

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

December 10, 2012

PLEDGE OF ALLEGIANCE

CALL TO ORDER

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

ROLL CALL

Directors Reinhart, LaMar, Swan, Withers and President Matheis

NOTICE

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

COMMUNICATIONS TO THE BOARD

1. A. Written:

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

2. ITEMS RECEIVED TOO LATE TO BE AGENDIZED

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

PRESENTATIONS

Next Resolution No. 2012-53

3. RESOLUTION COMMENDING A.T. KILANI FOR HIS SERVICE TO THE DISTRICT

Recommendation: That the Board adopt a resolution commending A.T. Kilani for his service to the District.

Reso. No. 2012-

4. NATIONAL PURCHASING INSTITUTE ACHIEVEMENT OF EXCELLENCE IN PROCUREMENT AWARD

Staff will present the Achievement of Excellence in Procurement Award given to IRWD by the National Purchasing Institute for the 12th consecutive year. The award is achieved by those organizations that demonstrate excellence in procurement by obtaining a high score on a rating of standardized criteria.

CONSENT CALENDAR

Items 5-17

5. MINUTES OF REGULAR AND ADJOURNED REGULAR BOARD MEETINGS

Recommendation: That the minutes of the November 26, 2012 Regular Board Meeting and the December 4, 2012 Adjourned Regular Board Meeting be approved as presented.

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

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

7. RESOLUTION COMMENDING LYNDINE MCAFEE

Recommendation: That the Board adopt a resolution commending Ms. Lyndine (Lyn) McAfee recognizing her years of service as Executive Director of Nature Reserve of Orange County.

Reso. No. 2012-

8. APPOINTMENT OF DISTRICT DIRECTORS IN LIEU OF ELECTION

Recommendation: That the Board adopt a resolution declaring the appointment of District Directors in lieu of election (November 6, 2012 General Election).

Reso. No. 2012-

9. FY 2011-12 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Recommendation: Receive and file.

10. 2013 IRWD INVESTMENT POLICY

Recommendation: That the Board adopt a resolution approving the 2013 IRWD Investment Policy and authorizing the Treasurer and the Assistant Treasurers to invest and reinvest funds of the District and of each of its Improvement Districts and to sell and exchange securities.

Reso. No. 2012-

11. NOVEMBER 2012 FINANCIAL REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate Swap Summary for November 2012; approve the November 2012 Summary of Payroll ACH payments in the total amount of \$2,088,698.73, and approve the November 2012 Accounts Payable Disbursement Summary of Warrants Nos. 334472 through 335256, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$12,547,872.42.

CONSENT CALENDAR – Continued

Items 5-17

12. LONG-TERM DISABILITY COVERAGE FOR CALENDAR YEAR 2013

Recommendation: That the Board authorize the General Manager to continue to contract for long-term disability coverage for the calendar year 2013 with Principal Financial.

13. SINGLE FAMILY DIRECT INSTALL TOILET PROGRAM BID REJECTION

Recommendation: That the Board reject bids received by the District for the Single Family Direct Install Toilet Program, and direct staff to issue a request to the bidders to rebid the project with clarifications to the scope and pricing requirements.

14. KELVIN AVENUE CATHODIC PROTECTION BUDGET ADDITION AND EXPENDITURE AUTHORIZATION

Recommendation: That the Board authorize the addition of project 11659 (3913) in the amount of \$146,400 to the FY 2012-13 Capital Budget, and approve an Expenditure Authorization in the amount of \$146,400 for the Kelvin Avenue Cathodic Protection Project 11659 (3913).

15. MASTER REIMBURSEMENT AGREEMENT BETWEEN IRWD AND THE CITY OF LAKE FOREST FOR THE INSTALLATION OF MISCELLANEOUS FACILITIES

Recommendation: That the Board authorize the General Manager to execute a Master Reimbursement Agreement between IRWD and the City of Lake Forest for the installation of miscellaneous facilities.

16. PLANNING AREA 9B (STONEGATE) BUDGETS, EXPENDITURE AUTHORIZATIONS AND CHANGE ORDERS

Recommendation: That the Board authorize the addition of projects 30389 (4176), 30384 (3942), and 21125 (3844) to the FY 2012-13 Capital Budget in the amounts of \$777,700, \$486,200, and \$238,700, respectively; authorize a budget decrease in the amount of \$770,000, from \$3,499,100 to \$2,729,100 for project 30422 (1024); approve Expenditure Authorizations for projects 10423 (1519), 30422 (1024), 30389 (4176), 30384 (3942), and 21125 (3844) in the amounts of \$720,500, \$2,376,000, \$777,700, \$486,200, and \$238,700, respectively; and approve design Change Orders in the amounts of \$120,935, \$44,589, and \$33,997 to the Reimbursement Agreement with the Irvine Community Development Company for Planning Area 9B Jeffrey Road IRWD Capital Facilities, projects 10423 (1519), 30422 (1024), and 30389 (4176).

CONSENT CALENDAR – Continued

Items 5-17

17. LAKE FOREST WELL NO. 2 WELL EQUIPPING AND DISINFECTION FINAL ACCEPTANCE

Recommendation: That the Board accept construction of Lake Forest Well No. 2 Well Equipping and Disinfection, project 11461 (1498); authorize the General Manager to file a Notice of Completion; and authorize the release of retention 35 days after filing of the Notice of Completion.

ACTION CALENDAR

18. WELL 110 REHABILITATION CONSTRUCTION AWARD

Recommendation: That the Board approve an Expenditure Authorization in the amount of \$260,000 for project 11657 (3774), and authorize the General Manager to execute a construction contract with South West Pump & Drilling, Inc. in the amount of \$179,600 for the rehabilitation of Well 110.

19. SETTING CONNECTION FEES IN IMPROVEMENT DISTRICTS 112/212 AND 135/235

Recommendation: That the Board adopt a resolution adopting changes to connection fees as set forth in the Schedule of Rates and Charges in Exhibit “B” to the Rules and Regulations of IRWD for water, sewer, recycled water and Natural Treatment System service.

Reso. No. 2012-

20. ANNUAL BOARD OF DIRECTORS FEES

Recommendation: That the Board either accept or decline the 5% scheduled compensation increase for calendar year 2013.

21. ELECTION OF OFFICERS FOR 2013

Recommendation: That an election be conducted of the President and Vice President of the Board of Directors of the Irvine Ranch Water District.

OTHER BUSINESS

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

OTHER BUSINESS - Continued

22. A. General Manager's Report

B. Directors' Comments

C. Adjourn

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

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

December 10, 2012

Prepared by: D. Pedersen *D.P.*

Submitted by: D. Pedersen

Approved by: Paul Cook *P. Cook*

PRESENTATION

RESOLUTION COMMENDING A.T. KILANI
FOR HIS SERVICE TO THE DISTRICT

SUMMARY:

As Mr. A.T. Kilani has retired from the District following 22 years of dedicated and outstanding service, staff has prepared a resolution (provided as Exhibit "A") to honor him at the Board meeting.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2012 –

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT COMMENDING
A.T. KILANI FOR HIS DEDICATED AND
LOYAL SERVICE TO THE DISTRICT

LIST OF EXHIBITS:

Exhibit "A" – Resolution

EXHIBIT "A"

RESOLUTION NO. 2012-xx

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE RANCH WATER DISTRICT COMMENDING A.T. KILANI FOR HIS DEDICATED AND LOYAL SERVICE TO THE DISTRICT

WHEREAS, A.T. Kilani began his career at the Irvine Ranch Water District on November 16, 1990, as a Collection Systems Worker I; and

WHEREAS, A.T. was promoted to a Collection Systems Worker II on November 16, 1991 and received the Collection System Person of the Year Award for 1993 from the Santa Ana River Basin Section of the California Water Environment Association; and

WHEREAS, A.T. was promoted to a Collection Systems Worker III on September 16, 1994; and

WHEREAS, A.T. was promoted to the Collection Systems Manager on October 16, 1995 and oversaw the preparation of a Collections System Maintenance Operating Manual, which included information on all the collections systems facilities; and

WHEREAS, A.T. was assigned responsibility to manage three departments (Construction, Repair and Collections) in 1999 to improve employee productivity and morale; and

WHEREAS, A.T. was designated the Acting Director of Water Operations in June 2007 during which time he served as the Incident Commander directing IRWD's response to the Santiago Fire in October 2007; and

WHEREAS, A.T. was promoted to the Construction & Repair Manager on July 1, 2007 during which time he oversaw construction of major interim improvements to the water system serving the Orange Park Acres area following consolidation of the Orange Park Acres Mutual Water Company with IRWD in June 2008; and

WHEREAS, A.T. once again served as the Acting Director of Water Operations from May 2009 through March 2010, providing leadership and maintaining continuity for the department; and

WHEREAS, A.T. was promoted to the Assistant Director of Water Operations in July 2010 during which time he was instrumental in overseeing major repairs to the 39-inch Irvine Lake Pipeline and restoring water service to Williams Canyon customers following the major rainstorms that occurred in December 2010; and

WHEREAS, A.T.'s expertise in water and wastewater system repair work was invaluable in supporting IRWD's efficient response to emergencies over the years, frequently requiring him to respond after-hours and on weekends/holidays; and

WHEREAS, A.T. has mentored a multitude of young staff and brought them up through the ranks with his straight-forward “get 'er done” approach tempered by his affable coaching skills; and

WHEREAS, A.T. is known for his integrity, as the department “go-to” guy, for going the extra mile for customers, for his generosity in every sense of the word and for being at the head of the line of every holiday potluck luncheon; and

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors of the Irvine Ranch Water District commends A.T. Kilani for his long and loyal service. His dedication and outstanding service to the District stands as an example to all employees. On this occasion, the Board extends its best wishes to A.T. Kilani in his retirement.

SIGNED and APPROVED this 10th day of December 2012.

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


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


APPROVED AS TO FORM;
Bowie, Arneson, Wiles & Giannone
Legal Counsel - IRWD

By _____

December 10, 2012

Prepared and

Submitted by: L. Bonkowski 

Approved by: P. Cook 

CONSENT CALENDAR

MINUTES OF REGULAR AND ADJOURNED REGULAR BOARD MEETING

SUMMARY:

Provided are the minutes of the November 26, 2012 Regular Board meeting and the December 4, 2012 Adjourned Regular Board meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE NOVEMBER 26, 2012 REGULAR BOARD MEETING AND THE DECEMBER 4, 2012 ADJOURNED REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – Minutes – November 26, 2012

Exhibit "B" – Minutes – December 4, 2012

EXHIBIT "A"

MINUTES OF REGULAR MEETING – NOVEMBER 26, 2012

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 5:00 p.m. by President Matheis on November 26, 2012 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None

Also Present: General Manager Cook, Treasurer Jacobson, Executive Director of Finance and Administrative Services Clary, Executive Director of Operations Pedersen, Executive Director of Engineering Burton, Executive Director of Water Policy Heiertz, Secretary Bonkowski, Legal Counsel Arneson, Director of Human Resources Wells, Director of Public Affairs Beeman, Director of Wastewater Operations Posey, Mr. Malcolm Cortez, Ms. Fiona Sanchez, Ms. Cindy Beck, Ms. Gina Jackson, Mr. Mike Hoolihan, Ms. Teresa Tift, Mr. Chuck Boone, Mr. John Dayer, Mr. Jim Reed, Mr. Bruce Newell and other members of the public and staff.

WRITTEN COMMUNICATION: None.

ORAL COMMUNICATION: None.

PRESENTATIONS

RESOLUTION COMMENDING CINDY BECK FOR HER SERVICE TO THE DISTRICT

General Manager Cook presented Ms. Cindy Beck a resolution commending her for her 29 years of service to the District. On MOTION by Swan, seconded and unanimously carried, THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2012-49

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT COMMENDING
CINDY BECK FOR HER DEDICATED AND
LOYAL SERVICE TO THE DISTRICT

RESOLUTION COMMENDING TERESA TIFT FOR HER SERVICE TO THE DISTRICT

General Manager Cook presented Ms. Teresa Tift a resolution commending her for her 19 years of service to the District. On MOTION by Swan, seconded and unanimously carried, THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

PRESENTATIONS (CONTINUED)

RESOLUTION NO. 2012-50

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT COMMENDING
TERESA TIFT FOR HER DEDICATED AND
LOYAL SERVICE TO THE DISTRICT

RESOLUTION COMMENDING CHUCK BOONE FOR HER SERVICE TO THE DISTRICT

General Manager Cook presented Mr. Chuck Boone a resolution commending him for his 22 years of service to the District. On MOTION by Swan, seconded and unanimously carried, THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO. 2012-51

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT COMMENDING
CHUCK BOONE FOR HER DEDICATED AND
LOYAL SERVICE TO THE DISTRICT

CONSENT CALENDAR

On MOTION by Withers, seconded and unanimously carried, CONSENT CALENDAR ITEMS 6 THROUGH 15 WERE APPROVED AS FOLLOWS:

6. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the November 12, 2012 Regular Board Meeting be approved as presented.

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

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

8. DISTRICT STRATEGIC MEASURES' DASHBOARD

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

CONSENT CALENDAR (CONTINUED)

9. OCTOBER 2012 FINANCIAL REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report and the monthly interest rate SWAP summary for October 2012; approve the October 2012 summary of payroll ACH payments in the total amount of \$1,333,778.62, and approve the October 2012 Accounts Payable Disbursement Summary of Warrants Nos. 333641 through 334471, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$26,007,371.24.

10. UPCOMING PROJECTS STATUS REPORT

Recommendation: Receive and file.

11. PORTOLA ZONE 9 BOOSTER PUMP STATION GENERATOR BUDGET ADDITION, EXPENDITURE AUTHORIZATION AND VARIANCE

Recommendation: That the Board authorize the addition of project 11667 (4146) in the amount of \$293,700 to the FY 2012-13 Capital Budget; approve an Expenditure Authorization in the amount of \$68,200 for Project 11667 (4146); and authorize the General Manager to execute Variance No. 5 in the amount of \$28,240 with Psomas for the Portola Zone 9 Booster Pump Station Generator, Project 11667 (4146).

12. MICHELSON WATER RECYCLING PLANT CONTRACT CHANGE ORDER AND VARIANCE

Recommendation: That the Board approve Contract Change Order No. 83 with J. R. Filanc Construction, Company in the credit amount of \$228,007.95 due to final quantity adjustment of the sewer and floodwall piles for MWRP Phase 2 Expansion and Flood Protection Improvements, projects 20214 (1599), 20542 (1150), 30214 (1706), and 30542 (1118); and approve Variance No. 2 with Delta Systems in the amount of \$70,000, for additional SCADA programming for the MWRP Phase 2 Expansion, projects 20214 (1599) and 30214 (1706).

13. STRAND RANCH RECOVERY FACILITIES PROJECT - REDUCTION OF RETENTION

Recommendation: That the Board find that satisfactory progress is being made on the construction contract with W.M. Lyles Company; authorize the reduction of retention from 10% to 5% of the contract amount; and release of funds to W.M. Lyles company in excess of 5% of the contract amount from retention currently held for the Strand Ranch Groundwater Recovery Facilities, project 11289 (2812).

CONSENT CALENDAR (CONTINUED)

14. PROPOSAL TO PROVIDE FLEET MAINTENANCE SERVICES TO THE ORANGE COUNTY CEMETERY DISTRICT

Recommendation: That the Board approve the draft terms and conditions for IRWD to provide maintenance and repair of Orange County Cemetery District's small fleet equipment for a two-year period and to authorize the General Manager to execute a municipal services agreement with the Orange County Cemetery District subject to non-substantive changes.

15. COUNTY REQUEST FOR UPDATED TAX RESOLUTIONS

Recommendation: Staff recommends that the Board adopt the following resolution by title revising a Resolution establishing Ad Valorem Tax Revenues for Fiscal year 2012/13.

RESOLUTION NO. 2012-52

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA
ESTABLISHING AD VALOREM TAX REVENUES FOR
FISCAL YEAR 2012/13

ACTION CALENDAR

INTERIOR/EXTERIOR RECOATING OF LAKE FOREST ZONE A RESERVOIR NO. 2 – EXPENDITURE AUTHORIZATION APPROVAL AND CONSTRUCTION AWARD

General Manager Cook reported that during the annual inspection of the Lake Forest Zone A Reservoir No. 2 in April 2010, staff recognized paint coating failures on the exterior surfaces of the roof plates and shell of the reservoir as well as similar coating failures on the interior surfaces. Mr. Cook said that the District's consultant, Harper & Associates Engineering, also performed interior and exterior inspections and concurred with staff's finding that the reservoir required recoating, and developed a scope of work consisting of repairing all defects noted during the annual and subsequent inspections, including the replacement of the interior ladder with a fiberglass model and the addition of hand railing around the roof hatch area.

Mr. Pedersen said that the project was advertised to the five contractors with suitable painting experience including Advanced Industrial Services, Inc., Blastco, Inc., J. Colon Coatings, Inc., Pacific Titan, Inc. and State Painting Company, Inc. Bids ranged from \$385,580 to \$503,300 with the apparent low bid from J. Colon Coatings, Inc. of \$385,580. J. Colon Coatings is well qualified to perform the work based upon past experiences performing similar projects. On MOTION by Reinhart, seconded and unanimously carried, **THE BOARD APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$386,100 FOR PROJECT 30324 (1817) AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH J. COLON COATINGS INC., IN THE AMOUNT OF \$385,580 FOR THE INTERIOR/EXTERIOR RECOATING OF THE LAKE FOREST ZONE A RESERVOIR NO. 2.**

SAN JOAQUIN MARSH CAMPUS MOLD REMEDIATION AT FIVE BUILDINGS -
BUDGET ADDITION AND EXPENDITURE AUTHORIZATION APPROVAL

General Manager Cook reported that last summer a portion of the sub-flooring and floor of the San Joaquin Marsh Building Campus' Marsh House was discovered to be failing. Mr. Cook said In September, the District's consultant, Guaranteed Property Inspection (Guaranteed), completed the building inspections and found that all five buildings' subfloor structural members appear to have varying degrees of mold which need replacement and/or remediation using an abrasive process.

Executive Director of Engineering and Planning Burton said that Guaranteed's generalized recommendations included installing full roof gutters and downspouts with splash blocks, removing spray irrigation adjacent to the buildings, converting the crawl spaces to a conditioned space to eliminate moisture, sealing the subfloor members from beneath with a urethane coating, and installing a permanent dehumidifier. Since the caretaker's residence houses a District employee, the remediation work is to begin at that location.

Mr. Burton said that staff prepared a scope of work based on Guaranteed's recommendations and invited four building/mold remediation contractors to provide a cost proposal to remediate only the caretaker's residence at this time. He said that only two contractors, Certified Bio Services (Certified) and Shur Dry, Inc. (Shur Dry) attended the pre-bid conference and submitted bids on November 2. The low bid in the amount of \$35,974.63 was submitted by Shur Dry; however, Shur Dry did not use the project's bid form, and stated that their bid was a preliminary estimate. Shur Dry was unresponsive to staff's subsequent e-mail and telephone messages requesting they re-submit their final bid as well as to confirm that their subcontractor was a certified installer of the crawl space improvement system. Due to the above reasons, Shur Dry's bid was determined to be unresponsive. Certified submitted a bid of \$55,900 and is within the approval limits of the General Manager.

Director Reinhart said that this item was reviewed and approved by the Engineering and Operations Committee on November 14, 2012. He made a motion, which was seconded by Director LaMar, to approve staff's recommendation. In response to Director Reinhart's concerns about the repair costs, Director Swan said that he recommends repairing the caretaker's residence at this time; however, he said he would like staff obtain a second opinion on what type of mold is growing as he would like to obtain a thorough understanding prior to proceeding on the other buildings. General Manager Cook suggested that this project become "flagged" with future expenditures along with a second opinion to be submitted to the Board for approval. Director Swan offered a substitute to the pending motion which was accepted by the maker of the original motion, approving an Expenditure Authorization amount not to exceed \$80,000, with additional expenditures being "flagged". On MOTION by Swan, seconded and unanimously carried, **THE SUBSTITUTE MOTION WAS UNANIMOUSLY CARRIED AS FOLLOWS: THE BOARD AUTHORIZED THE ADDITION OF PROJECT 11665 (4130) IN THE AMOUNT OF \$369,600 TO THE FY 2012-13 CAPITAL BUDGET, APPROVED AN EXPENDITURE AUTHORIZATION IN A NOT-TO-EXCEED AMOUNT OF \$80,000 TO PERFORM REMEDIATION FOR THE CARETAKER RESIDENCE ONLY, AND THE SAN JOAQUIN MARSH CAMPUS MOLD REMEDIATION, PROJECT 11665 (4130) WAS FLAGGED FOR BOARD APPROVAL ON ANY FUTURE EXPENDITURES.**

SYPHON RESERVOIR INTERIM IMPROVEMENTS PROJECT EXPENDITURE
AUTHORIZATION AND EQUIPMENT PRE-PURCHASE

General Manager Cook reported that the District purchased Syphon Reservoir from the Irvine Company in 2010 to provide additional recycled water storage. While the long-term storage capacity of the reservoir is being determined, the Syphon Reservoir Interim Improvements Project will construct a filtration system, chlorination system, and pipe modifications to connect Syphon Reservoir to the Zone A System. In April 2012, URS Corporation was selected to provide design services for the Syphon Reservoir Interim Improvements Project. Hunsaker and Associates was retained to provide design services for the Syphon Pipelines through the Crean Lutheran High School site under the terms of an existing PA 9B Supplemental Reimbursement Agreement with ICDC. Both design consultants are on schedule to complete design work by November 30, 2012. Construction is scheduled to begin in February 2013, and construction completion is scheduled for June 30, 2013.

Executive Director of Engineering Burton reported that in 2006 staff evaluated several types of strainers and conducted a pilot test program to select the one that was best suited for raw water filtration at the District's reservoirs. Mr. Burton said that Hellan Strainers was determined to provide the best performance with a low maintenance cost. He said the lead time to acquire strainers can take up to 16 weeks; therefore, staff negotiated a cost from Hellan Strainers to purchase two 14-inch strainers for the project. Purchasing the strainers now will allow the District to provide the strainers to the selected construction contractor in early March 2013 and will keep the project on schedule to complete construction by June 30, 2013.

Mr. Burton said that the proposed pipelines through the Crean property consist of approximately 620 feet of 36-inch steel recycled water pipe, 550 feet of 4-inch domestic water pipe, and 570 feet of 48-inch reservoir drain pipe. He said that since the lead time to acquire the steel pipe can take up to 16 weeks, staff obtained quotes from steel pipe manufacturers for the project. Purchasing the pipe now will allow the District to provide the steel pipe to the selected contractor in early March 2013 and will keep the project on schedule to start after Crean completes its rough grading for athletic fields in February 2013.

Mr. Burton said that staff received quotes from Imperial Pipe, Northwest Pipe Company, and West Coast Pipe. The quotes ranged from \$101,273 to \$193,192 with West Coast Pipe submitting the lowest price at \$101,273. Staff recommends that the steel pipe be pre-purchased from West Coast Pipe in the amount of \$101,273. If Crean is delayed in completing the rough grading, then IRWD has the option for West Coast Pipe to store and maintain the pipe at their facility for up to nine months at a cost of \$1,140 per month.

Director Reinhart said that this item was reviewed and approved by the Engineering and Operations Committee on November 14, 2012. In response to Director Swan's concerns, Mr. Burton said that construction for future expansion of the reservoir can proceed without interfering with the property boundaries for Crean's athletic fields. Following discussion, on MOTION by Reinhart, seconded and unanimously carried, **THE BOARD APPROVED AN EXPENDITURE AUTHORIZATION FOR PROJECT 30374 (3729) IN THE AMOUNT OF \$345,400; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH HELLAN STRAINERS IN THE AMOUNT OF \$143,610 FOR THE PRE-PURCHASE OF TWO 14-INCH STRAINERS; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH WEST COAST PIPE IN THE AMOUNT OF \$101,273.44**

FOR THE PRE-PURCHASE OF 36-INCH STEEL PIPE FOR SYPHON RESERVOIR
INTERIM IMPROVEMENTS, PROJECT 30374 (3729).

GENERAL MANAGER'S REPORT

General Manager Cook reported on an Orange County Register article in which a man was apprehended at the Operations center attempting to steal copper wire from the Filanc construction site.

Mr. Cook placed before each Director a copy of the brochure of the District's Biosolids project which includes frequently asked questions, and is now on the District's website. He said that he is pleased with the current community acceptance of this proposed project and that it is going before the City of Irvine's Planning Commission on December 6, 2012 for review. Director Swan asked staff to provide him with additional information relative to the cost savings to the District's customers as noted in the brochure.

DIRECTORS' COMMENTS

Director LaMar reported on his attendance at a Municipal Water District of Orange County Board (MWDOC) meeting.

Director Reinhart also reported on his attendance at a MWDOC Board meeting. He further asked staff for a status report on the payment from the County of Orange due to the measures taken by the District to protect the treatment plant from potential flooding by the San Diego Creek in a major storm event.

Director Swan reported on his attendance at Association of California Water Association's California Water Finance Task Force meeting and a Newport Bay Watershed Executive meeting. In response to his inquiry, Mr. Burton provided him an update on the berm wall openings at the Michelson Water Recycling Plant.

Director Withers reported that he attended a meeting at Metropolitan Water District today relative to the concept of virtual water and encouraged staff and the Board to learn about this water "footprint" as well as consider a District footprint.

Director Matheis reported that she will be attending an upcoming ISDOC quarterly meeting as well as a MWDOC Elected Officials forum this week. She said that the Board will be attending the upcoming ACWA conference the first week of December in San Diego.

CLOSED SESSION

President Matheis said that the following Closed Session would be held this evening:

CLOSED SESSION RELATIVE TO CONFERENCE WITH REAL PROPERTY
NEGOTIATOR –

Government Code Section 54956.8:
Property: Portions of Sections 1 T30S, R25E MDB&M, Kern County
Parcels Nos. 160-010-39,160-010-42
Negotiating Parties: Eric Averett, General Manager, Rosedale-Rio Bravo Water
Storage District
Agency Negotiator: Paul Cook, General Manager
Purpose of Negotiations: Price and Term of Payment

OPEN SESSION

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

ADJOURNMENT

President Matheis adjourned the meeting.

Approved and signed this 10th day of December, 2012.

President/Vice President, IRVINE RANCH WATER
DISTRICT

Secretary/Assistant Secretary, IRVINE RANCH WATER
DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone

EXHIBIT "B"

MINUTES OF ADJOURNED REGULAR BOARD MEETING – DECEMBER 4, 2012

The adjourned regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order by Secretary Bonkowski at 10:00 a.m., December 4, 2012 in the District Office, 15600 Sand Canyon Avenue, Irvine, California.

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

In the absence of a quorum, Secretary Bonkowski adjourned the meeting.

APPROVED and SIGNED this 10th day of December, 2012.

