03-FEB-17	LGC GEOTECHNICAL, INC.		6,380.00			Negotiable
374864		03-FEB-17	LINKTURE CORP.		7,837.00			Negotiable
374865		03-FEB-17	LU'S LIGHTHOUSE, INC.		243.46			Negotiable
374866		03-FEB-17	MUNICIPAL MAINTENANCE EQUIPMENT INC		4,746.06			Negotiable
374867		03-FEB-17	MYERS & SONS HI-WAY SAFETY, INC.		4,145.85			Negotiable
374868		03-FEB-17	NATURALWELL, LLC		1,815.00			Negotiable
374869		03-FEB-17	NORMAN A. OLSSON CONSTRUCTION, INC.		251,336.28			Negotiable
374870		03-FEB-17	ORANGE COUNTY AUTO PARTS CO		540.75			Negotiable
374871		03-FEB-17	PACRIM ENGINEERING INC.		1,552.50			Negotiable
374872		03-FEB-17	PASCAL & LUDWIG		9,184.26			Negotiable

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
374873		03-FEB-17	CONSTRUCTORS PASCAL & LUDWIG		230,089.12			Negotiable
374874		03-FEB-17	CONSTRUCTORS PASCAL & LUDWIG		2,925.70			Negotiable
374875		03-FEB-17	CONSTRUCTORS PELLETIER &		645.00			Negotiable
374876		03-FEB-17	ASSOCIATES, INC. PROBOLSKY RESEARCH		44,575.00			Negotiable
374877		03-FEB-17	LLC RAM AIR		7,239.94			Negotiable
374878		03-FEB-17	ENGINEERING INC REED, JAMES D		2,007.00			Negotiable
374879		03-FEB-17	RELIANCE SAFETY CONSULTANTS, INC.		31,280.00			Negotiable
374880		03-FEB-17	RINCON TRUCK CENTER INC.		414.21			Negotiable
374881		03-FEB-17	RINGCLEAR LLC		125.16			Negotiable

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

Payment Register For 01-FEB-17 To 28-FEB-17 Report Date: 08-FEB-2017 11:51
 Account: Checking AP and PR Page: 8
 Payment Currency: USD (US Dollar)
 Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
374882		03-FEB-17	ROSEDALE - RIO BRAVO WATER		586,349.24			Negotiable
374883		03-FEB-17	STORAGE DISTRICT SANDERS PAVING INC		32,490.55			Negotiable
374884		03-FEB-17	SANTA ANA BLUE PRINT		355.78			Negotiable
374885		03-FEB-17	SANTA MARGARITA FORD		574.75			Negotiable
374886		03-FEB-17	SECURTEC DISTRICT PATROL, INC.		10,700.00			Negotiable
374887		03-FEB-17	SOUTHERN CALIFORNIA EDISON		6,962.71			Negotiable
374888		03-FEB-17	COMPANY STANDARD REGISTER, INC.		2,445.07			Negotiable
374889		03-FEB-17	THYSSENKRUPP ELEVATOR		185.83			Negotiable
374890		03-FEB-17	CORPORATION ULINE INC		298.98			Negotiable
374891		03-FEB-17	UNIVAR USA INC		2,183.23			Negotiable
374892		03-FEB-17	VULCAN MATERIALS COMPANY		1,378.31			Negotiable
374893		03-FEB-17	W.M. LYLES CO		358,351.81			Negotiable
374894		03-FEB-17	W.M. LYLES CO		18,860.63			Negotiable
374895		03-FEB-17	WAXIE'S ENTERPRISES, INC		250.02			Negotiable
374896		03-FEB-17	WECK LABORATORIES INC		329.00			Negotiable
374897		03-FEB-17	WESTAMERICA COMMUNICATIONS, INC.		4,368.90			Negotiable
374898		03-FEB-17	WESTERN EXTERMINATOR COMPANY		14,521.00			Negotiable
374899		03-FEB-17	WIRELESS WATCHDOGS, LLC		516.00			Negotiable
374900		03-FEB-17	ZENON ENVIRONMENTAL CORPORATION		13,618.80			Negotiable
374901		03-FEB-17	Gomez, Braulio		168.00			Negotiable
374902		03-FEB-17	Compton, Christine A		107.22			Negotiable
374903		03-FEB-17	Pan, Jenny W (Jenny)		294.16			Negotiable
374904		03-FEB-17	Cortez, Malcolm A (Malcolm)		116.00			Negotiable

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

Payment Register For 01-FEB-17 To 26-FEB-17 Report Date: 08-FEB-2017 11:51
 Account: Checking AP and PR Page: 9
 Payment Currency: USD (US Dollar)
 Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
374905		03-FEB-17	Matheis, Mary Aileen		1,023.20			Negotiable
374906		03-FEB-17	Jones, Morgan		86.50			Negotiable
374907		03-FEB-17	Perez, Rodolfo (Rudy)		260.00			Negotiable
374908		06-FEB-17	SUNSTATE EQUIPMENTPO BOX CO 52581		0.00			Negotiable
374909		06-FEB-17	Bystrom, Brian V (Brian)		172.00			Negotiable
374910		06-FEB-17	Martin, Colton S		80.93			Negotiable

374993	06-FEB-17	CENTER, INC. TROPICAL PLAZA NURSERY INC		6,929.60		Negotiable
374994	06-FEB-17	TRUCPARCO		426.10		Negotiable
374995	06-FEB-17	UNDERGROUND SERVICE ALERT OF SOUTHERN CALIFORNIA		822.00		Negotiable
374996	06-FEB-17	VERIZON WIRELESS SERVICES LLC		601.40		Negotiable
374997	06-FEB-17	WALTERS WHOLESALE ELECTRIC		6,351.70		Negotiable
374998	06-FEB-17	WASTE MANAGEMENT OF ORANGE COUNTY		55.71		Negotiable

IRWD Ledger Payment Register For 01-FEB-17 To 28-FEB-17 Report Date: 08-FEB-2017 11:51
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 13
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
374999		06-FEB-17	WATERSMART SOFTWARE, INC		13,597.50			Negotiable
375000		06-FEB-17	WESTERN SAFETY PRODUCTS INC		3,040.17			Negotiable
375001		06-FEB-17	ZENON ENVIRONMENTAL CORPORATION		100,448.00			Negotiable
375002		07-FEB-17	ORANGE COUNTY SANITATION DISTRICT	FOUNTAIN VALLEY	16,441.41			Negotiable
375003		07-FEB-17	Swan, Peer		295.36			Negotiable
375004		07-FEB-17	Valencia, Reynaldo (Rey)		87.78			Negotiable
375005		07-FEB-17	LaMar, Steven E		185.71			Negotiable
375006		07-FEB-17	Bonkowski, Thomas J (Thomas)		26.86			Negotiable
375007		07-FEB-17	A AND Y COMPANY INC		26,777.00			Negotiable
375008		07-FEB-17	ACWA		400.00			Negotiable
375009		07-FEB-17	ALEXANDER'S CONTRACT SERVICES, INC.		4,991.50			Negotiable
375010		07-FEB-17	ANIXTER INC		325.00			Negotiable
375011		07-FEB-17	APPLIED INDUSTRIAL TECHNOLOGIES - CA LLC		118.28			Negotiable
375012		07-FEB-17	AQUA-METRIC SALES COMPANY		25,758.72			Negotiable
375013		07-FEB-17	AT&T		3,450.45			Negotiable
375014		07-FEB-17	AUTOZONE PARTS, INC.		162.30			Negotiable
375015		07-FEB-17	BANK OF NEW YORK MELLON TRUST COMPANY NA		1,750.00			Negotiable
375016		07-FEB-17	BEARCOM		956.82			Negotiable
375017		07-FEB-17	BELLEWICK COMMUNITY ASSOCIATION		185.00			Negotiable
375018		07-FEB-17	BOYD & ASSOCIATES		680.00			Negotiable
375019		07-FEB-17	BRENNTAG PACIFIC INC		18,575.68			Negotiable
375020		07-FEB-17	BURKE, WILLIAMS & SORENSEN, LLP		14,277.03			Negotiable
375021		07-FEB-17	CANON FINANCIAL SERVICES, INC		1,312.40			Negotiable

IRWD Ledger Payment Register For 01-FEB-17 To 28-FEB-17 Report Date: 08-FEB-2017 11:51
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 14
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
375022		07-FEB-17	CHEM TECH INTERNATIONAL INC		33,815.10			Negotiable
375023		07-FEB-17	CIVILSOURCE, INC.		30,818.50			Negotiable
375024		07-FEB-17	COASTLINE EQUIPMENT COMPANY		495.75			Negotiable
375025		07-FEB-17	COUNTY OF ORANGE		179,599.22			Negotiable
375026		07-FEB-17	DAVIS FARR LLP		9,000.00			Negotiable
375027		07-FEB-17	DEX MEDIA INC.		77.25			Negotiable
375028		07-FEB-17	DISCOUNT COURIER SERVICE		67.47			Negotiable
375029		07-FEB-17	DUDEK		5,530.00			Negotiable
375030		07-FEB-17	FARRELL & ASSOCIATES		1,223.14			Negotiable
375031		07-FEB-17	FISHER SCIENTIFIC		7,583.23			Negotiable

375032	07-FEB-17	COMPANY LLC GANAHL LUMBER CO.	115.37	Negotiable
375033	07-FEB-17	GEIGER BROS	1,384.47	Negotiable
375034	07-FEB-17	GENTERRA CONSULTANTS INC	3,707.50	Negotiable
375035	07-FEB-17	GRAINGER	81.79	Negotiable
375036	07-FEB-17	GRAYBAR ELECTRIC COMPANY	37,547.29	Negotiable
375037	07-FEB-17	HACH COMPANY	3,518.05	Negotiable
375038	07-FEB-17	IBM CORPORATION	925.00	Negotiable
375039	07-FEB-17	IRVINE PIPE & SUPPLY INC	1,089.98	Negotiable
375040	07-FEB-17	JOHNSTONE SUPPLY	96.77	Negotiable
375041	07-FEB-17	KAYUGA SOLUTION INC	14,685.00	Negotiable
375042	07-FEB-17	LAGUNA BEACH COUNTY WATER DISTRICT	2,243.63	Negotiable
375043	07-FEB-17	LEE & RO, INC.	27,746.40	Negotiable
375044	07-FEB-17	LEWIS BRISBOIS BIGGAARD AND SMITH, LLP	2,197.81	Negotiable
375045	07-FEB-17	LILLESTRAND LEADERSHIP CONSULTING, INC.	774.15	Negotiable
375046	07-FEB-17	MC MASTER CARR SUPPLY CO	139.82	Negotiable
375047	07-FEB-17	METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA	500.00	Negotiable

IRWD Ledger Payment Register For 01-FEB-17 To 28-FEB-17 Report Date: 08-FEB-2017 11:51
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 15
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Payment Document : IRWD CHECK								
375048		07-FEB-17	MUNICIPAL WATER DISTRICT OF ORANGE COUNTY		2,000.00			Negotiable
375049		07-FEB-17	NATIONAL READY MIXED CONCRETE CO.		2,154.23			Negotiable
375050		07-FEB-17	ORANGE COUNTY MOSQUITO AND VECTOR CONTROL DISTRICT		1,126.72			Negotiable
375051		07-FEB-17	OUTSOURCE TECHNICAL LLC		56,921.00			Negotiable
375052		07-FEB-17	PARKHOUSE TIRE INC		144.49			Negotiable
375053		07-FEB-17	PERKINELMER HEALTH SCIENCES INC		1,869.15			Negotiable
375054		07-FEB-17	PIPELOGIX INC		9,276.50			Negotiable
375055		07-FEB-17	PROCARE WORK INJURY CENTER		980.00			Negotiable
375056		07-FEB-17	RINCON TRUCK CENTER INC.		93.25			Negotiable
375057		07-FEB-17	SANDERS PAVING INC		14,848.50			Negotiable
375058		07-FEB-17	SANTA MARGARITA FORD		132.02			Negotiable
375059		07-FEB-17	SIMI VALLEY LANDFILL AND RECYCLING CENTER		649.35			Negotiable
375060		07-FEB-17	SMARTCOVER SYSTEMS		251.73			Negotiable
375061		07-FEB-17	SOUTHERN CALIFORNIA EDISON COMPANY		19,860.75			Negotiable
375062		07-FEB-17	T.E. ROBERTS, INC.		80,678.75			Negotiable
375063		07-FEB-17	THYSSENKRUPP ELEVATOR CORPORATION		185.84			Negotiable
375064		07-FEB-17	TRIPAC MARKETING INC		513.80			Negotiable
375065		07-FEB-17	TROPICAL PLAZA NURSERY INC		851.00			Negotiable
375066		07-FEB-17	TUSTIN TOYOTA		195.50			Negotiable
375067		07-FEB-17	VULCAN INDUSTRIES INC		51,415.07			Negotiable
375068		07-FEB-17	VNR INTERNATIONAL, LLC		7,128.42			Negotiable
375069		07-FEB-17	WASTE MANAGEMENT OF ORANGE COUNTY		3,314.15			Negotiable
375070		07-FEB-17	WATERWISE CONSULTING, INC.		1,800.00			Negotiable

IRWD Ledger Payment Register For 01-FEB-17 To 28-FEB-17 Report Date: 08-FEB-2017 11:51
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 16
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar)
 Payment Type: All Display Supplier Address: No

Cleared

ANNUITY INSURANCE
COMPANY

Payment Document Subtotal: 1,522,629.11

Bank Account Subtotal : 12,273,827.08 240,941.62

IRWD Ledger Payment Register For 01-FEB-17 To 28-FEB-17 Report Date: 08-FEB-2017 11:51
 BANK: Branch : Account: Page: 18
 Bank Account Currency: () Payment Currency: ()
 Payment Type: All Display Supplier Address: No

Payment Number	Sequence Num	Date	Supplier Name	Site	Payment Amount	Cleared Date	Cleared Amount	Status
Report Count : 393			Report Total:		12,273,827.08		240,941.62	
					Total Disbursements			

*** End of Report ***

\$ 12,273,827.08 Disbursements
 <111,911.51> Voids
 \$ 12,161,915.57 Total Voids and Disbursements

Exhibit "E"

IRWD Gov Code 53065.5 Disclosure Report

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

01-FEB-17 to 28-FEB-17

NAME	CHECK	CHECK	AMOUNT	ITEM DESCRIPTION	EXPENSE JUSTIFICATION
Bystrom, Brian	374909	6-Feb-17	172.00	Certification Renewal	CWEA Membership renewal
Compton, Christine	374902	3-Feb-17	100.26	Other(Misc)	Mileage reimbursement for January 2017
Cortez, Malcolm	374904	3-Feb-17	116.00	Certification Renewal	PE License Renewal
Fike, Ethan	374710	2-Feb-17	205.00	Certification Renewal	CWEA Grade IV Certificate renewal
Gomez, Braulio	374901	3-Feb-17	168.00	Certification Renewal	RSCC certification
Martin, Didene	374911	6-Feb-17	300.00	Certification Renewal	CWEA Wastewater Operator III Certification
Matheis, Mary Aileen	374905	3-Feb-17	222.21	Lodging	ACWA Fall Conf., Anaheim, CA 11/28/2016
Matheis, Mary Aileen	374905	3-Feb-17	222.21	Lodging	ACWA Fall Conf., Anaheim, CA 11/29/2016
Matheis, Mary Aileen	374905	3-Feb-17	222.21	Lodging	ACWA Fall Conf., Anaheim, CA 11/30/2016
Matheis, Mary Aileen	374905	3-Feb-17	222.21	Lodging	ACWA Fall Conf., Anaheim, CA 12/1/2016
Pan, Jenny	374903	3-Feb-17	103.24	Other(Misc)	Meeting supplies
Perez, Rodolfo	374907	3-Feb-17	172.00	Certification Renewal	CWEA Membership renewal
Reynoso, Pio	374714	2-Feb-17	265.00	Certification Renewal	CWEA Collections Grade III certification
Sanchez, Hector	374912	6-Feb-17	153.00	Certification Renewal	ASE certification
Sanchez, Hector	374912	6-Feb-17	350.00	Certification Renewal	CCDET certification
Soto, Frank	374711	2-Feb-17	172.00	Membership Renewal	CWEA Membership renewal
Swift, Ian	374913	6-Feb-17	200.00	Other(Misc)	Safety Shoe Allowance
Total Amount:			\$3,365.34		

March 27, 2017

Prepared by: H. Cho/M. Cortez

Submitted by: K. Burton

Approved by: Paul Cook 

CONSENT CALENDAR

UC IRVINE COOLING TOWER RECYCLED WATER CONVERSION PIPELINE PHASE I FINAL ACCEPTANCE

SUMMARY:

The UC Irvine (UCI) Cooling Tower Recycled Water Conversion Pipeline Phase I project is complete. The District's contractor, Paulus Engineering, Inc., completed the required work and all punch list items. The project has received final inspection and acceptance of construction is recommended.

BACKGROUND:

The UCI Cooling Tower Conversion Recycled Water Pipeline Phase I project constructed 200 feet of 12-inch and 16-inch recycled water pipeline within the street intersection of University Drive and California Avenue. This pipe segment is the first 200 feet of approximately 2,900 feet that will convert the water supply of the UCI Cooling Tower system from domestic to recycled water, as well as provide recycled water to the planned growth in the University Research Park area. The 200-foot segment was installed at this time to avoid conflicting with the City of Irvine's University Drive Widening project, which will start in May 2017.

The design was completed in September 20, 2016. Paulus Engineering Inc. was awarded the construction contract on October 24, 2016 and completed construction on March 4, 2017. The original construction completion date was December 27, 2016, but due to the City of Irvine's requirement of performing all street paving work on Saturdays only and the coincidental rain events on several Saturdays beginning in late December 2016 through February 2017, the contract time was extended for 68 days.

Project Title:	UCI Cooling Tower RW Conversion Pipeline Phase I
Project No.:	07102
Design Engineer:	CivilSource Inc.
Construction Management by:	IRWD Staff
Contractor:	Paulus Engineering, Inc.
Original Contract Cost:	\$169,500.00
Final Contract Cost:	\$249,242.10
Original Contract Days:	60
Final Contract Days:	128
Final Change Order Approved On:	March 20, 2017

FISCAL IMPACTS:

Project 07102 is included in the FY 2016-17 Capital Budget. The existing budget and Expenditure Authorization are sufficient to fund the final payment for the project.

ENVIRONMENTAL COMPLIANCE:

This project is exempt from the California Environmental Quality Act (CEQA) and in conformance with California Code of Regulation, Title 14, Chapter 3, Section 15282 in that the installation of new pipeline or maintenance, repair restoration, removal or demolition of an existing pipeline as set forth in Section 21080.21 of the Public Resources Code, as long as the project does not exceed one mile in length. Staff filed a Notice of Exemption with the Orange County Clerk Recorder on September 16, 2016.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD ACCEPT CONSTRUCTION OF THE UC IRVINE COOLING TOWER RECYCLED WATER CONVERSION PIPELINE PHASE I, PROJECT 07102; AUTHORIZE THE GENERAL MANAGER TO FILE A NOTICE OF COMPLETION; AND AUTHORIZE THE PAYMENT OF THE RETENTION 35 DAYS AFTER THE DATE OF RECORDING THE NOTICE OF COMPLETION.

LIST OF EXHIBITS:

None.

March 27, 2017

Prepared and

submitted by: C. Compton

Approved by: Paul Cook 

ACTION CALENDAR

2017 LEGISLATIVE UPDATE

SUMMARY:

This report provides an update on the 2017-2018 legislative session and IRWD priorities. As legislation develops, staff will provide updates and recommendations to the Water Resources Policy and Communications Committee and the Board, as appropriate.

Staff recommends that the Board consider the following actions/positions:

- *AB 574 (Quirk, D-Hayward)- Potable Reuse* — “SUPPORT”;
- *AB 968 (Rubio, D-West Covina) - Urban Water Management Planning and AB 1654 (Rubio, D-West Covina)* — “CO-SPONSOR AND SUPPORT, AS PROPOSED TO BE AMENDED BY ACWA”;
- *AB 1667 (Friedman, D-Burbank) - Urban Water Suppliers: Landscape Water Meters* — “OPPOSE”; and
- *Tax-Exempt Municipal Bonds - Reaffirm* “SUPPORT” for the tax-exempt status of municipal bonds and “OPPOSE” any cap on tax-exempt municipal bond interest.