President, IRVINE RANCH WATER DISTRICT

Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles and Giannone

December 10, 2012
Prepared and
Submitted by: L. Bonkowski
Approved by: P. Cook */s/ 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

Steve LaMar

11/25/12 NROC Executive Committee
11/26/12 MWDOC Desalination Committee
11/29/12 MWDOC's Newly Elected Officers Forum

Mary Aileen Matheis

11/7/12 IRWD Representative – Biosolids Appreciation Luncheon with Staff
11/27/12 Irvine City Council Meeting – IRWD presentation of Resolution to Sukhee Kang
12/11/12 City of Irvine's Swearing-in Ceremony for three Council Members

Doug Reinhart

11/28/12 South County Agencies Meeting (with Board Member and General Manager
from Nine Agencies)
11/29/12 MWDOC's Newly Elected Officers Forum

John Withers


11/15/12 Concordia University Seminar – 2012 Orange County Annual Report
11/27/12 Irvine City Council Meeting – IRWD presentation of Resolution to Sukhee Kang
12/13/12 Association of California Cities Reception

RECOMMENDATION:

THAT THE BOARD RATIFY/APPROVE THE MEETINGS AND EVENTS LISTED FOR STEVE LAMAR, MARY AILEEN MATHEIS, DOUG REINHART, AND JOHN WITHERS.

LIST OF EXHIBITS:

None

December 10, 2012
Prepared by: S. Reed
Submitted by: B. Beeman
Approved by: Paul Cook 

CONSENT CALENDAR

RESOLUTION COMMENDING LYNDINE McAFEE
RECOGNIZING HER YEARS OF SERVICE AS
EXECUTIVE DIRECTOR OF NATURE RESERVE OF ORANGE COUNTY

SUMMARY:

As Ms. Lyndine McAfee is leaving the Nature Reserve of Orange County after 11 years of dedicated and outstanding service, staff has prepared a resolution (provided as Exhibit "A") to honor her at the Nature Reserve of Orange County Board meeting on December 20, 2012.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2012 –

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT
COMMENDING LYNDINE McAFEE AND
RECOGNIZING HER YEARS OF SERVICE AS EXECUTIVE DIRECTOR OF
NATURE RESERVE OF ORANGE COUNTY

LIST OF EXHIBITS:

Exhibit "A" – Resolution

EXHIBIT "A"

RESOLUTION NO. 2012-

RESOLUTION OF THE BOARD OF DIRECTORS OF
IRVINE RANCH WATER DISTRICT,
ORANGE COUNTY, CALIFORNIA RECOGNIZING
LYNDINE (LYN) McAFEE FOR HER YEARS OF SERVICE AS
EXECUTIVE DIRECTOR OF NATURE RESERVE OF ORANGE COUNTY

WHEREAS, the Nature Reserve of Orange County was established in 1996, the result of conservation planning at the natural community level by federal and state wildlife agencies, county and city governments, major landowners and the environmental community; and,

WHEREAS, Lyn McAfee was hired in 2001 to oversee the Nature Reserve's mission of ensuring the stewardship of the 37,000-acre reserve, encompassing the Coastal and Central blocks; and,

WHEREAS, Lyn has spent her career involved in numerous conservation activities; has served as president of the San Gabriel Mountains Chapter of the California Native Plant Society and has held board positions in other organizations; she has participated in planning efforts for watershed and forests in Southern California; and,

WHEREAS, Lyn has demonstrated her unwavering commitment to the Orange County community of nature; and,

WHEREAS, Lyn's consistent dedication has complemented IRWD's commitment to education and the environment; and,


WHEREAS, throughout her career, Lyn has been focused on communication about science and the importance of scientific endeavors to the general public.

NOW, THEREFORE, BE IT RESOLVED: The Board of Directors of Irvine Ranch Water District commends Lyn McAfee for her dedicated years of service and expresses its gratitude for the significant contributions she has rendered as Executive Director of the Nature Reserve of Orange County.

ADOPTED, SIGNED AND APPROVED this 10th day of December 2012.

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

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

December 10, 2012
Prepared and
Submitted by: L. Bonkowski
Approved by: Paul Cook 

CONSENT CALENDAR

APPOINTMENT OF DISTRICT DIRECTORS IN LIEU OF ELECTION

SUMMARY:

For the November 6, 2012 General Election, the District had two seats for the office of Director up for election. Current IRWD Board members Mary Aileen Matheis and John Withers were the only individuals to file for these open seats. The Board of Supervisors has therefore appointed both Mary Aileen Matheis and John Withers to the office of Director for terms of office ending in 2016. Provided as Exhibit "A" is the Board of Supervisors' staff report along with a Certificate of Appointment from the County of Orange.

Staff has prepared a resolution provided as Exhibit "B" declaring the appointment of District Directors in lieu of Election for adoption by the Board.

FISCAL IMPACTS:

None

ENVIRONMENTAL COMPLIANCE:

None

COMMITTEE STATUS:

Not applicable

RECOMMENDATION:

THAT THE FOLLOWING RESOLUTION BE ADOPTED BY TITLE:

RESOLUTION NO. 20012-

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE IRVINE RANCH WATER DISTRICT
DECLARING THE APPOINTMENT OF DISTRICT
DIRECTORS IN LIEU OF ELECTION
(NOVEMBER 6, 2012 GENERAL ELECTION)

LIST OF EXHIBITS:

Exhibit "A" – Board of Supervisors' staff report and Appointment by the Registrar of Voters
Exhibit "B" - Resolution



AGENDA STAFF REPORT

ASR Control 12-001534

MEETING DATE: 11/20/12
LEGAL ENTITY TAKING ACTION: Board of Supervisors
BOARD OF SUPERVISORS DISTRICT(S): All Districts
SUBMITTING AGENCY/DEPARTMENT: Registrar of Voters (Approved)
DEPARTMENT CONTACT PERSON(S): Neal Kelley, 714-567-5139

SUBJECT: Appointment of District Officers in Lieu of Election

CEO CONCUR
Concur

COUNTY COUNSEL REVIEW
N/A

CLERK OF THE BOARD
Consent Calendar
3 Votes Board Majority

Budgeted: N/A

Current Year Cost: N/A

Annual Cost: N/A

Staffing Impact: No

of Positions:

Sole Source: N/A

Current Fiscal Year Revenue: N/A

Funding Source: N/A

Prior Board Action: N/A

RECOMMENDED ACTION(S):

Appoint in lieu of election the persons on the attached list to offices for which they filed a Declaration of Candidacy. Appointees will take office as stated on the attached list.

SUMMARY:

Appointment of persons in lieu of election to the respective elective offices in each district will support compliance with Elections Code Section 10515.

BACKGROUND INFORMATION:

The Registrar of Voters certifies the number of persons filing a Declaration of Candidacy for the elective offices in the districts on the attached list is equal to the number of positions to be filled in each district for the November 6, 2012 General Election. The Registrar of Voters further requests the Board of Supervisors to appoint in lieu of election the nominees to the respective elective offices in each district in accordance with the provisions of Elections Code Section 10515.

FINANCIAL IMPACT:

N/A

STAFFING IMPACT:

N/A

ATTACHMENT(S):

List of Nominees to be Appointed in Lieu of Election

**NOMINEES TO BE APPOINTED IN LIEU OF ELECTION
NOVEMBER 6, 2012 GENERAL ELECTION**

| DISTRICT | EFFECTIVE DATE | SUPERVISORIAL DISTRICT |
|---|-----------------------|---|
| EMERALD BAY SERVICE DISTRICT William Hart* John L. Marconi* | 12/07/12 | 5 th District |
| ROSSMOOR COMMUNITY SERVICES DISTRICT Michael Maynard** Ron Casey* Jeffrey T. Rips* | 12/07/12 | 2 nd District |
| SURFSIDE COLONY COMMUNITY SERVICES DISTRICT Michael Farrell | 12/07/12 | 2 nd District |
| THREE ARCH BAY COMMUNITY SERVICES DISTRICT Gary Rubel* Alan H. Anderson* Elizabeth R. Gapp* | 12/07/12 | 5 th District |
| SERRANO WATER DISTRICT Division 2 C.L. (Larry) Pharris* Division 4 Frank Bryant** (Short Term) Division 5 Jerry L. Haight* | 12/07/12 | 3 rd District |
| SUNSET BEACH SANITARY DISTRICT Jon H. Regnier John H. Woods* Graham Hoad* | 12/07/12 | 2 nd District |
| SURFSIDE COLONY STORM WATER PROTECTION DISTRICT Nora Straight* | 12/07/12 | 2 nd District |
| IRVINE RANCH WATER DISTRICT John B. Withers* Mary Aileen Matheis* | 12/07/12 | 1 st , 2 nd , 3 rd , & 5 th Districts |
| MOULTON NIGUEL WATER DISTRICT Division 1 Richard S. Fiore* Division 5 Brian S. Probolsky* | 12/07/12 | 5 th District |
| ORANGE COUNTY WATER DISTRICT Division 4 Philip L. Anthony* Division 6 Cathy Green* | 12/07/12 | 1 st & 2 nd Districts |

**NOMINEES TO BE APPOINTED IN LIEU OF ELECTION
NOVEMBER 6, 2012 GENERAL ELECTION
PAGE 2**

| | | |
|--|----------|---|
| TRABUCO CANYON WATER DISTRICT Stephen Dopudja** James Haselton* | 12/07/12 | 3 rd & 5 th Districts |
|--|----------|---|

| | | |
|--|----------|---|
| YORBA LINDA WATER DISTRICT Michael James Beverage* Richard "Ric" Collett* | 12/07/12 | 3 rd & 4 th Districts |
|--|----------|---|

| | | |
|--|----------|---|
| BUENA PARK LIBRARY DISTRICT Donna Miller* Dennis Salts* Patricia Ganer* Mary Fuhrman** (Short Term) | 12/07/12 | 2 nd & 4 th Districts |
|--|----------|---|

*Incumbent

**Appointed Incumbent

**CERTIFICATE OF APPOINTMENT
IN LIEU OF ELECTION**

STATE OF CALIFORNIA)
)ss.
COUNTY OF ORANGE)

I, Neal Kelley, Registrar of Voters of Orange County, do hereby certify that John B. Withers, whose address is 21 Cedar Ridge, Irvine, CA 92603, was the only nominee for the office of Director of the IRVINE RANCH WATER DISTRICT. Pursuant to California Elections Code section 10515, John B. Withers will be appointed to this position by the Orange County Board of Supervisors, in lieu of election and shall be seated at the organizational meeting of the board. This term of office ends December 2, 2016.

WITNESS my hand and Official Seal this 20th day of November, 2012.




NEAL KELLEY
Registrar of Voters
Orange County

**CERTIFICATE OF APPOINTMENT
IN LIEU OF ELECTION**

STATE OF CALIFORNIA)
)ss.
COUNTY OF ORANGE)

I, Neal Kelley, Registrar of Voters of Orange County, do hereby certify that Mary Aileen Matheis, whose address is 3 Teal, Irvine, CA 92604, was the only nominee for the office of Director of the IRVINE RANCH WATER DISTRICT. Pursuant to California Elections Code section 10515, Mary Aileen Matheis will be appointed to this position by the Orange County Board of Supervisors, in lieu of election and shall be seated at the organizational meeting of the board. This term of office ends December 2, 2016.

WITNESS my hand and Official Seal this 20th day of November, 2012.




NEAL KELLEY
Registrar of Voters
Orange County

EXHIBIT "B"

RESOLUTION NO. 2012-

**RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE
RANCH WATER DISTRICT DECLARING APPOINTMENT OF DISTRICT
DIRECTORS IN LIEU OF ELECTION
(NOVEMBER 6, 2012 GENERAL ELECTION)**

WHEREAS, John B. Withers and Mary Aileen Matheis filed nomination papers for the offices of Director for the Irvine Ranch Water District for the 2012 General District Election in accordance with the procedures set forth in Section 35175 et seq. of the Water Code for the purpose of electing two persons to two offices of Director of the Irvine Ranch Water District;

WHEREAS, the Register of Voters has delivered an Appointment of District Directors in Lieu of Election based upon the number of individuals filing nomination papers for these offices being equal to the number of elective offices of Director to be filled.

NOW, THEREFORE, the Board of Directors of Irvine Ranch Water District DOES HEREBY RESOLVE, DETERMINE and ORDER as FOLLOWS:

Section 1. That the Registrar of Voters Statement of the Appointment of District Directors in Lieu of Election showing that John B. Withers and Mary Aileen Matheis have been appointed as Directors for four year full terms be received and filed.

Section 2. That the terms of office of each newly elected Director shall extend until the office ends on December 2, 2016 and the qualification of their successors.

ADOPTED, SIGNED and APPROVED this 10th day of December, 2012.

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

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

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

By: _____

December 10, 2012
Prepared by: Eileen Lin/Rob Jacobson
Submitted by: Cheryl Clary
Approved by: Paul Cook */-Coy 2.*

CONSENT CALENDAR

FY 2011-12 COMPREHENSIVE ANNUAL FINANCIAL REPORT

SUMMARY:

At the November 6, 2012 Finance and Personnel Committee meeting, an initial draft of the Comprehensive Annual Financial Report (CAFR), including audited financial statements, accompanying auditor's report, and management's discussion and analysis of significant changes in transaction amounts and account balances was presented for the Committee's review and comment. Based on that discussion and input from the Committee, staff is providing the proposed FY 2011-12 CAFR incorporating the modifications discussed for final approval.

BACKGROUND:

The FY 2011-12 CAFR is being prepared for the ninth consecutive year by the District. The Government Finance Officers Association (GFOA) encourages state and local governments to prepare and publish expanded financial reports (CAFR) in conformity with generally accepted accounting principles. GFOA has awarded a Certificate of Achievement for Excellence in Financial Reporting in each of the previous eight years the District has submitted the CAFR.

Staff will continue to exclusively produce an enhanced electronic version with key references hyperlinked throughout the document. The CAFR will be available on the District's website.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on December 3, 2012.

RECOMMENDATION:

RECEIVE AND FILE.

LIST OF EXHIBITS:

Exhibit "A" – Proposed FY 2011-12 Comprehensive Annual Financial Report



Irvine Ranch Water District

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2012
IRVINE, CALIFORNIA

Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2012

Irvine Ranch Water District
Irvine, California

Board of Directors

Mary Aileen Matheis, President
John B. Withers, Vice President
Steven E. LaMar
Douglas J. Reinhart
Peer A. Swan

Paul A. Cook, General Manager

Prepared by:

Irvine Ranch Water District
Finance Department

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IRVINE RANCH WATER DISTRICT



December 10, 2012

The Board of Directors,
Irvine Ranch Water District:

Management of the Irvine Ranch Water District (IRWD or the District) has prepared a Comprehensive Annual Financial Report of IRWD for the fiscal year ended June 30, 2012. This document, which contains a complete set of basic financial statements, is presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. State law requires that all special-purpose local governments publish these basic financial statements within six months of the close of the agency's fiscal year.

This report contains management's representations concerning the finances of the District. Management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable, rather than absolute, basis for making these representations, IRWD management has established a comprehensive framework of internal controls. These controls are designed to protect the District's assets from loss, theft, or misuse, and to ensure sufficiently reliable information for the preparation of the District's basic financial statements in conformity with GAAP. The District's internal controls have been designed to provide appropriate assurance that the basic financial statements will be free from material misstatement. As management, we assert that this financial report is complete and reliable in all material respects.

The District's basic financial statements have been audited by Mayer Hoffman McCann, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the District for the fiscal year ended June 30, 2012 were free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor rendered an unqualified opinion that the District's basic financial statements for the fiscal year ended June 30, 2012 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

A profile of the District is presented in this Introductory Section. In the Financial Section, Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides an overview and analysis of the basic financial statements. This letter of transmittal and introduction is designed to complement the MD&A and should be read in conjunction with it.

Profile of Irvine Ranch Water District

Overview

Irvine Ranch Water District was established in 1961 as a California Water District under the provisions of the California Water Code. As a special district, IRWD focuses on four primary services - providing potable water, collecting and treating wastewater, producing and distributing recycled and other non-potable water, and implementing urban runoff source control and treatment programs.

The District serves a 181 square mile area, which includes all of the City of Irvine and portions of the cities of Tustin, Newport Beach, Costa Mesa, Orange and Lake Forest, as well as certain unincorporated areas of Orange County, including those canyon areas added to the District as part of the District's consolidation with Santiago County Water District in 2006 and the Orange Park Acres area added to the District as part of its acquisition of Orange Park Acres Mutual Water Company in 2008. Extending from the Pacific Coast to the top of the foothills of East Orange County, the District's region is semi-arid with a mild climate and an average annual rainfall of approximately 12 inches. The total estimated population served is 330,000 through approximately 103,000 water and over 90,000 sewer service connections. The number of service connections has increased by 20% over the last ten years. Daytime population surges to over 500,000, reflecting the District's strong employment base.

The District provides its core services to its customers by focusing on the following areas:

- *Operational Reliability* – having multiple sources of water supply and various wastewater treatment alternatives to ensure reliable services.
- *Organizational Strength* – having professional staff work in close collaboration with the Board of Directors to exceed the expectations of our customers.
- *Long-Term Financial Planning* – ensuring sufficient funds are available to construct, operate, and replace facilities, while maintaining competitive rates now and in the future.

Our People

IRWD is an independent public agency governed by a five-member, publicly elected Board of Directors. The members of the Board each have varied professional backgrounds which, coupled with an average tenure for the Board members of approximately 18 years. The District has consistently been on the leading edge of new initiatives in

resource management such as water recycling, urban runoff management and water conservation, and in financial management by implementing practices such as variable rate debt financing and long-term infrastructure replacement program development and funding.

The District employs nearly 300 professional staff members who are responsible for daily operations and implementing short and long-term strategic objectives set forth by the Board. The District actively promotes the training and education of employees to increase effectiveness and retention. The average tenure of the employees is approximately 13 years. An aggressive succession planning program at all levels of the organization has been developed to ensure long-term workforce stability. In FY 2011-12, the District performed extensive studies of the District's pension and medical plans to evaluate the most cost efficient plan for employees and the District.

The District takes an active role in state and regional trade associations including the Association of California Water Agencies, the California Association of Sewer Agencies, the WaterReuse and the California Special District Association. The District actively monitors and works to influence legislation and regulatory actions potentially affecting IRWD's operations and strategic planning. The Board of Directors is frequently engaged and takes active positions on relevant pending legislation.

In FY 2011-12, the District appointed Paul Cook as General Manager to oversee the day-to-day operations. In addition, the District hired Cheryl Clary as Executive Director of Finance and Administrative Services in November 2012.

Our Services

The District is functionally organized into four core service areas:

Drinking or "Potable" Water System

For many years, the District received virtually all of its drinking water from imported sources. To minimize its dependency on imported water, the District in 1979 began to develop a series of local wells known as the Dyer Road Wellfield that pump high quality groundwater from the Orange County Groundwater Basin. In addition, the District operates wells in the Lake Forest area, which is outside of the current main groundwater basin boundaries. In FY 2011-12, the largest component of the District's water supply was local groundwater, which accounted for 50% of the total supply. Groundwater typically is less expensive and more reliable because it does not have to be transported over hundreds of miles into Southern California and subsequently treated.

The District purchased 22% of its water supply in FY 2011-12 from the Metropolitan Water District, the region's wholesale water supplier. This water is imported from the Colorado River, which is transported 242

miles through deserts and over mountain ranges to Southern California, and from the Delta, which is transported approximately 400 miles from Northern California.

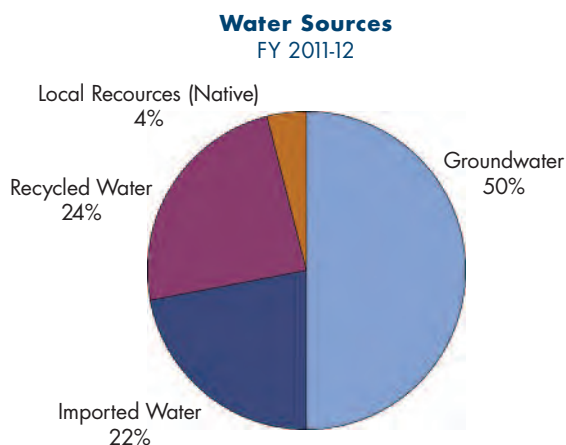
Recycled Water System

The District's philosophy is that water is too valuable to be used just once, and that by treating wastewater to provide water for irrigation and industrial purposes, the District reduces its reliance on the more expensive imported water. Wastewater from the community is collected and treated to State Health Department standards at the Michelson Water Recycling Plant and the Los Alisos Water Recycling Plant, which have the combined capacity to produce nearly 25 million gallons of recycled water per day. Once treated, all of the recycled water is used in the system, which in FY 2011-12 accounted for approximately 24% of the District's total water supply. Approximately 80% of all business and community landscaping (parks,

school grounds, golf courses, street medians, etc.) in the District's service area is irrigated with recycled water. The District also provides recycled water for various industrial and commercial uses. IRWD's ultimate goal is to recycle all its wastewater and have recycled water as 25% of its total water supply. This increase in recycled water supply will also provide a substantial portion of the water needed for future growth and redevelopment.

The District operates a number of wells and reservoirs that collect local water for non-potable uses, including Irvine Lake, a 25,000 acre-feet reservoir which receives stream flow (native water) coming from the Santiago Creek watershed. This water is used primarily in the foothills area of the District for agricultural and other irrigation purposes, and supplements the recycled water system during peak demand periods. In addition, the District has 5,000 acre feet of recycled water storage capacity in the San Joaquin Reservoir and is currently evaluating additional recycled water storage projects.

When viewing District-wide water consumption from all systems, groundwater provides 50% of the District's consolidated water demand with recycled water and imported water providing 24% and 22%, respectively, and native water from captured storm water flow supplying the remaining 4%.



Wastewater Collection and Treatment System

The District has an extensive network of gravity sewers, force mains, wastewater lift stations, and siphons that convey wastewater to two owned treatment plants. In FY 2011-12, the District treated approximately 85.2% of its wastewater, while the bulk of the remainder of the wastewater collected by the District is diverted to the Orange County Sanitation District treatment facilities. In the future, expansion of the District's wastewater treatment capabilities will serve the growing population within the District, as well as provide additional treatment capacity for the existing District. This expansion is discussed in more detail in the Major Initiatives section of this document.

Urban Runoff Source Control and Treatment System

IRWD is statutorily authorized to control and treat urban runoff, and conducts various projects and programs as part of an effort to protect the quality of water within the San Diego Creek watershed. In the early 1990s, the District voluntarily reconstructed wetlands at the San Joaquin Marsh and Wildlife Sanctuary where natural biological processes remove a substantial amount of the pollutant load from San Diego Creek before it reaches environmentally sensitive Upper Newport Bay. In light of this success, the District obtained special legislation allowing it to add urban runoff treatment to its services, and will partially finance, construct and operate a regional urban runoff treatment project known as the Natural Treatment System. The Natural Treatment System consists of 12 wetlands treatment sites located throughout the District's service area with three more currently under construction. The District has various mechanisms in place to fund the operation of this system, and is continuing to work with federal and state legislators to procure additional funding to offset capital expenditures.

Our Financial Plan

The District's operating budget for FY 2011-12 was \$107.5 million. The approved FY 2012-13 budget increased by 3.35% to \$111.1 million.

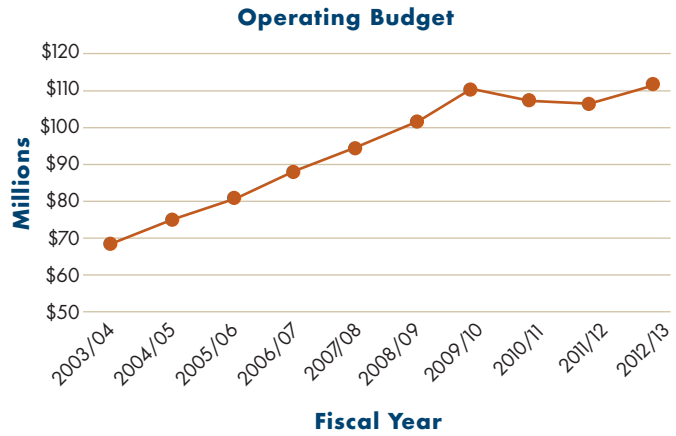
In addition to the operating budget, the District has a capital budget based upon new and replacement infrastructure needs. A \$64.4 million capital budget for FY 2012-13 was adopted by the Board, although many of the capital budget projects extend beyond just one fiscal year. The District's capital program currently includes more than 500 active and planned projects with expenditures estimated total more than \$600 million over the next 20 years.

As shown by the Operating Revenue chart, nearly all of the District's operating revenue comes from urban uses: residential, commercial/industrial, landscape irrigation customers, while agriculture uses account for a minor amount.

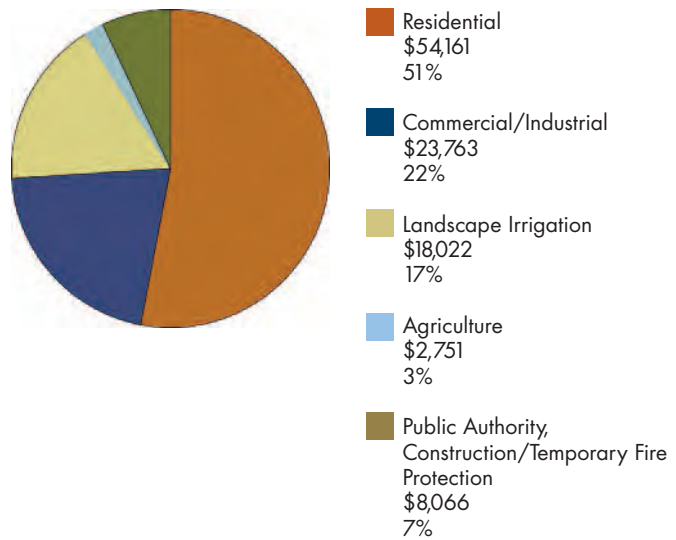
Our User Rates & Charges

The District separates the cost of constructing water and sewer infrastructure from the cost of daily operations and maintenance. The majority of infrastructure costs are financed with general obligation bonds, which are repaid through a combination of property taxes and connection fees. Operation and maintenance costs are funded by monthly user rates and charges.

The District allocates capital costs throughout its service area through the use of water and sewer improvement districts, for which general obligation bond authorization is obtained and used as needed to fund capital projects. Ad valorem property tax rates are set annually by the District, as are connection fees to be paid by property developers and landowners. The District's policy is to allocate the cost of infrastructure evenly between the developer/landowners and the ultimate property owners who benefit from the water and sewer infrastructure.



Customer Base: FY 2011-12
Water & Sewer Operating Revenue
(in thousands)



Water Rates

The District's rate structure for water use is separated into a commodity charge component and a service charge component. The commodity charge reflects the melded cost of the District's water supplies while the service charges fund the remaining fixed operational expenses of the District. For FY 2011-12, the District's water service charge was \$8.75 per month for an average residential customer. This monthly service charge also includes a user enhancement component of \$0.31 per month, which is intended to fund the capital costs to update the existing infrastructure.

The commodity charge is a five-tiered rate structure based on an allocation of water, that

promotes conservation. A basic use allocation is established for each customer account that provides a reasonable amount of water for the customer's needs and property characteristics, giving consideration to factors such as number of occupants, type or classification of use, size

Sewer Rates

The District's sewer rates are also among the lowest in Orange County with a monthly service charge of \$16.90 in FY 2011-12 for a typical residential customer that covers collection, treatment and disposal of wastewater. This monthly service charge also includes a user replacement component of \$4.65 per month, which is intended to fund the capital

Historic Rate Trends

The following chart reflects the annual "base rate" charge for an average customer's water and sewer service through FY 2011-12. The District raised rates in each of the last twelve years due largely to increased costs for wholesale supplies and services for both water and sewer.

of lot or irrigated area, and evapotranspiration rate for the billing period, and other consistently applied criteria. Water customers in the first two tiers pay rates that are among the lowest in Orange County; approximately 85% of the District's customers keep their water usage in the first two tiers. The chart below illustrates the five-tier structure.

FY 2011-12 Residential Rate Structure – Potable Water (Commodity Charge)*

| Tier | Percent of Estimated Customer Need | Cost per ccf** |
|-------------|------------------------------------|----------------|
| Low Volume | 0 – 40% | \$0.91 |
| Base Rate | 41 – 100% | \$1.22 |
| Inefficient | 101 - 150% | \$2.50 |
| Excessive | 151 – 200% | \$4.32 |
| Wasteful | 201% + | \$9.48 |

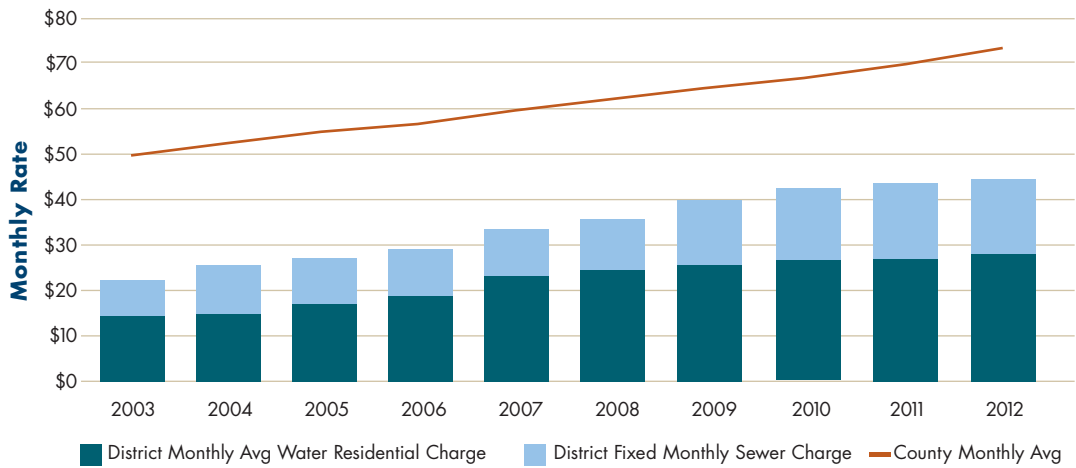
*This is the rate for the Irvine area. The customers of the former Orange Park Acres Mutual Water Company and Los Alisos Water District are on a separate rate structure until the buy-in to the District's capital program is completed.

**One ccf (100 cubic feet) = 748 gallons

costs to replace and refurbish the existing system. This component is projected to grow annually. In addition, this monthly service charge includes a user enhancement component of \$0.31 per month, which is intended to fund the capital costs to upgrade the existing infrastructure.



Monthly Residential Customer Charges



The District has completed five consolidations over the last fifteen years -

Santa Ana Heights Mutual Water Company in 1997, Carpenter Irrigation District in 2000, Los Alisos Water District in 2001, Santiago County Water District in 2006, and most recently, Orange Park Acres Mutual Water Company in June 2008, resulting in an approximately 20% increase to the District's customer base. The District's most recent consolidation with Orange Park Acres Mutual Water Company added over 500 customers in one of Orange County's more affluent areas.

The integrated services at the District allow for reduced overhead and administrative costs and lower rates and charges to the customers of the consolidated District. When considering consolidation requests, the District looks for increased efficiencies through economies of scale and mutual benefits from combined expertise and resources.

Districts consolidating with IRWD buy-in to the District's existing infrastructure and receive the benefit of lower rates, enhanced reliability and increased services.

In FY2011-12, the District made significant fire flow improvements to recently annexed areas.



Factors Affecting Financial Condition

The information presented in the Financial Section is perhaps best understood in the context of the economic environment in which the District operates, which is discussed below.

Local Economy

Orange County is the second most populous county in California with over 3.1 million residents and a varied economy in which no single industry is considered dominant. With a location central to Orange County, the District's service area is the home to numerous corporate headquarters such as Taco Bell Corporation, Allergan Inc., Oakley and Broadcom Corporation. The District is also home to various educational institutions, including University of California Irvine, Concordia University, two community colleges, and other colleges and universities with satellite campuses.

During FY 2011-12, the District continued to expand its operating facilities to accommodate more than 1,340 new service connections constructed within District boundaries. There remains a sizable portion of land to be developed, including the Northern Sphere of Irvine, East Orange and property from two de-commissioned military bases.

The assessed value of land in the District's service area has grown significantly in the last

decade from \$10.6 billion in 2000 to more than \$35.0 billion in 2012, indicating local economic strength.

The State of California's financial condition impacted local governments such as cities, counties and special districts. In 1992, special districts were subjected to legislation that shifted substantial amounts of property tax revenue to the State. The State took this approach again in response to its budget crisis, taking more than \$9.6 million in local tax revenue from the District during FY 2005-06, and took a similar amount of those local tax revenues during FY 2004-05. In response, the District chose to raise both property taxes and connection fees to offset state revenue losses which had been dedicated to annual debt service payments. The District's local tax revenue returned to normal levels in FY 2007-08 and the District's local tax revenue has continued to grow, reaching nearly \$27 million in FY 2011-12. In FY 2009-10, the State exercised its suspension provision of proposition 1A and borrowed approximately \$2 million of that from the District, with the obligation required to be repaid within three years with



interest. Under Proposition 1A, the State can only exercise its borrowing right again one more time between now and 2019.

Financial Planning & Budgeting

Short-Term

The Board of Directors approves operating and capital budgets annually, which project major elements of the forthcoming year's operating and capital plans and allocates required funding accordingly. The General Manager has limited discretion to transfer appropriations between activities, and Board approval is required for any overall increase to or substantial changes in appropriations. Throughout the fiscal year, actual expenditures are compared to account appropriations on a monthly basis. Variances between budget estimates and actual receipts and expenditures are evaluated to regulate financial conditions and ensure the District's financial goals and objectives are being met.

The budget process is further supported by our long-term automated financial models, enabling the Board to make informed decisions on setting rates and charges that ensure the long-term stability of the District.

Long-Term

Meeting the goals of reliable, cost effective long-term water and wastewater service requires substantial planning for both capital improvements and changing operating conditions. The District's Capital Improvement Program anticipates the need for expanded treatment facilities as well as replacement of existing facilities as they wear out. The District staff identifies future infrastructure requirements in advance of needs to ensure that the necessary funding for those projects is in place.

The District regularly updates its water and wastewater master plans using computer modeling that factors in such variables as future development, construction costs, growth rates, inflation, redevelopment, and other items. The District's master plans contemplate the future demands and facility needs for water and sewer treatment systems.

Real Property Investments

As a means to match its long-term responsibility to replace water and sewer facilities when they reach the end of their useful lives with long-term funding mechanisms, the District obtained legislative authority from the State to invest a portion of its capital facilities replacement fund in real property located in Orange County.

At this time, the District has an interest in five properties with a book value of \$49.5 million and a weighted average return (on original cost) for FY 2011-12 of 10.66%.

Revenues from the District's real estate investments are retained within the Replacement Fund.

Diversification of the District's water supply and wastewater treatment options are major objectives of the District's master plans. Those objectives are discussed in more detail in the *Major Initiatives* section of this introduction.

The District has a long history of planning for the replacement of aging water and sewer infrastructure. Recognizing that infrastructure replacement is both inevitable and costly, the District established an Infrastructure Replacement Fund in 1977 to provide partial funding for replacing and refurbishing various components of the water and sewer systems as they reached the end of their useful life. The objective of the fund is to help moderate the financial impact on future user rates attributable to varying expenditures associated with replacing capital facilities.

The original funding source for the Replacement Fund was a fixed component of water and sewer rates. User rate contributions were discontinued in 1992 after providing approximately \$25 million to the Replacement Fund over a 15 year period. The initial objective of the Replacement Fund is to fund 30% of future infrastructure replacement costs. Currently the Replacement Fund is contributing more than 30%. After assess-

ing the District's long-term replacement funding needs, the Board voted to add \$2.65 to the sewer monthly fixed charge for FY 2006-07. The funding needs are assessed annually using our long-term financial planning models. The Board has considered and assessed an increase of the replacement/enhancement fees to both water and sewer monthly fixed charges annually. For FY 2008-09, the user replacement/enhancement fees were \$3.75 per month. For FY 2010-11, the user replacement/enhancement fees increased to \$4.80 per month. For FY 2011-12, the user replacement/enhancement fees increased to \$6.10 per month. For FY2012-13, the user replacement/enhancement fees were increased once more to \$6.80 per month.

In 1996, the District engaged an independent consultant to assist in developing a replacement fund model that would match projected water and sewer infrastructure replacement needs to future funding requirements.

General funding goals were refined and future replacement costs were projected annually for the next 50 years. This replacement model is updated periodically, most recently during 2005. The replacement fund model was augmented in FY 2006-07 by integrating it with a broader cash flow model which considers both capital and operating expenses, which continues to be further enhanced to meet the District's planning needs. The industry-leading models enable staff and the Board to project future user rate requirements necessary to meet both new and replacement capital needs as well as ongoing operation and maintenance costs.

The District believes its approach to infrastructure replacement and funding reflects best industry practice and illustrates the District's commitment to financial stability and protection of its customers from rate instability.

Cash Management Policies and Practices

The District is regulated by State law (primarily California Government Code Section 53600, et seq.) as to the types of fixed-income securities in which it can invest cash assets. In addition, the Board of Directors annually adopts an investment policy that is generally more restrictive than the State codes. The District's standard practice is to maintain an appropriate balance between safety, liquidity and yield of investments while meeting required expenditures. This balance must be upheld in conformance with all applicable State laws, the District's investment policy, and prudent cash management principles.

For FY 2011-12, the District's fixed-income investment portfolio consisted primarily of short-term securities with a portfolio average maturity of less than 12 months. These securities included U.S. government agency notes, the State-managed Local Agency Investment

Fund, local government bonds, and a mutual fund of U.S. Treasury securities. Starting in March 2008, the Board expanded the Investment Policy, permitting investments in municipalities with ratings of AA or better in either auction rate securities or variable rate demand bonds. A complete discussion of the District's investments in FY 2011-12 is included in Note 2 to the Basic Financial Statements. The annual return on all of the District's cash investments in FY 2011-12 was approximately 0.44%. When real estate investments are included, the weighted average rate of return was 1.95%.

At June 30, 2012, the District's cash assets totaled approximately \$336.5 million. These cash balances are allocated to various restricted funds including the District's Replacement Fund, New Capital Fund, Bond Reserve, Construction, Debt Service and others.



IRWD Joint Powers Agency

IRWD Joint Powers Agency

In 1988, the IRWD Joint Powers Agency (JPA) issued two series of tax-exempt pool revenue bonds in a total par amount of \$900 million that could be used to provide a favorable rate of financing for California cities, counties, special districts and other local agencies in higher interest rate environments. The bond proceeds were invested in authorized securities that paid the debt service on the bonds pending the purchase of local agency bonds. Interest rates subsequently dropped and no transactions were ever originated since public agencies could borrow in the traditional markets at lower rates.

After expiration of bond call protection provisions in 1998, the JPA refunded the tax-exempt bonds through the issuance of two series (Issue 1 and Issue II) of taxable refunding bonds. The investment securities pledged to the tax-exempt bonds are now pledged to the repayment of the taxable refunding bonds, and are held separately by a trustee. However, under the taxable refunding structure, the JPA was required by tax law considerations to retain beneficial ownership of approximately 3% of the principal and interest of the investment securities, and thus it receives these excess monies after the scheduled debt service payments. The excess revenues received in 2011-2012 were about \$4.0 million.

In FY 2009-10, the JPA refunded the majority of the outstanding Issue II taxable bonds, which were callable at par in September 2011. The bonds were reissued at a lower interest rate providing a net savings to the JPA. The final maturity of the new bond issue remains at 2014, and the underlying U.S. Agency investment securing principal and interest payments was not affected as a result of the refunding.

The JPA refunding bonds and underlying investment securities have \$638.5 and \$679.6 million par amounts, respectively, outstanding as June 30, 2012, and the bonds and securities will mature in 2014. The District has no legal obligation to use any of its own funds to pay debt service on the JPA bonds. While the District is required to report the underlying investment securities as part of its Cash and Investments, these securities, with the exception of the District's 3% ownership interest and net savings from the Issue II Refunding, are pledged to debt service on the bonds and are not available for the District's use. Of the \$1.0 billion in total cash and investments reported in the District's consolidated financial statements, only \$336.5 million was generally available to the District as of June 30, 2012 primarily for capital needs.

On September 12, 2012, the JPA issued \$257,355,000 of Taxable Refunding Bonds, Issue 1, Series 2012 (Series 2012 Bonds), which were used to refund all the outstanding Irvine Ranch Water District Joint Powers of Agency Taxable Refunding Bonds, Issue 1 and pay the costs of issuance of the Series 2012 Bonds.

Debt Management Policies and Practices

The District has strived to minimize the cost of its long-term debt. In 1984, the District obtained State legislation that allowed for the use of variable rate debt to help achieve this goal.

The District has primarily used a combination of variable rate General Obligation (G.O.) bonds and Certificates of Participation (COPs) to fund its capital facilities. As of June 30, 2012, there were nine outstanding general obligation bond issues with a balance of \$374.8 million in variable rate mode and \$175.0 million in fixed rate mode, and one outstanding COPs issue with a balance of \$77.2 million in fixed rate mode. The District has secured direct pay letters of credit to enhance certain issues of its variable rate debt. The District's all-in average cost of debt for FY 2011-12 was 2.12%.

Under California law, all of the G.O. bonds are secured by the District's ability to levy ad valorem property taxes in the applicable improvement districts to pay debt service. Although the District has elected to use a combination of ad valorem property taxes and other legally available funds to pay debt service, the legal authority exists to fully fund G.O. bond debt service through such ad valorem taxes. The COPs issue is secured by certain revenues of the overall District, predominantly user rates. The District is required under some of its debt covenants to collect revenues which will be at least sufficient to yield net revenues equal to 125% of senior debt service payable during the fiscal year. (See Note 12 to the Financial Statements.)

Since a significant amount of the District's outstanding debt is in a variable rate mode, the Board of Directors has taken certain actions to manage and mitigate interest rate

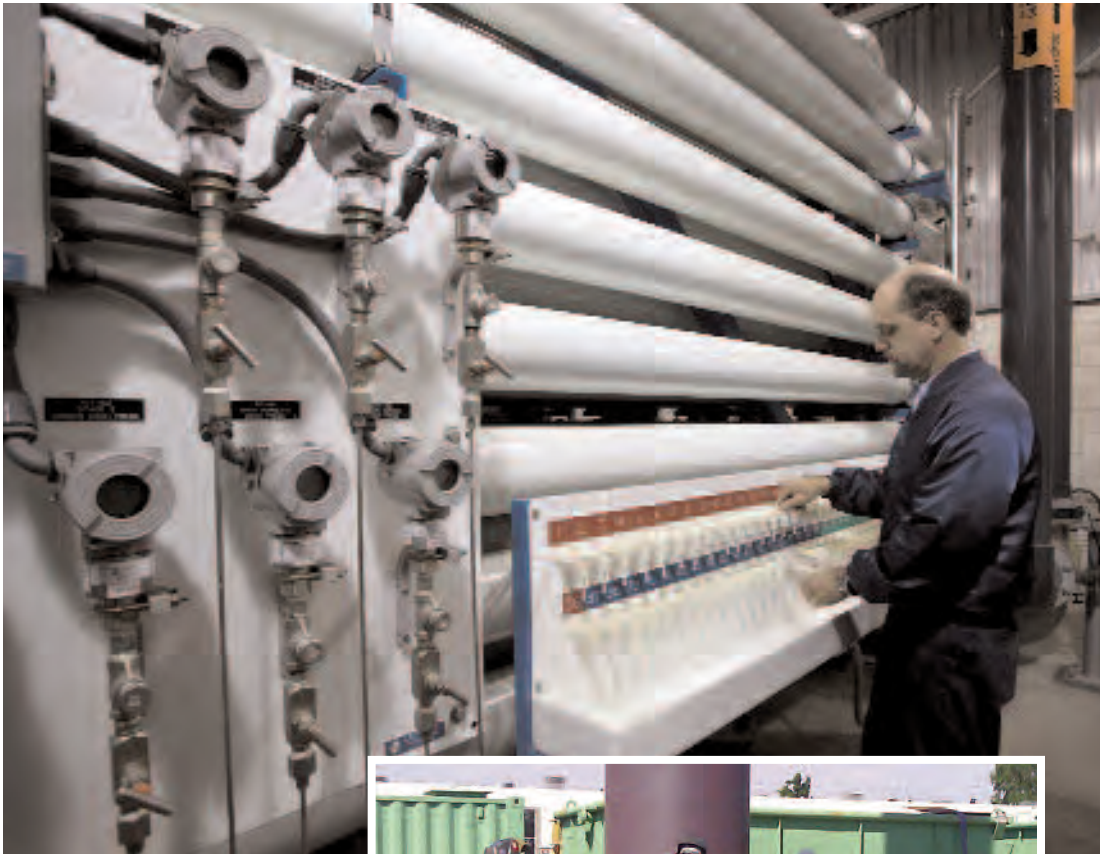
risk. First, the Board adopted a policy to maintain a target amount of investment assets equal to at least 75% of the outstanding unhedged variable rate debt. In addition, in FY 2003-04, the District began an interest rate swap program under which \$130 million notional amount of LIBOR-based fixed payer swaps were executed. These interest rate swaps have allowed the District to limit the risk exposure on approximately \$194 million* (or 51.7%) of its variable rate debt to about 4.01%. (*Assumes a historical ratio for tax-exempt (SIFMA) versus 1-month LIBOR of 67 %.)

During FY 2010-11, the District issued \$175 million of new general obligation fixed rate debt utilizing the taxable Build America Bond (BABs) program. BABs, created under the American Recovery and Reinvestment Act and available to issuers in 2009 and 2010, are taxable bonds for which the Treasury Department makes subsidy payments to issuers equaling 35% of the interest costs. The District's BABs issue has a rating of "AAA" from Fitch, a "AAA" rating from Standard and Poor's and a "Aa1" rating from Moody's. Also during FY 2010-11, the District's 2008-B variable rate demand obligation G.O. issues were refunded and re-issued as SIFMA-based Index Tender Notes (ITNs). Interest rates for the ITNs are set periodically at a spread to the SIFMA variable rate municipal index. In FY 2011-12 the District replaced letters of credit for its Series 1989, 1991, and 1993 issues from Bank of America with letters of credit from Bank of New York Mellon, due to cost efficiencies and pending concerns regarding credit ratings.

Risk Management

The District utilizes a combination of self-insurance and third party liability insurance to minimize loss exposures from property, third-party liability claims and workers compensation claims. The District self-insures the first \$50,000 per occurrence for property losses, \$100,000 per occurrence for third-party liability claims and \$125,000 per occurrence

for workers compensation claims. Various control techniques used to minimize loss include, but are not limited to, routine employee safety meetings and training sessions, use of uniform language in contracts designed to limit or prevent liability exposure, and development of emergency plans, including a business continuation plan.



Major Initiatives

The District's major initiatives during FY 2011-12 included the continuing programs to secure water supplies, as well as expanding wastewater treatment capacity and diverting wastewater flows, water education programs, and the continuing implementation of the Water Conservation Program, particularly in light of imported water reductions in 2012 and potential further reductions in the future.

Water Supply Reliability

Groundwater Program

The District's Water Resources Master Plan for a reliable water supply mix includes developing sufficient groundwater production capacity to pump to the Basin Production Percentage (BPP) set by the Orange County Water District (OCWD). Currently, the District has the ability to produce approximately 28,000 acre feet per year (AFY) of clear groundwater that requires no treatment, other than disinfection, from the Dyer Road Well Field. The District is in the processing of replacing the OPA Well which will produce another 900 acre-feet of clear groundwater. The District also produces 13,000 AFY of groundwater that requires treatment at its Deep Aquifer Treatment System (DATS) which removes organic color and the Irvine Desalter Project (IDP) which removes salts and nitrates. In addition, IRWD is currently constructing the Wells 21 & 22 Desalter Project which will provide an additional 6,300 AF per year of groundwater of local supply to the District. The District recently completed Lake Forest Well #2 which produces approximately 300 AF per year that is not subject to the OCWD restrictions or charges. IRWD is also currently constructing Well 52 to investigate additional groundwater production capability in the south west Irvine portion of the District. The District continuously looks for new opportunities to improve its groundwater production capabilities.

Well 21 and 22 Treatment Project

The Wells 21 and 22 Treatment Project is a groundwater recovery project that will allow IRWD to serve an additional 6,300 AF per year of groundwater from the Irvine Sub-basin. The plant will reduce nitrate and total dissolved solids to levels that comply with

national primary and secondary drinking water standards. The project will consist of two wells, an advanced reverse osmosis treatment plant, a raw water pipeline that delivers water from the wells to the treatment plant, and a product water pipeline that delivers treated water from the treatment plant to IRWD's distribution system. The project is in the final stages of construction and is anticipated to be online in December 2012.

Water Banking

In addition to developing the local groundwater system, the District has diversified its water supply portfolio by developing a water bank in Kern County, California. The purpose of the water bank is to improve the District's water supply reliability by capturing water during wet hydrologic periods for use during dry periods or imported water supply interruptions. The water bank is an important part of the District's ability to deliver water under such conditions.

Opportunities for groundwater banking programs in Southern California are limited and more expensive. In contrast, the extensive groundwater basin in Kern County is managed to allow storage of water for outside entities. In 2006, the District purchased approximately 640 acres of high quality groundwater recharge land that overlies the regional Kern County groundwater basin along the Kern River. In 2010, the District purchased an additional 323 acres of recharge land in the same area. The District has completed construction of 761 acres of groundwater recharge ponds on both properties combined.

To operate its water bank, the District has entered into a 30-year water banking partnership with the Rosedale-Rio Bravo Water Storage District (Rosedale) in Kern County. Unlike other existing Kern County water banking arrangements, the District's partnership program with Rosedale has provided long-term equity ownership of water banking capacity rather than typical contract or lease arrangements employed by most other agencies.

To date 30,000 AF of water has been recharged at the District's water banking facilities. It is anticipated that an additional 6,400 AF will be recharged by the end of 2012. The majority of this water was made available through a 28-year Exchange Agreement that the District has with the Buena Vista Water Storage District in Kern County (BVWSD). The terms of the Exchange Agreement will require that half of this water be returned to BVWSD within 5 years with the balance of the water being available to the District for its use.

Seven groundwater wells that will be used to recover water from the water bank have been constructed on the District's water banking properties. The wellheads and pipelines that will convey water from these wells to the Cross Valley Canal are currently being completed and will be fully operational in November 2012. Until then, the District's water can be recovered from the water bank through exchanges for water already flowing in the California Aqueduct. The District is currently preparing an Environmental Impact Report (EIR) for the construction and operation of recovery wells on additional lands purchased in 2010. This EIR is expected to be circulated for public review in the Spring of 2013. The construction of these additional wells would begin in 2014.

Baker Treatment Plant

The District is finalizing the engineering design for the Baker Water Treatment Plant (WTP) project, which is anticipated to be

complete in December 2012. The Baker WTP is anticipated to be online and operational in the summer of 2015. The Baker WTP will produce approximately 28 million gallons per day of drinking water and will be capable of treating untreated import water from Metropolitan Water District of Southern California and local untreated water from Irvine Lake. The Baker WTP will utilize microfiltration and ultraviolet disinfection as the primary treatment processes. Although the Baker WTP will be owned and operated by the District, partial capacity in the plant is being purchased by four other water agencies located in Southern Orange County. The Baker WTP will provide an operational source of supply to the project participants and, in the event of a short-term water shortage emergency, will provide regional water reliability to other neighboring Southern Orange County water agencies. The project construction cost is estimated at approximately \$78 million, with IRWD responsible for approximately 24% of the total cost.

Syphon Recycled Water Seasonal Storage Facility

The Irvine Ranch Water District (IRWD) is in the process converting the Syphon Reservoir into a recycled water storage facility. Syphon Reservoir, located in the northern portion of the City of Irvine, is a sixty-year-old irrigation reservoir historically used by the Irvine Company for agricultural purposes. IRWD purchased the Syphon Reservoir in January 2010. Plans are underway to convert the reservoir into recycled water seasonal storage facility. Seasonal storage reservoirs allow the District to store excess recycled water produced in the winter months for use in higher demand summer months. This will increase water reliability by reducing the District dependency on imported water from MWD used to supplement the recycled water system. The existing Syphon Reservoir will be integrated into the recycled water system by June 2013.

The District is also completing a feasibility study to increase storage capability in Syphon Reservoir from its current 500 acre feet up to potentially 5,000 acre feet. By providing additional storage, this project will allow the District to recycle more of the wastewater flows to the MWRP and reduce the District's

dependence on imported water supplies. An expansion of Syphon Reservoir to 5,000 AF would allow recycling 100% of the wastewater flows tributary to MWRP and eliminate IRWD's need to supplement the recycled water system with imported water event in dry years.

Expanded Wastewater Treatment Options and System Reliability

IRWD is continuing its program to increase the reliability of the wastewater system by diversifying treatment options and increasing the reliability of critical sewage collections facilities. The goals of the program are to collect wastewater in the most cost effective method available, create a high quality and reliable recycled water supply for irrigation and industrial uses, and minimize environmental impacts and risks. Sewage collected throughout the District is treated at four locations: the Michelson Water Recycling Plant (MWRP), the Los Alisos Water Recycling Plant (LAWRP), at the Santa Margarita Water District's (SMWD) Chiquita Water Reclamation Plant, and at the Orange County Sanitation District (OCSD) facility in Fountain Valley. The District owns and operates the Michelson and Los Alisos treatment facilities, and owns capacity in the SMWD and OCSD facilities based on its tributary flows.

The District has implemented strategic capital facilities to optimize wastewater treatment capability, improve operational efficiencies, support planned maintenance, and minimize the impacts of unexpected emergencies. Examples of these efforts include the construction of the Harvard Avenue Trunk Sewer (HATS) diversion project which was completed during FY 2007-08. The HATS project, which cost the District approximately \$9.6 million, is projected to save the District at least \$20 million by diverting more wastewater to the Michelson Plant so that more water may be recycled.