BACKGROUND:

The 2017 bill introduction deadline was February 17, 2017. Nearly 2,519 bills were introduced, exclusive of constitutional amendments and resolutions. In the Assembly, 1,711 bills were introduced while the Senate introduced 808 bills. Many of the introduced bills contain spot or intent language, while a number of bills include substantive proposals. With the introduction deadline having passed, the 2017 legislative year will come into full swing with policy committees ramping up and legislators working to amend their legislation so that it will be heard by the April 28 and May 12 policy committee deadlines.

A wide variety of bills have been introduced on issues of interest to IRWD including water use efficiency and conservation, water rates, water storage and supplies, groundwater, greywater, and recycled water. There are also a number of bills related to greenhouse gas emissions, energy, and public contracting. Many of these bills are expected to have significant amendments prior to their first policy committee hearings. As such, staff will monitor proposals and bring updates and recommendations to the Water Resources Policy and Communications Committee and the Board, as appropriate.

A copy of the 2017 Legislative Matrix is attached as Exhibit “A”. Exhibit “B” is the 2017 Legislative Update Report Links to Bill Texts, which contains links to the bills discussed below, unless a separate exhibit is noted.

State Budget Update:

February State Revenue Numbers Released:

Given the political implications that State revenues and the State's fiscal outlook can have on local government, staff continues to monitor the State's revenue and budget situation.

On March 10, 2017, State Controller Betty Yee released her monthly report on the State's finances. She announced that the State took in \$6.52 billion in revenue during the month of February. This amount was \$772.7 million, or 10.6%, lower than the revised projections for the 2016-2017 Fiscal Year. February's revenue receipts followed the pattern of month-to-month fluctuations the State has been experiencing over the last eight months. For example, January's revenues came in 6.2% higher than projections and February's 10.6% below projections.

For the first eight months of the 2016-2017 Fiscal Year the State has received total revenues of \$73.28 billion, which is \$663.9 million lower than budget estimates and \$888.1 million lower than the revised fiscal year projections contained in the Governor's proposed budget in January. Revenues from personal income tax, corporate taxes and sale taxes are all below projections. February's revenues continued the trend of considerable uncertainty as to what revenue picture the remainder of Fiscal Year 2016-2017 will yield for the State.

2017 State Legislation and Regulatory Actions:

AB 574 (Quirk, D-Hayward) — Potable Reuse:

On December 30, 2016, the State Water Resources Control Board (State Board) delivered its report to the Legislature on the "Feasibility of Developing Uniform Water Recycling Criteria for Direct Potable Reuse." The report found that it is possible for the State Board to develop uniform water recycling criteria for direct potable reuse protective of public health, and that the uniform criteria can be developed concurrently with ongoing research on issues related to potable reuse. A copy of the report can be viewed at http://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/rw_dpr_criteria.shtml.

In order to further the development of potable reuse regulations, WaterReuse California is sponsoring AB 574, introduced by Assemblymember Bill Quirk (D-Hayward). AB 574 will establish a statutory deadline for the State Board to develop a policy and sequential regulations for potable reuse consistent with the report provided to the Legislature. Additionally, the bill recognizes that there is a continuum of potable reuse projects. AB 574, therefore, defines "potable reuse" as well as four subcategories of potable reuse — groundwater augmentation, reservoir augmentation, raw water augmentation, and treated water augmentation. A diagram explaining the difference between these four subcategories is attached as Exhibit "C".

AB 574 also proposes to remove the terms "Indirect Potable Reuse" and "Direct Potable Reuse" from the Water Code. The bill also requires that the State Board adopt regulations for "raw water augmentation" potable reuse and the planned placement of recycled water into a raw or untreated water distribution system serving a public water system, by December 2021.

As a leader in recycled water, IRWD has long advocated and supported efforts to increase water recycling in California. AB 574 would help expand potable reuse within the state. As a result, staff recommends that the Board adopt a “support” position on AB 574.

AB 1667 (Friedman, D-Burbank) — Urban Water Suppliers: Landscape Water Meters:

Assemblymember Laura Friedman (D-Burbank) has introduced AB 1667. AB 1667 would require an urban water supplier to install dedicated irrigation meters for various types of properties within its service area. Specifically, the bill would require that an urban water supplier install dedicated irrigation meters before the following deadlines:

Property Type	Proposed Deadline for Installation of Dedicated Irrigation Meters
Commercial, institutional, industrial, and multifamily properties with irrigated areas over 1,000 square feet.	January 1, 2020
Commercial, institutional, industrial, and multifamily properties with irrigated areas over 500 but less than 1,001 square feet.	January 1, 2025
Single-family homes with greater than 5,000 square feet of irrigated area.	January 1, 2030

While IRWD is supportive of the installation of dedicated irrigation meters at the discretion of an urban water supplier, staff has expressed concern over proposed statewide requirements that urban water suppliers provided dedicated irrigation meters to every customer with a given class. Staff has expressed this concern as part of the discussions surrounding the long-term water use efficiency framework. In some cases, the installation of a separate dedicated irrigation meter is not physically feasible or may not make economic sense based on a cost-benefit analysis. For these reasons, IRWD has not supported the statewide mandate for dedicated irrigation meters within the proposed long-term water use efficiency framework under consideration by the Administration.

Staff recommends that the Board adopt an “oppose” position on AB 1667 and authorize staff to communicate the District’s concerns regarding statewide requirement for dedicated irrigation meters to the author prior to sending an opposition letter.

Long-Term Water-Use Efficiency Framework:

On November 30, 2016, the Department of Water Resources and the State Board released a draft plan/framework for achieving long-term water use efficiency and outlining drought preparedness goals for California. The draft framework, entitled “Making Water Conservation a California Way of Life,” was developed in response to the Governor’s Executive Order B-37-16, which directed state agencies to build on the significant conservation achieved during the drought by developing a long-term water use efficiency framework. Comments on the draft framework were due on December 19.

Throughout the fall staff worked with various stakeholders and the Association of California Water Agencies (ACWA) to provide comments to state agencies on the development of the draft framework. The District also signed onto a comment letter on the draft framework developed by ACWA and signed by 113 water agencies and associations from throughout the state. This coalition letter was submitted on December 19.

Since the comment deadline, staff has continued to work with various stakeholders and ACWA on the long-term water use efficiency framework. Because legislation will be needed to implement significant portions of the long-term water use efficiency framework, the ACWA State Legislative Committee developed a working group on the framework, which was assigned the task of drafting legislative language to implemented framework as supported by ACWA and the 113 signatories of the December 19 coalition letter.

To date, the ACWA working group has developed language to implement the portions of the framework related to drought planning, Urban Water Management Plans and Water Shortage Contingency Plans. Staff was actively engaged in the drafting of the developed language. The ACWA State Legislative Committee approved the developed language related to these topics at its March 3 meeting and supported its placement into AB 1654, which will be authored by Assemblymember Blanca Rubio (D- West Covina). A copy of the language developed by the ACWA working group related to drought planning, Urban Water Management Plans and Water Shortage Contingency Plans is attached as Exhibit “D”. The language will be inserted into AB 1654 shortly.

The working group has continued its effort to develop language to implement portions of the framework related to establishing water use efficiency targets for 2025. Staff has been actively engaged in the drafting of this language. The language developed by the working group will be considered by the ACWA State Legislative Committee at its meeting on March 24. If the ACWA State Legislative Committee approves the developed language, the language will be inserted into AB 986 (Rubio, D-West Covina). A copy of the ACWA language establishing water use efficiency targets for 2025 is attached as Exhibit “E”.

While AB 1654 and AB 986 will be amended to include the language drafted by ACWA, the bills will be sponsored by the Sacramento Regional Water Authority (RWA). RWA has requested that the District consider becoming co-sponsors of the two measures along with several other water agencies from throughout the state and potentially ACWA once the association has gone through its approval process. Given the District’s involvement with the

ACWA drafting process, staff recommends that the District become a co-sponsor of the two bills.

In addition to the two bill discussed above, there are also several other bills that may be vehicles for legislation related to the long-term water use efficiency framework. Those bills are AB 869 (Rubio, D-West Covina), AB 1041 (Levine, D-Santa Rosa), AB 1273 (Gallagher, R-Yuba City), AB 1323 (Weber, D-San Diego), AB 1668 (Friedman, D- Burbank), and AB 1669 (Friedman, D-Burbank).

Staff will provide an oral update on its efforts related to the long-term water use efficiency framework and the ongoing discussions taking place at ACWA, WateReuse California, and within the State Capitol. Staff recommends that the Board adopt a “SUPPORT” position on AB 1654 and AB 986, as proposed to be amended by ACWA and authorize the District to become a co-sponsor of the two measures.

Proposition 218 Reform Efforts:

Since *Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano*, there has been significant discussion in Sacramento regarding Proposition 218 and tiered water rates. Most recently, Senator Bob Hertzberg (D-Van Nuys) has introduced two bills related to Proposition 218. The first bill, SB 231, is sponsored by the Water Foundation. It is a reintroduction of SB 1298 (2016) and seeks to define sewer service consistent with the Public Utilities Code in order to allow fees for stormwater management to be levied as fees for sewer service. The second bill is SCA 4, a constitutional amendment, which is sponsored by ACWA and meant to put forth a constitutional amendment related to lifeline and tiered water rates.

ACWA agreed to sponsor SCA 4 if the constitutional amendment accomplishes the following:

- Grants authority for voluntary lifeline rates and demand-based rates;
- Prohibits the Legislature and State agencies from using or restricting the use of the proceeds of the fees or charges;
- Retains local decision-making authority over rate structure design;
- Prohibits State requirements for use of a particular rate structure;
- Prohibits the State from determining a local agency’s access to rights or privileges granted by the State, including funding, based on the local agency’s choice of rate structure;
- Does not grant any new authority to State agencies; and
- Does not authorized or mandate a State fee, tax or public goods charge on water.

With ACWA agreeing to sponsor SCA 4, the association has been working to develop language for the bill consistent with the principles outlined above. Staff will provide an oral update on any new developments related to ACWA’s drafting process and will discuss Senator Hertzberg’s efforts.

As in the past, IRWD will continue to communicate the District’s concern over any water rate legislation which is not consistent with the California Constitution, not voluntary in nature, or

that does not provide sufficient clarity or flexibility to water agencies. Staff will also continue to work with interested parties on issues related to tiered water rates.

Other State Actions:

Little Hoover Commission Study of Special Districts:

As previously reported, the Little Hoover Commission has initiated a new study of California special districts. To kick off the study, the Commission held a hearing on August 25, 2016, regarding California special districts. The hearing covered a wide range of issues related to special districts including property taxes, reserves, and consolidations. Following the August 25 hearing, the Commission announced that its study of special districts would focus on how special districts are incorporating climate change adaptation into current and long-term allocations of property tax revenues, fee revenues, and reserves, and on health care districts. The subject of climate change adaptation was the subject of the Commission's October 27 hearing on special districts, and health care districts was the subject of a separate advisory committee meeting held by the Commission last November.

At its business meeting in February, the Little Hoover Commission reviewed and discussed the Commission staff's draft report on special districts. Unfortunately, several commissioners did not appreciate the staff's recommendations and believed they did not go far enough. While the staff recommendations largely related to climate change adaption/preparation and not special district revenues or organization, the Commission discussion focused on the role of special districts, reducing the number of special districts, greater oversight of special districts, and public knowledge and engagement with special districts. After the lengthy discussion, the Commission tabled the report until it can hold another hearing on special districts this coming fall because there was no consensus on how the Commission should proceed.

Staff continues to coordinate with the District's associations and with the workgroup of interested special districts put together by the California Special Districts Association to provide information to the Commission on special districts and the topics of the Commission's study. Staff will provide an oral update on the Commission's ongoing effort related to special districts.

AB 2282 Dual-Plumbing Standards and Implementing Regulations

AB 2282, signed into law by Governor Brown in 2014, directed the California Building Standards Commission (BSC) and the Department of Housing and Community Development (HCD) to develop mandatory building standards for dual-plumbing both residential and commercial buildings. As part of this process, the BSC and HCD formed a steering committee to provide input into the regulation development process on which IRWD staff served.

Recently, the formal code adoption cycle, which would include implementation of AB 2282, began. The first step in this process was the California Building Standards Commission Code Advisory Committee (CAC) reviewing and making recommendations regarding the proposed changes submitted by state agencies to California's building codes. The CAC considered the proposed code changes related to dual-plumbing earlier this year and recommended that many of

the proposed changes be studied further. Staff has continued to engage with staff from the BSC and HCD regarding the proposed dual-plumbing standards.

2017 Federal Legislation:

Federal Infrastructure Proposal and Tax-Exempt Municipal Bonds:

As reported to the Board in January, President Donald Trump has indicated that he is interested in moving forward an infrastructure funding package to rebuild America's infrastructure and to get Americans back to work. While details surrounding the new Administration's infrastructure proposal are limited, it appears that the proposal will likely have limited direct funding and will instead proposed the use of tax credit bonds and direct tax credits for private party participants in Public-Private Partnerships to encourage investments in the country's infrastructure. In the midst of the discussions surrounding an infrastructure package, Congress and the Administration have been discussing tax reform. As part of this discussion, some have suggested that Congress eliminate the tax-exempt status of municipal bonds.

Staff has been working with a coalition of California water agencies on both of these issues. The coalition has been advocating for the inclusion of water in any infrastructure package considered by Congress this year and has urged Congress to maintain the tax-exempt status of municipal bonds. Staff has also worked to develop a proposed list of IRWD projects for which the District may want to seek federal funding if an infrastructure funding package moves forward. The proposed list of projects is attached as Exhibit "F".

Staff recommends that the Board reaffirm its support for the tax-exempt status of municipal bonds and its opposition to any cap on tax-exempt municipal bond interest. Additionally, staff recommends that the Board provide input to staff on the proposed list of IRWD projects, which may be candidates for federal funding if an infrastructure funding package moves forward this session.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on March 15, 2017.

RECOMMENDATION:

THAT THE BOARD ADOPT A “SUPPORT” POSITION ON AB 574 (QUIRK), AN “OPPOSE” POSITION ON AB 1667 (FRIEDMAN) AND AUTHORIZE STAFF TO COMMUNICATE THE DISTRICT’S CONCERNS REGARDING STATEWIDE REQUIREMENTS FOR DEDICATED IRRIGATION METERS TO THE AUTHOR; AND A “CO-SPONSOR AND SUPPORT” POSITION ON AB 986 AND AB 1654, AS PROPOSED TO BE AMENDED BY ACWA; REAFFIRM ITS “SUPPORT” FOR THE TAX-EXEMPT STATUS OF MUNICIPAL BONDS AND “OPPOSE” ANY CAP ON TAX-EXEMPT MUNICIPAL BOND INTEREST.

LIST OF EXHIBITS:

- Exhibit “A” – IRWD Legislative Matrix
- Exhibit “B” – 2016 Legislative Update Report Links to Bill Texts
- Exhibit “C” – Diagram of AB 574’s Proposed Potable Reuse Subcategories
- Exhibit “D” – ACWA’s Amendments to AB 968
- Exhibit “E” – ACWA’s March 6, 2017, Draft Language Related to 2025 Water Use Efficiency Targets
- Exhibit “F” – Proposed List of IRWD Projects

EXHIBIT "A"
IRWD 2016 LEGISLATIVE MATRIX
Updated 03/12/2017

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 18 Garcia E (D)	Clean Water, Climate, and Coastal Protection Act		Enacts the California Clean Water, Climate, Coastal Protection and Outdoor Access For All Act, which would authorize the issuance of bonds to finance a clean water, climate, and coastal protection and outdoor access for all program. Provides for the submission of these provisions to the voters at the statewide direct primary election.	12/05/2016 - INTRODUCED.;01/19/2017 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.;02/07/2017 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE; Do pass to Committee on APPROPRIATIONS.;02/22/2017 - From ASSEMBLY Committee on APPROPRIATIONS: Do pass as amended.;02/23/2017 - In ASSEMBLY. Read second time and amended. To second reading.;02/27/2017 - In ASSEMBLY. Read second time. To third reading.;03/08/2017 - In ASSEMBLY. Coauthors revised.
AB 52 Cooper (D)	Public Employee: Orientation And Informational Programs		Requires the public employers regulated by specified acts to provide all employees an orientation and to permit an exclusive representative to participate.	12/05/2016 - INTRODUCED.;01/19/2017 - To ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.
AB 151 Burke (D)	California Global Warming Solutions Act of 2006		Amends the Global Warming Solutions Act of 2006. Requires the air resources board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions and to update the scoping plan. Requires the state board to report to the Legislature on the need for increased education, career technical education, job training, and workforce development in ensuring that statewide greenhouse gas emissions are reduced by a specified level.	03/02/2017 - To ASSEMBLY Committee on NATURAL RESOURCES.;03/02/2017 - From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.;03/02/2017 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.

IRWD 2016 LEGISLATIVE MATRIX
Updated 03/12/2017

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 161 Levine (D)	Department of Finance: Infrastructure Investment		Authorizes the Department of Finance to identify infrastructure projects in the state for which the department will guarantee a rate of return on investment for an investment made in that infrastructure project by the Public Employees' Retirement System.	01/30/2017 - To ASSEMBLY Committee on PUBLIC EMPLOYEES, RETIREMENT AND SOCIAL SECURITY.
AB 166 Salas (D)	Drinking Water		Makes technical, nonsubstantive changes to provisions of the California Safe Drinking Water Act.	01/13/2017 - INTRODUCED.
AB 168 Eggman (D)	Employers: Salary Information		Prohibits an employer, including state and local government employers, from seeking salary history information about an applicant for employment. Requires an employer to provide the pay scale for a position to an applicant for employment.	01/17/2017 - INTRODUCED.
AB 176 Salas (D)	Water Project: Friant-Kern Canal		Appropriates a specified sum from the General Fund for the Reverse Flow Pump-back Facilities on the Friant-Kern Canal Restoration Project. Makes legislative findings and declarations as to the necessity of a special statute for the Friant-Kern Canal.	01/30/2017 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
AB 196 Bigelow (R)	Greenhouse Gas Reduction Fund: Water Supply		Amends the Global Warming Solutions Act, which creates the Greenhouse Gas Reduction Fund and authorizes specified investments, including water use and supply. Authorizes the use of the moneys in the fund for electric pump efficiency, water and wastewater systems, pump and pump motor efficiency improvements, and drinking water transmission and distribution systems' water loss if the investment furthers the regulatory purposes of the act and is consistent with law.	03/06/2017 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;03/06/2017 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.
AB 277 Mathis (R)	Water and Wastewater Loan and Grant Program		Authorizes the State Water Resources Control Board to establish the Water and Wastewater Loan and Grant Program to provide funding to eligible applicants for specified purposes relating to drinking water and wastewater treatment. Authorizes a county to apply to the board for a grant to award loans or grants, or both, and a qualified nonprofit organization to apply to the board for a grant to award grants to residents and to small water systems.	02/21/2017 - From ASSEMBLY Committee on WATER, PARKS AND WILDLIFE with author's amendments.;02/21/2017 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on WATER, PARKS AND WILDLIFE.

IRWD 2016 LEGISLATIVE MATRIX
Updated 03/12/2017

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 305</u> Arambula (D)	School Accountability Report Card: Drinking Water		Amends the Classroom Instructional Improvement and Accountability Act to require a specified school accountability report card to include an assessment of the drinking water access points at each school site. Requires the State Department of Education to compile the assessments and transmit them to the State Water Resources Control Board.	02/13/2017 - To ASSEMBLY Committees on EDUCATION and ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<u>AB 313</u> Gray (D)	Water		Revises the qualifications for the membership to the State Water Resources Control Board by eliminating specified requirements for qualification in the field of water rights. Transfers authority over water rights matters from the board to the Department of Water Resources.	02/21/2017 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
<u>AB 321</u> Mathis (R)	Groundwater Sustainability Plans		Requires a groundwater sustainability agency to solicit the participation of farmers, ranchers, and other qualified professionals within a groundwater basin prior to and during the development and implementation of a specified plan.	02/21/2017 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
<u>AB 408</u> Chen (R)	Eminent Domain: Final Offer of Compensation		Provides that if a court finds, that the offer of the plaintiff was a certain percentage of the compensation awarded in the eminent domain proceeding, then the court would be required to include the defendant's litigation costs in the costs allowed.	02/21/2017 - To ASSEMBLY Committee on JUDICIARY.
<u>AB 429</u> Grayson (D)	State Water Policy: Water Rights: Use/Transferability		Makes nonsubstantive changes to existing law concerning water policy, water use, rights and transferability of those rights.	02/13/2017 - INTRODUCED.
<u>AB 472</u> Frazier (D)	Water Transfers: Idled Agricultural Land: Wildlife		Requires the Department of Water Resources to establish an incentive program for landowners who cultivate or retain nonirrigated cover crops or natural vegetation on idled agricultural lands to provide waterfowl, upland game bird, and other wildlife habitat.	02/27/2017 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.