To further improve operational flexibility, the construction of additional diversion structures, pipelines, and the expansion of treatment capacity will have to be completed. The

two plants operated by IRWD currently have capacities of 18 and 7.5 million gallons per day (mgd), with a collective capacity of 25.5 mgd. Ultimately, the capacity for these treatment facilities is planned to be 33 and 7.5 mgd, with a collective capacity of 40.5 mgd. Expanding existing infrastructure for wastewater treatment has four primary benefits including:

- Increased recycled water production and utilization,
- Decreased exposure to external treatment costs and operational constraints, and
- Decreased dependencies on imported water supplies.
- Lower total costs.

Water supply and wastewater recycling studies have identified numerous capital improvement projects for wastewater treatment over the next 10 years to achieve the District's goals. This includes the upgrades to IRWD treatment plants as mentioned above and also adding a new storage reservoir to the recycled water system to improve treatment and distribution efficiencies. It is estimated that these projects will save the District an average of \$8 million per year in capital and operating expenses over the next 30 years. In August 2009, the District awarded a project to expand the Michelson Water Recycling Plant to be completed in fiscal year 2012-13 which will increase the recycled water production capacity by 10 million gallons per day.

In addition to the projects identified above, the District has evaluated alternative approaches to handling its wastewater solids. The evaluation of the alternative approaches for handling MWRP solids, currently conveyed to Fountain Valley for treatment by

OCSD, included consideration of many factors such as costs and potential community impacts. IRWD is in the final design process and expects to go to bid in late November 2012 for new capital facilities to be constructed at the MWRP to dewater, digest, and dry to allow safe reuse of solids from this facility,

which are estimated to cost in excess of \$130 million. The treatment process will reduce the District's cost. The construction of solids handling facilities at the MWRP would not begin until the current expansion of the MWRP is complete in early 2013 and is anticipated to be completed in 2016.

Community Education and Outreach

The District has a long history of commitment to community education and outreach and recognizes the significant impact lifelong water education can have on a community including improved water use efficiency and environmental protection. Today, these programs provide a key Best Management Practice under the California Urban Water Conservation Council's memorandum of understanding dedicated to increasing efficient water use statewide. From our student water and science education programs to our Always Water Smart Resident Tours, the District's dedication to community education is considerable.

Community water education and a conservation minded ethic begin at a young age. The District provides innovative water education programs to students in our service area through a unique partnership with the Discovery Science Center. These exceptional programs are available to all kindergarten through middle school students in any public, private or home school in our service area and meet all California curriculum content standards while bringing water education to life for our students. The partnership with the Discovery Science Center allows us to effectively reach students in our service area with innovative and informative water education. Through these programs, we are teaching the next generation of community members to be good stewards of our precious water and environmental resources.

For educators who prefer to do the teaching themselves, the District provides several options. Project WET (Water Education for Teachers) is a one-day water science and education workshop featuring comprehensive water science and education training, curriculum and activity guide, and resources. The program facilitates and promotes awareness, appreciation, knowledge, and stewardship of

water resources through the dissemination of classroom-ready teaching aids and the establishment of internationally sponsored Project WET programs.

The District San Joaquin Marsh Campus, which houses the IRWD Learning Center and Visitors Center, is the embodiment of the District's dedication to lifelong water education. The location of the Campus at the San Joaquin Marsh and Wildlife Sanctuary provides a wide variety educational venues and teaching opportunities utilizing the District's Natural Treatment System, the Butterfly Garden, and the San Diego Creek. The Learning Center is a dedicated facility for water education in our community. The Center features two state-of-the-art classrooms and a patio that can be utilized as an outdoor learning facility. Throughout the year the Center houses not only the District's education programs but also our resident tours, community events, and Project WET teacher training classes. The Visitor's Center at the historic Irvine Ranch Marsh House provides informative self-guided tours on the District's environmental and conservation efforts and is open to the public from 8 a.m. to 4 p.m. seven days a week.

These programs and the District Marsh Campus provide the backbone of the District's community education and outreach efforts. In addition, the District offers Always Water Smart conservation and efficiency workshops and webinars; customized in-class lectures for high school and college classes; and customized tours for community organizations in our service area. Teaching children and in turn, their families about water and the environment at an early age coupled with extensive customer outreach has helped us teach our community as a whole about the importance of protecting our vital resources and how to be Always Water Smart.

Water Conservation Program Implementation

The District strives to be a leader in the innovation and implementation of conservation measures by promoting the most efficient use of water both on a per capita and per acre basis. IRWD led the use of recycled water starting in the late 1960s and presently serves over 4,700 sites with more than 22,500 acre feet of recycled water annually – currently 24% of the District’s total water supply. The District’s allocation-based rate structure, implemented in 1991, was carefully designed to promote the efficient use of water by providing customers pricing signals related to over-use of water. This structure, which IRWD updated in 2009, is recognized as a model for other agencies to emulate.

The District’s Water Conservation Business Plan is a comprehensive strategy that includes not only environmental considerations, but also addresses the considerable positive financial benefits of water conservation for the District and its customers. Specifically:

- As demands for water increase, the District’s unit cost of water tends to increase due to the need to purchase more of the expensive imported water.
- Reduced urban runoff (typically the result of “over-watering”) minimizes water quality degradation from fertilizers, pesticides and animal waste in creeks, rivers and the ocean.
- Reducing water demands also reduces energy demands on electricity, which is needed to convey water.
- Reduced water use indoors results in reduced wastewater generation and attendant treatment costs and capital costs for additional infrastructure.

The basic tenets of the Water Conservation Business Plan include local, state and national policy development and leadership, rate structure improvements, focused customer interface, extensive education and outreach, research and technology advances, and the development of financial incentives. Staff regularly updates the Board on the effectiveness of the Plan and funding needs.

During the past fiscal year, the District provided financial incentives to residential and business customers to install water efficient devices such as high efficiency clothes washers, toilets and irrigation equipment.

Due to the investments made by the District to diversify its resources, expand the use of recycled water and improve water use efficiency, the District provides reliable, high quality water to its customers at the lowest possible cost.

Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Irvine Ranch Water District for its comprehensive annual financial report (CAFR) for the fiscal years ended June 30, 2004 through June 30, 2011. In order to be awarded a Certificate of Achievement, IRWD was required to publish an easily readable and efficiently organized CAFR that satisfied both GAAP and applicable legal requirements.

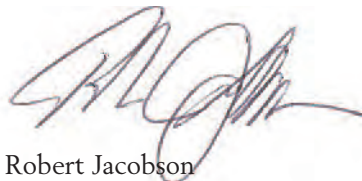
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA to determine its eligibility for another certificate.

Staff would like to acknowledge the IRWD Board of Directors for their unfailing support and for maintaining the highest standards of professionalism in the management of the District's operations and finances. We would also like to thank the dedicated employees of the District for their commitment to providing high quality service to the District's customers. The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. We wish to express our appreciation to all staff that assisted and contributed to the preparation of this report.

Respectfully submitted,



Paul A. Cook
General Manager



Robert Jacobson
Acting Director of Finance

Irvine Ranch Water District List of Principal Officials

Board of Directors:

President and Director

Mary Aileen Matheis

Vice President and Director

John B. Withers

Director

Steven E. LaMar

Director

Douglas J. Reinhart

Director

Peer A. Swan

Executive Management:

General Manager

Paul A. Cook

Executive Director of Water Operations

Dave Pedersen

Executive Director of Engineering & Planning

Kevin Burton

Executive Director of Water Resources & Policy

Gregory Heiertz

Director of Human Resources

Janet Wells

Director of Wastewater Operations

Wayne Posey

Director of Water Resources

Paul Weghorst

Director of Public Affairs

Beth Beeman

Director of Administrative Services

Tony Mossbarger

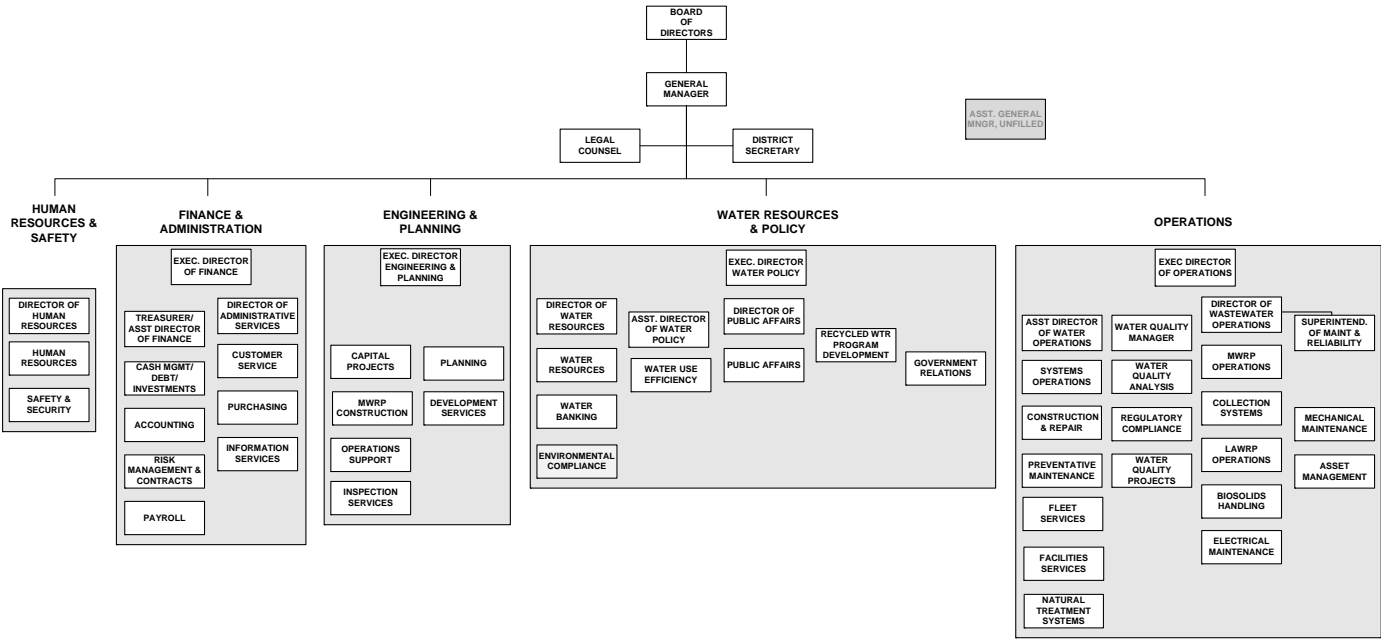
Acting Director of Finance and Treasurer

Robert Jacobson

Irvine Ranch Water District Organizational Chart

(By Function)

Fiscal Year 2011-12 – Revised Effective January 1, 2012



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Irvine Ranch Water District
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

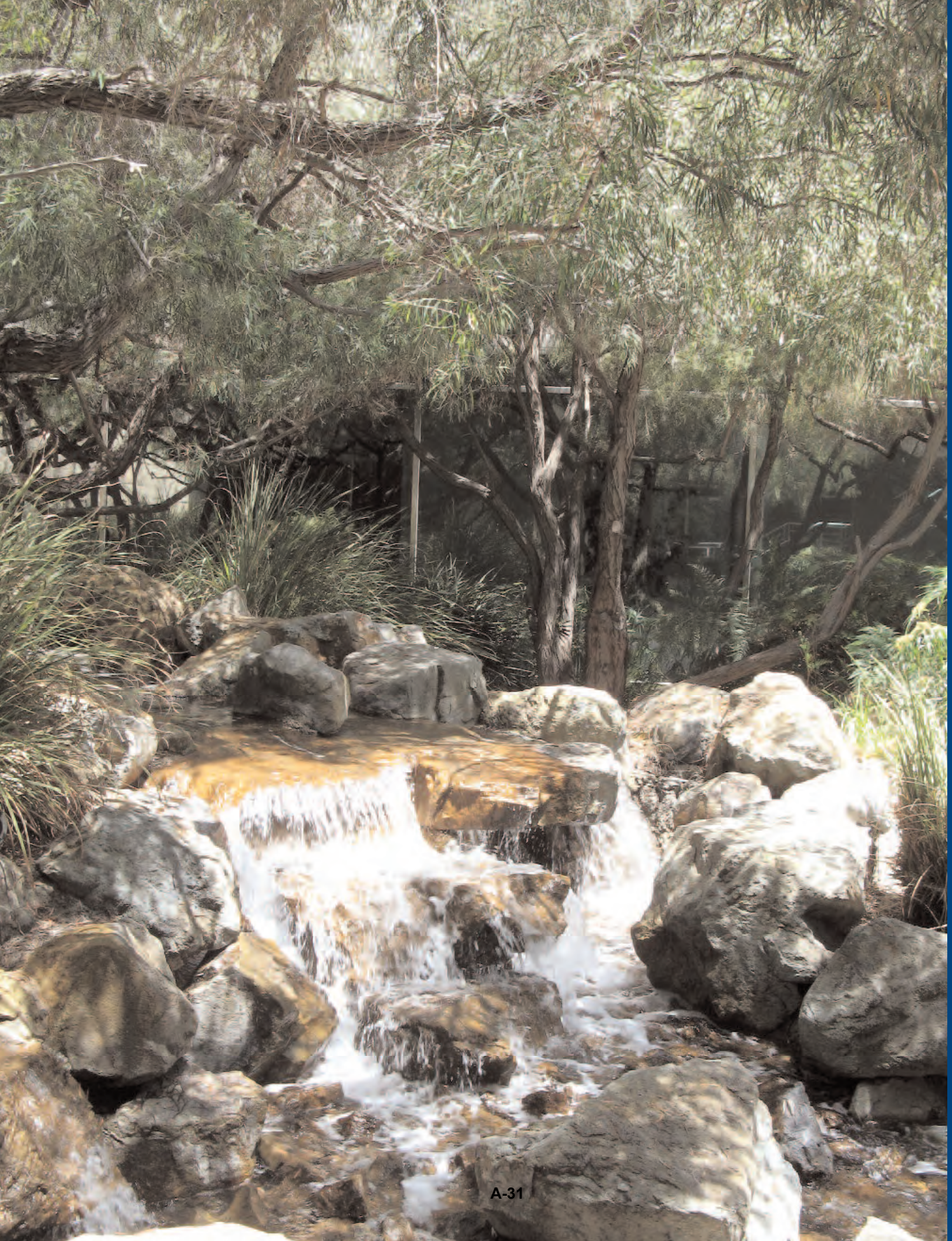


Linda C. Davison

President

Jeffrey R. Emer

Executive Director



Financial Section

Irvine Ranch Water District
Financial Statements
Fiscal Year ended June 30, 2012



Mayer Hoffman McCann P.C.

An Independent CPA Firm

2301 Dupont Drive, Suite 200

Irvine, California 92612

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Board of Directors
Irvine Ranch Water District

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying basic financial statements of the Irvine Ranch Water District (District) as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the management of the District. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative data has been derived from the financial statements of the District for the year ended June 30, 2011 and, in our report dated December 8, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Irvine Ranch Water District as of June 30, 2012, and the changes in financial position and cash flows of the District for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that *management's discussion and analysis* be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Board of Directors
Irvine Ranch Water District
Page Two

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Irvine Ranch Water District's basic financial statements. The supplementary combining schedules identified in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the basic financial statements that collectively comprise the Irvine Ranch Water District's basic financial statements. The introductory section and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 3, 2012 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Mayer Hoffman Melam P.C.

Irvine, California
December 3, 2012

Management's Discussion and Analysis

The following discussion and analysis of the financial performance of the Irvine Ranch Water District (District) provides an overview of the District's financial activities for the fiscal year ended June 30, 2012. Please read it in conjunction with the basic financial statements and notes to the basic financial statements, which follow this analysis.

Financial Highlights

- Total assets exceeded total liabilities by \$1,348.0 million (net assets). Of this amount, \$943.1 million was for invested in capital assets, net of related debt, \$203.4 million was restricted for water services and operation, and \$201.5 million was restricted for sewer services and operation.
- Total revenues including capital contribution increased by \$7.8 million or 3.7 percent primarily due to an increase of \$7.6 million in the capital grants and reimbursements from the Federal, State and local agencies.
- Total expenses increased by \$8.3 million or 4.1 percent primarily due to increases in non-operating expenses relating to the disposal of projects.
- Capital assets increased by \$78.5 million or 5.5 percent primarily due to increases in several major capital projects. The District is continuing its aggressive capital plan, particularly in light of the current favorable bidding environment as a result of the general economic downturn.
- Total debt decreased by \$56.1 million or 4.2 percent primarily due to principal maturities of \$64.8 million.

More information about the overall analysis of the District's financial position and operations is provided in the following sections.

Overview of the Financial Statements

The basic financial statements of the District consist of the financial statements (the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Net Assets, and the Statement of Cash Flows) and notes to the financial statements. The basic financial statements are prepared using the accrual basis of accounting. This report also contains other supplementary information in addition to the basic financial statements.

The **Statement of Net Assets** identifies the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities).

The **Statement of Revenues, Expenses and Changes in Net Assets** provides information on the District's operations and can be used to determine whether the District has recovered all of its costs through its operating and non-operating revenues.

The **Statement of Cash Flows** provides information on the District's cash receipts, cash payments and changes in cash resulting from operations, investments and financing activities.

The **Notes to the Financial Statements** provide additional information that is essential to a full understanding of the data provided in the financial statements.

The **Other Information** includes *required supplementary information and supplementary information*. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's progress in funding its obligation to provide pension benefits and post employment benefits to its employees.

Management's Discussion and Analysis (Continued)

The *supplementary information* that is presented immediately following the notes to the basic financial statements includes combining schedule of net assets for water subfunds and sewer subfunds at the end of the fiscal year.

Financial Analysis of the District

The following condensed schedules contain a summary of financial information that was extracted from the basic financial statements to assist general readers in evaluating the District's overall financial position and results of operations as described in this MD&A. Increases or decreases in these schedules can be used as performance indicators to assess whether the District's overall financial position has improved or deteriorated. At the same time, other external factors such as changes in economic conditions, growth, and legislative mandates should also be considered as part of this assessment.

Net Assets

Net Assets is the difference between assets acquired, owned, and operated by the District and amounts owed (liabilities). Net Assets represents the District's net worth including, but not limited to, capital contributions received to date and all investments in capital assets since formation. Net Assets help answer the following question: "Is the District, as a whole, better or worse off as a result of the year's activities?"

Condensed Statement of Net Assets as of June 30,

| Table 1 | | | | |
|---|-------------|-------------|----------------------------|-------------------|
| Net Assets | | | | |
| (in millions) | | | | |
| | 2012 | 2011 | Increase/(Decrease) | |
| | | | Amount | Percentage |
| Assets | | | | |
| Current and other assets | \$ 384.1 | \$ 415.7 | \$ (31.6) | -7.6% |
| Capital assets, net | 1,508.8 | 1,430.3 | 78.5 | 5.5% |
| Other noncurrent assets | 835.9 | 917.0 | 81.1 | -8.8% |
| Total assets | 2,728.8 | 2,763.0 | (34.2) | -1.2% |
| Liabilities | | | | |
| Current and other liabilities | 99.0 | 97.7 | 1.3 | 1.3% |
| Long-term liabilities | 1,281.8 | 1,323.7 | (41.9) | -3.2% |
| Total liabilities | 1,380.8 | 1,421.4 | (40.6) | -2.9% |
| Net Assets | | | | |
| Invested in capital assets, net of related debt | 943.1 | 900.6 | 42.5 | 4.72% |
| Restricted for water services | 203.4 | 234.3 | (30.9) | -13.2% |
| Restricted for sewer services | 201.5 | 206.7 | (5.2) | -2.5% |
| Total net assets | \$ 1,348.0 | \$ 1,341.6 | \$ 6.4 | 0.5% |

Management's Discussion and Analysis (Continued)

As shown in Table 1, the District's total assets decreased \$34.2 million or 1.2 percent, primarily due to an increase use of the District's capital funds in the amount of \$19.2 million. In addition, the decrease in the District's total assets was due to decreases in the receivables / deposits from the Orange County Sanitation District in the amount of \$10.4 million or 23 percent from \$45.6 million in the prior fiscal year to \$35.2 million in the current fiscal year.

The District's total liabilities decreased \$40.6 million or 2.9 percent, primarily due to principal maturities of \$64.8 million and amortization of deferred refunding charge of \$10.5 million.

Net assets at end of the current fiscal year increased from \$1,341.6 million to \$1,348.0 million compared to the prior fiscal year, indicating approximately a 0.5 percent positive growth in the District's overall financial condition. Net assets consist of the portion invested in capital assets net of related debt and restricted net assets. Net assets invested in capital assets net of related debt is the difference between capital assets net of accumulated depreciation/amortization and the liabilities attributable to the acquisition, construction, or improvement of those assets. Net assets invested in capital assets net of related debt was \$943.1 million or 70.0 percent of total net assets. This was an increase of \$42.5 million or 4.72 percent from the prior fiscal year. Restricted net assets for water services were \$203.4 million or 15.1 percent of total net assets. Restricted net assets for sewer services were \$201.5 million or 14.9 percent of total net assets. Those restricted net assets are externally restricted by a creditor such as through debt covenants or restricted by law or enabling legislation.

Management's Discussion and Analysis (Continued)

Activities and Changes in Net Assets

While the Statement of Net Assets focuses on the District's financial position at June 30 of the current fiscal year, the Statement of Revenues, Expenses, and Changes in Net Assets summarizes the District's operations during the current fiscal year.

Condensed Statement of Revenues, Expenses, and Changes in Net Assets for the fiscal years ended June 30,

Table 2
Revenues, Expenses and Changes in Net Assets
(in millions)

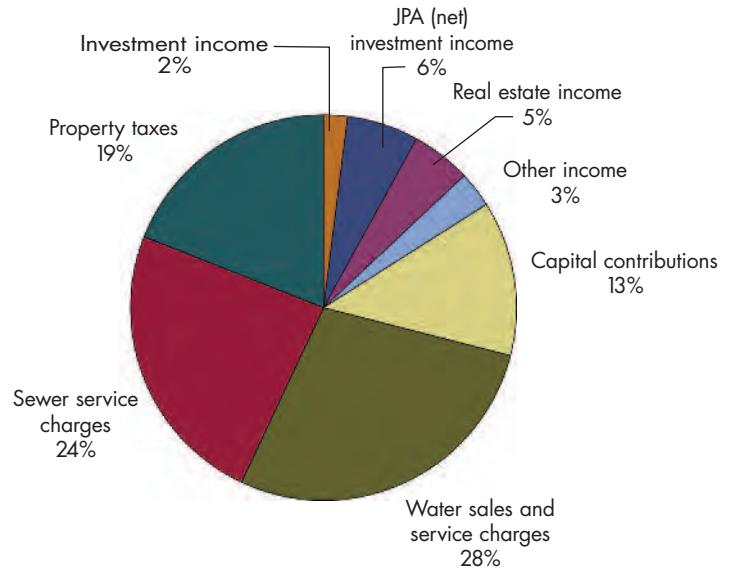
| | 2012 | 2011 | Increase/(Decrease) | |
|--|--------------------------|--------------------------|----------------------|--------------------|
| | | | Amount | Percentage |
| Operating revenues | | | | |
| Water sales and service charges | \$ 57.6 | \$ 54.8 | \$ 2.8 | 5.1% |
| Sewer sales and service charges | 49.2 | 45.4 | 3.8 | 8.4% |
| Total operating revenues | <u>106.8</u> | <u>100.2</u> | <u>6.6</u> | <u>6.6%</u> |
| Non-operating revenues | | | | |
| Property taxes | 38.0 | 38.6 | (0.6) | -1.6% |
| Investment income | 3.1 | 2.6 | 0.5 | 19.2% |
| Increase (decrease) in fair value of investments | (23.5) | (20.2) | (3.3) | 16.3% |
| JPA investment income | 51.5 | 53.7 | (2.2) | -4.1% |
| Real estate income | 11.0 | 9.7 | 1.3 | 13.4% |
| Other income | 6.1 | 8.0 | (1.9) | -23.8% |
| Total non-operating revenues | <u>86.2</u> | <u>92.4</u> | <u>(6.2)</u> | <u>-6.7%</u> |
| Total revenues | <u>193.0</u> | <u>192.6</u> | <u>0.4</u> | <u>0.2%</u> |
| Operating expenses | | | | |
| Water services expenses | 57.2 | 58.2 | (1.0) | -1.7% |
| Sewer services expense | 40.8 | 40.0 | 0.8 | 2.0% |
| Depreciation | 41.3 | 43.6 | (2.3) | -5.3% |
| Total operating expenses | <u>139.3</u> | <u>141.8</u> | <u>(2.5)</u> | <u>-1.8%</u> |
| Non-operating expenses | | | | |
| Interest expense | 16.9 | 14.2 | 2.7 | 19.0% |
| JPA interest expense | 39.6 | 41.3 | (1.7) | -4.1% |
| Real estate expense | 6.0 | 6.0 | - | 0.0% |
| Other expense | 10.7 | 0.9 | 9.8 | 1088.9% |
| Total non-operating expenses | <u>73.2</u> | <u>62.4</u> | <u>10.8</u> | <u>17.3%</u> |
| Total expenses | <u>212.5</u> | <u>204.2</u> | <u>8.3</u> | <u>4.1%</u> |
| Income/(loss) before capital contributions | (19.5) | (11.6) | (7.9) | 68.1% |
| Capital contributions | 25.9 | 18.5 | 7.4 | 40.0% |
| Change in Net Assets | 6.4 | 6.9 | (0.5) | -7.2% |
| Beginning Net Assets | 1,341.6 | 1,334.7 | 6.9 | 0.5% |
| Ending Net Assets | <u><u>\$ 1,348.0</u></u> | <u><u>\$ 1,341.6</u></u> | <u><u>\$ 6.4</u></u> | <u><u>0.5%</u></u> |

Management's Discussion and Analysis (Continued)

Revenue:

As shown in Table 2, operating revenues, comprising 59.6 percent of total revenues, increased by \$6.6 million or 6.6 percent. The increase in the operating revenue was primarily attributable to an increase in water (treated, untreated and recycled) consumption of 4,874.0 acre-feet or 6.3 percent from 76,776.1 acre-feet in the prior fiscal year to 81,650.1 acre-feet in the current fiscal year. In addition, the increase was due to overall customer growth in the District's service areas. The chart below illustrates the sources of revenue for the fiscal year ended June 30, 2012, excluding the change in the fair market value of investments. JPA investment income and interest expense are consolidated in the graph to simplify the presentation.

Sources of Revenue for Fiscal Year Ended June 30, 2012
(excluding change in fair market value of investments)



Net non-operating revenues, net of JPA interest expense, accounted for 26.0 percent of total revenue for the fiscal year ended June 30, 2012, and decreased by \$4.5 million or 8.8 percent, primarily due to changes in fair value of the District's investments of \$3.3 million or 16.3 percent.

Capital contributions accounted for the remaining \$25.9 million or 14.4 percent of total revenues for the fiscal year ended June 30, 2012. Capital contributions increased by \$7.4 million or 40.0 percent, primarily due to an increase of \$7.6 million or 230.3 percent in capital grants and reimbursements from the Federal, State and local agencies.