IRWD 2016 LEGISLATIVE MATRIX
Updated 03/12/2017

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 474 Garcia E (D)	Hazardous Waste: Spent Brine Solutions		Exempts spent brine solutions that are byproducts of the treatment of groundwater to meet California drinking water standards from Hazardous Waste Control Law requirements if certain conditions are met, including that the spent brine solutions are transferred for dewatering via a closed piping system to lined surface impoundments regulated by the California regional water quality control boards.	02/27/2017 - To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
AB 494 Bloom (D)	Land Use: Accessory Dwelling Units		Amends the Planning and Zoning Law which authorizes a local agency to provide for the creation of accessory dwelling units and requires the accessory dwelling units to comply with certain conditions, including that the unit is not intended for sale separate from the primary residence and may be rented. Provides that an accessory dwelling unit may be rented separately from the primary residence.	02/27/2017 - To ASSEMBLY Committees on HOUSING AND COMMUNITY DEVELOPMENT and LOCAL GOVERNMENT.
AB 524 Bigelow (R)	Personal Income Tax: Deduction: Remove Dead/Dying Trees		Allows a personal income tax deduction for expenses paid or incurred by a taxpayer in the taxable year in connection with the removal of a dead or dying tree on real property owned by the taxpayer.	02/27/2017 - To ASSEMBLY Committee on REVENUE AND TAXATION.
AB 530 Cooper (D)	Local Public Employee Labor Relations		Makes nonsubstantive changes to provisions of the Meyers-Milias-Brown Act, which authorizes local public employees to join activities of employee organizations of their own choosing to represent themselves on matters of employer-employee relations.	02/13/2017 - INTRODUCED.
AB 551 Levine (D)	Political Reform Act of 1974: Employment Restrictions		Prohibits an elected or appointed officer of a state or local agency, while holding office and for a period of one year after leaving office, from engaging in specified conduct, including maintaining employment with or being a compensated consultant of that agency or performing specified other acts for compensation.	02/27/2017 - To ASSEMBLY Committee on ELECTIONS AND REDISTRICTING.

IRWD 2016 LEGISLATIVE MATRIX

Updated 03/12/2017

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 554 Cunningham (R)	Desalination: Statewide Goal		Relates to desalination projects and opportunities for state assistance and funding. Establishes a goal to desalinate a specified acre-feet of drinking water per year.	02/27/2017 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
AB 567 Quirk-Silva (D)	School Facilities: Drinking Water Fountains		Requires all new construction projects submitted to the Division of the State Architect pursuant to the Greene Act to include drinking water fountains equipped with both a water fountain and a spigot for filling water bottles.	02/27/2017 - To ASSEMBLY Committee on EDUCATION.
AB 574 Quirk (D)	Potable Use		Removes certain references to require the state board to establish a framework for the regulation of potable reuse projects that includes specified elements. Requires the state board to adopt uniform water recycling criteria for potable reuse through raw water augmentation.	02/27/2017 - To ASSEMBLY Committees on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS and WATER, PARKS AND WILDLIFE.
AB 577 Caballero (D)	Disadvantaged Communities		Amends existing law which defines a disadvantaged community as a community with an annual median household income that is less than a certain percentage of the statewide annual median household income for various purposes, that include, but are not limited to, the Water Quality, Supply, and Infrastructure Improvement Act of 2014. Expands the definition of disadvantaged community.	03/09/2017 - From ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS with author's amendments.;03/09/2017 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
AB 589 Bigelow (R)	Water Rights: Appropriation: Small Domestic Use		Makes nonsubstantive changes to the Water Rights Permitting Reform Act of 1988, which authorizes any person to obtain a right to appropriate water for a small domestic, small irrigation, or livestock stockpond use, upon registering the use with the State Water Resources Control Board.	02/14/2017 - INTRODUCED.
AB 594 Irwin (D)	Water Supply Planning: Photovoltaic Energy Facility		Amends existing law which requires a city or county that determines that a project is subject to the California Environmental Quality Act to identify any public water system that may supply water for the project and to request those public water systems to prepare a specified water supply assessment.	02/27/2017 - To ASSEMBLY Committees on WATER, PARKS AND WILDLIFE and LOCAL GOVERNMENT.

IRWD 2016 LEGISLATIVE MATRIX
Updated 03/12/2017

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 664</u> Steinorth (R)	Political Reform Act of 1974: Campaign Expenditure		Prohibits the payment of financial or material compensation from campaign funds held by a controlled committee of an elected officer or candidate for elective office, in exchange for services rendered, to any parent, spouse or domestic partner, grandparent, sibling, child, or grandchild of that officer or candidate.	03/02/2017 - To ASSEMBLY Committee on ELECTIONS AND REDISTRICTING.
<u>AB 672</u> Jones-Sawyer (D)	Utility Services		Amends existing law which authorizes an electrical, gas, or water corporation, or any electrical, gas, or water system operated by a public agency, to bring a civil action for damages against any person who commits, authorizes, solicits, aids, abets, or attempts, among other things, the diversion of utility services by any means. Authorizes the prevailing party to recover actual damages, plus the cost of the suit and reasonable attorney's fees.	03/02/2017 - To ASSEMBLY Committee on JUDICIARY.
<u>AB 732</u> Frazier (D)	Delta Flood Protection Fund		Repeals obsolete provisions establishing the Delta Flood Protection Fund and makes conforming changes to existing law.	02/15/2017 - INTRODUCED.
<u>AB 791</u> Frazier (D)	Sacramento-San Joaquin Delta: Conveyance Facility		Relates to the State Water Project and federal Central Valley Project. Makes nonsubstantive changes in the Sacramento-San Joaquin Delta Reform Act of 2009.	02/15/2017 - INTRODUCED.
<u>AB 792</u> Frazier (D)	Sacramento-San Joaquin Delta		Relates to the State Water Project and federal Central Valley Project. Makes nonsubstantive changes in the Sacramento-San Joaquin Delta Reform Act of 2009.	02/15/2017 - INTRODUCED.
<u>AB 793</u> Frazier (D)	Sacramento-San Joaquin Delta: Financing		States that the maintenance and repair of the Sacramento-San Joaquin Delta are eligible for the same forms of financing as other water collection and treatment infrastructure and would specify the maintenance and repair activities that are eligible are limited to certain cleanup and abatement-related restoration and conservation activities.	03/02/2017 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.

IRWD 2016 LEGISLATIVE MATRIX
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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 851</u> Caballero (D)	Local Agency Design-Build Projects		Amends existing law which authorizes a local agency to use the design-build procurement process when contracting for specified public works. Modifies the definition of local agency to include special districts that provide specified types of services, or that operate specified types of facilities.	03/02/2017 - To ASSEMBLY Committee on LOCAL GOVERNMENT.
<u>AB 869</u> Rubio (D)	Water Use: Landscaping: Recycled Water		Makes a nonsubstantive change to the existing provisions of the California Constitution which declare the policy that the water resources of the state be put to beneficial use to the fullest extent of which they are capable, and that the conservation of these water is to be exercised with a view to the reasonable and beneficial use of the waters in the interest of the people and for the public welfare.	02/16/2017 - INTRODUCED.
<u>AB 885</u> Rubio (D)	Pupil Health: Drinking Water: Lead		Requires a public or private school to ensure that drinking water is provided at the school that meets the U.S. EPA drinking water standards for lead. Requires a public or private school to request water quality testing, including lead testing, from the State Water Resources Control Board, and requires the state board to perform or provide for the performance of the requested testing.	03/02/2017 - To ASSEMBLY Committees on EDUCATION and ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<u>AB 891</u> Garcia E (D)	California Communities Environmental Health Screening		Requires the State Air Resources Board, in partnership with the Office of Environmental Health Hazard Assessment, to include data from certain local air monitoring studies. Requires funds to be allocated to the board and the office to support the continued collection of this data. Requires the board to collect data separate from the local air monitoring studies and to submit a report to the Legislature.	03/02/2017 - To ASSEMBLY Committee on ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<u>AB 898</u> Frazier (D)	Property Taxation: Revenue Allocation		Reallocates property tax revenue to fire protection services.	02/16/2017 - INTRODUCED.
<u>AB 947</u> Gallagher (R)	Fish and Wildlife: Streambed Alteration Agreements		Relates to streambed alteration agreements of the Department of Fish and Wildlife. Defines bed, channel, or bank for purposes of	03/02/2017 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.

IRWD 2016 LEGISLATIVE MATRIX
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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			specified provisions to mean the land containing the river, stream, or lake during its ordinary course.	
<u>AB 967</u> Gloria (D)	Human Remains Disposal: Alkaline Hydrolysis		Requires a specified bureau to license and regulate hydrolysis facilities. Enacts requirements applicable to hydrolysis facilities substantially similar to those applicable to crematoria. Requires a local registrar of births or deaths to issue permits for the disposition of hydrolyzed remains.	03/02/2017 - To ASSEMBLY Committee on BUSINESS AND PROFESSIONS.
<u>AB 968</u> Rubio (D)	Urban Water Management Planning		Makes nonsubstantive changes in provisions that require every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan and to update its plan once every 5 years on or before December 31 in years ending in 5 and zero, except as specified.	02/16/2017 - INTRODUCED.
<u>AB 1000</u> Friedman (D)	Water Conservation: Certification		Requires the State Energy Resources Conservation and Development Commission to certify innovative water conservation and water loss detection and control technologies that meet certain criteria.	03/02/2017 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
<u>AB 1030</u> Ting (D)	Energy Storage Systems		Requires the Public Utilities Commission to establish a program to incentivize residential and commercial customers to adopt energy storage systems.	03/06/2017 - To ASSEMBLY Committee on UTILITIES AND ENERGY.
<u>AB 1041</u> Levine (D)	Urban Water Suppliers: Urban Water Shortage		Requires an estimate of the minimum water supply available during each of the following 5 years to be based on the driest 5-year historic sequence for the agency's water supply. Requires stages of action to be undertaken by the urban water supplier in response to specified percentage reductions in water supply.	03/06/2017 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
<u>AB 1050</u> Allen T (R)	Fish and Wildlife: Delta Smelt		Enacts legislation relative to the Delta Smelt.	02/16/2017 - INTRODUCED.

IRWD 2016 LEGISLATIVE MATRIX
Updated 03/12/2017

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 1066</u> Aguiar-Curry (D)	Public Works: Definition		Specifies that the term demolition within the definition of public works, with respect to the payment of prevailing wages, includes tree removal.	03/06/2017 - To ASSEMBLY Committee on LABOR AND EMPLOYMENT.
<u>AB 1089</u> Mullin (D)	Local Elective Offices: Contribution Limitations		Prohibits a person from making to a candidate for local elective office any a contribution totaling more than a certain amount. Authorizes a county, city, special district, or school district to impose a different limitation.	03/06/2017 - To ASSEMBLY Committee on ELECTIONS AND REDISTRICTING.
<u>AB 1132</u> Garcia (D)	Nonvehicular Air Pollution: Order of Abatement		Relates to the emission of air pollutants by stationary sources. Relates to an order for abatement after notice and a hearing. Authorizes the air pollution control officer to issue an order for abatement pending a hearing before the hearing board of the air district. Requires the air pollution control officer to notify the alleged violator of the order.	03/06/2017 - To ASSEMBLY Committee on NATURAL RESOURCES.
<u>AB 1133</u> Dahle (R)	California Endangered Species Act		Provides that the California Endangered Species Act (CESA) prohibits the taking of an endangered or threatened species. Authorizes the take of listed species if the take is incidental to an otherwise lawful activity. Provides that a person who obtains a federal enhancement of survival permit requires no further authorization under CESA for that person to take that species as identified in the enhancement of survival permit.	03/06/2017 - To ASSEMBLY Committee on WATER, PARKS AND WILDLIFE.
<u>AB 1180</u> Holden (D)	California Tire Fee: Stormwater Permit Compliance		Makes conforming changes to The California Tire Recycling Act which would increase the California tire fees. Deposits the additional moneys in the Stormwater Permit Compliance Fund and make the moneys available to the State Water Resources control Board Division of Financial Assistance.	03/09/2017 - To ASSEMBLY Committees on NATURAL RESOURCES and ENVIRONMENTAL SAFETY AND TOXIC MATERIALS.
<u>AB 1235</u> Daly (D)	Santa Ana River Conservancy Program		Declares the intent of the Legislature to enact subsequent legislation that would identify new funding sources to support the Santa Ana River Conservancy Program.	02/17/2017 - INTRODUCED.

IRWD 2016 LEGISLATIVE MATRIX
Updated 03/12/2017

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
<u>AB 1271</u> Gallagher (R)	Urban Water Management Plans		Makes nonsubstantive changes to existing law which requires an urban water supplier to prepare and adopt an urban water management plan for submission to the Department of Water Resources. Requires that the plan provide an urban water shortage contingency analysis.	02/17/2017 - INTRODUCED.
<u>AB 1273</u> Gallagher (R)	urban Water Management Plans		Makes nonsubstantive changes to existing law, the Urban Water Management Planning Act which requires every public and private urban water supplier that directly or indirectly provides water for municipal purposes to prepare and adopt an urban water management plan.	02/17/2017 - INTRODUCED.
<u>AB 1323</u> Weber (D)	Sustainable Water Use and Demand Reduction		Requires the Department of Water Resources to convene a stakeholder workgroup. Requires the workgroup to develop, evaluate, and recommend proposals for establishing new water use targets for urban water suppliers and report to the Governor and the Legislature. Requires all expenses to be the responsibility of the nonstate agency stakeholders.	02/17/2017 - INTRODUCED.
<u>AB 1333</u> Dababneh (D)	Political Reform Act: Local Government Agency Notices		Requires every local government agency to prominently post on its Internet Web site a notice of any upcoming election in which voters will vote on a tax measure or proposed bond issuance of the agency. Requires every local government agency that publishes an electronic newsletter to include the notice in the electronic newsletter.	02/17/2017 - INTRODUCED.
<u>AB 1342</u> Flora (R)	Greenhouse Gas Reduction Fund: Appropriations		Appropriates from the fund to the Department of Forestry and Fire Protection for healthy forest programs that reduce greenhouse gas emissions caused by uncontrolled wildfires. Appropriates from the fund to the Department Resources Recycling and Recovery for instate organic waste recycling projects that reduce greenhouse gas emissions.	02/17/2017 - INTRODUCED.

IRWD 2016 LEGISLATIVE MATRIX
Updated 03/12/2017

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 1369 Gray (D)	Water Quality and Storage		Requires the Department of Water Resources to increase statewide water storage capacity by a certain percent by a specified year. Provides for the appropriation of moneys from the Greenhouse Gas Reduction Fund. Requires all groundwater basins designated as high- or medium-priority basins by the department that are designated as basins subject to critical conditions of overdraft to be managed under a groundwater sustainability plan.	02/17/2017 - INTRODUCED.
AB 1420 Aguiar-Curry (D)	Water Rights: Small Irrigation Use		Requires State Water Resources Control Board to give priority to adopting general conditions that permit a registrant to store water for small irrigation use during times of high streamflow in exchange for the registrant reducing diversions during periods of low streamflow. Exempts an entity from the requirement to enter into a lake or streambed alteration agreement with the department under specified circumstances.	02/17/2017 - INTRODUCED.
AB 1438 Env Safety & Toxic Material Cmt	State Water Resource Control Board		Amends the Environmental Laboratory Accreditation Act. Updates obsolete references. Authorizes the state board to require an owner of a laboratory under these provisions to provide certain information or records to the state board. Amends the California Safe Drinking Water Act. Authorizes the state board to suspend or revoke a permit if the state board determines that the permittee is in violation of the act.	02/17/2017 - INTRODUCED.
AB 1490 Gray (D)	State Water Resources Control Board: School Water		Requires the State Water Resources Control Board, before adopting or approving a water quality control plan, water quality objectives, or a program of implementation, to evaluate impacts on primary drinking water standards and secondary drinking water standards for, and impacts on groundwater basins that provide drinking water to, impacted local education agencies located in whole or in part in a disadvantaged community.	02/17/2017 - INTRODUCED.

IRWD 2016 LEGISLATIVE MATRIX
Updated 03/12/2017

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 1524 Brough (R)	Political Reform Act: Mass Mailing Prohibitions		Amends the Political Reform Act of 1974 which prohibits the sending of a mass mailing by either a candidate or an agency. States violation of the act's provisions is punishable as a misdemeanor.	02/17/2017 - INTRODUCED.
AB 1529 Thurmond (D)	Cross-Connection or Backflow Prevention Devices		Requires a person who performs maintenance or testing of a cross-connection or backflow prevention device to be certified. Requires the California Building Standards Commission to publish a list of approved statewide certification providers.	02/17/2017 - INTRODUCED.
AB 1605 Caballero (D)	Maximum Contaminant Levels: Replacement Water		Deems a person that causes or permits, or threatens to cause or permit, any waste to be discharged that contributes to the exceedance of the maximum contaminant level for nitrate in drinking water to not have caused pollution or a nuisance or to not be liable for negligence or trespass, if the person or entity takes certain actions relating to replacement water until the maximum contaminant level for nitrate is no longer exceeded.	02/17/2017 - INTRODUCED.
AB 1654 Cooper (D)	Water Conservation		Amends existing law which requires the state to achieve a reduction in urban per capita water use by a specified date. Makes a nonsubstantive change in specified findings and declarations.	02/17/2017 - INTRODUCED.
AB 1667 Friedman (D)	Urban Water Supplier: Landscape Water Meters		Requires urban water supplier install dedicated landscape water meters on commercial, instructional, industrial, and multifamily service connections located in service area if property has greater than certain amount of square feet of irrigated landscape. Requires an urban water supplier install dedicated landscape water meters on single-family residential service connections that are located in service area. Provides for water consumption data.	02/17/2017 - INTRODUCED.
AB 1668 Friedman (D)	Water Conservation: Guidelines		Requires the State Water Resources Control Board to develop new water use targets as a part of a permanent framework for urban water agencies. Adopts water conservation guidelines that are consistent with a specified report issued in response to Executive Order B-37-16.	02/17/2017 - INTRODUCED.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
AB 1669 Friedman (D)	Urban Water Use Efficiency		Requires the State Water Resources Control Board to establish and adopt a process to increase urban water use efficiency through incremental urban water use efficiency targets regard to an urban water use efficiency target to be achieved by the state. Requires the state board to update its urban water use efficiency target every 5 years.	02/17/2017 - INTRODUCED.
AB 1671 Caballero (D)	Backflow Prevention Devices		Establishes standards for a backflow prevention device. Requires the State Water Resource Control Board to update its backflow protection regulations and establish the minimum standards for a backflow prevention device tester for purposes of certification by a local health official.	02/17/2017 - INTRODUCED.
AB 1673 Aguiar-Curry (D)	The California Water Plan		Makes technical, nonsubstantive changes to existing law which requires the Department of Water Resources to update every five years, the plan for the orderly and coordinated control, protection, conservation, development and use of the water resources of the state.	02/17/2017 - INTRODUCED.
SB 5 de Leon (D)	California Drought, Water, Parks, Climate		Enacts the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018. Authorizes the issuance of bonds in an amount of \$3,000,000,000 pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program.	12/05/2016 - INTRODUCED.;01/12/2017 - To SENATE Committees on NATURAL RESOURCES AND WATER and GOVERNANCE AND FINANCE.;02/23/2017 - From SENATE Committee on NATURAL RESOURCES AND WATER with author's amendments.;02/23/2017 - In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.;03/07/2017 - From SENATE Committee on NATURAL

IRWD 2016 LEGISLATIVE MATRIX
Updated 03/12/2017

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
				RESOURCES AND WATER: Do pass as amended to Committee on GOVERNANCE AND FINANCE.
SB 24 Portantino (D)	Political Reform Act of 1974: Economic Interest		Amends the Political Reform Act which requires certain disclosures to include a statement indicating the fair market value of investments or interests in real property and the aggregate value of income received from each reportable source. Revises the dollar amounts associated with these ranges.	12/05/2016 - INTRODUCED.;01/12/2017 - To SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS.
SB 45 Mendoza (D)	Political Reform Act of 1974: Mass Mailing.		Prohibits a mass mailing from being sent within 90 days preceding an election by or on behalf of a candidate whose name will appear on the ballot.	12/05/2016 - INTRODUCED.;01/12/2017 - To SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS.
SB 49 de Leon (D)	Environmental and Workers Defense Act of 2017		Relates to the California Environmental, Public Health, and Workers Defense Act of 2017. Relates to clean air, drinking water, discharge of pollutants into the atmosphere and waters and endangered species. Prohibits state or local agencies from amending or revising their rules and regulations implementing these state laws to be less stringent than the baseline federal standards. Prohibits a state agency from amending rules to be less stringent in protection of worker rights and worker safety.	12/05/2016 - INTRODUCED.;01/12/2017 - To SENATE Committee on BUDGET AND FISCAL REVIEW.;02/15/2017 - Withdrawn from SENATE Committee on BUDGET AND FISCAL REVIEW.;02/15/2017 - Re-referred to SENATE Committee on RULES.;02/22/2017 - From SENATE Committee on RULES with author's amendments.;02/22/2017 - In SENATE. Read second time and amended. Re-referred to Committee on RULES.;03/02/2017 - Re-referred to SENATE Committees on NATURAL RESOURCES AND WATER, ENVIRONMENTAL QUALITY and JUDICIARY.

IRWD 2016 LEGISLATIVE MATRIX
Updated 03/12/2017

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
SB 62 Jackson (D)	Unlawful Employment: Family Care and Medical Leave		Amends the Moore-Brown-Roberti Family Rights Act. Makes various changes to definitions, thereby expanding the persons and purposes for which leave is required to be provided under the act. Redefines the term "child" to include a biological, adopted, or foster son or daughter, a stepchild, a legal ward, a son or daughter of a domestic partner, or a person to whom the employee stands in loco parentis. Expands the definition of leave to also include leave to care for a <u>grandparent or grandchild, sibling, or/</u> .	12/22/2016 - INTRODUCED.;01/12/2017 - To SENATE Committee on LABOR AND INDUSTRIAL RELATIONS.
SB 63 Jackson (D)	Unlawful Employment Practice: Parental Leave		Prohibits an employer from refusing to allow certain employees to take up to 12 weeks of parental leave to bond with a new child within one year of the child's birth, adoption, or foster care placement. Prohibits an employer from refusing to maintain and pay for coverage under a group health plan for an employee who takes this leave.	12/22/2016 - INTRODUCED.;01/12/2017 - To SENATE Committees on LABOR AND INDUSTRIAL RELATIONS and JUDICIARY.
SB 72 Mitchell (D)	Budget Act of 2017		Makes appropriations for the support of state government for the 2017-18 fiscal year.	01/11/2017 - To SENATE Committee on BUDGET AND FISCAL REVIEW.
SB 80 Wieckowski (D)	California Environmental Quality Act: Notices		Amends the California Environmental Quality Act. Requires a lead agency to post certain notices on the agency's Internet Web site and to offer to provide those notices by e-mail. Requires a county clerk to post notices regarding an environmental impact report or a negative declaration on the county's Internet Web site. Requires the filing of a notice in certain cases.	02/14/2017 - From SENATE Committee on ENVIRONMENTAL QUALITY with author's amendments.;02/14/2017 - In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.
SB 146 Wilk (R)	Water Resources: Permit To Appropriate: Application		Provides that if the State Water Resources Control Board has not rendered a final determination on an application for a permit to appropriate water within a certain number of years from the date the application was filed, the board is required to issue a notice and provide an opportunity for protests before rendering a final determination, with specified exceptions.	02/17/2017 - From SENATE Committee on NATURAL RESOURCES AND WATER with author's amendments.;02/17/2017 - In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.

IRWD 2016 LEGISLATIVE MATRIX
Updated 03/12/2017

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
SB 205 Governance and Finance Cmt	Local Government Omnibus Act of 2017		Requires an officer to take an oath following any election or appointment and before entering the duties of his or her office. Authorizes the County of Merced to enter into a lease, concession, or managerial contract involving a specified area of county property, by a four-fifths vote of the board of supervisors.	02/09/2017 - To SENATE Committee on GOVERNANCE AND FINANCE.
SB 206 Governance and Finance Cmt	Validations		Enacts the First Validating Act of 2017, which validates the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.	02/09/2017 - To SENATE Committee on GOVERNANCE AND FINANCE.
SB 207 Governance and Finance Cmt	Validations		Enacts the Second Validating Act of 2017, which validates the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.	02/09/2017 - To SENATE Committee on GOVERNANCE AND FINANCE.
SB 208 Governance and Finance Cmt	Validations		Enacts the Third Validating Act of 2017, which validates the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.	02/09/2017 - To SENATE Committee on GOVERNANCE AND FINANCE.
SB 210 Leyva (D)	Pupil Health: Drinking Water		Requires a school district that has drinking water sources with drinking water that does not meet the U.S. EPA drinking water standards for lead or any other contaminant to close access to those drinking water sources, to provide alternative drinking water sources and to notify specified persons if the school district is required to provide those alternative drinking water sources.	03/08/2017 - From SENATE Committee on EDUCATION: Do pass as amended to Committee on ENVIRONMENTAL QUALITY.
SB 224 Jackson (D)	Environmental Quality Act: Baseline Conditions		Relates to the California Environmental Quality Act. Prohibits a lead agency, in determining the baseline physical conditions by which a lead agency determines whether a project has a significant effect on the environment, from considering the effects of certain actions on the environment.	02/16/2017 - To SENATE Committee on ENVIRONMENTAL QUALITY.
SB 229 Wieckowski (D)	Accessory Dwelling Units		Authorizes an ordinance creating accessory dwelling units in single-family and multi-family residential zones to include more permissive maximums of increased floor area and total floor space.	02/16/2017 - To SENATE Committees on TRANSPORTATION AND

IRWD 2016 LEGISLATIVE MATRIX
Updated 03/12/2017

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			Prohibits a special district from considering an accessory dwelling unit a new residential use for purposes of calculating connection fees or capacity charges for utilities.	HOUSING and GOVERNANCE AND FINANCE.
SB 231 Hertzberg (D)	Local Government: Fees and Charges		Relates to a provision of the California Constitution that requires that assessments, fees, and charges be submitted to property owners for approval or rejection after the provision of written notice and the holding of a public hearing. Defines the term sewer for these purposes. Makes findings and declarations relating to the definition of the term sewer for these purposes.	02/16/2017 - To SENATE Committee on GOVERNANCE AND FINANCE.
SB 252 Dodd (D)	Water Wells: Permits: Overdrafted Groundwater Basins		Requires an applicant for a new well permit in a city or county overlying a critically overdrafted basin to comply with certain requirements as part of an application for a permit. Requires a city or county to make certain information included in the application publicly available. Provides for state funding for groundwater recharge or other water supply projects.	02/16/2017 - To SENATE Committees on NATURAL RESOURCES AND WATER and GOVERNANCE AND FINANCE.
SB 372 Cannella (R)	San Joaquin River Exchange Contractors Groundwater		Creates the San Joaquin River Exchange Contractors Groundwater Sustainability Agency as the exclusive groundwater sustainability agency and successor agency. Establishes the initial boundaries of the agency and authorizes the agency's boundaries to be changed after a noticed public hearing.	02/23/2017 - To SENATE Committee on NATURAL RESOURCES AND WATER.
SB 423 Cannella (R)	Indemnity		Makes a nonsubstantive change to existing law which provides, with respect to certain contracts and amendments to contracts with a public agency for design professional services, that all provisions, clauses, covenants, and agreements contained in, collateral to, or affecting these contracts or amendments that purport to require the professional to defend the agency under an indemnity agreement are unenforceable, except for certain cases.	02/23/2017 - To SENATE Committee on RULES.
SB 427 Leyva (D)	Public Water Systems: Lead User Service Lines		Requires a public water system to provide the timeline for replacement of known lead user service lines in use in its	02/23/2017 - To SENATE Committee on ENVIRONMENTAL QUALITY.

IRWD 2016 LEGISLATIVE MATRIX
Updated 03/12/2017

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			distribution system to the State Water Resources Board. Requires certain public water systems to provide related findings. Provides that if a specified compromise timeline is not developed within a certain number of days, a public water system must comply with a revised timeline. Authorizes the application and enforcement of these provisions under the Safe Drinking Water Act.	
SB 450 Hertzberg (D)	Public Bodies: Bonds: Public Notice		Requires the governing body of a public body to obtain and disclose specified information regarding the issuance of bonds, in a meeting open to the public.	02/23/2017 - To SENATE Committee on GOVERNANCE AND FINANCE.
SB 454 Moorlach (R)	Public Employees Health Benefits		Relates to the Public Employees' Medical and Hospital Care Act. Provides that, for state employees who are first employed and become members of the retirement system on or after a specified date, the employer contribution for annuitants shall be limited to a certain percent of the weighted average of the health benefit plan premiums for an active employee enrolled for self-alone. Makes other changes concerning employer contributions and prefunding of retiree health care.	03/02/2017 - To SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT.
SB 506 Nielsen (R)	Department of Fish and Wildlife: Lake or Streambed		Amends an existing law which prohibits an entity from diverting or obstructing the natural flow of, or substantially changing or using any material from the bed, channel, or bank of, any river, stream, or lake, or from depositing certain material where it may pass into any river, stream, or lake, without a specified notification, and entering into a lake or streambed alteration agreement to protect fish and wildlife resources. Limits the diversions and obstructions governed by these agreement requirements.	03/02/2017 - To SENATE Committee on NATURAL RESOURCES AND WATER.
SB 564 McGuire (D)	Water Bill Savings Act		Enacts the Water Bill Savings Act. Authorizes a joint powers authority to provide funding for a customer of a local agency or its publicly owned utility to acquire, install, or repair a water efficiency improvement on the customer's property served by the local agency or its publicly owned utility. Requires the customer to	03/02/2017 - To SENATE Committee on GOVERNANCE AND FINANCE.

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			repay the authority through an efficiency charge on the customer's water bill.	
SB 580 Pan (D)	Water development projects: Sacramento-San Joaquin		Revises authorization for flood control projects along the American and Sacramento Rivers.	03/02/2017 - To SENATE Committee on NATURAL RESOURCES AND WATER.
SB 589 Hernandez (D)	Municipal Separate Storm Sewer Systems		Require a regional water resources control board or the State Water Resources Control Board, when approving a municipal separate storm sewer system permit, to establish schedules for compliance with water quality objectives in water quality control plans after consideration of a financial capability analysis. Provides for alternative compliance pathways.	03/02/2017 - To SENATE Committee on ENVIRONMENTAL QUALITY.
SB 623 Monning (D)	Safe and Affordable Drinking Water Fund		Establishes the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the State Water Resources Control Board.	03/02/2017 - To SENATE Committee on ENVIRONMENTAL QUALITY.
SB 634 Wilk (R)	Santa Clarita Valley Water District		Repeals the Castaic Lake Water Agency Law. Recognizes the Newhall County Water District and the Castaic Lake Water Agency into the Santa Clarita Valley Water District which prohibits the Castaic Lake Water Agency and the Newhall County Water District from operating as separate entities or exercising independent functions.	03/02/2017 - To SENATE Committees on NATURAL RESOURCES AND WATER and GOVERNANCE AND FINANCE.
SB 638 Leyva (D)	Heavy Duty Motor Vehicles		Requires the State Air Resource Board to adopt regulations that require owners or operators of heavy duty motor vehicles used for commercial purposes to perform regular inspections of their vehicles for compliance with emission standards of the State board. Requires a fleet of these vehicles to comply with the State boards emission standards in order for any vehicle of the fleet to be registered.	03/02/2017 - To SENATE Committees on TRANSPORTATION AND HOUSING and ENVIRONMENTAL QUALITY.

IRWD 2016 LEGISLATIVE MATRIX
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Bill No. Author	Title	IRWD Position	Summary/Effects	Status
SB 667 Atkins (D)	Riverine and Riparian Stewardship		Requires the Department of Water Resources to establish a program to implement watershed-based riverine and riparian stewardship improvements by providing technical and financial assistance in support of projects with certain benefits. Requires the program to support the purposes of and be coordinated with the Urban Stream Restoration Program, fish passage improvements, and other similar programs.	03/09/2017 - To SENATE Committee on NATURAL RESOURCES AND WATER.
SB 700 Wiener (D)	Energy Storage		States the intent of the Legislature to enact legislation to foster growth of the energy storage market.	03/09/2017 - To SENATE Committee on RULES.
SB 740 Wiener (D)	Onsite Treated Water		Requires the State Water Resources Control Board to adopt regulations for a comprehensive risk-based framework to assist local jurisdictions in developing a program for the oversight and management of onsite treatment of water for nonpotable use.	03/09/2017 - To SENATE Committee on ENVIRONMENTAL QUALITY.
SB 748 Glazer (D)	Public Contracts		Amends an existing law which requires a state agency or department to follow specified rules regarding the negotiation of fees and execution of contracts for professional consulting services of a private architectural, engineering, land surveying, environmental, or construction project management firm. Requires certain negotiations to begin within a specified time period.	03/09/2017 - To SENATE Committee on GOVERNMENTAL ORGANIZATION.
SB 771 de Leon (D)	California Environmental Quality Act		Relates to The California Environmental Quality Act. Establishes a continuing education requirement for employees of public agencies who have responsibility for overseeing compliance.	03/09/2017 - To SENATE Committee on ENVIRONMENTAL QUALITY.
SB 778 Hertzberg (D)	Safe Drinking Water		Imposes a charge which would assist the state in providing safe drinking water to the residents of California.	03/09/2017 - To SENATE Committee on RULES.
SB 780 Wiener (D)	Water Conservation in Landscaping Act		Requires the Department of Water Resources to develop watershed approach-focused landscaping policies and incentives, including an enhanced model water efficient landscape ordinance. Requires the Department of Water Resources to promote watershed approach-	03/09/2017 - To SENATE Committees on NATURAL RESOURCES AND WATER and ENVIRONMENTAL QUALITY.

IRWD 2016 LEGISLATIVE MATRIX
Updated 03/12/2017

Bill No. Author	Title	IRWD Position	Summary/Effects	Status
			focused education and training for homeowners, contractors, certified community conservation corps, and other landscape professionals.	
SCA 4 Hertzberg (D)	Water Conservation		Declares the intent of the Legislature to amend the California Constitution to provide a program that would ensure that affordable water is available to all Californians and to ensure that water conservation is given a permanent role in California's future.	02/16/2017 - To SENATE Committee on RULES.
HR 23 Valadao (R)	Drought Relief in the State of California		Provides drought relief in the State of California.	01/03/2017 - INTRODUCED.;01/03/2017 - To HOUSE Committee on NATURAL RESOURCES.;01/03/2017 - To HOUSE Committee on AGRICULTURE.;02/10/2017 - In HOUSE Committee on NATURAL RESOURCES: Referred to Subcommittee on WATER, POWER AND OCEANS.

Exhibit "B"

2017 Legislative Update Report: Links to Bill Texts (as of March 22, 2017)

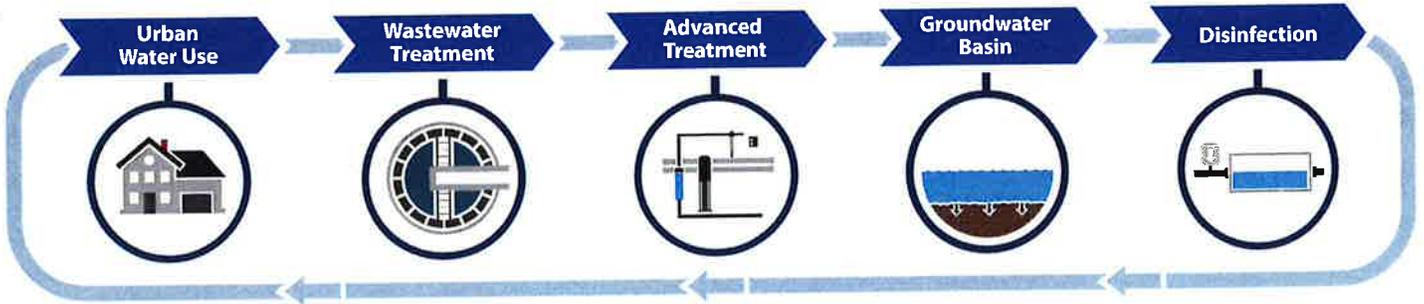
Bill Number/Version Date	Link to Bill Text
AB 574 (Quirk), as introduced	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB574
AB 869 (Rubio), as introduced	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB869
AB 968 (Rubio), as introduced	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB968
AB 1041 (Levine), as introduced	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1041
AB 1273 (Gallagher), as introduced	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1273
AB 1323 (Weber), as introduced	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1323
AB 1654 (Cooper), as introduced	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1654
AB 1667 (Friedman) as introduced	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1667
AB 1668 (Friedman) as introduced	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1667

AB 1669 (Friedman) as introduced	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB1669
SB 231 (Hertzberg), as introduced	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB231
SCA 4 (Hertzberg), as introduced	http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SCA4

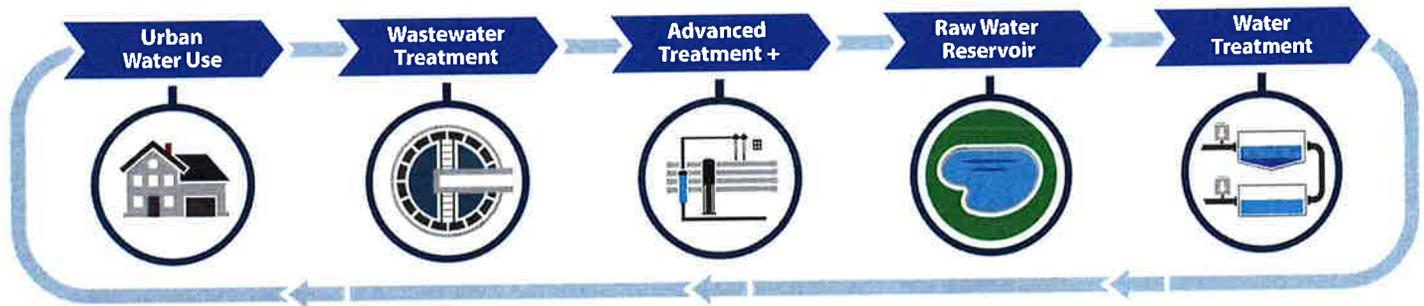
POTABLE REUSE EXHIBIT "C"

Newly Defined Types

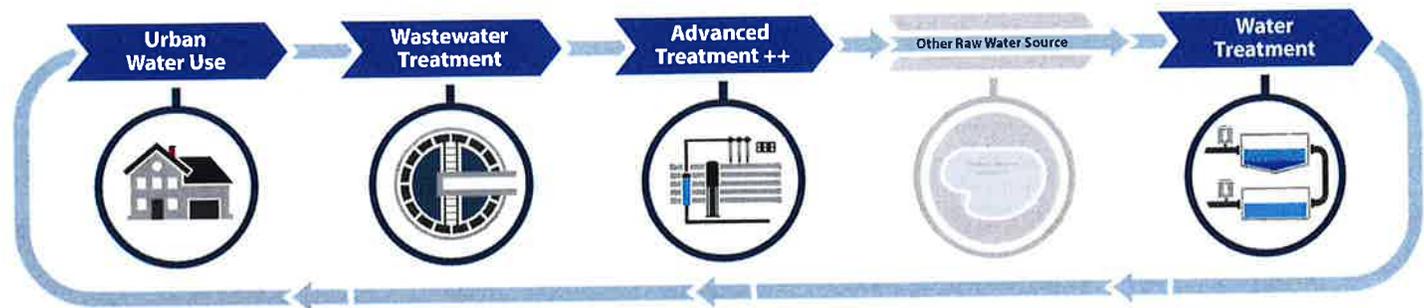
1. Groundwater Augmentation



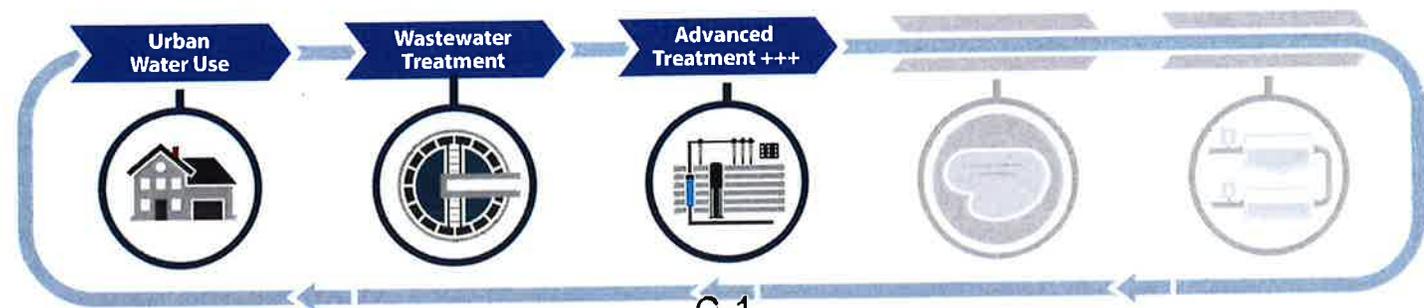
2. Surface Water Augmentation



3. Raw Water Augmentation



4. Treated Water Augmentation



Proposed Changes to the UWMP Act
(Deletions from existing law in bold strikeout, insertions in bold italics)

DIVISION 6. CONSERVATION, DEVELOPMENT, AND UTILIZATION OF STATE

WATER RESOURCES [10000 - 12999]

(Heading of Division 6 amended by Stats. 1957, Ch. 1932.)