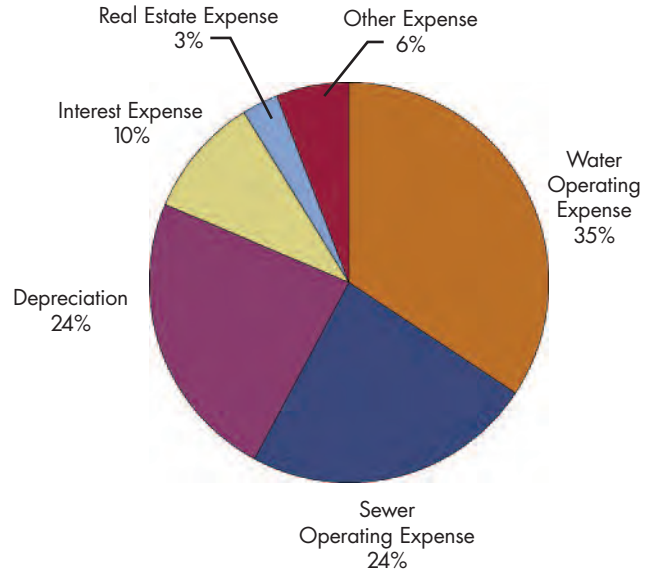
Management's Discussion and Analysis (Continued)

Expenses:

As shown in Table 2, operating expenses before depreciation comprise 70.4 percent of the total operating expenses and decreased by \$0.2 million or 0.2 percent. Water expenses decreased by \$1.0 million or 1.7 percent primarily due to the use of native water stored in the Irvine Lake. Sewer expenses increased by \$0.8 million or 2.0 percent primarily due to the cost of handling, treatment, and disposal of wastewater solids residuals to the OCSD Wastewater System. Non-operating expenses increased by \$10.8 million or 17.3 percent primarily due to an increase of \$10.3 million in disposal of various types of projects.

Combined operating and non-operating revenues before capital contributions were \$153.4 million, which was \$19.5 million less than combined operating and non-operating expenses.

Functional Expenses for Fiscal Year Ended June 30, 2012



Management's Discussion and Analysis (Continued)

Capital Assets

The District's investment in capital assets consisted of the following as of June 30,

Table 3
Capital Assets, Net of Depreciation
(in millions)

| | 2012 | 2011 | Increase/(Decrease) | |
|--------------------------------|-------------------|-------------------|---------------------|-------------|
| | | | Amount | Percentage |
| Waterworks in service | \$ 813.7 | \$ 774.4 | \$ 39.3 | 5.1% |
| Sewer plant in service | 922.0 | 896.7 | 25.3 | 2.8% |
| Less: accumulated depreciation | (551.2) | (511.9) | (39.3) | 7.7% |
| Land and water rights | 66.1 | 59.5 | 6.6 | 11.1% |
| Construction in progress | 258.2 | 211.6 | 46.6 | 22.0% |
| Total | \$ 1,508.8 | \$ 1,430.3 | \$ 78.5 | 5.5% |

Capital assets, net of depreciation increased \$78.5 million or 5.5% from \$1,430.3 million in the prior fiscal year to \$1,508.8 million in the current fiscal year. The increase is because the District is continuing its aggressive capital plan, particularly in light of the current favorable bidding environment as a result of the general economic downturn.

Additional information on the District's capital assets can be found in Note 5 of the Notes to the Basic Financial Statements.

Total projects transferred from Construction in Progress to Capital Assets during the fiscal year ended June 30, 2012 were \$80.8 million. Among the more significant projects transferred were (in millions):

| | |
|--|--------|
| Asset Optimization-Sand Canyon Development | \$ 8.0 |
| Water Resources Development | 7.2 |
| NTS: Cienega Filtration Project | 6.6 |
| Jeffery & RR Grade Separation DW Relocation | 3.4 |
| Tustin Legacy Well 1 Site Acquisition & Drilling | 3.3 |
| Lake Forest Woods Area Sewer Rehabilitation | 3.3 |
| Destruction and Replacement of IRWD Well 78 | 3.2 |

Management's Discussion and Analysis (Continued)

Debt Administration

As shown below in Table 4, as of June 30, 2012, the District had total debt outstanding of \$1,273.1 million, which was a decrease of \$56.1 million, or 4.2 percent from the prior fiscal year. The decrease was primarily due to principal maturities of \$64.8 million and amortization of deferred refunding charge of \$10.5 million.

Table 4
Outstanding Debt (including current portions)
(in millions)

| | 2012 | 2011 | Increase/(Decrease) | |
|-------------------------------|-------------------|-------------------|---------------------|--------------|
| | | | Amount | Percentage |
| General obligation bonds | \$ 548.5 | \$ 562.1 | \$ (13.6) | -2.4% |
| Joint Powers Agency bonds | 638.5 | 676.4 | (37.9) | -5.6% |
| Certificates of participation | 83.6 | 88.0 | (4.4) | -5.0% |
| Notes payable | 2.5 | 2.7 | (0.2) | -7.4% |
| Total | <u>\$ 1,273.1</u> | <u>\$ 1,329.2</u> | <u>\$ (56.1)</u> | <u>-4.2%</u> |

The District has received the following ratings from the three major rating agencies:

| | |
|----------------------|-----|
| Fitch Ratings: | AAA |
| Moody's: | Aa1 |
| Standard and Poor's: | AAA |

Additional information on the District's long-term debt can be found in Note 9 of the Notes to the Basic Financial Statements.

Contacting the District's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general review of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Senior Director of Finance's Office at the Irvine Ranch Water District, 15600 Sand Canyon Avenue, Irvine, California 92618-7500.

Irvine Ranch Water District
Statement of Net Assets
June 30, 2012
(with comparative data for June 30, 2011)
(amounts expressed in thousands)

| | 2012 | 2011 |
|---|------------------|------------------|
| ASSETS: | | |
| Current Assets: | | |
| Cash and Investments (note 2) | \$ 240,893 | \$ 283,134 |
| Receivables: | | |
| Customer accounts receivable | 6,538 | 5,955 |
| Interest receivable | 376 | 620 |
| Joint Powers Agency (JPA) interest receivable | 19,009 | 19,848 |
| Notes receivable, current portion | 11 | 11 |
| Allen-McColloch Pipeline receivable, current portion (note 8) | 492 | 457 |
| Due from other agencies (note 17) | 35,179 | 45,575 |
| Other receivables | 8,575 | 6,098 |
| Total receivables | 70,180 | 78,564 |
| Other Current Assets: | | |
| Inventories (note 4) | 2,233 | 1,803 |
| Prepaid items and deposits | 40,294 | 22,352 |
| JPA investment program, current portion (note 2) | 30,462 | 29,861 |
| Total other current assets | 72,989 | 54,016 |
| Total current assets | 384,062 | 415,714 |
| Noncurrent Assets: | | |
| Capital Assets (note 5): | | |
| Waterworks in service | 813,675 | 774,411 |
| Sewer plant in service | 922,018 | 896,679 |
| Subtotal | 1,735,693 | 1,671,090 |
| Less accumulated depreciation | (551,207) | (511,848) |
| Total capital assets being depreciated, net | 1,184,486 | 1,159,242 |
| Land and Water Rights | 66,162 | 59,495 |
| Construction in progress | 258,177 | 211,602 |
| Total capital assets, net | 1,508,825 | 1,430,339 |
| Other Noncurrent Assets: | | |
| Debt service cash and investments (note 2) | 68,949 | 123,107 |
| Unamortized debt issuance expense | 2,407 | 2,690 |
| Notes receivable, net of current portion | 137 | 149 |
| Allen-McColloch Pipeline receivable, net (note 8) | 2,384 | 2,876 |
| JPA investment program, net of current portion (note 2) | 649,130 | 702,863 |
| Real estate investments (note 7) | 48,325 | 41,360 |
| Net pension asset (note 14) | 11,605 | 11,283 |
| Deferred outflow (note 3) | 52,959 | 32,654 |
| Total other noncurrent assets | 835,896 | 916,982 |
| Total noncurrent assets | 2,344,721 | 2,347,321 |
| TOTAL ASSETS | 2,728,783 | 2,763,035 |

(Continued)

See accompanying notes to the basic financial statements.

Irvine Ranch Water District
Statement of Net Assets
June 30, 2012
(with comparative data for June 30, 2011)
(amounts expressed in thousands)
(Continued)

| | <u>2012</u> | <u>2011</u> |
|--|---------------------|---------------------|
| LIABILITIES AND NET ASSETS: | | |
| Current Liabilities: | | |
| Account payable and accrued expenses | 24,968 | 28,105 |
| Customer deposits and advance payments | 449 | 1,444 |
| Accrued interest: | | |
| General obligation bonds | 1,685 | 1,588 |
| JPA revenue bonds | 8,554 | 9,265 |
| Other accrued interest payable | 2,474 | 2,519 |
| Current portion of long-term liabilities: | | |
| General obligation bonds (note 9) | 14,206 | 10,401 |
| Certificates of participation (note 9) | 4,917 | 4,427 |
| JPA revenue bonds (note 9) | 39,904 | 37,894 |
| Notes payable (note 9) | 254 | 253 |
| Other long term liabilities (note 9) | 1,090 | 1,211 |
| Deferred revenue (note 10) | 525 | 594 |
| Total current liabilities | <u>99,026</u> | <u>97,701</u> |
| Long-Term Liabilities: | | |
| General obligation bonds, net of current portion (note 9) | 534,343 | 551,650 |
| Certificates of participation, net of current portion (note 9) | 78,698 | 83,616 |
| JPA revenue bonds, net of current portion (note 9) | 598,618 | 638,521 |
| Notes payable, net of current portion (note 9) | 2,240 | 2,494 |
| Other long term liabilities (note 9) | 3,305 | 2,864 |
| Deferred revenue, net of current portion (note 10) | 9,425 | 9,950 |
| Net OPEB obligation (note 15) | 2,210 | 1,984 |
| Swap liability (note 3) | 52,959 | 32,654 |
| Total long-term liabilities | <u>1,281,798</u> | <u>1,323,733</u> |
| TOTAL LIABILITIES | <u>1,380,824</u> | <u>1,421,434</u> |
| NET ASSETS (note 13): | | |
| Invested in capital assets, net of related debt | 943,114 | 900,605 |
| Restricted for water services | 203,372 | 234,261 |
| Restricted for sewer services | 201,473 | 206,735 |
| TOTAL NET ASSETS | <u>\$ 1,347,959</u> | <u>\$ 1,341,601</u> |

See accompanying notes to the basic financial statements.

Irvine Ranch Water District
Statement of Revenues, Expenses, and Changes in Net Assets
For the Fiscal Year Ended June 30, 2012
(with comparative data for the Fiscal Year Ended June 30, 2011)
(amounts expressed in thousands)

| | <u>2012</u> | <u>2011</u> |
|--|---------------------|---------------------|
| OPERATING REVENUES: | | |
| Water sales and service charges | \$ 57,558 | \$ 54,796 |
| Sewer sales and service charges | 49,234 | 45,375 |
| Total operating revenues | <u>106,792</u> | <u>100,171</u> |
| OPERATING EXPENSES: | | |
| Water: | | |
| Water services | 40,593 | 42,383 |
| General and administrative | 14,453 | 13,663 |
| Customer accounts | 2,142 | 2,242 |
| Sewer: | | |
| Sewer services | 26,817 | 30,787 |
| General and administrative | 12,729 | 7,669 |
| Customer accounts | 1,332 | 1,495 |
| Depreciation | 41,378 | 43,592 |
| Total operating expenses | <u>139,444</u> | <u>141,831</u> |
| Operating income (loss) | <u>(32,652)</u> | <u>(41,660)</u> |
| NONOPERATING REVENUES (EXPENSES): | | |
| Property taxes | 38,062 | 38,679 |
| Investment income | 3,132 | 2,599 |
| Increase (decrease) in fair value of investments | (23,586) | (20,172) |
| JPA investment income | 51,530 | 53,708 |
| Real estate income | 11,039 | 9,719 |
| Other income | 6,141 | 7,987 |
| Interest expense | (16,924) | (14,174) |
| JPA interest expense | (39,603) | (41,264) |
| Real estate expense | (6,016) | (6,004) |
| Other expenses | (10,713) | (989) |
| Total nonoperating revenues (expenses) | <u>13,062</u> | <u>30,089</u> |
| Income (loss) before capital contributions | (19,590) | (11,571) |
| CAPITAL CONTRIBUTIONS: | | |
| Donated facilities | 6,037 | 4,620 |
| Connection fees | 9,030 | 10,572 |
| Other | 10,881 | 3,314 |
| Increase (decrease) in net assets | <u>6,358</u> | <u>6,935</u> |
| NET ASSETS AT BEGINNING OF YEAR | 1,341,601 | 1,334,666 |
| NET ASSETS AT END OF YEAR | <u>\$ 1,347,959</u> | <u>\$ 1,341,601</u> |

See accompanying notes to the basic financial statements.

Irvine Ranch Water District
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2012
(with comparative data for the Fiscal Year Ended June 30, 2011)
(amounts expressed in thousands)

| | <u>2012</u> | <u>2011</u> |
|--|-------------------|----------------|
| Cash flows from operating activities: | | |
| Cash received from customers and users | \$ 102,143 | \$ 110,148 |
| Swap collateral deposits | (27,946) | (985) |
| Return of swap collateral deposits | 8,636 | - |
| Cash paid to suppliers of goods and services | (49,497) | (47,560) |
| Cash paid for employees services | (39,141) | (41,690) |
| Net cash provided by (used for) operating activities | <u>(5,805)</u> | <u>19,913</u> |
| Cash flows from noncapital financing activities: | | |
| Property tax receipts | 36,165 | 36,729 |
| Net cash provided by noncapital financing | <u>36,165</u> | <u>36,729</u> |
| Cash flows from capital and related financing activities: | | |
| Acquisition and construction of capital assets | (115,930) | (103,713) |
| Proceeds from issuance of long-term debt | 53,540 | 276,666 |
| Principal payments on long-term liabilities | (118,294) | (142,338) |
| Interest and Issuance Costs on Long Term Liabilities | (47,917) | (46,882) |
| Developer connection fees and related receipts | 19,911 | 13,886 |
| Net cash provided by (used for) capital and related financing activities | <u>(208,690)</u> | <u>(2,381)</u> |
| Cash flows from investing activities: | | |
| Investment earnings | 53,266 | 55,890 |
| Investment earnings in real estate | 5,023 | 5,452 |
| Proceeds from sale or maturity of investments | 228,936 | 373,471 |
| Purchases of investments | (223,899) | (411,673) |
| Acquisition of real estate | (6,965) | - |
| Collections on notes receivable | 13 | 451 |
| Additions (reductions) to notes receivable | 457 | (11) |
| Net cash provided by (used for) investing activities | <u>56,831</u> | <u>23,580</u> |
| Net increase (decrease) in cash and cash equivalents | (121,499) | 77,841 |
| Cash and cash equivalents at beginning of year (as restated) | <u>311,081</u> | <u>233,240</u> |
| Cash and cash equivalents at end of year | <u>\$ 189,582</u> | <u>311,081</u> |

(Continued)

See accompanying notes to the basic financial statements.

Irvine Ranch Water District
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2012
(with comparative data for the Fiscal Year June 30, 2011)
(amounts expressed in thousands)
(Continued)

| | <u>2012</u> | <u>2011</u> |
|--|--------------------|--------------------|
| Reconciliation of cash and cash equivalents to amounts reported on the Statement of Net Assets: | | |
| Cash and investments | \$ 240,893 | \$ 283,134 |
| JPA investment program, current portion | 30,462 | 29,861 |
| Debt service cash and investments | 68,949 | 123,107 |
| JPA investment program, net of current portion | <u>649,130</u> | <u>702,863</u> |
| Subtotal | 989,434 | 1,138,965 |
| Less long-term investments | <u>(799,852)</u> | <u>(827,884)</u> |
| Cash and cash equivalents at end of year | <u>\$ 189,582</u> | <u>\$ 311,081</u> |
| Reconciliation of operating income to net cash provided by (used for) operating activities: | | |
| Operating income (loss) | \$ (32,652) | \$ (41,660) |
| Adjustments to reconcile operating income to net cash provided by (used for) operating activities: | | |
| Other nonoperating income | 6,141 | 7,987 |
| Other nonoperating expenses | (10,713) | (989) |
| (Gain) loss on disposition of capital assets | 3,503 | (206) |
| Depreciation | 41,378 | 43,592 |
| (Increase) decrease in customer receivables | (583) | (319) |
| (Increase) decrease in other receivables | (2,477) | 2,445 |
| (Increase) decrease in inventories | (430) | 4,163 |
| (Increase) decrease in prepaid expenses and other assets | (5,160) | 958 |
| (Increase) decrease in net pension asset | (322) | (6,468) |
| Increase (decrease) in accounts payable and accrued expenses | (3,138) | 10,331 |
| Increase (decrease) in customer deposits and advance payments | (995) | 1,271 |
| Increase (decrease) in compensated absences | 11 | (93) |
| Increase (decrease) in unearned revenue | (594) | (1,407) |
| Increase (decrease) in net OPEB obligation | <u>226</u> | <u>308</u> |
| Net cash provided by (used for) operating activities | <u>\$ (5,805)</u> | <u>\$ 19,913</u> |
| Noncash investing, capital and financing activities: | | |
| Contributions of capital assets from developers | \$6,037 | \$4,620 |
| Unrealized gain (loss) on investments | <u>(23,586)</u> | <u>(20,172)</u> |
| Total noncash investing, capital and financing activities | <u>\$ (17,549)</u> | <u>\$ (15,552)</u> |

See accompanying notes to the basic financial statements.

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

The Irvine Ranch Water District (District) was formed in 1961 as a special district under Division 13 of the California Water Code (the Act). The District provides potable and reclaimed water service as well as sewage collection, treatment, and disposal to users within its boundaries.

The District is divided geographically into sixteen water and seventeen sewer improvement districts (IDs), as well as several planning areas (PAs) that function as informal improvement districts. Each improvement district is a sub-fund of the District and their primary purpose is to allocate costs and funding on an equitable basis for the construction of water, sewer, and reclaimed water infrastructure. Most improvement districts have authority to issue general obligation bonds to finance the construction of capital facilities that were identified and valued in a Plan of Works specific to the improvement district. Each improvement district with authority to issue general obligation bonds also has the authority to levy and collect connection fees and ad valorem taxes on the land within its legal boundaries sufficient to meet its general obligation bond indebtedness.

Planning areas are not formal improvement districts, but are intended to become so if and when development plans are approved within that planning area and future development is expected to take place. Occasionally, planning areas encompass an already fully developed area that was annexed into the overall District, and consequently, these areas are intended to remain as planning areas. They are not included in regional cost allocations or other forms of cost allocation for new capital facilities needed to meet new or future demand. Equity considerations are addressed when these areas are consolidated into the overall District, and the funding source used to meet these equity considerations is user rates.

Connection fees and property taxes vary by improvement district based upon, among other considerations, total capital costs, ratio of developed to undeveloped land, and development densities; however, water and sewer user fees are uniform throughout the District, with the exceptions of the Los Alisos and Orange Park Acres service areas. The Los Alisos and Orange Park Acres areas were consolidated into the District in 2001 and 2008, respectively. Los Alisos and Orange Park Acres currently have separate user rate structures for water sales and service charges.

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

Description of the Reporting Entity

The financial statements of the District include the financial activities of the following sub-fund improvement districts and planning areas:

Irvine Ranch Water District IDs and PAs:

| | |
|-------------------------------|--|
| 100/101/199 & 200/210/211/299 | Overall District Boundary (excluding new annexations) |
| 112/212 | Former El Toro Marine Base |
| 113/213 | Former Tustin Marine Base |
| 115/215 | Redevelopment Associated with Irvine Business Complex |
| 120/121 & 220/221 | Woodbridge/Irvine |
| 130/230 | Irvine Business District/Spectrum/ Shady Canyon/Laguna Laurel |
| 135/235 | Los Alisos Area |
| 140/240 | Newport Coast/Newport Ridge |
| 150/250 | Tustin Ranch/Northern Sphere |
| 252 | Santiago Hills |
| 153/253 | East Orange |
| 154/155 | Santiago Canyon(s) |
| 156/256 | Orange Park Acres |
| 160/161 & 260/261 | Turtle Rock |
| 182/282 | Foothill Ranch Residential |
| 184/284 | Foothill Ranch Commercial |
| 186/189 & 286/289 | Portola Hills Residential |
| 188/288 | Portola Hills Commercial |

Blended Component Units – Blended component units although legally separate entities, are, in substance, part of the government’s operations since they have the same governing board as the primary government. The District has the following blended component units:

The Irvine Ranch Water District Water Service Corporation – In January of 1997, the District formed a 501(c)(4) corporation for the purpose of financing and acquiring water, sewer and other public improvements. The Corporation’s transactions are related to participation in the Irvine Ranch Water District Water Service Company, LLC to effect the merger of the Santa Ana Heights Water Company and the issuance of the 2002 Certificates of Participation, 2008 Refunding Certificates of Participation, and 2010 Refunding Certificates of Participation.

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

The Irvine Ranch Water District Water Service Corporation, (Continued) – The Corporation’s bylaws mandate that the members of the District’s Board of Directors shall constitute the Corporation’s five-member Board of Directors. The Irvine Ranch Water District Water Service Corporation does not issue separate financial statements.

IRWD Water Service Company II, LLC (LLC II) – LLC II was created to effect the merger of the Orange Park Acres Mutual Water Company into the Irvine Ranch Water District. The merger was certified by the State of California on February 1, 2008, and became effective on June 1, 2008. The Orange Park Acres area’s financial data and transactions are included in Planning Area 156. The two members of the LLC II are the District and the Irvine Ranch Water District Water Service Corporation (described above). The LLC II does not issue separate financial statements.

The Irvine Ranch Water District Joint Powers Agency (JPA) – The JPA was formed pursuant to a joint powers agreement, dated December 22, 1986, and amended as of January 1, 1988, between the District and the Community Facilities District of the Irvine Ranch Water District. The agreement remains in effect until December 31, 2011 or until all bonds or other indebtedness issued has been retired. The JPA is governed by a Commission consisting of the five members of the Board of Directors of the District. The District selects the management of the JPA, is able to significantly influence operations and has full accountability for fiscal affairs. The JPA’s financial data and transactions are included in Improvement Districts identified in the accompanying Supplementary Information schedules as 300 and 400. The JPA does not issue separate financial statements.

Bardeen Partners, Inc. – In March of 1991, the District formed a 501(c)(4) corporation for the purpose of accounting for the financial data and transactions of the District’s real estate investments, including the investments in Wood Canyon Villas, Sycamore Canyon Apartments, and Irvine Technology Center. Bardeen Partners is governed by a Board of Directors consisting of the five members of the District’s Board of Directors. The District accounts for the Corporation’s activities in Improvement Districts identified in the accompanying Supplementary Information schedules as 801 through 804. Bardeen Partners does not issue separate financial statements.

Irvine Ranch Water District Improvement Corporation – In August of 1986, the District formed a 501(c)(4) corporation for the purpose of financing water, sewer and other public improvements. The Corporation’s only transactions are related to the debt service payments on the outstanding 1986 Certificates of Participation which were refunded by the Irvine Ranch Water District Service Corporation Certificates of Refunding Series 2010. Five District Board of Directors are required to be the five members of the Corporation’s Board of Directors. The District accounts for the Corporation’s activities in several Improvement Districts. The Irvine Ranch Water District Improvement Corporation does not issue separate financial statements.

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(b) Basic Financial Statements

The basic financial statements are comprised of the Statement of Net Assets, the Statement of Revenues, Expenses and Changes in Net Assets, the Statement of Cash Flows and the Notes to the Basic Financial Statements.

(c) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The District is accounted for as an enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges. The District utilizes the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized as they are incurred. Internal activity has been eliminated in the accompanying financial statements.

The District applies all applicable GASB pronouncements in accounting and reporting for proprietary operations as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradicts GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB's) of the Committee on Accounting Procedure.

The District distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with water and sewer operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses include cost of sales and services, general and administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Capital contributions consist of contributed capital assets, connection fees and other charges that are legally restricted for capital expenditures by state law or by the Board action that established those charges.

Net assets of the District have been reported as restricted when their use is constrained more narrowly than the reporting unit in which they are reported as a result of state laws governing such use. When both restricted and unrestricted resources are available for use, the District uses unrestricted resources first, and then restricted resources as they are needed. For capital expenditures, legally available restricted bond proceeds are used first, and then other restricted resources, then unrestricted resources are used if needed.

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(d) Property Taxes

The District is authorized under the Act to levy taxes on all taxable property (lands only) within its boundaries for the purposes of paying certain of its debt obligations, subject to certain limitations in the Act, the Revenue and Taxation Code and the California Constitution. The District also receives a portion of the County's 1% ad valorem property taxes from certain lands within its boundaries. Property tax revenue is recognized in the fiscal year in which the taxes are levied.

The property tax calendar is as follows:

| | |
|------------------|---|
| Lien date: | January 1 |
| Levy date: | July 1 |
| Due date: | First installment – November 1 Second installment – February 1 |
| Delinquent date: | First installment – December 10 Second installment – April 10 |

The assessment, levy and collection of property taxes are the responsibility of the County of Orange, and are remitted to the District periodically.

(e) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near to their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of 3 months or less. Cash and cash equivalents as of July 1, 2010 has been increased by \$182,544 to include the restricted portion of LAIF balances.

(f) Investments

Investments are reported in the accompanying Statement of Net Assets at fair value, except for certain investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

Changes in fair value that occur during the fiscal year are recognized as *increase (decrease) in fair value of investments* reported for that fiscal year. *Investment income* includes interest earnings.

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(g) Real Estate Investments

Real estate investments consist of a wholly-owned apartment complex and two commercial office buildings. The District is also a party to a real estate limited partnership in which the District has a 50% or less ownership interest and does not exercise control. The limited partnership is accounted for using the equity method of accounting.

(h) Inventory and Prepaid Items

Inventory includes water purchased in storage and is stated at the original cost on the first in, first out basis. The consumption method is used to account for materials and supplies inventory. Inventory is recorded when purchased, and expensed at the time the inventory is consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

(i) Capital Assets

Capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair market value on the date received. The District capitalizes all assets with a historical cost of at least \$2,500 and a useful life of at least three years. The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.

Depreciation is computed utilizing the straight-line method over the following estimated useful lives:

| | |
|-------------------------|-----------------|
| Waterworks in service: | |
| General plant | 3 to 40 years |
| Utility plant | 10 to 100 years |
| Sewer plant in service: | |
| General plant | 3 to 40 years |
| Utility plant | 10 to 86 years |

(j) Unamortized Debt Issuance Expense

Direct expenses incurred in obtaining financing are capitalized and amortized over the lives of the respective borrowings.