PART 2.56.

10609.

(a) In addition to and separate from the urban water management plans required by Part 2.6, each urban retail water supplier shall report annually, by June 15, to the department the status of its water supplies for that year, and whether such supplies will be adequate to meet projected customer demand.

(1) If an urban retail water supplier reports under this section that all available water supplies for the applicable water year will not be adequate to meet projected customer demand, then the supplier shall implement the appropriate responses as described in its water shortage contingency analysis. If demand is projected to exceed all available supply sources and mandatory water demand reduction measures are required, the annual report shall describe the water supply shortage stage and the measures that the supplier will take to reduce water demand consistent with its water shortage contingency analysis.

(2) If an urban retail water supplier determines that it cannot meet demands with all available water supplies and is required to implement the mandatory demand reduction measures as described in its water shortage contingency analysis under subdivision (1), it shall do all of the following:

(a) The urban retail water supplier shall continue to implement the mandatory demand reduction measures as described in its water shortage contingency analysis until hydrologic, water supply or other conditions have changed to the point that the supplier finds that it is able to meet projected customer demand over the next 12 months without continued implementation of the mandatory demand reduction measures.

(b) During the period that the urban retail water supplier is implementing the mandatory demand reductions measures described in its water shortage contingency analysis, the supplier shall file a report with the department by the fifteenth day of each month describing on how the supplier is implementing its plan.

(3) If supplies are adequate to meet projected customer demand, an urban retail water supplier may, at its sole discretion, declare any stage of its water shortage contingency

analysis to balance supply and demand through the augmentation of supplies or to encourage water demand reduction as a precautionary measure. If an urban retail water supplier declares a stage of its water shortage contingency analysis under this subsection, it shall have no additional obligation to report to the department on the implementation of its plan.

(b) Multiple urban retail water suppliers within the same hydrologic region may file a joint report with the department if those suppliers' water supplies are interrelated and if each supplier determines that a joint report most accurately reflects the condition of their respective water supplies. Regardless of whether a joint report is submitted, an urban retail water supplier may submit an individual report to the department.

(c) An urban wholesale water supplier shall provide its retail agencies with information on the status of the wholesaler's water supplies annually by the date determined under subsection 2 so that an urban retail water supplier reliant on the wholesale supply has sufficient data to comply with subsection (a).

(1) To assist urban wholesale water suppliers in determining their water supply availability, urban retail water suppliers shall provide their urban wholesale water suppliers with information regarding their estimated annual demand for water from each wholesaler by the date determined under subsection 2.

(2) Urban retail water suppliers and their wholesalers shall meet and determine the process and dates by which they will comply with the requirements of this subsection.

(d) An urban water supplier shall not be required to comply with any requirement in Part 2.6 for any action taken or report made pursuant to this section. Such actions and reports are not considered part of, amendments to, or changes to an urban water management plan.

(e) The department shall establish an electronic portal through which suppliers will provide the reports required by this section. The department shall provide the board with access to the report and data submitted through the portal.

PART 2.6. URBAN WATER MANAGEMENT PLANNING [10610 - 10656]

(Part 2.6 added by Stats. 1983, Ch. 1009, Sec. 1.)

CHAPTER 2. Definitions [10611-10617]

(Chapter 2 added by Stats. 1983, Ch. 1009, Sec. 1.)

10613.5.

“Emergency supply” means a water supply identified in an urban water supplier’s Urban Water Management Plan that has been developed to increase an urban water supplier’s water supply reliability during times of shortage, including but not limited to unplanned service

disruptions, and is in addition to the supplies that the agency draws upon during non-shortage times to meet water demands within its service area.

CHAPTER 3. Urban Water Management Plans [10620 - 10645]

(Chapter 3 added by Stats. 1983, Ch. 1009, Sec. 1.)

ARTICLE 1. General Provisions [10620 - 10621]

(Article 1 added by Stats. 1983, Ch. 1009, Sec. 1.)

10621.

(a) Each urban water supplier shall update its plan at least once every five years on or before ~~July 1 December 31~~, in years ending in ~~one and six five and zero, except as provided in subdivisions (d) and (e).~~

(b) Every urban water supplier required to prepare a plan pursuant to this part shall, at least 60 days before the public hearing on the plan required by Section 10642, notify any city or county within which the supplier provides water supplies that the urban water supplier will be reviewing the plan and considering amendments or changes to the plan. The urban water supplier may consult with, and obtain comments from, any city or county that receives notice pursuant to this subdivision.

(c) The amendments to, or changes in, the plan shall be adopted and filed in the manner set forth in Article 3 (commencing with Section 10640).

~~(d) Each urban water supplier shall update and submit its 2015 plan to the department by July 1, 2016.~~

~~(e) Each urban water supplier shall update and submit its 2020 plan to the department by July 1, 2021.~~

ARTICLE 2. Contents of Plans [10630 - 10634]

(Article 2 added by Stats. 1983, Ch. 1009, Sec. 1.)

10631.

A plan shall be adopted in accordance with this chapter that shall do all of the following:

(a) Describe the service area of the supplier, including current and projected population, climate, and other demographic factors affecting the supplier's water management planning. The projected population estimates shall be based upon data from the state, regional, or local service agency population projections within the service area of the urban water supplier and shall be in five-year increments to 20 years or as far as data is available.

(b) Identify and quantify, to the extent practicable, the existing and planned sources of water available to the supplier over the same five-year increments described in subdivision (a).

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(1) If groundwater is identified as an existing or planned source of water available to the supplier, all of the following information shall be included in the plan:

(A1) A copy of any groundwater management plan adopted by the urban water supplier, including plans adopted pursuant to Part 2.75 (commencing with Section 10750), or any other specific authorization for groundwater management.

(B2) A description of any groundwater basin or basins from which the urban water supplier pumps groundwater. For basins that a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the urban water supplier has the legal right to pump under the order or decree. For basins that have not been adjudicated, information as to whether the department has identified the basin or basins as overdrafted or has projected that the basin will become overdrafted if present management conditions continue, in the most current official departmental bulletin that characterizes the condition of the groundwater basin, and a detailed description of the efforts being undertaken by the urban water supplier to eliminate the long-term overdraft condition.

(C3) A detailed description and analysis of the location, amount, and sufficiency of groundwater pumped by the urban water supplier for the past five years. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(D4) A detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the urban water supplier. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historic use records.

(2) If an emergency supply is identified as an existing or planned source of water available to the supplier, the supplier shall describe how the supply has been established to increase water supply reliability during times of shortage and how the supply is in addition to the supplies that the agency draws upon during non-shortage times to meet water demands within its service area.

(c) (1) Describe the reliability of the water supply and vulnerability to seasonal or climatic shortage, to the extent practicable, and provide data for each of the following:

(A) An average water year.

(B) A single-dry water year.

(C) ~~Multiple-dry-water-years~~ *Five consecutive dry years, consisting of a repeat of the five consecutive historic driest years that the supplier has experienced, unless the supplier finds that a shorter multiple-year dry period would more severely impact its water supplies, in which case the supplier shall use that shorter period.*

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(2) For any water source that may not be available at a consistent level of use, given specific legal, environmental, water quality, or climatic factors, describe plans to supplement or replace that source with alternative sources or water demand management measures, to the extent practicable.

(d) Describe the opportunities for exchanges or transfers of water on a short-term or long-term basis.

(e) (1) Quantify, to the extent records are available, past and current water use, over the same five-year increments described in subdivision (a), and projected water use, identifying the uses among water use sectors, including, but not necessarily limited to, all of the following uses:

(A) Single-family residential.

(B) Multifamily.

(C) Commercial.

(D) Industrial.

(E) Institutional and governmental.

(F) Landscape.

(G) Sales to other agencies.

(H) Saline water intrusion barriers, groundwater recharge, or conjunctive use, or any combination thereof.

(I) Agricultural.

(J) **Potable** distribution system water loss.

(2) The water use projections shall be in the same five-year increments described in subdivision (a).

(3) (A) ~~For the 2015 urban water management plan update, the distribution system water loss shall be quantified for the most recent 12-month period available. For all subsequent updates, the~~ **potable** distribution system water loss shall be quantified for each of the five years preceding the plan update.

(B) The **potable** distribution system water loss quantification shall be reported in accordance with a worksheet approved or developed by the department through a public process. The water loss quantification worksheet shall be based on the water system balance methodology developed by the American Water Works Association.

(4) (A) If available and applicable to an urban water supplier, water use projections may display and account for the water savings estimated to result from adopted codes, standards, ordinances, or transportation and land use plans identified by the urban water supplier, as applicable to the service area.

(B) To the extent that an urban water supplier reports the information described in subparagraph (A), an urban water supplier shall do both of the following: (i) Provide citations of the various codes, standards, ordinances, or transportation and land use plans utilized in making the projections.

(ii) Indicate the extent that the water use projections consider savings from codes, standards, ordinances, or transportation and land use plans. Water use projections that do not account for these water savings shall be noted of that fact.

(f) Provide a description of the supplier's water demand management measures. This description shall include all of the following: (1) (A) For an urban retail water supplier, as defined in Section

10608.12, a narrative description that addresses the nature and extent of each water demand management measure implemented over the past five years. The narrative shall describe the water demand management measures that the supplier plans to implement to achieve its water use targets pursuant to Section 10608.20.(B) The narrative pursuant to this paragraph shall include descriptions of the following water demand management measures:

- (i) Water waste prevention ordinances.
 - (ii) Metering.
 - (iii) Conservation pricing.
 - (iv) Public education and outreach.
 - (v) Programs to assess and manage *potable* distribution system real loss.
 - (vi) Water conservation program coordination and staffing support.
 - (vii) Other demand management measures that have a significant impact on water use as measured in gallons per capita per day, including innovative measures, if implemented.
- (2) For an urban wholesale water supplier, as defined in Section 10608.12, a narrative description of the items in clauses (ii), (iv), (vi), and (vii) of subparagraph (B) of paragraph (1), and a narrative description of its distribution system asset management and wholesale supplier assistance programs.

(g) Include a description of all water supply projects and water supply programs that may be undertaken by the urban water supplier to meet the total projected water use, as established pursuant to subdivision (a) of Section 10635. The urban water supplier shall include a detailed description of expected future projects and programs that the urban water supplier may implement to increase the amount of the water supply available to the urban water supplier in average, single-dry, and multiple-dry water years. The description shall identify specific projects and include a description of the increase in water supply that is expected to be available from each project. The description shall include an estimate with regard to the implementation timeline for each project or program.

(h) Describe the opportunities for development of desalinated water, including, but not limited to, ocean water, brackish water, and groundwater, as a long-term supply.

~~(i) For purposes of this part, urban water suppliers that are members of the California Urban Water Conservation Council shall be deemed in compliance with the requirements of subdivision (f) by complying with all the provisions of the "Memorandum of Understanding Regarding Urban Water Conservation in California," dated December 10, 2008, as it may be amended, and by submitting the annual reports required by Section 6.2 of that memorandum.~~

~~(i-j)~~ An urban water supplier that relies upon a wholesale agency for a source of water shall provide the wholesale agency with water use projections from that agency for that source of water in five-year increments to 20 years or as far as data is available. The wholesale agency shall provide information to the urban water supplier for inclusion in the urban water supplier's plan that identifies and quantifies, to the extent practicable, the existing and planned sources of water as required by subdivision (b), available from the wholesale agency to the urban water supplier over the same five-year increments, and during various water-year types in accordance with subdivision (c). An urban water supplier may rely upon water supply information provided

by the wholesale agency in fulfilling the plan informational requirements of subdivisions (b) and (c).

10631.7.

~~The department, in consultation with the California Urban Water Conservation Council, shall convene an independent technical panel to provide information and recommendations to the department and the Legislature on new demand management measures, technologies, and approaches. The panel shall consist of no more than seven members, who shall be selected by the department to reflect a balanced representation of experts. The panel shall have at least one, but no more than two, representatives from each of the following: retail water suppliers, environmental organizations, the business community, wholesale water suppliers, and academia. The panel shall be convened by January 1, 2009, and shall report to the Legislature no later than January 1, 2010, and every five years thereafter. The department shall review the panel report and include in the final report to the Legislature the department's recommendations and comments regarding the panel process and the panel's recommendations.~~

10632.

(a) The plan shall provide an urban water shortage contingency analysis that includes each of the following elements that are within the authority of the urban water supplier:

(1) ~~Stages~~ *Anticipated stages* of action to be undertaken by the urban water supplier in response to water supply shortages, including up to a 50 percent reduction in water supply, and an outline of specific water supply conditions that ~~would trigger~~ *are applicable to* each stage.

(2) ~~An estimate of the minimum water supply available during each of the next three water years based on the driest three-year historic sequence for the agency's water supply.~~ *Communications strategies to inform customers, state agencies, elected officials and others whenever water supply shortage conditions require the implementation of the stages of action described in subdivision (1).*

(3) ~~Anticipated A~~actions to be undertaken by the urban water supplier to prepare for, and implement during, a catastrophic interruption of water supplies including, but not limited to, a regional power outage, an earthquake, or other disaster.

(4) Additional, *anticipated* mandatory prohibitions against specific water use practices during water shortages, ~~including, but not limited to, prohibiting the use of potable water for street cleaning.~~

(5) ~~Consumption reduction methods in the most restrictive stages.~~ *Anticipated actions to balance water supply and demand for each water supply shortage stage, including the use of emergency supplies, demand reduction methods, reoperation, or any combination thereof.* Each urban water supplier may use any type of consumption reduction, *reoperation approach, or supply augmentation* methods in its water shortage contingency analysis that would ~~reduce water use~~ *balance supply and demand*, are appropriate for its area, and have the ability to ~~successfully respond to each water supply shortage stage.~~ *achieve a water use reduction*

~~consistent with up to a 50 percent reduction in water supply. If an urban water supplier has established an emergency supply, the supplier shall include in the description of actions to be taken when the emergency supply will be used to balance water supply and demand, and the quantity of water from the emergency supply that is planned to be used. An emergency supply designated for use during a water supply shortage shall be fully available for use by the supplier during a shortage and its use shall be at the sole discretion of the urban water supplier.~~

~~(6) Penalties or charges for excessive use, where applicable. Anticipated processes for monitoring and ensuring compliance by customers with mandatory prohibitions against specific water use practices, and mechanisms to enforce such compliance. The analysis also shall include a description of the urban water supplier's established method to identify and discourage excessive water use as required by Section 366 and 367.~~

(7) An analysis of the impacts of each of the actions and conditions described in ~~subdivisions~~~~paragraphs~~ (1) to (6), inclusive, on the revenues and expenditures of the urban water supplier, and proposed measures to overcome those impacts, such as the development of reserves and rate adjustments.

~~(8) A draft water shortage contingency resolution or ordinance. A description of the water supplier's source of authority for implementing the water shortage actions, as identified in subdivision 5 above, including any adopted resolutions or ordinances.~~

~~(9) A mechanism for determining actual reductions in water use pursuant to the urban water shortage contingency analysis.~~

~~(b) Commencing with the urban water management plan update due July 1, 2016, for purposes of developing the water shortage contingency analysis pursuant to subdivision (a), the urban water supplier shall analyze and define water features that are artificially supplied with water, including ponds, lakes, waterfalls, and fountains, separately from swimming pools and spas, as defined in subdivision (a) of Section 115921 of the Health and Safety Code.~~

ARTICLE 2.5. Water Service Reliability [10635 - 10635]
(Article 2.5 added by Stats. 1995, Ch. 854, Sec. 11.)

10635.

(a) Every urban water supplier shall include, as part of its urban water management plan, an assessment of the reliability of its water service to its customers during normal, dry, and multiple dry water years. This water supply and demand assessment shall compare the total water supply sources available to the water supplier with the total projected water use over the next 20 years, in five-year increments, for a normal water year, a single dry water year, and ~~multiple dry water years~~ **five consecutive dry years, consisting of a repeat of the five consecutive historic driest years that the supplier has experienced, unless the supplier finds that a shorter multiple-year dry period would more severely impact its water supplies, in which case the supplier shall use**

that shorter period. The water service reliability assessment shall be based upon the information compiled pursuant to Section 10631, including available data from state, regional, or local agency population projections within the service area of the urban water supplier.

(b) The urban water supplier shall provide that portion of its urban water management plan prepared pursuant to this article to any city or county within which it provides water supplies no later than 60 days after the submission of its urban water management plan.

(c) Nothing in this article is intended to create a right or entitlement to water service or any specific level of water service.

(d) Nothing in this article is intended to change existing law concerning an urban water supplier's obligation to provide water service to its existing customers or to any potential future customers.

CHAPTER 4. Miscellaneous Provisions [10650 - 10656]

(Chapter 4 added by Stats. 1983, Ch. 1009, Sec. 1.)

10658.

(a) It is the intent of the Legislature, by the enactment of this section, to do all of the following:

- (1) Encourage continued investment in water supply reliability and diversification;***
- (2) Incentivize new and protect existing local investments made by urban water suppliers in drought resiliency and drought resilient supplies in order to better prepare local communities and the state for drought and times of shortage;***
- (3) Incentivize new and protect existing local investments in water recycling and potable reuse;***
- (4) Encourage local agencies to develop emergency supplies, including storage of flood flows in water banks throughout the state, to better protect California from the effect of drought;***
- (5) Encourage local agencies to take steps to prepare for the effects of climate change; and***
- (6) Ensure that urban water suppliers have adequate supplies, or take appropriate measures to reduce demand during times of drought.***

(b) During a statewide or local drought or water shortage, an urban water supplier shall not be required to reduce its use or reliance on any water supply available for its use and identified in its Urban Water Management Plan, or be required to take additional actions beyond those specified in its water shortage contingency analysis for the level of

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shortage that is anticipated in the annual report required by section 10609 or the level of shortage that it is currently experiencing, whichever is greater.

EXHIBIT "E"
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Proposed Long-Term Water Use Efficiency Legislation
(Deletions from existing law in bold strikeout, insertions in bold italics)

DIVISION 6. CONSERVATION, DEVELOPMENT, AND UTILIZATION OF STATE

WATER RESOURCES [10000 - 12999]

(*Heading of Division 6 amended by Stats. 1957, Ch. 1932.)*

PART 2.55. SUSTAINABLE WATER USE AND DEMAND REDUCTION [10608 - 10608.64]

(*Part 2.55 added by Stats. 2009, 7th Ex. Sess., Ch. 4, Sec. 1.)*

CHAPTER 1. General Declarations and Policy [10608 - 10608.8]

(*Chapter 1 added by Stats. 2009, 7th Ex. Sess., Ch. 4, Sec. 1.)*

10608.

The Legislature finds and declares all of the following:

- (a) Water is a public resource that the California Constitution protects against waste and unreasonable use.
- (b) Growing population, climate change, and the need to protect and grow California's economy while protecting and restoring our fish and wildlife habitats make it essential that the state manage its water resources as efficiently as possible.
- (c) Diverse regional water supply portfolios will increase water supply reliability and reduce dependence on the Delta.
- (d) Reduced water use through *long-term water use efficiency and* conservation provides significant energy and environmental benefits, and can help protect water quality, improve streamflows, and reduce greenhouse gas emissions.
- (e) The success of state and local water *use efficiency* ~~conservation~~ programs ~~to increase efficiency of water use~~ is best determined on the basis of measurable outcomes related to water use or efficiency.
- (f) *Strengthening local and regional drought resilience is essential to increasing water supply reliability and the sustainable management of the state's water resources.*
- (fg) Improvements in technology, *infrastructure*, and management practices offer the potential for increasing water efficiency in California over time, providing an essential water management tool to meet the need for water for urban, agricultural, and environmental uses.

(g) Recognize that water recycling is an efficient use of water and the application of recycled water in landscape irrigation is extensively regulated, which ensures its efficient use.

(ih) Require implementation of specified efficient water management practices for agricultural water suppliers.