(k) Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation benefits up to certain limits. Earned vacation pay to a maximum of 320 hours (or more with written approval of the General Manager) and 50% of accumulated sick leave up to a maximum of 960 hours may be paid upon termination of employment.

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(k) Compensated Absences (Continued)

Sick leave hours accrue at the rate of one day per month and employees may elect to receive cash for accumulated sick leave for up to 96 hours in excess of the first 40 hours accumulated. All accumulated vacation and vested sick leave pay is recorded as an expense and a liability at the time the benefit is earned.

(l) Comparative Financial Statements and Reclassifications

The information included in the accompanying financial statements for the prior year has been presented for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Certain amounts presented in the prior year financial statements have been reclassified in order to be consistent with the current year's presentation.

(2) Cash and Investments

Cash and investments as of June 30, 2012 are classified in the accompanying financial statements as follows (in thousands):

| | | |
|---|----|---------|
| Cash and investments | \$ | 240,893 |
| Debt service cash and investments | | 68,949 |
| Subtotal | | 309,842 |
| | | |
| JPA investment program, current portion | | 30,462 |
| JPA investment program | | 649,130 |
| Subtotal JPA investments* | | 679,592 |
| | | |
| Total cash and investments | \$ | 989,434 |

*See note 9 for corresponding JPA long-term liabilities.

Cash and investments as of June 30, 2012 consist of the following (in thousands):

| | | |
|--------------------------------------|----|---------|
| Cash on hand | \$ | 3 |
| Deposits with financial institutions | | (3,094) |
| Investments | | 992,525 |
| Total cash and investments | \$ | 989,434 |

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(2) Cash and Investments (Continued)

Investments Authorized by the California Government Code, the California Water Code, and the District's Investment Policy

The following table identifies the investment types that are authorized for the District by the California Government Code, the California Water Code, and the District's investment policy, whichever is most restrictive. The table also identifies certain provisions of the California Government Code, the California Water Code, and the District's investment policy that address interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District's investment policy.

| <u>Authorized Investment Type</u> | <u>Maximum Maturity*</u> | <u>Maximum Percentage of Portfolio**</u> | <u>Maximum Investment in One Issuer</u> |
|---------------------------------------|------------------------------|--|---|
| Local Agency Bonds | 5 years | None | None |
| U.S. Treasury Obligations | 5 years | None | None |
| U.S. Agency Securities | 5 years | None | None |
| Banker's Acceptances | 180 days | 40% | 30% |
| Commercial Paper | 270 days | 25% | 10% |
| Negotiable Certificates of Deposit | 5 years | 30% | None |
| Repurchase Agreements | 1 year | None | None |
| Reverse Repurchase Agreements | 92 days | 20% of base value | None |
| Medium-Term Notes | 5 years | 30% | None |
| Money Market Mutual Funds | N/A | 20% | 10% |
| Mortgage Pass-Through Securities | 5 years | 20% | None |
| Orange County Treasury Pool | N/A | None | None |
| Local Agency Investment Fund (LAIF) | N/A | None | None |
| Real estate investments | N/A | 30%*** | None |

* Maximum maturity unless express authority has been granted otherwise by the Board of Directors pursuant to the California Government Code Section 53601.

** Excluding amounts held by bond trustee that are not subject to California Government Code restrictions.

*** 30% of Replacement Fund, as authorized by the California Water Code.

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(2) Cash and Investments, (Continued)

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. Except for the bonds issued by the District's Joint Powers Authority (JPA), none of the District's bond trustees hold any debt proceeds or monies that are subject to investment under the debt agreements. The table below identifies the investment types that are authorized for investments held by the JPA bond trustee, subject to certain restrictions in the debt agreements.

Authorized Investment Type

U.S. Treasury Obligations
U.S. Agency Securities
Certificates of Deposit
Banker's Acceptances
Commercial Paper
Money Market Mutual Funds
Repurchase Agreements
Investment Contracts

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(2) Cash and Investments, (Continued)

Disclosures Relating to Interest Rate Risk, (Continued)

Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity (in thousands):

| <u>Investment Type</u> | <u>Amount</u> | <u>Remaining Maturity</u> | | | |
|------------------------------|-------------------|------------------------------|----------------------------|--------------------------------------|--------------------------------------|
| | | <u>12 Months Or Less</u> | <u>13 to 36 Months</u> | <u>37-60 Months</u> | <u>More Than 60 Months</u> |
| Federal agency securities | \$ 120,259 | - | 120,259 | - | - |
| Local agency bonds | 3,850 | 3,850 | - | - | - |
| Local Agency Investment Fund | 184,250 | 184,250 | - | - | - |
| Money market funds | 4,574 | 4,574 | - | - | - |
| JPA cash and investments: | | | | | |
| Federal agency securities | 425,185 | 14,742 | 410,443 | - | - |
| Investment contract | 254,407 | 15,720 | 238,687 | - | - |
| Total | <u>\$ 992,525</u> | <u>223,136</u> | <u>769,389</u> | <u style="text-align: center;">-</u> | <u style="text-align: center;">-</u> |

In March and April 2008, the Board of Directors approved variable rate demand notes (VRDN) of California municipal issuers as authorized investments, subject to specified criteria that included such factors as ratings, maturity, redemption notices, and certain issuers. This Board-approved criteria was designed to maintain adequate safety and liquidity while achieving moderately higher yields. Purchases of VRDNs are based on the underlying credit of the issuers and their ability to restructure the transactions within a reasonable period of time. At June 30, 2012, the District's investment portfolio held \$3.85 million of VRDNs with a yield of 0.22%. A summary of the VRDN securities is shown in the following table, accompanied by a general discussion of the VRDN market.

| <u>Issuer Rating (1)</u> | <u>Issuer</u> | <u>Par Amount (in thousands)</u> | <u>Yield</u> |
|------------------------------|----------------|--------------------------------------|--------------|
| AA-/VMIG2/NR | West Basin Wtr | \$ 3,850 | 0.220% |
| Total | | <u>\$ 3,850</u> | |

(1) Moody's/Standard & Poor's/Fitch

A VRDN is a debt instrument with a long-term maturity that has a periodic interest rate component reset by a remarketing agent, usually on a daily or weekly basis. The periodic interest rate set by the marketing agent generally is based on current market conditions for similar short-term securities. An owner of VRDNs has the right to tender the notes at par plus accrued interest at each reset date. The bonds are then resold by the remarketing agent or purchased by a bank that has a liquidity facility agreement with the issuer of the debt.

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(2) Cash and Investments, (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required (where applicable) by the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year-end for each investment type (in thousands).

| <u>Investment Type</u> | <u>Amount</u> | <u>Minimum Legal Rating</u> | <u>Rating as of Year End</u> | | | <u>Not Rated</u> |
|------------------------------|-------------------|-------------------------------------|------------------------------|--------------------------------|--------------|----------------------|
| | | | <u>AAA</u> | <u>Between AA- and AA+</u> | <u>A</u> | |
| Federal Agency Securities | \$ 120,259 | N/A | | 120,259 | | |
| Local Agency Bonds | 3,850 | N/A | | 3,850 | | |
| Local Agency Investment Fund | 184,250 | N/A | | | | 184,250 |
| Money Market Funds | 4,574 | N/A | | | 4,574 | |
| JPA cash and investments: | | | | | | |
| Money Market Funds | - | N/A | | | | |
| Federal Agency Securities | 425,185 | N/A | | 425,185 | | |
| Investment Contract | 254,407 | N/A | | | | 254,407 |
| Total | \$ 992,525 | | - | 549,294 | 4,574 | 438,657 |

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments are as follows (in thousands):

| <u>Issuer</u> | <u>Investment Type</u> | <u>Reported Amount</u> |
|---------------|---------------------------|------------------------|
| FNMA | Federal agency securities | \$465,243 |
| AIG | Investment contract | 254,407 |

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(2) Cash and Investments, (Continued)

Concentration of Credit Risk, (Continued)

The credit rating of AIG at June 30, 2012 is Baa1/A-/BBB. As a result of the financial crisis in the banking and insurance industries in late 2008, AIG received funding of approximately \$182 billion from the US Government to provide sufficient liquidity to fund its operations. The lack of liquidity and need for government intervention resulted in the downgrade in credit ratings for the parent company as reflected above. The AIG investment contract is the only investment security in the trust estate of the Taxable Refunding Bond Issue #1 issued by the Irvine Ranch Water District Joint Powers Agency in February 1998. These bonds are secured solely by the trust estate, and there is no recourse to the District for the payment of principal and interest due on the bonds.

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

(3) Interest Rate Swap Agreements

On September 8, 2003, the District's Board of Directors approved Resolution 2003-36, which established a policy regarding the use of interest rate swap transactions. The policy provides that interest rate swap transactions will be designed to enhance the relationship between risk and return with respect to an investment or a program of investments entered into by the District; and/or to reduce the amount or duration of payment, rate, spread, or similar risk; and/or result in a lower cost of borrowing when used in combination with bonds or other indebtedness of the District. Pursuant to the policy, the Board of Directors authorizes general parameters for interest rate swap transactions while the Finance and Personnel Committee structures specific transactions within the Board-authorized parameters. The Treasurer, with the concurrence of the Chairman of the Finance and Personnel Committee, is authorized to enter into interest rate swap transactions that are within all authorized parameters. The International Swaps and Derivatives Association, Inc. (ISDA) Master Agreement, including the schedule and credit support annex, is used as the form of contract with interest rate swap counterparties.

As of June 30, 2012, the notional amount and fair value balance of the District's interest rate swaps is \$130.0 million and \$(53.0) million, respectively. All outstanding interest rate swaps are pay-fixed, receive variable swaps ("fixed payer swaps"). For the year ended June 30, 2012, the change in fair market value of the fixed payer interest rate swaps was \$(21.5) million.

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(3) Interest Rate Swap Agreements (Continued)

The fair value of the swap agreements at June 30, 2012 is calculated using a zero-coupon method. This method calculates the future net settlement payments required by the swaps, assuming, for the LIBOR fixed payer swaps, that the current LIBOR forward rates implied by the LIBOR yield curves correctly anticipate future LIBOR spot interest rates. These payments are then discounted using the spot rates implied by the current yield curves for hypothetical zero-coupon bonds due on the date of each future net settlement of the swaps.

The District's fixed payer swaps were executed in 2004, and became effective in 2006 and 2007. The purpose of the fixed payer swaps was to hedge a portion of the interest rate risk exposure associated with the District's 100% variable rate debt structure at the time the swaps were executed. The interest rate swap notional amounts and maturities are not specifically related to a particular District debt issue, however are considered a hedge of a pooled portion of the District's variable rate debt exposure. The following table displays the objective and terms of the District's interest rate swaps outstanding at June 30, 2012, along with the credit rating of the associated counterparty:

Current Year Active Interest Rate Swaps (in thousands):

| Type | Objective | Notional Amount | Effective Date | Maturity Date | Terms | Counterparty Rating |
|-------------|---|-----------------|----------------|---------------|---------------------------------|---------------------|
| Fixed Payer | Hedge of changes in cash flows on pool of variable rate debt issues | \$ 20,000 | 6/04/06 | 6/04/19 | Pay 6.200%; receive 1-Mo. LIBOR | A3/A/A |
| Fixed Payer | Hedge of changes in cash flows on pool of variable rate debt issues | 20,000 | 6/04/06 | 6/04/19 | Pay 6.200%; receive 1-Mo. LIBOR | Baa2/A-/A |
| Fixed Payer | Hedge of changes in cash flows on pool of variable rate debt issues | 30,000 | 6/17/06 | 6/17/19 | Pay 6.140%; receive 1-Mo. LIBOR | A3/A/A |
| Fixed Payer | Hedge of changes in cash flows on pool of variable rate debt issues | 30,000 | 3/10/07 | 3/10/29 | Pay 5.687%; receive 1-Mo. LIBOR | Baa2/A-/A |
| Fixed Payer | Hedge of changes in cash flows on pool of variable rate debt issues | 30,000 | 3/10/07 | 3/10/29 | Pay 5.687%; receive 1-Mo. LIBOR | A3/A/A |

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(3) Interest Rate Swap Agreements (Continued)

The ISDA agreements for the above referenced interest rate swaps include a provision that the counterparties shall be required to post collateral should the mark-to-market value of the total interest rate swap portfolio with the respective counterparty, including any current outstanding swap accruals, exceed a threshold of (\$15,000,000). The amount of the collateral posted shall be the amount of the mark-to-market value plus outstanding swap accrual amounts in excess of (\$15,000,000). As of June 30, 2012, the mark-to-market value of the total interest rate swaps with Citibank N.A. as counterparty exceeded the threshold amount requiring a collateral deposit in the amount of \$26,653,463, and the mark-to-market value of the total interest rate swaps with Merrill Lynch Capital Services, Inc. as counterparty exceeded the threshold amount requiring a collateral deposit in the amount of \$7,970,000. The collateral funds are held in separate trust accounts and earn interest at the Federal Funds Effective Rate (0.09% as of June 30, 2012).

Credit risk: The District is exposed to credit risk on interest rate swaps. To minimize its exposure to loss related to credit risk, the District's policy requires that the Finance and Personnel Committee evaluate and approve the counterparty creditworthiness of each counterparty prior to executing an ISDA Agreement, and all current swap agreements include collateral posting provisions. These terms require full collateralization of the fair value of interest rate swaps in asset positions (net of the effect of applicable netting arrangements) should the counterparty's credit rating fall below BBB+ as issued by Fitch Ratings and Standard & Poor's or Baa1 as issued by Moody's Investors Service. Collateral posted is to be in the form of U.S. Treasuries, or other approved securities, held by a third-party custodian.

The District's current swap agreements include netting arrangements in the event it enters into more than one swap transaction with the counterparty. Under the terms of these arrangements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the non-defaulting party to accelerate and terminate all outstanding transactions and net the transactions' fair values so that a single sum will be owed by, or owed to, the non-defaulting party.

The District has executed interest rate swap transactions with two counterparties. Their ratings are A3/A/A (62% of net exposure to credit risk) and Baa2/A-/A (38% of net exposure to credit risk).

Interest rate risk: The District is exposed to interest rate risk on its interest rate swaps. On its fixed payer swaps, as LIBOR's swap index decreases, the District's net payment on the swap increases. Alternatively, on its fixed payer swaps, as LIBOR's swap index increases, the District's net payment on the swap decreases.

Basis risk: The District is exposed to basis risk on its fixed payer swaps because the variable-rate payments received by the District on these swaps are based on a rate or index other than interest rates the District pays on its variable-rate debt, which is remarketed daily or weekly.

Termination risk: The District or its counterparties may terminate an interest rate swap if the other party fails to perform under the terms of the contract. If at the time of termination, an interest rate swap is in a liability position, the District would be liable to the counterparty for a payment equal to the liability, subject to netting arrangements.

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(3) Interest Rate Swap Agreements (Continued)

Collateral requirements: All of the District's interest rate swaps include provisions that require the District to post collateral in the event its credit rating falls below A as issued by Fitch Ratings and Standard & Poor's or A2 as issued by Moody's Investors Service. The collateral posted is to be in the form of U.S. Treasuries or other approved securities in the amount of the fair value of interest rate swaps in liability positions net of the effect of applicable netting arrangements. If the District does not post collateral, the swaps may be terminated by the counterparty. The District's credit rating is Aa1/AAA/AAA; therefore, no additional collateral has been posted at June 30, 2012, other than the collateral posted as a result of the mark-to-market valuations at June 30, 2012.

(4) Inventories

Inventories at June 30, 2012 consisted of the following (in thousands):

| | | |
|-----------------------|----|---------------------|
| Untreated water | \$ | 560 |
| Material and supplies | | <u>1,673</u> |
| Total | \$ | <u><u>2,233</u></u> |

Inventories consist of available water and materials and supplies included in warehouse facilities. Although rain water provides an available inventory for meeting customer demands, the District has traditionally not placed a price on this available source until it is used. Available water included in inventory consists of water that is banked, which includes 8,953 acre feet valued at \$560,407.

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(5) Capital Assets

Capital Asset activity for the year ended June 30, 2012 is as follows (in thousands):

| | Balance at <u>June 30, 2011</u> | <u>Additions</u> | <u>Deletions</u> | Balance at <u>June 30, 2012</u> |
|--|------------------------------------|------------------|------------------|------------------------------------|
| Capital assets, | | | | |
| Land Leasehold | \$4,860 | | | 4,860 |
| Buildings and Structures | 593,875 | 18,018 | (670) | 611,223 |
| Transmissions and Distributions | 850,469 | 47,369 | (1,376) | 896,462 |
| Machinery and Equipment | 221,886 | 2,319 | (1,057) | 223,148 |
| Sub-total | <u>1,671,090</u> | <u>67,706</u> | <u>(3,103)</u> | <u>1,735,693</u> |
| Less: Accumulated depreciation: | | | | |
| Land Leasehold | (583) | (97) | | (680) |
| Buildings and Structures | (178,549) | (14,102) | 311 | (192,340) |
| Transmissions and Distributions | (249,521) | (19,134) | 651 | (268,004) |
| Machinery and Equipment | (83,195) | (8,045) | 1,057 | (90,183) |
| Sub-total | <u>(511,848)</u> | <u>(41,378)</u> | <u>2,019</u> | <u>(551,207)</u> |
| Total capital assets, being depreciated, net | 1,159,242 | 26,328 | (1,084) | 1,184,486 |
| Capital assets, not being depreciated: | | | | |
| Land and Easement | 57,295 | 9,084 | (2,417) | 63,962 |
| Water Rights | 2,200 | | | 2,200 |
| Construction In Progress | 211,602 | 127,411 | (80,836) | 258,177 |
| Total capital assets, net | <u>\$1,430,339</u> | <u>162,823</u> | <u>(84,337)</u> | <u>1,508,825</u> |

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(6) Capitalized Amounts

Net interest costs and certain administrative and general expenses relating to assets under construction are charged to construction-in-progress until the assets are ready for their intended use. Net interest costs are capitalized from the date proceeds are received from related borrowings.

The amount of administrative and general expenses and net interest costs capitalized to construction-in-progress for the year ended June 30, 2012 is as follows (in thousands):

| | |
|--|-----------------|
| Administrative and general expenses, capitalized | \$ 8,298 |
| Interest expenses, capitalized* | 4,179 |
| | <u>\$12,477</u> |

* The total amount of interest cost incurred for the year ended June 30, 2012 (both the amounts expensed and the amounts capitalized) was \$60,707, including \$39,603 of interest on JPA Bonds.

(7) Real Estate Investments

Real estate investments are as follows at June 30, 2012 (in thousands):

| | |
|--|------------------|
| Wood Canyon Villas, L.P. | \$ 6,478 |
| Sycamore Canyon Apartments (net of accumulated depreciation of \$22,699) | 21,168 |
| Irvine Technology Center (net of accumulated depreciation of \$1,351) | 4,341 |
| Waterworks Way Business Park (net of accumulated depreciation of \$647) | 8,328 |
| Sand Canyon Office Property (net of accumulated depreciation of \$9) | <u>8,010</u> |
| Total | <u>\$ 48,325</u> |

Included in real estate investments are two apartment projects and two commercial office buildings. The District, through Bardeen Partners, Inc., an affiliated entity, is the sole limited partner in Wood Canyon Villas, L.P., a California limited partnership (Wood Canyon), and the sole owner of both Sycamore Canyon Apartments and a commercial office building (Irvine Technology Center). Separate of Bardeen Partners, Inc., the District is the sole owner of a commercial office building (Waterworks Way Business Park and Sand Canyon 1 Offices Property).

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(7) Real Estate Investments, (Continued)

Wood Canyon completed construction of a 230-unit apartment complex in May 1993. The complex is located in Orange County, California, and was 98% occupied at June 30, 2012. The Wood Canyon partnership agreement entitles the District to a 9% cumulative preferred return on its unrecovered contribution accounts, as defined in the agreement (initially \$6,000,000). For the year ended June 30, 2012, the District earned \$1,066,949 as preferred return income. The District's capital contributions and preferred return are guaranteed by the principals of the general partner who have also agreed to provide an irrevocable stand-by letter of credit, up to a maximum of \$750,000, to the extent the general partner's unrecovered contribution account falls below 12.5% of the District's unrecovered contribution account.

In December 1992, the District acquired a 450-unit apartment complex (original cost, \$34,093,000) in Orange County, California known as Sycamore Canyon Apartments. The complex was 96% occupied at June 30, 2012. The Sycamore Canyon Apartments Renovation Project began in June 2005, and included the addition of a clubhouse and fitness center to the existing leasing office, construction of a central maintenance shop and interior upgrades to the apartment units. The project was completed in November 2007 for a total cost of \$9.6 million.

In July 2003, the District completed construction of a 41,000 square foot for-lease office building located in Irvine, California known as the Irvine Technology Center. Costs for the project were \$5,534,276 and the building was 100% occupied as of June 30, 2012.

In November 2008, the District completed construction of a 37,200 square foot for-lease R&D office building located in Irvine, California known as the Waterworks Way Business Park. Construction of the building was a Specific Facilities requirement of the purchase agreement for land acquired for an adjacent District water treatment facility. Land and construction costs for the office project were \$8,983,395. As of June 30, 2012, the building was 89% occupied.

In April 2012, the District completed construction of a 16,350 square foot for lease office building located in Irvine, California known as the Sand Canyon Office Property. Cost for the project was \$8,662,924 and the building was 74% occupied as of June 30, 2012.

Net real estate income as of June 30, 2012 was as follows (in thousands):

| | |
|---------------------|-----------|
| Real estate income | \$ 11,039 |
| Real estate expense | (4,303) |
| Depreciation | (1,713) |
| | \$ 5,023 |

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(8) Allen-McColloch Pipeline

For several years prior to fiscal year 1995, the District was a part owner and participant in a 27-mile pipeline through which it has received a portion of its water capacity from Metropolitan Water District (MWD). During fiscal year 1995, the District and the other participants sold the pipeline to MWD.

In accordance with the sale agreement, the District will receive a total of \$45,788,202 over 37 years, all amounts representing the District's ownership of approximately 42% of the pipeline project. In addition to the initial cash payment, the District has received \$42,467,887 in payments under the agreement of which \$638,412 was received for the fiscal year ended June 30, 2012. The District's receivable at June 30, 2012 of \$2,875,820 has been presented net of deferred imputed interest of \$444,496.

The sales agreement further provides for the District to continue to have rights to the flow capacity from MWD, but MWD is not obligated to deliver an actual flow or quantity of water. The agreement also provides for MWD to forfeit ownership of the pipeline to the former owners (including the District) should it not make all required future payments.

(9) Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2012 is as follows (in thousands):

| | Balance at <u>June 30, 2011</u> | <u>Additions</u> | <u>Deletions</u> | Balance at <u>June 30, 2012</u> | Due within <u>one year</u> | Due in more <u>than one year</u> |
|---|------------------------------------|------------------|------------------|------------------------------------|-------------------------------|-------------------------------------|
| General Obligation Bonds: | | | | | | |
| 1988 Series A | \$4,700 | - | (4,700) | - | - | - |
| 1989 C Consolidated | 7,300 | - | (2,300) | 5,000 | 2,400 | 2,600 |
| 1991 Consolidated | 7,500 | - | (1,100) | 6,400 | 1,100 | 5,300 |
| 1993 C Consolidated | 37,500 | - | - | 37,500 | - | 37,500 |
| 1995 Consolidated | 21,700 | - | (1,800) | 19,900 | 1,800 | 18,100 |
| 2008A Refunding | 58,800 | - | (1,200) | 57,600 | 1,200 | 56,400 |
| 2009A Consolidated | 75,000 | - | - | 75,000 | 2,500 | 72,500 |
| 2009B Consolidated | 75,000 | - | - | 75,000 | 2,500 | 72,500 |
| 2010B BABS | 175,000 | - | - | 175,000 | - | 175,000 |
| 2011A-1 Refunding | 60,545 | - | (1,470) | 59,075 | 1,655 | 57,420 |
| 2011A-2 Refunding | 40,370 | - | (985) | 39,385 | 1,105 | 38,280 |
| Unamortized Deferred Loss on Refunding | (1,364) | - | 53 | (1,311) | (54) | (1,257) |
| Total General Obligation Bonds | <u>562,051</u> | <u>-</u> | <u>(13,502)</u> | <u>548,549</u> | <u>14,206</u> | <u>534,343</u> |

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(9) Long-Term Liabilities (Continued)

| | Balance at June 30, 2011 | Additions | Deletions | Balance at June 30, 2012 | Due within one year | Due in more than one year |
|---|-----------------------------|----------------------|-------------------------|-----------------------------|------------------------|------------------------------|
| JPA Revenue Bonds: | | | | | | |
| 1998 Taxable Refunding No. 1 | 260,935 | - | (14,160) | 246,775 | 15,250 | 231,525 |
| 1998 Taxable Refunding No. 2 | 13,115 | - | (13,115) | - | - | - |
| 2010 Taxable Refunding No. 2 | 427,200 | - | (19,770) | 407,430 | 33,805 | 373,625 |
| Unamortized Amounts | <u>(24,835)</u> | - | <u>9,152</u> | <u>(15,683)</u> | <u>(9,151)</u> | <u>(6,532)</u> |
| Total JPA Revenue Bonds | <u>676,415</u> | <u>-</u> | <u>(37,893)</u> | <u>638,522</u> | <u>39,904</u> | <u>598,618</u> |
| Certificates of Participation: | | | | | | |
| 2010 Refunding Certificates | 81,400 | - | (4,210) | 77,190 | 4,700 | 72,490 |
| Unamortized Premium | 7,456 | - | (361) | 7,095 | 361 | 6,734 |
| Unamortized Deferred Loss on Refunding | <u>(813)</u> | - | <u>143</u> | <u>(670)</u> | <u>(144)</u> | <u>(526)</u> |
| Total Certificates | <u>88,043</u> | <u>-</u> | <u>(4,428)</u> | <u>83,615</u> | <u>4,917</u> | <u>78,698</u> |
| Notes Payable | <u>2,747</u> | <u>-</u> | <u>(253)</u> | <u>2,494</u> | <u>254</u> | <u>2,240</u> |
| Other Long-Term Liabilities: | | | | | | |
| Compensated Absences | 3,078 | 2,881 | (2,870) | 3,089 | 1,003 | 2,086 |
| Other Long-Term Liabilities | <u>997</u> | <u>53,539</u> | <u>(53,230)</u> | <u>1,306</u> | <u>87</u> | <u>1,219</u> |
| Total Other Long-Term Liabilities | <u>4,075</u> | <u>56,420</u> | <u>(56,100)</u> | <u>4,395</u> | <u>1,090</u> | <u>3,305</u> |
| Total Long-Term Liabilities | <u>\$1,333,331</u> | <u>56,420</u> | <u>(112,176)</u> | <u>1,277,575</u> | <u>60,371</u> | <u>1,217,204</u> |

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(9) Long-Term Liabilities, (Continued)

The following schedule summarizes the major terms of outstanding long-term debt (in thousands):

| | <u>Date of Issue</u> | <u>Original Issue</u> | <u>Pledged Revenue</u> | <u>Final Maturity Date</u> | <u>Principal Payment Range</u> | <u>Interest Rates</u> |
|--------------------------------|----------------------|-----------------------|------------------------|----------------------------|--------------------------------|-----------------------|
| General Obligation Bonds: | | | | | | |
| 1988 Series A | June 2, 1988 | 20,000 | (1)(3) | November 1, 2013 | \$300-1,400 | Variable |
| 1989 Consolidated | June 1, 1989 | 35,000 | (1)(3) | June 1, 2015 | 100-2,500 | Variable |
| 1991 Consolidated | August 1, 1991 | 19,100 | (1)(3) | August 1, 2016 | 400-1,400 | Variable |
| 1993 Consolidated | May 1, 1993 | 38,300 | (1)(3) | April 1, 2033 | 800-2,400 | Variable |
| 1995 Consolidated | December 1, 1995 | 40,000 | (1)(3) | January 1, 2021 | 800-2,600 | Variable |
| 2008A Refunding | April 1, 2008 | 60,215 | (1)(3) | July 1, 2035 | 1,200-6,000 | Variable |
| 2009A Consolidated | June 4, 2009 | 75,000 | (1)(3) | October 1, 2041 | 2,500 | Variable |
| 2009B Consolidated | June 4, 2009 | 75,000 | (1)(3) | October 1, 2041 | 2,500 | Variable |
| 2010B BABS | December 16, 2010 | 175,000 | (1)(3) | May 1, 2040 | 2,790-28,400 | 6.622% |
| 2011A-1 Refunding | April 15, 2011 | 60,545 | (1)(3) | October 1, 2037 | 1,380-3,540 | Variable |
| 2011A-2 Refunding | April 15, 2011 | 40,370 | (1)(3) | October 1, 2037 | 920-2,360 | Variable |
| JPA Revenue Bonds: | | | | | | |
| 1998 Taxable Refunding No. 1 | February 17, 1998 | 374,650 | (4) | March 15, 2014 | 70-231,345 | 7.705% |
| 1998 Taxable Refunding No. 2 | August 17, 1998 | 481,625 | (4) | March 15, 2014 | 30-338,990 | 8.180% |
| 2010 Taxable Refunding No. 2 | April 20, 2010 | 436,955 | (4) | March 15, 2014 | 9,675-348,595 | 0.904-2.605% |
| Certificates of Participation: | | | | | | |
| 2010 Certificates | February 23, 2010 | 85,145 | (2) | March 1, 2032 | 1,615-7,135 | 3.80% |

(1) Ad valorem assessments or, in lieu of assessments, in the District's discretion, charges for water or sewer service

(2) Water, sewer, and reclaimed water charges and certain other revenues, as defined in the trust agreement

(3) Proceeds from the sale of property

(4) JPA investment earnings and principal amounts

(5) Available revenues

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(9) Long-Term Liabilities, (Continued)

General Obligation Bonds

The General Obligation Bonds were issued to fund property, water, sewer and reclaimed water facilities.

The annual debt service requirements for the General Obligation Bonds, including principal and interest payments (based on the variable interest rates at June 30, 2012 ranging from 0.03% to 0.22%) are as follows (in thousands):

The annual debt service requirements for the General Obligation Bonds, including principal and interest payments (based on the variable interest rates at June 30, 2012 ranging from 0.02% to 0.13%) are as follows (in thousands):

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Hedging Investments,</u> | | <u>BAB Federal</u> | <u>Total</u> |
|---------------------------|-------------------|-----------------------------|---------------|--------------------|----------------|
| | | <u>Interest</u> | <u>Net</u> | <u>Subsidy</u> | |
| 2013 | \$ 14,260 | 8,190 | 7,500 | (4,056) | 25,894 |
| 2014 | 15,500 | 8,152 | 7,500 | (4,056) | 27,096 |
| 2015 | 13,500 | 8,125 | 7,500 | (4,056) | 25,069 |
| 2016 | 14,000 | 8,093 | 7,500 | (4,056) | 25,537 |
| 2017 | 14,300 | 8,061 | 7,500 | (4,056) | 25,805 |
| 2018-2022 | 66,000 | 39,881 | 24,746 | (20,280) | 110,347 |
| 2023-2027 | 72,625 | 38,743 | 16,521 | (20,071) | 107,818 |
| 2028-2032 | 90,675 | 34,850 | 5,875 | (18,390) | 113,010 |
| 2033-2037 | 136,860 | 26,460 | - | (14,422) | 148,898 |
| 2038-2042 | 112,140 | 6,513 | - | (3,826) | 114,827 |
| Subtotal | 549,860 | 187,068 | 84,642 | (97,269) | 724,301 |
| Less: Unamortized amounts | (1,311) | - | - | - | (1,311) |
| Total | <u>\$ 548,549</u> | <u>187,068</u> | <u>84,642</u> | <u>(97,269)</u> | <u>722,990</u> |

The above table incorporates the net receipts/payments of the hedging instruments that are associated with this debt issue(s). The amounts assume that current interest rates on variable-rate bonds and the current reference rates of the hedging instruments will remain the same for their term. As these rates vary, interest payments on variable-rate bonds and net receipts/payments on the hedging instruments will vary. Refer to Note 3 for additional information regarding the hedging instruments associated with the debt of the District.

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(9) Long-Term Liabilities, (Continued)

Joint Powers Agency Revenue Bonds

The Irvine Ranch Water District Joint Powers Agency (JPA), established as a separate entity by an agreement between the District and Community Facilities District No. 1 of the District, issued \$400,000,000 during fiscal 1988 and \$500,000,000 during fiscal year 1989 of Local Agency Pool Revenue Bonds (Revenue Bonds). Concurrent with the issuance of these Revenue Bonds, the JPA established a separate trust estate for each issue comprised of authorized investments sufficient to pay the debt service (principal and interest) on each of the respective issues of the Revenue Bonds. Principal and interest on the Revenue Bonds were secured solely by the respective separate trust estates.

In February 1998, the JPA issued \$374,650,000 of Taxable Refunding Bonds Issue #1, which were used to redeem the 1988 Revenue Bonds in March 1998. The 1998 Taxable Refunding Bonds Issue #1 are due semi-annually on March 15 and September 15 in varying amounts from \$70,000 to \$231,345,000, including accrued interest at 7.705%.

In August 1998, the JPA issued \$481,625,000 of Taxable Refunding Bonds Issue #2, which were used to redeem the 1989 Revenue Bonds in September 1998. The 1998 Taxable Refunding Bonds Issue #2 were refunded by the 2010 Taxable Refunding Bonds Issue #2 in April 2010. The outstanding balance of the 1998 Taxable Refunding Bonds Issue #2 were paid in full during the fiscal year ended June 30, 2012.

In April 2010, the JPA issued \$436,955,000 of Taxable Refunding Bonds Issue #2, which were used to advance refund a portion of the outstanding 1998 Taxable Refunding Bonds Issue #2. The Taxable Refunding Bonds Issue #2 are due semi-annually on March 15 and September 15 in varying amounts from \$9,675,000 to \$348,595,000.

The outstanding revenue bonds liability has been reduced by the unamortized balance of the deferred refunding charge of \$18,511,710 (\$178,345 for issue #1 and \$18,333,365 for issue #2). Additionally, at the time of refunding in 1998, the District negotiated a \$25,604,713 contribution from a financial institution that has been amortized over a straight-line basis over the life of the refunding bonds. At June 30, 2012, the unamortized amount is \$2,828,112 (\$1,021,469 for issue #1 and \$1,806,643 for issue #2).

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(9) Long-Term Liabilities, (Continued)

Joint Powers Agency Revenue Bonds (Continued)

At June 30, 2012, the aggregate of the JPA taxable refunding bond issues (excluding amortizations) due is as follows (in thousands):

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------|--------------------------|----------------------|-----------------------|
| 2013 | \$ 49,055 | 29,107 | 78,162 |
| 2014 | 605,150 | 27,211 | 632,361 |
| Subtotal | <u>654,205</u> | <u>56,318</u> | <u>710,523</u> |
| Plus: Unamortized amounts | (15,683) | - | (15,683) |
| Total | <u><u>\$ 638,522</u></u> | <u><u>56,318</u></u> | <u><u>694,840</u></u> |

At June 30, 2012, the cash flow of the underlying JPA investments securing the JPA taxable refunding bond issues is as follows (in thousands):

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|----------------------------|----------------------|-----------------------|
| 2013 | \$ 30,462 | 50,084 | 80,546 |
| 2014 | 649,130 | 47,618 | 696,748 |
| Total | <u><u>\$ 679,592 *</u></u> | <u><u>97,702</u></u> | <u><u>777,294</u></u> |

* Amount includes accumulated increase in fair value of investments of \$45,142.

The future net cash flows of the JPA revenue bonds and underlying investments (excluding unamortized amounts and the fair value of investments) are as follows (in thousands):

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------|---------------------------|----------------------|-------------------------|
| Net Cash Flow to District | <u><u>\$ (19,755)</u></u> | <u><u>41,384</u></u> | <u><u>\$ 21,629</u></u> |

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(9) Long-Term Liabilities, (Continued)

Certificates of Participation

On February 23, 2010, the Irvine Ranch Water District Service Corporation issued \$85,145,000 of Certificates of Participation Refunding Series 2010 (the Series 2010 Certificates) to refinance the cost of certain capital improvement by refunding the outstanding principal amount of the Certificates of Participation Series 1986 and Series 2008 and pay the costs of issuance of the Series 2010 Certificates. The Series 2010 Certificates bear interest ranging from 0.6% to 5.0% per annum and is payable on the September 1, 2010 and each March 1 and September 1 thereafter. Principal is payable in annual installments ranging from \$1,615,000 to \$7,135,000. The Series 2010 Certificates are secured by an Installment Sale Agreement, dated as of February 1, 2010 between the District and the Irvine Ranch Water District Water Service Corporation. The District's obligation to make Installment Payments is a special obligation payable solely from Net Revenues.

The annual debt service requirements for the Certificates of Participation, including principal and interest payments, are as follows (in thousands):

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------|------------------|-----------------|----------------|
| 2013 | \$ 4,700 | 3,688 | 8,388 |
| 2014 | 5,300 | 3,453 | 8,753 |
| 2015 | 5,910 | 3,188 | 9,098 |
| 2016 | 6,545 | 2,941 | 9,486 |
| 2017 | 7,135 | 2,677 | 9,812 |
| 2018-2022 | 9,925 | 11,001 | 20,926 |
| 2023-2027 | 15,245 | 8,019 | 23,264 |
| 2028-2032 | 22,430 | 3,532 | 25,962 |
| Subtotal | <u>77,190</u> | <u>38,499</u> | <u>115,689</u> |
| Less: Unamortized amounts | 6,425 | - | 6,425 |
| Total | <u>\$ 83,615</u> | <u>38,499</u> | <u>122,114</u> |

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(9) Long-Term Liabilities, (Continued)

Notes Payable

The District had one outstanding loan from the State of California to fund reclaimed water projects. The balance on the 2000 loan was \$1,553,162 at June 30, 2012. The annual interest rate is 0.00%, however, the loan agreement required the District to prepay the interest of \$647,000, which will be amortized over the life of the loan. The loan is payable annually in fixed installments of \$194,146 through 2020.

The District also has one outstanding loan which was assumed as a result of its consolidation with the Santiago County Water District. The original loan amount of the second loan was \$1,300,000. The loan is payable semi-annually with interest at 2.32%. The loan matures in July 2025. The balance of the loan at June 30, 2012 was \$941,268.

Amounts required to amortize notes payable at June 30, 2012 are as follows (in thousands):

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|------------------|-----------------|--------------|
| 2013 | \$ 254 | 54 | 308 |
| 2014 | 256 | 52 | 308 |
| 2015 | 257 | 51 | 308 |
| 2016 | 258 | 50 | 308 |
| 2017 | 260 | 48 | 308 |
| 2018-2022 | 936 | 152 | 1,088 |
| 2023-2026 | 273 | 12 | 285 |
| Total | \$ 2,494 | 419 | 2,913 |

(10) Deferred Revenue

Deferred Revenue at June 30, 2012 consisted of the following (in thousands):

| | |
|--|---------|
| South County Water Agencies | \$9,950 |
| Deferred revenue, current portion | 525 |
| Deferred revenue, net of current portion | \$9,425 |

On November 10, 2008, the Board approved the South Orange County – Irvine Ranch Water District Interconnection Projects Participation Agreement (Agreement). The Agreement was made and effective on November 14, 2008 between the District, City of San Clemente (CSC), Laguna Beach County Water District (LBCWD), Moulton Niguel Water District (MNWD), Santa Margarita Water District (SMWD), South Coast Water District (SCWD), Municipal Water District of Orange County (MWDOC), and Orange County Water District (OCWD). The purpose of the Agreement is allowing the South County water agencies (CSC, LBCWD,

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(10) Deferred Revenue (Continued)

MNWD, SMWD, and SCWD) to buy capacity in the District system and reimburse the District for various new intertie facilities which would ensure that up to 30 cfs of water supply is available in an emergency. The total cost of the agreement was paid in full by each party of the South County water agencies in the fiscal year ended June 30, 2009. The amount of deferred revenue related to the South County Water Agencies is amortized over 20 years, the term of the Agreement. The amount of amortization for the fiscal year ended June 30, 2012 was \$525,382.

(11) Letters of Credit

The District has letters of credit securing the payment of principal and interest on General Obligation Bonds. The letters of credit are issued in favor of the trustees and enable the trustees to make drawings against the letters of credit for payment of principal and interest amounts.

The terms of the letters of credit are summarized as follows (in thousands):

| <u>Letter of Credit</u> | <u>Trustee</u> | <u>Amount</u> | <u>Expiration Date</u> |
|----------------------------|-------------------------|---------------|------------------------|
| Bank of America: | | | |
| 2009 Series B Consolidated | U.S. Bank | 75,838 | December 3, 2013 |
| Bank of New York: | | | |
| 1989 Consolidated | Bank of New York Mellon | 5,067 | June 2, 2014 |
| 1991 Consolidated | Bank of New York Mellon | 6,486 | August 2, 2014 |
| 1993 Consolidated | Bank of New York Mellon | 38,013 | June 2, 2014 |
| Sumitomo Mitsui: | | | |
| 1995 Consolidated | Bank of New York Mellon | 22,194 | April 15, 2014 |
| 2008 Series A Refunding | Bank of New York Mellon | 58,452 | April 15, 2014 |
| U.S. Bank: | | | |
| 2009 Series A Consolidated | U.S. Bank | 75,838 | November 10, 2013 |

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(12) Rate Covenants

The District is required by certain debt documents to collect revenues which will be at least sufficient to yield net revenues equal to 125% of debt service payable during the fiscal year. The following demonstrates the District's compliance with the rate covenants for the year ended June 30, 2012 (in thousands).

Net revenues:

Revenues:

| | |
|-----------------------------------|----------------|
| Water sales and service charges | \$ 57,558 |
| Sewer services charges | 49,234 |
| Connection fees | 9,030 |
| Residual real estate income | 5,023 |
| Investment income | 3,132 |
| Residual JPA income | 11,927 |
| Available 1% property tax revenue | 14,737 |
| Other income | 6,140 |
| | <u>156,781</u> |

Operating and maintenance expenses:

Water:

| | |
|----------------------------|--------|
| Water services | 40,593 |
| General and administrative | 14,453 |
| Customer accounts | 2,142 |

Sewer:

| | |
|----------------------------|--------|
| Sewer services | 26,817 |
| General and administrative | 12,729 |
| Customer accounts | 1,332 |

Other expenses

614

98,680

Net revenues \$ 58,101

Debt service on parity obligations:

| | |
|---|------------------|
| 2010 Refunding COP principal and interest | \$ 7,977 |
| 1997 State loan | 226 |
| 2010 Build America Bonds principal and interest | 7,533 |
| 2011A Index Tender Notes principal and interest | 2,640 |
| Debt service | <u>\$ 18,376</u> |

Debt ratio 316%

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(13) Net Assets

Net assets at June 30, 2012 consisted of the following (in thousands):

| | |
|--|--------------|
| Invested in capital assets, net of related debt: | |
| Property, plant and equipment, net | \$ 1,508,825 |
| Less: | |
| Outstanding debt issued to construct capital assets: | |
| General obligation bonds | (548,549) |
| Certificates of participation | (83,617) |
| Notes payable | (2,494) |
| Add back unspent portion of debt applicable to unspent bond proceeds | 68,949 |
| Total invested in capital assets, net of related debt | 943,114 |
| Restricted net assets: | |
| Restricted for water services | 203,372 |
| Restricted for sewer services | 201,473 |
| Total restricted net assets | 404,845 |
| Total net assets | \$ 1,347,959 |

(14) Defined Benefit Pension Plan (PERS)

The District contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Copies of PERS' annual financial report may be obtained from its executive office at 400 "P" Street, Sacramento, California 95814.

Benefit provisions and all other requirements are established by State statute and the District's Board of Directors. Starting July 1, 2008, participants are required to contribute 8% of their annual covered salary. During the fiscal year ending June 30, 2012, the District made 3% of the contributions required of District employees on their behalf and for their account, while the District employees made 5% of the contribution.

In addition, the District is required to contribute at an actuarially determined rate applied to annual covered payroll. The District's contribution rate for the indicated period is 17.757%. In order to calculate the dollar value of the annual required contribution for inclusion in financial statements prepared as of June 30, 2012, this contribution rate would be multiplied by the payroll of covered employees that was actually paid during the period July 1, 2011 to June 30, 2012. This rate for the Fiscal Year 2012-13 is 16.106%; the rate for Fiscal Year 2013-14 has been established at 16.4%.

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(14) Defined Benefit Pension Plan (PERS), (Continued)

Under GASB 27, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between the APC and the employer's actual plan contributions for the year. The cumulative difference is called the net pension obligation (NPO) (negative or positive). The ARC for the period July 1, 2011 to June 30, 2012 has been determined by an actuarial valuation of the plan as of June 30, 2009.

A summary of principal assumptions and methods used to determine the ARC is shown below.

| | |
|----------------------------|--|
| Valuation Date | June 30, 2009 |
| Actuarial Cost Method | Entry Age Normal Cost Method |
| Amortization Method | Level Percent of Payroll |
| Average Remaining Period | 21 Years as of the Valuation Date |
| Asset Valuation Method | 15 Year Smoothed Market |
| Actuarial Assumptions: | |
| Investment Rate of Return | 7.75% (net of administrative expenses) |
| Projected Salary Increases | 3.55% to 14.45% depending on Age, Service, and type of employment |
| Inflation | 3.00% |
| Payroll Growth | 3.25% |
| Individual Salary Growth | A merit scale varying by duration of employ- ment coupled with an assumed annual infla- tion component of 3.00% and an annual production growth of 0.25%. |

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into PERS. Subsequent plan amendments are amortized as a level percentage of pay over a closed 20-year period. Gains and losses that occur in the operation of the plan are amortized over a 30-year rolling period, which results in an amortization of 6% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, then the amortization period may not be lower than the payment calculated over a 30 year amortization period.

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(14) Defined Benefit Pension Plan (PERS), (Continued)

The Schedule of Funding Progress below shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded accrued liability to payroll.

| Valuation Date | Entry Age | Actuarial Value of Assets | Unfunded Liability/ (Excess Assets) | Funded Status | | Annual Covered Payroll | UALL As a % of Payroll |
|-------------------|--------------------------------|---------------------------------|--|--------------------|--------------------|------------------------------|------------------------------|
| | Normal Accrued Liability | | | Actuarial Value | Actuarial Value | | |
| 6/30/09 | 149,825 | 110,923 | 38,902 | 74.0% | 54.3% | 24,307 | 160.0% |
| 6/30/10 | 158,904 | 124,553 | 34,351 | 78.4% | 63.0% | 24,929 | 137.8% |
| 6/30/11 | 170,392 | 140,176 | 29,676 | 82.6% | 75.6% | 24,379 | 121.7% |

Since 2009, the District has made contributions totaling \$11.6 million in excess of the ARC to PERS to reduce the overall unfunded liability. The District's annual pension cost and net pension asset, computed in accordance with GASB 27, for the year ended June 30, 2012, were as follows (in thousands):

| | |
|--|------------------|
| Annual required contribution | \$ 4,323 |
| Interest on beginning pension asset | (874) |
| Adjustment to annual required contribution | 872 |
| Annual pension cost | 4,321 |
| Contribution made | 4,643 |
| Increase (decrease) in pension asset | 322 |
| Net pension asset, beginning of year | 11,283 |
| Net pension asset, end of year | <u>\$ 11,605</u> |

The District's annual pension cost, the percentage of annual pension cost contributed to the plan, and the net pension asset for the fiscal year ended June 30, 2012 and the two preceding years were as follows:

Three-Year Trend Information
Annual Pension Cost (Employer Contribution) (in thousands)

| Fiscal Year | Employee | | Total Employee Contribution (District Paid and Employer Contribution) | Annual Pension Cost (APC) | Percentage of APC Contribution | Net Pension Asset |
|----------------|---------------------------------|--------------------------|---|---------------------------------|--------------------------------------|-------------------------|
| | Contribution (District Paid) | Employer Contribution | | | | |
| 6/30/10 | \$ 1,709 | 4,797 | 6,506 | 2,982 | 160.9% | 4,815 |
| 6/30/11 | 1,728 | 9,480 | 11,208 | 3,012 | 314.7% | 11,283 |
| 6/30/12 | 1,025 | 4,643 | 5,668 | 4,321 | 107.5% | 11,605 |

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(14) Defined Benefit Pension Plan (PERS), (Continued)

The Employer Contribution payments include payments made to PERS in excess of ARC.

In October 2011, the District received from PERS actuarial report that contained information concerning the employer contribution rate for the 2012-13 fiscal year. This information is summarized below.

| | Fiscal Year <u>2012-13</u> |
|---|-------------------------------|
| Normal cost | 7.223% |
| Amortization of net actuarial liability (surplus) | 8.883% |
| | 16.106% |

(15) Other Post Employment Benefits

During the year ended June 30, 2008, the District implemented GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* which changed the accounting and financial reporting used by local government employers for postemployment benefits. Previously, the costs of such benefits were generally recognized as expenses of local government employers on a pay-as-you-go basis. The new reporting requirements for these benefit programs as they pertain to the District are set forth below.

The District has three other post employment benefits (OPEB) plans which are subject to changes based on the discretion of the Board:

- a. PEMHCA: The District provides an agent multiple-employer defined benefit health-care plan to retirees through the California Public Employee Retirement System (CalPERS) under the California Public Employees Medical and Hospital Care Act (PEMHCA), commonly referred to as PERS Health. The CalPERS Board of Administration administers the health benefits program and determines the benefits design, including any co-pays and deductibles, providers, and premiums. Employees are eligible for this lifetime benefit if they retire from the District and are eligible to begin drawing a PERS pension. Participation in PEMHCA is financed in part by the District through a contribution of \$112 per month per participating retiree. The contribution rate is scheduled to be indexed with medical inflation (CPI) for years thereafter. In addition, the District pays PEMHCA 0.37% of the premium to cover the administrative fees for each retiree participating in the program. During the fiscal year ended June 30, 2012, the District contributed \$66,770 on behalf of retirees participating in this benefit.

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(15) Other Post Employment Benefits, (Continued)

- b. Retiree Health Costs Reimbursement Plan: The District administers a single-employer defined benefit healthcare plan which provides medical benefits to covered employees and their eligible dependents. The establishment or amendment of benefit provisions is determined by the District. Employees are eligible for this benefit if they retire from the District on or after age 55 with at least 10 years of service. The duration of the benefit is based on employees' years of service as follows: 36 months of benefits for employees with 10-14 years of service; 48 months of benefits for employees with 15-19 years of service; and 60 months of benefits for employees with at least 20 years of service. The District reimburses retirees for eligible healthcare costs of up to \$300 per month (for retirees with at least 10 years of service at the District), increasing by \$20 per month for each additional year of service, to a maximum of \$600 per month after 25 years of service. During the fiscal year ended June 30, 2012, the District contributed \$249,280 on behalf of retirees participating in this benefit.
- c. Retiree Death Benefit Only Plan: The District administers a single-employer defined benefit plan. On August 11, 2008, the Board of the District approved the termination and the cashing out of current life insurance policies on the retiree death benefit only plan with Pacific Life and contract with Principal Financial Group for active and retiree coverage. The Board's action to the plan was effective December 31, 2008. The plan's benefits were reduced to \$10,000 and self-insured beginning at age 70 for current retirees and eliminated altogether after age 70 for future retirees (reduced to \$10,000 after age 70 for Board members). Eligibility provisions were changed to match the Retiree Health Costs Reimbursement Plan, and the funding mechanism for the pre-age 70 death benefits was changed from split dollar to term insurance. Employees hired on or before December 31, 2008 are eligible for term life insurance with a face amount equal to 100% of their final annual salary at the time of retirement. Employees hired after December 31, 2008 are not currently eligible for this plan. During the fiscal year ended June 30, 2012, the District contributed \$10,125 on behalf of retirees participating in this benefit.

Membership of the plan consisted of the following at January 1, 2011, the date of the latest actuarial valuation:

| | <u>PEMHCA</u> | <u>Retiree Health Costs Reimbursement</u> | <u>Retiree Death Benefit Only</u> |
|--|---------------|---|---------------------------------------|
| Retirees and beneficiaries receiving benefits | 54 | 45 | 77 |
| Terminated plan members entitled to but not yet receiving benefits | <u>-</u> | <u>4</u> | <u>-</u> |
| Active plan members | <u>288</u> | <u>293</u> | <u>252</u> |
| Total | <u>342</u> | <u>342</u> | <u>329</u> |

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(15) Other Post Employment Benefits, (Continued)

The District reports the financial activity of the three plans in its basic financial statements. No separate benefit plan report is issued.

Annual OPEB Cost and Net OPEB Obligation

The required contributions for the District's various other post employment benefits are based on projected pay-as-you go financing requirements, with an additional amount to prefund benefits as determined annually the District's Board of Directors. The District's annual OPEB expense is based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) as a level dollar open period not to exceed 30 years.