(ji) Support the economic productivity of California’s agricultural, commercial, and industrial sectors.

(kj) Advance regional water resources management.

(k) Empower water suppliers to utilize local and regional water use efficiency measures that reflect their unique water supply and demand circumstances that best meet the needs of their individual communities.

(l) Ensure that whatever legal access to water a water supplier possessed prior to the enactment of this part, notwithstanding adherence to the requirements imposed by it, that the supplier shall retain that same legal access to its water supplies as provided under law to enhance local and regional water supply reliability and drought resilience as well as to voluntarily contribute to water supply reliability in other regions of the State as appropriate under law.

10608.8.

(a)(1) Nothing in this Part alters existing water rights law, or authorizes or enhances the authority of the State Water Resources Control Board to alter any existing water rights beyond its powers to do so prior to enactment.

(2) Water use efficiency measures adopted and implemented pursuant to this part or Part 2.8 (commencing with Section 10800) are water conservation measures subject to the protections provided under Section 1011.

(~~2~~3) Because an urban agency is not required to meet its urban water use target until 2020 pursuant to subdivision (b) of Section 10608.24, an urban retail water supplier’s failure to meet those targets shall not establish a violation of law for purposes of any state administrative or judicial proceeding prior to January 1, 2021. Nothing in this paragraph limits the use of data reported to the department or the board in litigation or an administrative proceeding. This paragraph shall become inoperative on January 1, 2021.

(4) Because an urban agency is not required to meet its urban water efficiency target until 2025 pursuant to subdivision (c) of Section 10608.25, an urban retail water supplier’s failure to meet that target shall not establish a violation of law for purposes of any state administrative or judicial proceeding prior to January 1, 2026. Nothing in this paragraph limits the use of data reported to the department or the board in litigation or an administrative proceeding.

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years to a maximum of a continuous 15-year period ending no earlier than December 31, 2004, and no later than December 31, 2010.

(3) For the purposes of Section 10608.22, the urban retail water supplier's estimate of its average gross water use, reported in gallons per capita per day and calculated over a continuous five-year period ending no earlier than December 31, 2007, and no later than December 31, 2010.

(c) "Baseline commercial, industrial, and institutional water use" means an urban retail water supplier's base daily per capita water use for commercial, industrial, and institutional users.

(d) "Commercial water user" means a water user that provides or distributes a product or service.

(e) "Compliance daily per capita water use" means the gross water use during the final year of the reporting period, reported in gallons per capita per day.

(f) "Disadvantaged community" means a community with an annual median household income that is less than 80 percent of the statewide annual median household income.

(g) "Gross water use" means the total volume of water, whether treated or untreated, entering the distribution system of an urban retail water supplier, *as the distribution system is so defined by the urban retail water supplier*, excluding all of the following:

(1) Recycled water, *as defined in section 10608.12(n)*, that is delivered within the service area of an urban retail water supplier or its urban wholesale water supplier, *or recycled water used to augment water supplies, including, but not limited to, recycled water used to augment a surface water reservoir or recycled water percolated or injected into a groundwater basin for the purposes of augmenting the common groundwater supply and then extracted by an urban retail water supplier.*

(2) The net volume of water that the urban retail water supplier places into long-term storage.

(3) The volume of water the urban retail water supplier conveys for use by another urban water supplier.

(4) The volume of water *the urban retail water supplier delivered delivers for commercial or non-commercial agricultural purposes, for agricultural use*, except as otherwise provided in subdivision (f) of Section 10608.24.

(h) "Industrial water user" means a water user that is primarily a manufacturer or processor of materials as defined by the North American Industry Classification System code sectors 31 to 33, inclusive, or an entity that is a water user primarily engaged in research and development.

~~(2) For reservoir augmentation, water supplies that meet the criteria of paragraph (1) and are conveyed through a distribution system constructed specifically for recycled water.~~

(no) “Regional water resources management” means sources of supply resulting from watershed-based planning for sustainable local water reliability or any of the following alternative sources of water:

- (1) The capture and reuse of stormwater or rainwater.
- (2) The use of recycled water.
- (3) The desalination of brackish groundwater *or seawater*.
- (4) The conjunctive use of surface water and groundwater in a manner that is consistent with the safe yield of the groundwater basin.

(op) “Reporting period” means the years for which an urban retail water supplier reports compliance with the urban water use targets.

(pq) “Urban retail water supplier” means a water supplier, either publicly or privately owned, that directly provides potable municipal water to more than 3,000 end users or that supplies more than 3,000 acre-feet of potable water annually at retail for municipal purposes.

(qr) “Urban water use target” means the urban retail water supplier’s targeted future daily per capita water use.

(rs) “Urban wholesale water supplier,” means a water supplier, either publicly or privately owned, that provides more than 3,000 acre-feet of water annually at wholesale for potable municipal purposes.

(t) “Water efficiency target” means the target established by an urban retail water supplier pursuant to section 10608.25.

(u) “Water loss” means the difference between the potable distribution system input volume and authorized consumption as consistent with the American Water Works Association M36 Water Audits and Loss Control Programs Manual and subsequent amendments.

CHAPTER 3. Urban Retail Water Suppliers [10608.16 - 10608.44]

(Chapter 3 added by Stats. 2009, 7th Ex. Sess., Ch. 4, Sec. 1.)

10608.17.

After December 31, 2020, urban retail water suppliers shall achieve water use efficiency as provided for in this chapter.

10608.20.

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In developing urban daily per capita *2020* water use targets, the department shall do all of the following:

- (A) Consider climatic differences within the state.
 - (B) Consider population density differences within the state.
 - (C) Provide flexibility to communities and regions in meeting the targets.
 - (D) Consider different levels of per capita water use according to plant water needs in different regions.
 - (E) Consider different levels of commercial, industrial, and institutional water use in different regions of the state.
 - (F) Avoid placing an undue hardship on communities that have implemented conservation measures or taken actions to keep per capita water use low.
- (c) If the department adopts a regulation pursuant to paragraph (4) of subdivision (b) that results in a requirement that an urban retail water supplier achieve a reduction in daily per capita water use that is greater than 20 percent by December 31, 2020, an urban retail water supplier that adopted the method described in paragraph (4) of subdivision (b) may limit its urban water use target to a reduction of not more than 20 percent by December 31, 2020, by adopting the method described in paragraph (1) of subdivision (b).
- (d) The department shall update the method described in paragraph (4) of subdivision (b) and report to the Legislature by December 31, 2014. An urban retail water supplier that adopted the method described in paragraph (4) of subdivision (b) may adopt a new urban daily per capita water use target pursuant to this updated method.
- (e) An urban retail water supplier shall include in its urban water management plan due in 2010 pursuant to Part 2.6 (commencing with Section 10610) the baseline daily per capita water use, its *2020* urban water use target, interim urban water use target, and compliance daily per capita water use, along with the bases for determining those estimates, including references to supporting data.
- (f) When calculating per capita values for the purposes of this chapter, an urban retail water supplier shall determine population using *a combination of* federal, state, and local population reports and projections.
- (g) An urban retail water supplier may update its 2020 urban water use target in its 2015 urban water management plan required pursuant to Part 2.6 (commencing with Section 10610).
- (h) (1) The department, through a public process, and in consultation with the California Urban Water Conservation Council, shall develop technical methodologies and criteria for the consistent implementation of this part, including, but not limited to, both of the following:

(d) (1) When determining compliance daily per capita water use, an urban retail water supplier may consider the following factors:

(A) Differences in evapotranspiration and rainfall in the baseline period compared to the compliance reporting period.

(B) Substantial changes to commercial or industrial water use resulting from increased business output and economic development that have occurred during the reporting period.

(C) Substantial changes to institutional water use resulting from fire suppression services or other extraordinary events, or from new or expanded operations, that have occurred during the reporting period.

(2) If the urban retail water supplier elects to adjust its estimate of compliance daily per capita water use due to one or more of the factors described in paragraph (1), it shall provide the basis for, and data supporting, the adjustment in the report required by Section 10608.40.

(e) When developing the **2020** urban water use target pursuant to Section 10608.20, an urban retail water supplier that has a substantial percentage of industrial water use in its service area may exclude process water from the calculation of gross water use to avoid a disproportionate burden on another customer sector.

(f) (1) An urban retail water supplier that includes agricultural water use in an urban water management plan pursuant to Part 2.6 (commencing with Section 10610) may include the agricultural water use in determining gross water use. An urban retail water supplier that includes agricultural water use in determining gross water use and develops its urban water use target pursuant to paragraph (2) of subdivision (b) of Section 10608.20 shall use a water efficient standard for agricultural irrigation of 100 percent of reference evapotranspiration multiplied by the crop coefficient for irrigated acres.

(2) An urban retail water supplier, that is also an agricultural water supplier, is not subject to the requirements of Chapter 4 (commencing with Section 10608.48), if the agricultural water use is incorporated into its urban water use target pursuant to paragraph (1).

10608.25.

(a) Each urban retail water supplier shall develop a water efficiency target for 2025 in its 2020 urban water management plan required to be submitted by July 1, 2021, pursuant to Section 10621. An urban retail water supplier may determine the water efficiency target on a fiscal year or calendar year basis. An urban retail water supplier may adjust and update the water efficiency target, as appropriate, based upon population growth, changes in irrigable landscape acreage, and other changes that affect water use when the supplier reports its compliance in achieving the water efficiency targets and its implementation of the identified performance measures in its 2025 urban water management plan, required to be submitted by July 1, 2026, pursuant to Section 10621.

(C) A volume of water to account for the variances taken by the water supplier due to unique situations within their service area and developed under subsection (e).

(3) Ninety percent of the applicable hydrologic region target, as set forth in the State's 20x2020 water conservation plan, dated February 2010. If the service area of an urban retail water supplier includes more than one hydrologic region, the supplier shall apportion its service area to each region based on population or area.

(c) Each urban retail water supplier shall meet its adjusted 2025 water efficiency targets by December 31, 2025, unless the supplier reports to the department that economic or hydrologic conditions beyond the supplier's control rendered it impossible for the supplier to do so. Urban retail water suppliers may elect to determine and report progress toward achieving these targets on an individual or regional basis, as provided in subdivision (a) of Section 10608.28, and may determine the targets on a fiscal year or calendar year basis. An urban retail water supplier shall report on its compliance with this section in its 2025 urban water management plan required to be submitted by July 1, 2026, pursuant to Section 10621.

(d) An urban retail water supplier shall calculate its compliance with subsection (c) based on the method by which it set its water efficiency target. An urban retail water supplier shall base its adjusted water efficiency target and compliance with that adjusted target on the best available information concerning population, irrigable landscape acreage, and other factors that affect water use within its service area.

(1) An urban retail water supplier that determines its water efficiency target under subdivision (b)(1) shall calculate its compliance with subsection (c) by comparing the adjusted water efficiency target with the urban retail water supplier's compliance daily per capita water use.

(2) An urban retail water supplier that determines its water efficiency target under subdivision (b)(2) shall calculate its compliance with subsection (c) by comparing the water efficiency target with the total volume of gross water use measured through residential and dedicated irrigation meters during the final year of the reporting period.

(A) If an urban retail water supplier includes parcels in agricultural use in its water efficiency target pursuant to subsection (2)(B)(vi), the urban retail water supplier shall include water use for those parcels in its compliance calculation.

(B) An urban retail water supplier that determines its water efficiency target under subdivision (b)(2) shall include in its report on compliance with subsection (c) a report on its implementation of the performance measures for efficient commercial, industrial and institutional water use identified in its urban water management plan.

(3) An urban retail water supplier that determines its water efficiency target under

evapotranspiration adjustment factor as contained in the Model Water Efficient Landscape Ordinance, adopted September 15, 2015 .

10608.45.

(a) By January 1, 2018, the department, in consultation with the board, shall convene a commercial, industrial and institutional water use efficiency task force consisting of urban retail water suppliers, urban wholesale water suppliers, academic experts, economic development interests, business community representatives, environmental organizations, commercial water users, industrial water users, and institutional water users. The urban retail water suppliers included on the task force shall include a broad spectrum of commercial, industrial, and institutional customers throughout the State, and include representation of combined retail water and wastewater agencies. The task force's overall objective shall be to recommend appropriate water efficiency measures for various segments of the commercial, industrial, and institutional water use sector.

(b) By December 31, 2019, the task force, in consultation with the department and the board, shall submit a report to the Legislature that shall recommend appropriate performance measures for commercial, industrial or institutional water use which shall rely, to the extent appropriate, on the 2013 report to the Legislature entitled CII Task Force Water Use Best Management Practices Report to The Legislature and supports the economic productivity of California's commercial, industrial, and institutional sectors. The report required by this subdivision shall include, among other content, the following:

(1) Appropriate commercial, industrial and institutional classifications that address significant uses of water and are consistent with the classifications and standards developed by the North American Industry Classification System; and

(2) Recommendations for appropriate thresholds by which urban water suppliers could require commercial, industrial, and institutional water users to participate in audits and the development of water management plans; and

(3) Evaluation of feasibility criteria and cost-effectiveness of separating mixed-use meters and equivalent technologies, and recommendations on when separating mixed-use meters should not be required.

(c) Using available funds, the department shall provide technical and financial assistance to the task force to enable the completion of the reports under this Section within the required time frame and assist water suppliers and water users to comply with any new requirements described therein.

10608.46

(a) The department shall reconvene its Urban Stakeholder Committee by April 1, 2018. The committee shall consist of a mix of small, medium and large urban retail water suppliers from throughout the state, including at least one representative from each hydrologic region. The committee shall also include academic experts, urban wholesale water suppliers, business

climate zones for all urban retail water suppliers. The database's aerial imagery data shall be suitable for determining the appropriate amount of irrigation for a variety of vegetation, including without limitation large trees and irrigable area under native tree canopy. The department shall update the database by December 31, 2025 and every five years thereafter.

(2) The department and all urban retail water suppliers shall maintain the confidentiality of the information in the department's database to the extent consistent with the Public Records Act (Gov. Code §§ 6250 et seq.).

(3) Prior to releasing the database under this subdivision, the department shall conduct a statistically valid review of the accuracy of the information in the database. In conducting this review, the department shall consult with a representative sample of urban retail water suppliers representing each of the state's hydrologic regions.

(4) An urban retail water supplier may use its own database of validated aerial imagery, measured irrigable area and date of parcel development for properties within its service areas for purposes of section 10608.25(b)(2)(B), if the water supplier certifies that it is of comparable or better quality than the relevant information included in the department's database.

March 27, 2017
Prepared and
submitted by: C. Compton
Approved by: Paul Cook 

ACTION CALENDAR

ASSOCIATION OF CALIFORNIA WATER AGENCIES POLICY STATEMENT ON BAY-DELTA FLOW REQUIREMENTS

SUMMARY:

The State Water Resources Control Board (State Board) proposed an amendment to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary. The proposed amendments would increase the unimpaired flow requirements for the San Joaquin River, which would negatively affect water supply reliability for California's urban and agricultural communities.

After reviewing the proposed amendments, the Association of California Water Agencies (ACWA) drafted an "ACWA Policy Statement on Bay-Delta Flow Requirements," which was approved by the ACWA Board of Directors earlier this month. ACWA is now asking its members to adopt a resolution in support of the policy statement. Staff recommends that the Board adopt a resolution in support of the policy statement.

BACKGROUND:

Last fall, the State Board proposed an amendment to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary. This amendment proposed water quality requirements for salinity in the southern Delta and unimpaired water flow levels for major tributaries to the San Joaquin River, which drains to the southern Delta.

In its announcement of the proposed amendments, which is part of the first phase of an update to the Bay-Delta Plan, the State Board indicated that the proposed unimpaired flow requirements were designed to increase flows for fish and wildlife. As a result, the proposed amendments, would increase unimpaired flow requirements for the San Joaquin River from the current 20 percent requirement to a range of 30 percent to 50 percent. The proposed amendment also outlines new salinity requirements for the southern Delta.

After reviewing the proposed amendments, ACWA, along with many in the water community, found the proposed amendments problematic. ACWA's analysis and the conversation within the water community indicate that the proposed unimpaired flow requirements could lead to widespread fallowing of agricultural lands, undercut the state's groundwater sustainability goals, impact the implementation of the California Water Action Plan, and negatively affect water reliability for much of the state.

As a result, earlier this month, the ACWA Board of Directors adopted a policy statement urging the State Board to set aside the proposed amendment and associated water quality objectives. A copy of the adopted policy statement is attached as Exhibit "A".

The ACWA policy statement on the proposed flow criteria states that:

- ACWA believes that the policy of the co-equal goals and the commitments embedded in the California Water Action Plan have put California on a path that includes a vibrant agricultural and urban economy and a healthy ecosystem;
- The State Board's proposed unimpaired flow requirements for the San Joaquin River and its tributaries are inconsistent with established state policies including the California Water Action Plan, the coequal goals defined in the Delta Reform Act of 2009, the Sustainable Groundwater Management Act of 2014, and the Human Right to Water Act;
- The State Water Board should set aside the proposed percentage of unimpaired flow approach and work towards a comprehensive agreement on environmental flows in both the San Joaquin and Sacramento River basins, as called for by Governor Brown, because it is the least contentious, most effective way to achieve the coequal goals;
- The State Water Board should embrace a collaborative process to develop water quality objectives for the Bay-Delta that incorporates the best available science, utilizes comprehensive solutions that address multiple variables, aligns with established state policies, considers economic impacts, and ensures that Bay-Delta Plan decisions enable implementation of the California Water Action Plan; and
- ACWA believes that a successful collaborative approach can result in a comprehensive solution for both water supply and ecosystem management.

ACWA's Request for Action:

ACWA has asked its members to adopt a resolution supporting ACWA's policy statement on the Bay-Delta flow requirements. Staff has reviewed the ACWA policy statement and information from the State Board on the proposed flow requirements. Staff agrees with the water community's concern that the proposed unimpaired flow requirements may negatively affect water supply reliability in California. Given the fact that, as proposed, the unimpaired flow requirements do not achieve both portions of the co-equal goals for the San Francisco Bay/Sacramento-San Joaquin Delta of high-quality water supply reliability and ecosystem restoration, staff recommends that the Board adopt a resolution supporting the ACWA policy statement. A proposed resolution is attached as Exhibit "B" for the Board's consideration.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD ADOPT THE RESOLUTION BY TITLE :

RESOLUTION NO. 2017-

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT IN SUPPORT OF THE ASSOCIATION OF
CALIFORNIA WATER AGENCIES POLICY STATEMENT ON
BAY-DELTA FLOW REQUIREMENTS

LIST OF EXHIBITS:

- Exhibit "A" – Copy of the Association of California Water Agencies Policy Statement on Bay-Delta Flow Requirements
- Exhibit "B" – Resolution of Support for the Association of California Water Agencies Policy Statement on Bay-Delta Flow Requirements



ACWA POLICY STATEMENT ON BAY-DELTA FLOW REQUIREMENTS

COLLABORATIVE APPROACH IS KEY TO CALIFORNIA'S FUTURE

California is facing a defining moment in water policy. A staff proposal under consideration by the State Water Resources Control Board presents a decision point about the future we want for California and its communities, farms, businesses and ecosystems. The State Water Board's staff proposal to base new water quality objectives on a "percentage of unimpaired flow" would have impacts that ripple far beyond water for fish.

The proposal could lead to widespread fallowing of agricultural land, undercut the state's groundwater sustainability goals, cripple implementation of the Brown Administration's California Water Action Plan, negatively affect water reliability for much of the state's population and impact access to surface water for some disadvantaged communities that do not have safe drinking water. These effects are not in the public's interest.

Local water managers overwhelmingly believe the proposal's singular focus on "unimpaired flow" is the wrong choice for the state's future. California's urban and agricultural water managers are united in their vision for a future that includes a healthy economy as well as healthy ecosystems and fish populations. That vision is best achieved through comprehensive, collaborative approaches that include "functional" flows as well as non-flow solutions that contribute real benefits to ecosystem recovery.

On behalf of its more than 430 member public agencies serving urban and agricultural customers throughout the state, the Association of California Water Agencies (ACWA) adopts the following policy statement regarding the State Water Board's proposed approach to updating the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta.

LOCAL SUCCESS STORIES

Collaborative efforts have been successful on many rivers in the Bay-Delta watershed.

Lower Yuba River: A voluntary, collaborative settlement among Yuba County Water Agency, California Department of Fish and Wildlife, National Marine Fisheries Service, PG&E and conservation groups resolved 20 years of controversy and resulted in a continuing program to improve 24 miles of salmon and steelhead habitat while protecting water rights and the needs of local communities. State Water Board members have specifically recognized the value of the agreement, which was formally implemented in 2008.

Lower American River: A broad representation of water suppliers, environmental groups, local governments and others negotiated an historic agreement that led to a flow management standard that was successfully incorporated into a 2009 biological opinion issued by the National Marine Fisheries Service.

Feather River: Six years of negotiations among water users, fisheries agencies and environmental groups yielded a comprehensive agreement that includes a habitat improvement program with specific flow and temperature requirements to accommodate spawning salmon and steelhead. The State Water Board adopted the agreement, with some modification, in 2010 as a water quality certification under the federal Clean Water Act.

CHOOSING OUR VISION FOR CALIFORNIA'S WATER FUTURE

Since 2009, state law has required water resources to be managed in a way that achieves the coequal goals of improving water supply reliability for California and protecting, restoring and enhancing the Delta ecosystem. ACWA and its public water agency members believe that policy requires a commitment from state agencies and stakeholders to advance both water supply and environmental goals together. ACWA and its members further believe that effective implementation of the coequal goals requires transparent, collaborative processes and comprehensive solutions.

In 2014, the Brown Administration released its California Water Action Plan outlining priority actions addressing water-use efficiency, groundwater sustainability, ecological restoration, Delta conveyance solutions, water storage, safe drinking water and more. Embedded in the plan is the Brown Administration's commitment that planned actions "will move California toward more sustainable water management *by providing a more reliable water supply for our farms and communities, restoring important wildlife habitat and species, and helping the state's water systems and environment become more resilient.*"

ACWA believes the policy of coequal goals and the commitment embedded in the California Water Action Plan have the potential to put California on a path that includes a vibrant agricultural and urban economy and a healthy ecosystem.

ACWA and its members believe the unimpaired flow approach proposed by State Water Board staff undercuts and threatens that potential and cannot lead us to the future we want for California. Simply put, any strategy that would result in vast amounts of agricultural land going out of production and ultimately reduce water supply reliability for the majority of Californians is irreconcilable with a policy of coequal goals and blatantly inconsistent with the water policy objectives of the Brown Administration.

ACWA strongly supports the collaborative approach called for by Governor Jerry Brown to move these important decisions out of adversarial processes and into negotiated, comprehensive agreements. The following principles can assure success in that endeavor.

A BETTER PATH TO THE FUTURE

The State Water Board is responsible for updating the Bay-Delta Plan in a manner that establishes water quality objectives that ensure the reasonable protection of all beneficial uses of water (including domestic, municipal, agricultural and industrial supply; power generation; recreation; aesthetic enjoyment; navigation; and preservation and enhancement of fish, wildlife, and other aquatic resources) while considering past, present and probable future beneficial uses, environmental characteristics, water quality conditions and economic considerations, among other things. (See California Water Code Section 13241.) It also has a responsibility to update the plan in a way that is consistent with the coequal goals and respects and implements the commitments made in the California Water Action Plan.

ACWA and its members urge the State Water Board to set aside the unimpaired flow approach and heed Governor Brown's call for negotiated agreements. ACWA believes that a successful flows policy must be consistent with the following principles:

- **Collaboration:** The governor has called for work on a comprehensive agreement on environmental flows in both the San Joaquin and Sacramento River basins. He has asked that State Water Board members and staff prioritize analysis and implementation of voluntary agreements. Further, the Brown Administration committed in the California Water Action Plan that the State Water Board and the California Natural Resources Agency will work with stakeholders to encourage negotiated implementation of protective Delta standards. ACWA strongly supports the collaborative approach called for by the governor because it is the least contentious, most effective way to achieve the coequal goals. Negotiated agreements have been demonstrably successful at achieving outcomes and widespread support for appropriate environmental flows; forced

regulations have not yielded the same track record. The State Water Board should wholly embrace this approach and allow enough time for it to work.

- **Comprehensive Solutions:** A successful collaborative approach will require comprehensive solutions for both water supply and ecosystem management. Water users will need to continue and build on their commitment to integrated resources management in order to maintain reliability without undue impacts on the ecosystem. Similarly, ecosystem managers will need to focus on the entire life cycle of affected species and multiple variables, such as predation, food, and habitat availability to develop integrated management portfolios that accomplish ecosystem goals without undue impacts on water supply. Utilizing the single variable proposed in the "percentage of unimpaired flow" approach will not achieve the desired ecological outcomes and is, by far, the most destructive policy approach from the perspective of protecting and improving water supply. ACWA firmly believes the ecological outcomes can be achieved with even better results through a comprehensive approach that considers multiple solutions and benefits.
- **Science:** The State Water Board needs to incorporate the best available science to inform its work and assist with the development of voluntary settlement agreements. The unimpaired flow approach, in which flow objectives are not tied to any specific ecological outcome, fails to incorporate the best available science. As noted above, the updated plan needs to focus on the entire life cycle of affected species and multiple variables, such as predation, food, and habitat availability, and incorporate relevant current scientific information. Science alone cannot identify the best policy choice, but it can inform us about the policy tradeoffs we confront and help structure integrated solutions that provide ecosystem benefits with far less impact on water supply, the California economy and the public interest.



FUNCTIONAL FLOWS: A BETTER APPROACH

Sacramento Valley: Sacramento Valley water users and conservation partners are working together to advance a new generation of innovative projects to promote salmon recovery.

Over the past two and a half years, 12 projects have been completed through the Sacramento Valley Salmon Recovery Program to address fish passage, improve the timing of flows and increase habitat for salmon and other species. Priority projects have included removal of structural barriers to fish passage, modifying riffles, eliminating predator habitat, restoring floodplains and creating side channel spawning and rearing areas.

In addition, program partners are exploring creative ways to reconnect water with the land in floodplains and agricultural areas to enhance habitat and food production and create rearing habitat in rice fields.

While each of these collaborative projects provides independent value, implementation of the entire comprehensive suite is generating unique benefits that can significantly improve ecological outcomes for salmon in the Sacramento Valley.

Merced River: Merced Irrigation District has spent millions of dollars and decades undertaking intense and in-depth scientific research on the Merced River. This research has included analysis of flows, temperatures, biological resources and habitat. MID is poised to put this research into action through its Merced S.A.F.E. Plan (Salmon, Agriculture, Flows, and Environment) to provide certainty for both the environment and local water supply in Eastern Merced County.

The plan would provide increased flows using science to dictate the amounts and timing, restore critical sections of habitat for spawning and rearing juvenile salmon, protect local drinking water quality, upgrade an existing salmon hatchery with state-of-the-art facilities and reduce predation.

Based on in-depth science and technologically advanced computer modeling, MID seeks to take immediate action and dramatically benefit salmon on the Merced River.

- **Functional Flows:** Science shows that functional flows have very promising benefits for fish as well agricultural and urban water users. Timed and tailored for specific purposes, functional flows can benefit species in ways that unimpaired flow requirements cannot. Examples abound of collaborative, innovative projects currently underway by local water agencies and stakeholders that include functional flows and non-flow solutions that reconnect land and water to restore habitat and address the full life cycle of species needs. These efforts contribute real benefits to ecosystem recovery while maintaining water supply reliability.
- **Economic Considerations:** The State Water Board has a statutory obligation to consider economic impacts when establishing water quality objectives that reasonably protect all beneficial uses of water. Having a robust economic analysis is critical. The board also has a policy obligation under the coequal goals to ensure its actions related to a revised Bay-Delta Plan increase water supply reliability and thereby allow for a healthy, growing agricultural and urban economy in California.
- **Consistency with State Policy:** ACWA urges the State Water Board to heed the governor's direction and recognize that achieving the coequal goals will lead to a more reliable water supply and healthy ecosystem. Pursuing the coequal goals should be a guiding principle for the board's decisions related to adopting a revised Bay-Delta Plan. The State Water Board also should ensure that its decisions on the Bay-Delta Plan enable, rather than obstruct, the implementation of the California Water Action Plan.
- **Leadership:** The best policy choice will come through the give and take of the negotiating process and the enlightened leadership of the State Water Board members. Ultimately, the board must establish water quality objectives that ensure the reasonable protection of all beneficial uses of water as it implements negotiated solutions. The State Water Board should actively engage in this work and lead in a manner that is grounded in an awareness of how its actions can affect the implementation of the California Water Action Plan and the achievement of the coequal goals.

ACWA and its members have taken a strong policy position in support of comprehensive solutions such as those outlined in the California Water Action Plan. We stand ready to work with the Brown Administration to pursue the collaborative and comprehensive approaches needed to ensure a future for California that includes a vibrant agricultural and urban economy and a healthy ecosystem.

EXHIBIT “B”

RESOLUTION NO. 2017-

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT IN SUPPORT OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES POLICY STATEMENT ON BAY-DELTA FLOW REQUIREMENTS

WHEREAS, a broad cross-section of water interests convened by the Association of California Water Agencies (ACWA) has developed, and the ACWA Board of Directors has approved, a policy statement on the Bay-Delta flow requirements included in a proposed amendment to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary under consideration by the State Water Resources Control Board; and

WHEREAS, California is facing a defining moment in water policy that will be substantially impacted by the State Water Resources Control Board’s approach to water quality objectives under the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta; and

WHEREAS, the State Water Resources Control Board has the responsibility for updating the Bay-Delta Plan in a manner that establishes water quality objectives that ensure the reasonable protection of all beneficial uses of water in a way that is consistent with the coequal goals of improving water supply reliability and protecting, restoring and enhancing the Delta ecosystem and with respect to the commitments made in the California Water Action Plan; and

WHEREAS, the State Water Resources Control Board staff’s current proposal, which focuses singularly on an “unimpaired flow” approach, is irreconcilable with a policy of coequal goals of improving both water supply reliability and ecosystem health; it is also inconsistent with the broader water policy objectives of the Brown Administration; and

WHEREAS, the ACWA Board of Directors has unanimously adopted a strong policy statement calls for a better approach that can more effectively achieve ecological objectives while maintaining water supply reliability. The statement calls on the State Water Resources Control Board to set aside its “unimpaired flow” approach and heed Gov. Jerry Brown’s call for negotiated agreements, which have been successful on many rivers and tributaries in California.

WHEREAS, the ACWA statement notes that to be successful, the state’s flow policy must be consistent with the principles of collaboration, comprehensive solutions, science, functional flows, economic considerations, consistency with state policy, and leadership; and

WHEREAS, California’s local urban and agricultural water managers are united in their vision for a future that includes a vibrant California economy as well as healthy ecosystems and fish populations, and believe that vision is best achieved through a comprehensive, collaborative approaches;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Irvine Ranch Water District hereby supports supports ACWA’s Policy Statement on Bay-Delta Flows and encourages the State Water Resources Control Board to embrace the approach articulated in ACWA’s policy statement.

ADOPTED, SIGNED AND APPROVED this 27th day of March 2017.

President/Vice President
IRVINE RANCH WATER DISTRICT
and of the Board of Directors thereof

Secretary/Assistant Secretary
IRVINE RANCH WATER DISTRICT
and of the Board of Directors thereof

APPROVED AS TO FORM:

Bowie, Arneson, Wiles & Giannone
Legal Counsel – IRWD

March 27, 2017

Prepared By: Rob Jacobson 

Submitted By: Cheryl Clary 

Approved By: Paul Cook 

ACTION CALENDAR

REVISED REAL ESTATE INVESTMENT POLICY

SUMMARY:

For fiscal year ended June 30, 2016, the District implemented the Government Accounting Standards Board's (GASB) Rule No. 72, *Fair Value Measurement and Application*. Under the new Rule, real estate investment values previously reported on a cost basis are now reported on the District's annual financial statements at fair market value. Consistent with the change in valuation for financial reporting, staff recommends a revision to the District's Real Estate Investment Policy relative to the valuation used in the percentage limitation guidelines.

BACKGROUND:

The District's Real Estate Investment Policy (the Policy) was first adopted by the Board in August 1990, shortly after the District received authority from the State legislature to invest up to 30% of its Replacement Fund in real estate located in Orange County. The Policy has been revised periodically since then, most recently in December 2008.

Consistent with the authorization provided by the State, the Policy's Percentage Limitation Guidelines section provides that the aggregate real estate investments of the District will not exceed 30% of its total Replacement Fund. For calculation of the 30% availability, Replacement Fund assets include fixed income investments, real estate investments and receivables due to the fund. To date, the value of District real estate investments used in the 30% availability calculation was based on the cost of the properties, which was consistent with valuations used for financial reporting.

Fair Market Value Reporting:

For fiscal year ended June 30, 2016, the District implemented GASB Rule No. 72, *Fair Value Measurement and Application*. Under the new Rule, real estate investment values previously reported on a cost basis are now reported on the District's annual financial statements at fair market value. Based on the change in reporting, the valuation used for District real estate investments increased from a cost of \$72.6 million to a fair market value of \$198.8 million.

Consistent with the change in valuations used for District financial reporting, staff recommends revising the Policy to include the fair market value of real estate investments (as reported in the most recent financial statements) in the 30% availability calculation. A "Revised Real Estate Investment Policy," which includes the proposed revisions, is attached as Exhibit "A".

Staff will provide the Committee with an updated calculation of the 30% limitation based on current Replacement Fund assets at the meeting.

FISCAL IMPACTS:

This item will not have any direct fiscal impacts, but will modify guidelines used in determining the availability calculation on real estate investments.

ENVIRONMENTAL IMPACTS:

None.

COMMITTEE STATUS:

This item was reviewed by the Asset Management Committee on March 23, 2017.

RECOMMENDATION:

THAT THE BOARD APPROVE IRWD'S REVISED REAL ESTATE INVESTMENT POLICY.

LIST OF EXHIBITS:

Exhibit "A" – Revised Real Estate Investment Policy

Exhibit "A"

IRVINE RANCH WATER DISTRICT

REVISED REAL ESTATE INVESTMENT POLICY

Proposed Draft – March 2017

The primary goal of the District's real estate investment program is to utilize real estate as an alternative investment vehicle, when appropriate, to enhance the long-term portfolio return on the District's replacement funds, thus increasing available funding for the replacement of facilities when they reach the end of their useful lives.

To implement this real estate investment program, the Board of Directors has established an Asset Management Committee comprised of two of its members, and an alternate, who will be responsible for reviewing all proposed real estate investments and making recommendations to the District's Board of Directors and/or the Bardeen Partners, Inc. Board of Directors.

A. Legal Requirements

The District may invest up to 30% of its replacement funds in real estate located in Orange County (California Water Code Section 35912). This is permissive statutory authority for the District to invest in real estate and does not require that any such investments be made.

B. Allocation Objectives

It is not the District's intention to set nor to achieve any target allocations or time frames for the investment of replacement funds in real estate. Investments in real estate will be based on individual opportunities as they occur and not to meet pre-specified allocation targets or time frames.

C. Property Types and Financing Structures

The District may invest its real estate funds in any property types or financing structures that are legally permissible and generally would be considered of investment grade by institutional investors or real estate fiduciaries.

Property types may include, but are not limited to, residential housing, office, industrial, retail, mixed-use projects, or other properties deemed appropriate by the Asset Management Committee.

Financing structures may include both debt and equity positions and any combinations or variations thereof, all as deemed appropriate by the Asset Management Committee.

D. Risk/Return Guidelines

As a guideline, the District's real estate portfolio should be expected to achieve a long-term compounded real rate of return (net of inflation and expenses) of at least six percent (6%). This real rate of return is intended only to be a guideline, and applies to the real estate portfolio as a whole and not to individual investments.

IRVINE RANCH WATER DISTRICT
REVISED REAL ESTATE INVESTMENT POLICY

Proposed Draft – March 2017

Real estate investment will be made with special attention given to the preservation of capital through the investment in properties that are expected to maintain their values and/or returns over appropriate time periods.

As part of managing the risk associated with real estate investment, consideration will be given to diversity in property types, financing structures, location, development stage and market cycles; however, the District does not wish to establish any specific targets or restrictions based on these factors.

E. Percentage Limitation Guidelines

The District's aggregate real estate investments will not exceed thirty percent (30%) of its total replacement funds. These guidelines are being established as a means to determine compliance with this requirement.

The 30% limitation will be calculated prior to taking a legally binding debt or equity position in any real estate investment. For real estate investments which involve development of an operating property owned by the District, the 30% limitation will be calculated at the time the proposed real estate development project is approved by the Board.

Calculations of the percentage limitation will apply to the real estate portfolio as a whole and not to individual investments.

All or a portion of any real estate investments made in compliance with the percentage limitation at the time of investment will not be required to be liquidated if the percentage limitation is exceeded at a subsequent calculation date.

The most recent monthly cash balance in the replacement funds, plus the "net equity position" of existing real estate investments, plus any interdistrict receivables due the replacement funds will be used in calculating the percentage limitation on real estate investments. The "net equity position" is defined as the ~~original cost~~ fair market value as reported in the District's most recent annual financial statements, less any outstanding liens or encumbrances, which are recourse only to the real estate investments.

Borrowings may be made against real estate investments, provided that the total outstanding amount of all such borrowings do not exceed sixty percent (60%) of the market value of the real estate portfolio at the time the borrowings are made, and are secured only by the investment in the real estate portfolio and are non-recourse to other District funds. Borrowings based on market values will require an appropriate form of valuation or appraisal of all existing real estate holdings prior to such borrowings being made. Total net proceeds from any real estate investment borrowings shall be available for reinvestment in approved real estate investments.

IRVINE RANCH WATER DISTRICT

REVISED REAL ESTATE INVESTMENT POLICY

Proposed Draft – March 2017

~~Any capital replacement or rehabilitation costs may be incurred on any real estate investment up to a maximum of the accumulated depreciation amount for that real estate investment without having this amount included in the calculation of the 30% limitation. Any amounts expended in excess of the accumulated depreciation will be included in the calculation in the 30% limitation.~~

F. Third-Party Agreements

The District may enter into agreements with qualified third parties for services related to property acquisition, development, operation and disposition, portfolio management and any other activities consistent with the real estate investment program.

G. Annual Review

The Board of Directors will review its real estate investment policies on an annual basis. This review may be part of the review and approval of the District's annual investment policy.

March 27, 2017

Prepared by: Rob Jacobson 

Submitted by: Cheryl Clary 

Approved by: Paul Cook 

ACTION CALENDAR

SAND CANYON OFFICE DEVELOPMENT – PHASE II PROJECT/CONSTRUCTION MANAGEMENT

SUMMARY:

Phase II of the District's planned Sand Canyon office development project will include construction of a 71,000 square foot professional office building and completion of a central outdoor plaza area. Based on proposals received, staff is recommending the retention of Newport Real Estate Services (NRES) to provide project/construction management services for Phase II of the project. Phase II services will include project management of remaining pre-construction requirements, as well as construction management services for the planned project.

BACKGROUND:

In February 2008, the Board approved Phase I of the Sand Canyon Office Project on land adjacent to the Sand Canyon headquarters site. Phase I included construction of a 16,400 square foot medical office building, a community meeting room and the reconfiguration of the majority of the existing employee parking area. Phase I was completed in early 2012 and the medical office building is fully leased through April 2022.

Phase II of the approved campus master plan includes construction of an approximate 71,000 square foot professional office building on the remaining vacant land. The medical and professional office combination was originally recommended in a land use study, and the tenant diversification has been further supported by other local real estate professionals based on the site's zoning, trip allocation constraints and market data for the area.

The Board previously approved the retention of Ware Malcomb to provide architectural services related to design of the Phase II building and site work. Following the pre-application process with the City of Irvine, building plans were submitted and are currently in the second round of plan review. Plan approval is estimated to be complete in June/July 2017.

Construction Manager Recommendation:

Based on the plan approval status, retaining a project manager is recommended to assist staff with completion of the plan approval process, to provide a project cost estimate, as well as management of the bidding, contractor selection and construction of the project. Staff anticipates that construction will begin when a key tenant lease agreement is secured.

Staff identified and requested proposals from three firms to perform project management services related to completing the plan approval process and construction of Phase II. The firms include Newport Real Estate Services, Bernards and Abacus Project Management. Two of the firms, NRES and Bernards, submitted complete proposals, and the Abacus proposal did not include pricing information requested. A summary of the proposals is attached as Exhibit "A".

Based on the proposals received, staff recommends the retention of NRES to manage Phase II of the Sand Canyon office development project. The recommendation is based on NRES's successful history managing similar District office projects, its competitive fee proposal and experience working with the City of Irvine. Based on staff's estimate of four months of pre-construction services (60 hours per month) and 14 months of construction services, the proposed contract amount will be for a not-to-exceed amount of \$230,000. NRES's proposed Scope of Services and related fee schedule are attached as Exhibit "B".

FISCAL IMPACTS:

Projected design, planning and construction costs for the Sand Canyon Professional Center Phase II project of \$17.6 million are included in the FY 2016-17 Capital Budget (Project No. 6210).

Stabilized net operating income for the Phase II property in Year 3 is estimated at \$1,790,000 per year, or a Return on Costs (including land) of approximately 8.7%, assuming an initial lease rate of \$2.00 per square foot (NNN) and annual rent increases of 2.5%.

ENVIRONMENTAL COMPLIANCE:

A Final Environmental Impact Report has been prepared, certified and the project approved by the County of Orange Environmental Management Agency in compliance with the California Environmental Quality Act (CEQA) of 1970 (as amended), codified at California Public Resources Code Sections 21000 et. seq., and the State CEQA Guidelines in the Code of Regulations, Title 14, Division 6, Chapter 3.

COMMITTEE STATUS:

This item was reviewed by the Asset Management Committee on March 23, 2017.

RECOMMENDATION:

THAT THE BOARD APPROVE THE RETENTION OF NEWPORT REAL ESTATE SERVICES TO PROVIDE PROJECT/CONSTRUCTION MANAGEMENT SERVICES RELATED TO THE SAND CANYON OFFICE DEVELOPMENT PHASE II IN AN AMOUNT NOT TO EXCEED \$230,000.

LIST OF EXHIBITS:

Exhibit "A" – Project Manager Proposal Summary
Exhibit "B" – NRES Scope of Services & Fee Proposal

Exhibit "A"

SAND CANYON OFFICE - PROJECT MANAGER PROPOSAL SUMMARY

Selection Criteria	Newport Real Estate Services (NRES) <i>Costa Mesa, CA</i>	Bernards Builders/Mgmt Svcs <i>*Irvine, CA</i>	Abacus Project Management <i>*Newport Beach, CA</i>
Firm Strength/Experience	<ul style="list-style-type: none"> - 12 person firm - Services include: Project and Construction Mgmt and Property/Asset Mgmt - Founded 2002 - Glen Allen - President - Experience w/Irvine = Average 	<ul style="list-style-type: none"> - 240 person firm - Services include: Builder and Construction Mgmt - Founded 1974 - Rick Fochtman - Senior Vice President - Experience w/Irvine = Average 	<ul style="list-style-type: none"> - 35+ person firm - Services include: Project and Construction Mgmt, Consulting - Founded 1991 - Russell Thomson - Principal - Experience w/Irvine = None provided
Project Team Strength	Project lead = Tony Vacarro (34+ years experience); IRWD project experience	Project Lead = Anthony Verdi (19 years experience)	Project Lead = Mark Ratoza (30+ years experience)
Project Approach	<ul style="list-style-type: none"> - Provided comprehensive and detailed Scope of Services for project - Fee proposal (approx 1.5% +/- of est. construction costs) 	<ul style="list-style-type: none"> - Provided comprehensive and detailed Scope of Services for project - Fee proposal (approx 4.5% of est. construction costs) 	<ul style="list-style-type: none"> - Provided comprehensive Scope of Project Services available Hourly fee rate schedule provided
Related Project Experience	<ul style="list-style-type: none"> IRWD's Sand Canyon Phase I, Waterworks, 230 Commerce office projects IRWD's Bristol St. Promenade office project Vanguard University - Campus Headquarters Broadcom Campus Irvine CA 	<ul style="list-style-type: none"> City of Lake Forest Civic Center/City Hall - Current CM Atascadero City Hall Calabasas City Hall & Library Culver City Transportation Facility 	<ul style="list-style-type: none"> Chapman University - multiple building projects PetSmart Corp Headqtrs - Phoenix, AZ Urban West Office Project Eastlake Village Chandler and Maricopa AZ City Halls

* Headquarters in Los Angeles

* Headquarters in Phoenix, AZ

EXHIBIT "B"



Irvine Ranch Water District

**RESPONSE TO RFP FOR PROJECT/
MANAGEMENT SERVICES**
SAND CANYON SITE (PHASE II)

**PROJECT/CONSTRUCTION
MANAGEMENT PROPOSAL**

March 13, 2017

PROPOSED BY:



Real Estate Services, Inc.®
NEWPORT REAL ESTATE SERVICES, INC.

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I. EXECUTIVE SUMMARY

Newport Real Estate Services, Inc. ("NRES") is pleased to present our proposal to provide Project/Construction Management Services to the Irvine Ranch Water District ("IRWD") in response to Request for Proposal for Project/Construction Management Services for the Sand Canyon Site (Phase II) Project, dated March 1, 2017 (the "Project"). NRES provides a wide range of project management and construction management services to institutional, corporate and developer clients.

NRES enjoys a long standing relationship with IRWD and has completed numerous projects, for both IRWD's investment entity and the water treatment and delivery operations group.

Previous IRWD project experience includes:

- Michelson Water Reclamation Plant – Flow Equalization Basin sprinkler system and electrical vault replacement
- Bristol Street Promenade – Investment development (Bardeen Partners)
- Sycamore Canyon Apartment Complex, Clubhouse, and Unit Remodels –(Bardeen Partners)
- Irvine Technology Center – Investment development (Bardeen Partners)
- Michelson Water Reclamation Plant – Underground storage tank upgrades
- Newport Lift Station
- Bake Parkway Recycled Water Pipeline
- Los Alisos Water Reclamation Plant – Influent sewer improvements
- Irvine Desalter Project – Brine line from Bake Parkway to Los Alisos Water Reclamation Plant
- PA 6, Zone 6 and D Reservoirs
- Waterworks Tech Center
- Sand Canyon Phase I

NRES provides a unique blend of both development and project management competencies. NRES is equally adept at managing the market analysis, design development, financial analysis, entitlement, and construction management activities. In addition to our extensive experience working in the City of Irvine, we also have close working relationships with a wide range of project consultants, including architects and contractors that would be likely contributors to the Project.

In particular, NRES has significant experience with office buildings. NRES has recently completed or is in development and construction on numerous office buildings.

The enclosed response to the Request for Proposal outlines our general Scope of Services, References, Contractor Recommendations, and Fee Proposal, as well as additional background information on our firm and the key individuals that would be responsible for your project.

We look forward to continuing our relationship with the Irvine Ranch Water District.



II. SCOPE OF SERVICES

NRES will oversee all of the Project Management related aspects of the Project, including, but not limited to:

DUE DILIGENCE ASSISTANCE. Assist in the Client's due diligence effort, particularly as it relates to the feasibility, entitlement and financing of the project.

ARCHITECTURAL ADMINISTRATION. Interview, and proposal evaluation of the pre-selected architect for the project or interview and selection of an alternate architect, if desired. Our services with regard to architecture would also include administration of the architect's contract, processing of the monthly invoices, assisting the architect with value engineering, governmental processing, and coordination of the architect's work with the other various project consultants.

CIVIL ENGINEERING AND GEOTECHNICAL SERVICES. Solicitation of not less than three (3) competitive bids for civil engineering and geotechnical services, if needed, and the selection of the qualified civil engineer and geotechnical consultant. Contract administration, field oversight, and day-to-day coordination of the civil engineer and geotechnical consultant.

ENTITLEMENT PROCESSING. Determine the existing entitlements for the Property. Develop an accurate fee schedule for all government, public and private utility, and exaction fees. Oversee the processing of all discretionary and administrative governmental reviews and approvals.

COORDINATION WITH LOCAL GOVERNMENT AGENCIES. NRES will serve as lead manager on City negotiations particularly with regard to planning, traffic, engineering and environmental reviews. NRES shall keep client fully apprised of all negotiations and discussions with city agencies.

WORKING DRAWINGS, PLANS AND SPECIFICATIONS. Coordinate and oversee the finalization of the working drawings by overseeing the activities of the design professionals, including architect, civil engineer, structural engineer, landscape architect, electrical and mechanical engineers, to the degree not yet complete.

GOVERNMENTAL PROCESSING. Working in conjunction with the project architect, coordinate submittal of the preliminary design plans, engineering plans, and final working drawings to the city planning department, building department and engineering department for all required governmental reviews and approvals.

GENERAL CONTRACTOR. Administer all aspects of the general contractor qualification, bidding, selection, award, contract administration and payment review process, using generally accepted AIA construction documents (NRES is a licensed AIA affiliate). Utilizing a prequalified list of select general contractors, approved in advance by you and qualified to provide "prevailing wage" certification and the necessary completion bond, NRES will prequalify all general contractors, prepare detailed bid instructions and solicit comparable qualified competitive bids from each general contractor, both at the preliminary design development stage and upon completion of the construction documents.



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BID INSTRUCTIONS. Prepare detailed bid instructions as necessary, for the general contractor scope of work for the Project.

FIELD CONSTRUCTION OVERSIGHT. Provide regular field supervision of the general contractor as necessary to insure schedule compliance, budget compliance, change order management and other aspects of the work.

CONSTRUCTION LOAN DRAW REQUEST PROCESSING. If necessary, NRES will prepare, on a monthly basis, the complete Loan Draw Request Application including invoices from all vendors completing work during the prior month, one month trailing unconditional lien releases from the subcontractors and the general contractor, the contractor's current Certificate for Payment, conditional lien releases from the contractor and all subcontractors for the current month, a statement of compliance in accordance with the lender's requirements insuring full compliance with all of the construction lender's Loan Draw Request Application requirements.

SCHEDULE. Prepare a summary Project Schedule, outlining all of the key milestones utilizing an automated scheduling program (i.e. Microsoft Project). As part of the general contractor bidding and selection process oversee the preparation of a detailed trade-by-trade, item-by-item construction schedule in an automated format and insure the general contractor's compliance therewith through the entire course of the project.

MARKETING INTERFACE. During the construction and leasing phases of the project, work closely with IRWD's marketing team, insuring that they have all of the required project management related materials and information. Meet with key prospective tenants, if necessary, to explain the progress of the Project.

CITY PERMITS. Meet with City to determine what permits are required and prepare a schedule identifying the timing for obtaining those permits, as applicable.

EASEMENTS/ENCROACHMENT PERMITS. Oversee the successful application and processing for all required adjacent property easements, public right-of-way encroachments and other such documentation necessary to permit and construct the project.

VALUE ENGINEERING STUDY. In cooperation with the general contractor and Architect, determine a target list of value engineering items that may be considered as acceptable alternates to the current design.

PROJECT CONTRACT NEGOTIATIONS. Negotiate the specific terms of the professional service agreements and contracts with each of the design professionals for the Project to prepare documents, when necessary.

PROJECT BUDGET. Prepare the Budget for the Project, which shall include a detailed, itemized budget that sets forth, by individual line item and by category, estimated Projects Costs that will be incurred in connection with the construction of the Project.

QUALITY CONTROL. Oversee the quality control, testing and inspection protocol. Insure that the necessary reports, tests and inspections required under the protocol will be provided by the various independent inspectors and laboratories and that they shall be compiled in triplicate.

UTILITY COORDINATION. Coordination of the construction of on-site utilities (i.e. telephone, electrical and gas) and the contract administration with the various utility providers that will be critical to the timely completion of the Project.



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WEEKLY JOB MEETING. Coordinate and oversee the weekly on-site Project Job Meeting.

OWNER'S CHANGE ORDERS. Critically evaluate in detail, each request for Owner's Change Order and recommend approval or disapproval.

COORDINATION. Coordinate with the Owner's other on-and offsite consultants, contractors and vendors as necessary.

MONTHLY PROJECT STATUS REPORT. On a monthly basis, prepare a detailed Project Status Report that will detail the current status of the project, copies of all applicable meeting minutes, an updated project schedule and photographs of the project progress.

CONTRACTOR/VENDOR PAYMENT. Oversee the payment process to all consultants and contractors, consolidating the various draw requests from all consultants and contractors (together with such back-up documentation as the Owner may reasonably require evidencing the materials provided or work performed by such consultants and contractors is complete). Complete the Owner's payment voucher or Accounts Payable apron for approval by the Owner's representative and payment by the Owner's Accounts Payable system. Insure compliance with all applicable Disclosure and Prevailing Wage ordinances.

LIEN RELEASES. Obtain appropriate conditional lien releases from consultants and contractors for any partial payments made by the Owner. Obtain unconditional lien releases from all consultant and contractors for all previous payments, provided the Owner has complied with its payment obligations. Monitor and oversee the Preliminary Lien Notice process to insure a lien free project.

PROPERTY MANAGEMENT TURN-OVER. NRES will collect all of the appropriate turn-over documents, completion warranties, maintenance and operating manuals and other information to be turned over to the property manager.

INSURANCE. Insure that evidence of insurance is provided by all consultants and contractors under the supervision of NRES.

CLOSEOUT. Compile a closeout package that would include warranties, as-builts, final plans and specifications, a budget reconciliation and the Final Accounting of the Project.

GENERAL. Perform all other functions of a general and administrative nature required to protect the Owner interest(s) in the Project and/or as reasonably specified by the Owner from time-to-time in connection with the Project.

CONFIDENTIALITY. Treat as confidential, the Projects and any information disclosed to the NRES and consultants and contractors by the Owner or otherwise discovered by NRES in connection with the Project and not disclose any such information, except as required by law, to any third party, other than consultants and contractors, to the extent necessary for performance of their services. The foregoing covenant shall survive the expiration or termination of this Agreement.



III. FEE PROPOSAL

I. PRECONSTRUCTION

Provide preconstruction services which will include a preliminary review of the plans and specifications prepared by the project architect and obtain a budget cost estimate from a prequalified general contractor for the purposes of pro forma preparation. Provide additional as needed preconstruction services to assist the owner in plan preparation permit processing budgeting and scheduling in order to assist in the marketing of the building for lease.

\$5,000 LUMP SUM

II. ENTITLEMENT/PERMIT PROCESSING, DESIGN PROFESSIONAL AND COMMISSIONING CONSULTANT RETENTION

Entitlement/permit processing and retention of design and commissioning consultants, if necessary, shall be handled in an "as directed by the District" hourly basis. The hourly rates shall be:

Project Manager/Senior Vice President: **\$150/HOUR**
President/Principal: **\$180/HOUR**

III. CONSTRUCTION PROJECT MANAGEMENT SERVICES

Provide ongoing construction project management services once a decision to construct the building has been made. This fee shall commence upon issuance of the plans and specifications for bidding.

SHELL BUILDING AND CONCURRENT TENANT IMPROVEMENTS

Our proposed Project Management Fee for the services outlined herein is as follows:

\$13,500/MONTH

This fee will include the Shell Building and all tenant improvements completed concurrently therewith. Tenant improvement work that will not be completed by the time the shell building is complete will be subject to a Project/Construction Management fee of 3% of costs managed.

These fees are all inclusive and includes wages, overhead, office services, delivery, telephones, etc. In other words, there will be no additional reimbursements to NRES except for true third party out-of-pockets expenses paid by NRES in furtherance of the Project (i.e. city submittal fess). Any such costs will be approved in advance by the Client. The Fee and our services will commence immediately upon execution of this letter, and continue through 45 days after issuance of the Certificate of Occupancy to allow for project closeout. Our fee shall be prorated for any partial month of service.

PAYMENT TERMS

NRES shall invoice the Client on or about the first of each month for work during the prior month. Payment not received within 30 days of the date of the invoice shall be subject to a 2% late fee and shall accrue interest at a rate of 10% per annum until paid.

NRES is a duly licensed contractor and construction manager under the laws of the State of California. NRES's State of California Contractors License Number is 812561. Contractors are required by law to be licensed and regulated by the California Contractor's State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four (4) years of the date of the



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alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within ten (10) years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractor's State License Board, and P. O. Box 26000, Sacramento, California 95826.



IV. REFERENCES/CONTRACTOR RECOMMENDATIONS

We seek to provide a list of references from suppliers and contractors, as well as past clients. We believe that this gives our prospective clients a much better perspective on our ability to manage both up and down the project team.

MENLO EQUITIES - Newport Real Estate Services, Inc. has provided construction project management services on a number of Menlo Equities projects. These include: Burbank Office Complex, a two-building 160,000 ft.² plus class A office building complex, Amazon Distribution Ctr., Irvine, One Technology Place, a four-building creative office project.

Chad Iverson
Regional Partner
MENLO EQUITIES
5020 Campus Drive
Newport Beach, CA 92660
(949) 757-1521

ST. ANDREWS PRESBYTERIAN CHURCH - Newport Real Estate Services, Inc. recently completed the second of two major projects for this church campus, Phase I was a \$23 million meeting hall, commercial kitchen and classroom complex, Phase II was a \$7 million plaza a remodel.

Shawn Reilly
Executive Director
ST. ANDREW'S PRESBYTERIAN CHURCH
600 St. Andrews Rd
Newport Beach, CA 92663
(949) 574-2224

VANGUARD UNIVERSITY - Newport Real Estate Services, Inc. recently completed construction of the Vanguard University's Campus Corporate Headquarters and classroom complex. Notably this project included both classrooms and the campus' Administrative Offices, including a coffee shop.

Michael J. Beals, Ph.D.
President
VANGUARD UNIVERSITY
55 Fair Drive
Costa Mesa, CA 92626
(714) 966-5480

HYATT HOTELS - Newport Real Estate Services, Inc. is currently overseeing construction of two Hyatt Hotels in Irvine and Glendale respectively. The Irvine hotel is a seven-story Hyatt House and the Glendale property is an eleven-story Hyatt Place including one level of subterranean parking garage.

Greg Ruff
Regional Vice President
HYATT
71 South Wacker Drive
Chicago, IL 60606
(312) 780-5514



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V. NEWPORT REAL ESTATE SERVICES' EXPERIENCE

NRES has significant recent and past experience with this product type. The firm is currently managing approximately \$200,000,000 worth of speculative development, much of it in the office and R&D product types. A more detailed list of the Company's past project management experience may be found in Section VI. of this Proposal.

Below, please find resumes of the key individuals that will be responsible for managing the bulk of the project management duties. In addition to these two individuals, they will be supported by various members of the NRES team on an "as needed" basis. Mr. Allen and Mr. Vaccaro are all experienced real estate professionals, each with over 20 years experience in the real estate and construction industries.

GLEN ALLEN, PRESIDENT

Mr. Allen is a senior real estate professional with an extensive 40-year development and construction management services background, not only in the Southern California market, but also throughout the United States. He is a licensed General Contractor (B-1) and Real Estate Broker in the State of California, and oversees Newport Real Estate Services, Inc.

Mr. Allen's expertise lies in the marketing, development and construction arenas. The types of projects constructed and developed by Mr. Allen include industrial, research and development, multi-tenant business parks, finished lots, office and retail. Mr. Allen is well versed in land acquisition and due diligence, project financing, financial analysis, joint venture structures, identification and analysis of development opportunities and recruitment, supervision and training of project management staff.

Mr. Allen previously served as Vice President/Division Manager, National Construction Services, for Catellus Development Corporation, where he was an Operating Officer and had direct P&L and management responsibility for over 3.8 million square feet of space, totaling \$100M+ annually. Mr. Allen's involvement included contract negotiations and administration, staffing, oversight of entitlement, design, construction management and retention of project consultants on a national basis.

Mr. Allen began his career with The Koll Company/Koll Construction Company, where he oversaw a construction management project team and ultimately served as Vice President, Development in charge of multiple industrial, retail and office development projects throughout Southern California. He then joined Arvida/JMB Realty Corporation, and was responsible for the overall development, project management and disposition of Arvida's 3,500-acre Talega Project. He also served on the company's senior strategic management team.

Mr. Allen received a Bachelor of Science in Business Administration from the University of Phoenix and his MBA, with an emphasis in Organizational Development, from Pepperdine University. He resides with his family in Newport Beach, California. Mr. Allen is Chairman of the Board of COA de Mexico, S.A. de CV, a Mexican relief organization and NGO. Mr. Allen also serves on the board of directors of WRG, Inc., a woman and minority owned third-party real estate services company.



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ANTHONY J. VACCARO, SENIOR VICE PRESIDENT

Mr. Vaccaro has 34 years of experience in the construction industry. Working as Superintendent and Project Estimator for several general contractors, he has successfully completed commercial, industrial and retail projects totaling more than 3 million square feet. He is proficient in all phases of development and construction management including design and pre-construction, conceptual estimating, entitlements, cost control, construction accounting, cost reporting, and field supervision. He has provided excellent customer service for such clients as Trammell Crow, The Irvine Co., Konica Business Technologies, Best Buy, Office Max, Investment Development Services, Westec Securities and Catellus Development Corporation. His vast experience in the field enables him to identify the problems before they become a major cost impact. His excellent rapport with clients, city officials and architects has made him an asset to the projects he manages.