The following table shows the components of the District's annual OPEB cost for the fiscal year ended June 30, 2012, the amount actually contributed for each OPEB benefit, and the changes in the District's net OPEB obligation:

| | PEMHCA | Retiree Health Costs Reimbursement | Retiree Death Benefit Only | Total |
|---|-------------------|--|-------------------------------|------------------|
| Annual OPEB cost (expense): | | | | |
| Annual required contribution | \$ 267,330 | 290,046 | 24,193 | 581,569 |
| Interest on net OPEB obligation | 39,527 | 23,244 | 36,436 | 99,207 |
| Adjustment to annual required contribution | <u>(51,426)</u> | <u>(30,241)</u> | <u>(47,405)</u> | <u>(129,072)</u> |
| Annual OPEB cost (expense) | 255,431 | 283,049 | 13,224 | 551,704 |
| Contribution made | <u>(66,771)</u> | <u>(249,280)</u> | <u>(10,124)</u> | <u>(326,175)</u> |
| Increase in net OPEB obligation | 188,660 | 33,769 | 3,100 | 225,529 |
| Net OPEB obligation - beginning of year | <u>790,537</u> | <u>464,884</u> | <u>728,729</u> | <u>1,984,150</u> |
| Net OPEB obligation - end of year | <u>\$ 979,197</u> | <u>498,653</u> | <u>731,829</u> | <u>2,209,679</u> |

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(15) Other Post Employment Benefits, (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligation for the fiscal year ended June 30, 2012 and the two preceding years were as follows:

Schedule of Employer Contributions

| <u>Plan</u> | <u>Year Ended</u> | <u>Annual Required Contribution</u> | <u>Percentage Contributed</u> | <u>Net OPEB Obligation</u> |
|------------------------------------|-------------------|-------------------------------------|-------------------------------|----------------------------|
| PEMHCA | 6/30/10 | 238,071 | 19.17% | 589,709 |
| | 6/30/11 | 258,454 | 22.30% | 790,537 |
| | 6/30/12 | 255,431 | 26.14% | 979,197 |
| Retiree Health Costs Reimbursement | 6/30/10 | 276,934 | 59.75% | 363,469 |
| | 6/30/11 | 284,575 | 64.36% | 464,884 |
| | 6/30/12 | 283,049 | 88.07% | 498,653 |
| Retiree Death Benefit Only | 6/30/10 | 21,961 | 29.31% | 722,954 |
| | 6/30/11 | 13,312 | 56.61% | 728,729 |
| | 6/30/12 | 13,224 | 76.57% | 731,828 |
| Total - All Plans | 6/30/10 | 536,966 | 22.76% | 1,676,132 |
| | 6/30/11 | 556,341 | 44.63% | 1,984,150 |
| | 6/30/12 | 551,704 | 59.12% | 2,209,679 |

Funded Status and Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events in the future. Examples include assumptions about employee turnover, retirement, mortality, and economic assumptions regarding healthcare inflation and interest rates. Amounts determined regarding the funded status of the plan and the annual required contributions of the District are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(15) Other Post Employment Benefits, (Continued)

Funded Status and Progress, (Continued)

Required Supplementary Information (in thousands)

| <u>Plans</u> | <u>Actuarial Valuation Date</u> | <u>Actuarial Value of Assets (a)</u> | <u>Actuarial Accrued Liability (AAL) (b)</u> | <u>Unfunded AAL (UAAL) (b - a)</u> | <u>Funded Ratio (a/b)</u> | <u>Covered Payroll (c)</u> | <u>UAAL as a % of Covered Payroll ([(b-a)/c]</u> |
|---|---|--|--|--|-----------------------------------|------------------------------------|--|
| PEMHCA | 7/1/07 | \$- | \$2,025 | \$2,025 | 0.00% | \$22,636 | 8.9% |
| | 1/1/09 | - | 2,140 | 2,140 | 0.00% | 23,733 | 9.0% |
| | 1/1/11 | - | 2,484 | 2,484 | 0.00% | 24,695 | 10.1% |
| Retiree Health Costs Reimbursement Plan | | | | | | | |
| Plan | 7/1/07 | - | 2,191 | 2,191 | 0.00% | 22,636 | 9.7% |
| | 1/1/09 | - | 2,357 | 2,357 | 0.00% | 23,733 | 9.9% |
| | 1/1/11 | - | 2,541 | 2,541 | 0.00% | 24,695 | 10.3% |
| Retiree Death Benefit Only Plan | | | | | | | |
| Plan | 7/1/07 | - | 5,891 | 5,891 | 0.00% | 22,636 | 26.0% |
| | 1/1/09 | - | 402 | 402 | 0.00% | 23,733 | 1.7% |
| | 1/1/11 | - | 365 | 365 | 0.00% | 24,695 | 1.5% |

Actuarial Methods and Assumptions

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Projections of benefits are based on the substantive plan (the plan as understood by the District and plan members) and include the types of benefits provided at the time of each valuation date and the pattern of sharing of benefit costs between the District and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used for determining the benefit obligations is the Projected Unit Credit Cost Method. The actuarial assumptions included a 5.0% investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 8.0% initially, reduced by decrements of 1% per year to an ultimate rate of 5% after the third year. Both rates included a 4.0% inflation assumption. The UAAL is being amortized as a level dollar open period over 30 years. It is assumed the District's payroll will increase 3% per year.

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(16) Deferred Compensation Plans

Retirement for Part Time Employees

The District provides pension benefits for all of its part-time employees through a defined contribution plan, in lieu of providing social security benefits. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan is administered as part of the District's Section 457 plan. All part-time and seasonal employees are eligible to participate from the date of employment. Federal legislation requires contributions of at least 7.5% to a retirement plan. For the year ended June 30, 2012, the District's payroll covered by the plan was \$1,150,284. The District made no employee contributions. The employees contributed \$86,271 (7.5% of current covered payroll) for the year ended June 30, 2012.

Deferred Compensation

All regular, full-time District employees are eligible to participate in the District's deferred compensation program pursuant to Section 457 of the Internal Revenue Code (Plan) whereby they can voluntarily contribute a portion of their earnings into a tax-deferred fund administered by the District and invested through a third party provider. Pursuant to the Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA), effective January 1, 2002, employees may contribute the lesser of 100% of includible compensation or the maximum dollar amount allowable under Internal Revenue Code Section 457 in effect for the year. The dollar amount currently in effect for calendar year 2012 is \$17,000. After 2008, the limit is being indexed to inflation in \$500 increments.

Effective January 1, 2008, for employees with one year or more of services, the District provides 100% matching up to an annual maximum of 3% of the employee's base salary after one year of service. Such employer contribution amounts are deposited into a money purchase plan pursuant to Section 401(a) of the Internal Revenue Code. During the year ended June 30, 2012, the District contributed \$543,895 to employee accounts under the 401(a) plan.

Effective July 1, 2008, employees with two years or more of service are entitled to an additional annual contribution by the District based on 3% of base salary. Such employer contribution amounts are deposited into a money purchase plan pursuant to Section 401(a) of the Internal Revenue Code. During the year ended June 30, 2012, the District contributed \$0 to employee accounts under the 401(a) plan. As of July 1, 2011, the District has discontinued provided a direct contribution benefit.

The assets in both plans are held in trust for the exclusive benefit of the participants and their beneficiaries, and are therefore not reported in the financial statements of the District.

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(17) Commitments and Contingencies

Orange County Sanitation District (OCSD)

The District, with OCSD, negotiated an agreement as of July 1, 1985, which has been amended from time to time. The District agreed to annually fund payment of the District's proportionate share of OCSD's joint capital outlay revolving fund (CORF) budget requirements and certain capital improvements, calculated on an annual flow basis using the four highest months of actual flows, during the term of the agreement. The capital assets associated with this agreement are co-owned by the two agencies and provide an operational benefit to both agencies. The District's CORF payments to OCSD for the year ended June 30, 2012 totaled \$1,398,065. The District's share of the jointly funded CORF and capital improvements is included in capital assets in the District's basic financial statements. An annual reconciliation of fiscal years 2010-11 and 2011-12 OCSD operations and maintenance and CORF charges to the District will be performed in fiscal year 2012-13 which may determine additional amounts payable to or receivable from OCSD.

The District, with OCSD, negotiated an agreement as of April 28, 2010, providing for treatment and disposal by OCSD of District solids and the temporary lease of capacity in OCSD's solids treatment and disposal facilities through December 31, 2016 with a retroactive component for the lease of capacity back to July 1, 2008. The capacity lease for fiscal year 2011-12, estimated at \$2,256,386, is included in Sewer Services as an operating expense. An annual reconciliation of actual and estimated solids flows for fiscal years 2010-11 and 2011-12 will be performed in fiscal year 2012-13 which may determine additional amounts payable to or receivable from OCSD.

As of June 30, 2012 \$9,800,000 is being held by OCSD to meet District's share of OCSD budget requirements and is recorded as deposits in the District's basic financial statements. An additional \$35,178,617 is being held by OCSD and is recorded as due from other agency in the District's basic financial statements. These funds will be applied by OCSD as payment of operation and maintenance and CORF invoices in subsequent fiscal years, and continued to earn interest at OCSD's rate of return, for the benefit of the District.

Legal Actions

The District is a defendant in various legal actions arising out of the conduct of the District's operations. Management believes that, based on current knowledge, the outcome of these matters will not have a material adverse effect on the District's financial position.

Irvine Ranch Water District
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2012
(Continued)

(18) Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance.

Property, Boiler and Machinery insurance is provided by a policy with Affiliated FM Insurance Company. Property insurance includes flood insurance but does not include earthquake insurance. General and excess liability coverage and workers compensation insurance is provided through participation in the California State Association of Counties Excess Insurance Authority via the California Public Entity Insurance Authority. Pollution and legal liability coverage for the Irvine Desalter Project is provided by a policy with Indian Harbor Insurance Company.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. An excess coverage insurance policy covers individual claims in excess of \$100,000. Settlements have not exceeded coverage for each of the past three fiscal years.

(19) Subsequent Events

Issuance of Irvine Ranch Water District Joint Powers Agency Taxable Refunding Bonds, Issue 1, Series 2012

On September 12, 2012, the JPA issued \$257,355,000 of Taxable Refunding Bonds, Issue 1, Series 2012 (Series 2012 Bonds), which were used to refund all the outstanding Irvine Ranch Water District Joint Powers of Agency Taxable Refunding Bonds, Issue 1 and pay the costs of issuance of the Series 2012 Bonds. The Series 2012 Bonds are special limited obligations of the JPA payable solely from, and secured by a pledge of, an Investment Agreement dated as of October 21, 1994.

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Supplementary Information

Irvine Ranch Water District
Combining Schedule of Net Assets - Water Subfunds
June 30, 2012
(in thousands)

| | 100/101/ 199 | 112 | 113 | 115 | 120 | 121 | 130 | 135 |
|--|-----------------|----------------|---------------|----------------|---------------|---------------|---------------|---------------|
| ASSETS | | | | | | | | |
| Current Assets: | | | | | | | | |
| Cash and investments | \$ 9,294 | (3,175) | 1,813 | (6,242) | 8,336 | 2,282 | 22,494 | 8,437 |
| Receivables: | | | | | | | | |
| Customer accounts receivable | 6,499 | - | - | - | - | - | - | - |
| Interest receivable | 51 | (1) | 4 | (3) | 7 | 10 | 27 | 8 |
| Joint Powers Agency (JPA) interest receivable | - | - | - | - | - | - | - | - |
| Notes receivable, current portion | - | - | - | - | - | - | - | - |
| Allen-McColloch Pipeline receivable, current portion | - | - | - | - | - | 69 | 50 | 91 |
| Due from other agencies | - | - | - | - | - | - | - | - |
| Other receivables | 2,449 | 177 | 218 | 281 | 64 | 641 | 554 | 162 |
| Total receivables | <u>8,999</u> | <u>176</u> | <u>222</u> | <u>278</u> | <u>71</u> | <u>720</u> | <u>631</u> | <u>261</u> |
| Other Current Assets: | | | | | | | | |
| Inventories | 2,233 | - | - | - | - | - | - | - |
| Prepaid items and deposits | 205 | 184 | 634 | - | - | 392 | 389 | 331 |
| JPA investment program, current portion | - | - | - | - | - | - | - | - |
| Total other current assets | <u>2,438</u> | <u>184</u> | <u>634</u> | <u>-</u> | <u>-</u> | <u>392</u> | <u>389</u> | <u>331</u> |
| Total current assets | <u>20,731</u> | <u>(2,815)</u> | <u>2,669</u> | <u>(5,964)</u> | <u>8,407</u> | <u>3,394</u> | <u>23,514</u> | <u>9,029</u> |
| Noncurrent Assets: | | | | | | | | |
| Capital Assets: | | | | | | | | |
| Waterworks in service | 136,472 | 4,625 | 14,936 | 1,343 | 18,803 | 67,004 | 64,944 | 79,428 |
| Less accumulated depreciation | (49,983) | (535) | (1,090) | (41) | (11,049) | (19,911) | (23,638) | (39,355) |
| Total capital assets being depreciated, net | <u>86,489</u> | <u>4,090</u> | <u>13,846</u> | <u>1,302</u> | <u>7,754</u> | <u>47,093</u> | <u>41,306</u> | <u>40,073</u> |
| Land and water rights | 10,775 | 570 | 700 | 757 | 246 | 2,806 | 2,644 | 1,504 |
| Construction in progress | 23,125 | 3,958 | 4,513 | 5,957 | - | 13,032 | 10,423 | 3,577 |
| Total capital assets, net | <u>120,389</u> | <u>8,618</u> | <u>19,059</u> | <u>8,016</u> | <u>8,000</u> | <u>62,931</u> | <u>54,373</u> | <u>45,154</u> |
| Other Noncurrent Assets: | | | | | | | | |
| Debt service cash and investments | 220 | 1,496 | 3,236 | - | - | 5,588 | 4,716 | - |
| Unamortized debt issuance expense | 22 | 21 | 60 | - | 1 | 100 | 84 | - |
| Notes receivable, net of current portion | - | - | - | - | - | - | - | - |
| Allen-McColloch Pipeline receivable, net | - | - | - | - | - | 333 | 243 | 439 |
| JPA investment program, net of current portion | - | - | - | - | - | - | - | - |
| Real estate investments | - | - | - | - | - | - | - | - |
| Net Pension Asset | 11,605 | - | - | - | - | - | - | - |
| Deferred outflow | - | 365 | 1,260 | - | - | 778 | 773 | 657 |
| Total other noncurrent assets | <u>11,847</u> | <u>1,882</u> | <u>4,556</u> | <u>-</u> | <u>1</u> | <u>6,799</u> | <u>5,816</u> | <u>1,096</u> |
| Interdistrict receivable | 18,998 | - | - | - | - | - | - | - |
| Total noncurrent assets | <u>151,234</u> | <u>10,500</u> | <u>23,615</u> | <u>8,016</u> | <u>8,001</u> | <u>69,730</u> | <u>60,189</u> | <u>46,250</u> |
| TOTAL ASSETS | <u>171,965</u> | <u>7,685</u> | <u>26,284</u> | <u>2,052</u> | <u>16,408</u> | <u>73,124</u> | <u>83,703</u> | <u>55,279</u> |

| 140 | 150 | 153/ 154/155 | 156 | 160/161 | 182/184 | 186/ 188/189 | 300 | 800-806 | Total |
|----------|----------|-----------------|---------|----------|----------|-----------------|---------|---------|-----------|
| 13,317 | 50,944 | (1,137) | (1,595) | 16,875 | (2,666) | 1,962 | - | - | 120,939 |
| - | 41 | - | - | - | - | - | - | - | 6,540 |
| 12 | 63 | - | 1 | 18 | 2 | 3 | - | - | 202 |
| - | - | - | - | - | - | - | 9,504 | - | 9,504 |
| - | - | - | - | - | - | - | - | - | - |
| 16 | 140 | 57 | - | 44 | 18 | 7 | - | - | 492 |
| - | - | - | - | - | - | - | - | - | - |
| 344 | 1,785 | 191 | (1,573) | 463 | 300 | 134 | - | - | 6,190 |
| 372 | 2,029 | 248 | (1,572) | 525 | 320 | 144 | 9,504 | - | 22,928 |
| - | - | - | - | - | - | - | - | - | 2,233 |
| 877 | 7,205 | 98 | - | 320 | 370 | 243 | - | - | 11,248 |
| - | - | - | - | - | - | - | 15,231 | - | 15,231 |
| 877 | 7,205 | 98 | - | 320 | 370 | 243 | 15,231 | - | 28,712 |
| 14,566 | 60,178 | (791) | (3,167) | 17,720 | (1,976) | 2,349 | 24,735 | - | 172,579 |
| 54,470 | 233,714 | 13,481 | 2,972 | 67,179 | 36,901 | 17,401 | - | - | 813,673 |
| (17,643) | (51,322) | (3,685) | (559) | (20,317) | (11,902) | (5,862) | - | - | (256,892) |
| 36,827 | 182,392 | 9,796 | 2,413 | 46,862 | 24,999 | 11,539 | - | - | 556,781 |
| 805 | 7,520 | 692 | 1 | 1,912 | 2,571 | 540 | - | - | 34,043 |
| 3,646 | 27,310 | 4,329 | 3,652 | 6,661 | 4,781 | 1,653 | - | - | 116,617 |
| 41,278 | 217,222 | 14,817 | 6,066 | 55,435 | 32,351 | 13,732 | - | - | 707,441 |
| - | 7,905 | - | - | 1,782 | 1,772 | 573 | - | - | 27,288 |
| 72 | 520 | - | - | 102 | 40 | 52 | - | - | 1,074 |
| - | - | - | - | - | - | - | - | - | - |
| 78 | 677 | 279 | - | 213 | 88 | 33 | - | - | 2,383 |
| - | - | - | - | - | - | - | 324,565 | - | 324,565 |
| - | - | - | - | - | - | - | - | 48,325 | 48,325 |
| - | - | - | - | - | - | - | - | - | 11,605 |
| 1,742 | 14,315 | - | - | 636 | 736 | 482 | - | - | 21,744 |
| 1,892 | 23,417 | 279 | - | 2,733 | 2,636 | 1,140 | 324,565 | 48,325 | 436,984 |
| - | - | - | - | - | - | - | - | - | 18,998 |
| 43,170 | 240,639 | 15,096 | 6,066 | 58,168 | 34,987 | 14,872 | 324,565 | 48,325 | 1,163,423 |
| 57,736 | 300,817 | 14,305 | 2,899 | 75,888 | 33,011 | 17,221 | 349,300 | 48,325 | 1,336,002 |

Irvine Ranch Water District
Combining Schedule of Net Assets - Water Subfunds
June 30, 2012
(Continued)

| | 100/101/ 199 | 112 | 113 | 115 | 120 | 121 | 130 | 135 |
|---|------------------|--------------|---------------|--------------|---------------|---------------|---------------|---------------|
| LIABILITIES AND NET ASSETS | | | | | | | | |
| Current Liabilities: | | | | | | | | |
| Account payable and accrued expenses | \$ 9,644 | 232 | 222 | 265 | - | 583 | 449 | 1,376 |
| Customer deposits and advance payments | 449 | - | - | - | - | - | - | - |
| Accrued interest: | | | | | | | | |
| General obligation bonds | - | 26 | 47 | - | - | 114 | 93 | 9 |
| JPA revenue bonds | - | - | - | - | - | - | - | - |
| Other accrued interest payable | 776 | - | - | - | 7 | 11 | 39 | - |
| Current portion of long-term liabilities: | | | | | | | | |
| General obligation bonds | - | 92 | 266 | - | - | 194 | 177 | 98 |
| Certificates of participation | 1,058 | - | - | - | 30 | 44 | 160 | - |
| JPA revenue bonds | - | - | - | - | - | - | - | - |
| Notes payable | - | - | - | - | - | - | - | - |
| Other long-term liabilities | 1,070 | - | - | - | - | - | - | - |
| Deferred revenue | - | 10 | 15 | 7 | - | 43 | 33 | 59 |
| Total current liabilities | <u>12,997</u> | <u>360</u> | <u>550</u> | <u>272</u> | <u>37</u> | <u>989</u> | <u>951</u> | <u>1,542</u> |
| Long-Term Liabilities: | | | | | | | | |
| General obligation bonds, net of current portion | - | 5,654 | 14,344 | - | - | 20,012 | 16,819 | 4,629 |
| Certificates of Participation, net of current portion | 2,634 | - | - | - | 75 | 110 | 399 | - |
| JPA revenue bonds, net of current portion | - | - | - | - | - | - | - | - |
| Notes payable, net of current portion | - | - | - | - | - | - | - | - |
| Other long-term liabilities, net of current portion | 2,397 | - | - | - | 4 | - | 44 | - |
| Deferred revenue, net of current portion | - | 196 | 275 | 160 | - | 811 | 615 | 1,097 |
| Net OPEB obligation | 2,210 | - | - | - | - | - | - | - |
| Swap liability | - | 365 | 1,260 | - | - | 778 | 773 | 657 |
| Total long-term liabilities | <u>7,241</u> | <u>6,215</u> | <u>15,879</u> | <u>160</u> | <u>79</u> | <u>21,711</u> | <u>18,650</u> | <u>6,383</u> |
| Interdistrict payable | - | - | - | - | - | - | - | - |
| TOTAL LIABILITIES | <u>20,238</u> | <u>6,575</u> | <u>16,429</u> | <u>432</u> | <u>116</u> | <u>22,700</u> | <u>19,601</u> | <u>7,925</u> |
| NET ASSETS | | | | | | | | |
| Change in net assets | (3,696) | 244 | 1,169 | 727 | 668 | 47 | (387) | (1,708) |
| Net assets at beginning of year | 155,423 | 863 | 8,689 | 892 | 15,624 | 50,377 | 64,490 | 49,060 |
| NET ASSETS AT END OF YEAR | <u>\$151,727</u> | <u>1,107</u> | <u>9,858</u> | <u>1,619</u> | <u>16,292</u> | <u>50,424</u> | <u>64,103</u> | <u>47,352</u> |

| 140 | 150 | 153/ 154/155 | 156 | 160/161 | 182/184 | 186/ 188/189 | 300 | 800-806 | Total |
|---------------|----------------|-----------------|--------------|---------------|---------------|-----------------|----------------|---------------|----------------|
| 151 | 1,247 | 232 | 139 | 295 | 213 | 72 | - | - | 15,120 |
| - | - | - | - | - | - | - | - | - | 449 |
| 8 | 272 | - | - | 59 | 47 | 12 | - | - | 687 |
| - | - | - | - | - | - | - | 4,277 | - | 4,277 |
| 11 | 44 | 11 | - | 17 | - | - | - | - | 916 |
| 1,006 | 3,406 | - | - | 142 | 104 | 667 | - | - | 6,152 |
| 39 | 149 | - | - | 48 | - | - | - | - | 1,528 |
| - | - | - | - | - | - | - | 19,952 | - | 19,952 |
| - | - | 60 | - | - | - | - | - | - | 60 |
| - | - | - | 19 | - | - | - | - | - | 1,089 |
| 12 | 299 | 5 | - | 22 | 17 | 5 | - | - | 527 |
| <u>1,227</u> | <u>5,417</u> | <u>308</u> | <u>158</u> | <u>583</u> | <u>381</u> | <u>756</u> | <u>24,229</u> | <u>-</u> | <u>50,757</u> |
| 10,341 | 125,101 | - | - | 11,503 | 8,884 | 3,125 | - | - | 220,412 |
| 3,692 | 20,449 | - | - | 13,434 | - | - | - | - | 40,793 |
| - | - | - | - | - | - | - | 299,309 | - | 299,309 |
| - | - | 881 | - | - | - | - | - | - | 881 |
| 19 | 28 | 555 | 140 | 8 | - | - | - | - | 3,195 |
| 217 | 5,134 | 105 | - | 413 | 313 | 89 | - | - | 9,425 |
| - | - | - | - | - | - | - | - | - | 2,210 |
| 1,742 | 14,315 | - | - | 636 | 736 | 482 | - | - | 21,744 |
| <u>16,011</u> | <u>165,027</u> | <u>1,541</u> | <u>140</u> | <u>25,994</u> | <u>9,933</u> | <u>3,696</u> | <u>299,309</u> | <u>-</u> | <u>597,969</u> |
| - | - | - | - | - | - | - | - | 18,998 | 18,998 |
| <u>17,238</u> | <u>170,444</u> | <u>1,849</u> | <u>298</u> | <u>26,577</u> | <u>10,314</u> | <u>4,452</u> | <u>323,538</u> | <u>18,998</u> | <u>667,724</u> |
| 1,792 | 3,381 | 475 | 509 | 600 | (392) | 358 | (7,683) | (962) | (4,858) |
| <u>38,708</u> | <u>126,990</u> | <u>11,981</u> | <u>2,090</u> | <u>48,710</u> | <u>23,091</u> | <u>12,412</u> | <u>33,446</u> | <u>30,289</u> | <u>673,135</u> |
| <u>40,500</u> | <u>130,371</u> | <u>12,456</u> | <u>2,599</u> | <u>49,310</u> | <u>22,699</u> | <u>12,770</u> | <u>25,763</u> | <u>29,327</u> | <u>668,277</u> |

Irvine Ranch Water District
Combining Schedule of Net Assets - Sewer Subfunds
June 30, 2012
(in thousands)

| | 200/210/ 211/299 | 212 | 213 | 215 | 220 | 221 |
|---|---------------------|----------------|---------------|----------------|---------------|---------------|
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| Cash and investments | \$ 87,873 | (5,106) | 7,165 | (1,083) | 10,704 | 9,856 |
| Receivables: | | | | | | |
| Customer accounts receivable | - | - | - | - | - | - |
| Interest receivable | 83 | (1) | 7 | (1) | 9 | 18 |
| Joint Powers Agency (JPA) interest receivable | - | - | - | - | - | - |
| Notes receivable, current portion | 11 | - | - | - | - | - |
| Allen-McColloch Pipeline receivable, current portion | - | - | - | - | - | - |
| Due from other agencies | 15,294 | 199 | 454 | - | 3,334 | (278) |
| Other receivables | 2,043 | - | 198 | - | - | 51 |
| Total receivables | <u>17,431</u> | <u>198</u> | <u>659</u> | <u>(1)</u> | <u>3,343</u> | <u>(209)</u> |
| Other Current Assets: | | | | | | |
| Inventories | - | - | - | - | - | - |
| Prepaid items and deposits | 10,251 | 573 | 1,804 | - | - | 1,763 |
| JPA investment program, current portion | - | - | - | - | - | - |
| Total other current assets | <u>10,251</u> | <u>573</u> | <u>1,804</u> | <u>-</u> | <u>-</u> | <u>1,763</u> |
| Total current assets | <u>115,555</u> | <u>(4,335)</u> | <u>9,628</u> | <u>(1,084)</u> | <u>14,047</u> | <u>11,410</u> |
| Noncurrent Assets: | | | | | | |
| Capital Assets: | | | | | | |
| Sewer plant in service | 184,322 | 12,510 | 25,735 | 369 | 30,124 | 88,288 |
| Less accumulated depreciation | (53,573) | (1,778) | (2,126) | (25) | (18,784) | (29,914) |
| Total capital assets being depreciated, net | 130,749 | 10,732 | 23,609 | 344 | 11,340 | 58,374 |
| Land and water rights | 18,649 | 949 | 398 | 57 | - | 1,962 |
| Construction in progress | 22,251 | 9,953 | 3,336 | 595 | 124 | 23,385 |
| Total capital assets, net | <u>171,649</u> | <u>21,634</u> | <u>27,343</u> | <u>996</u> | <u>11,464</u> | <u>83,721</u> |
| Other Noncurrent Assets: | | | | | | |
| Debt service cash and investments | - | 979 | 59 | - | - | - |
| Unamortized debt issuance expense | 25 | 58 | 30 | - | 2 | 45 |
| Notes receivable, net of current portion | 138 | - | - | - | - | - |
| Allen-McColloch Pipeline receivable, net of current portion | - | - | - | - | - | - |
| JPA investment program, net of current portion | - | - | - | - | - | - |
| Real estate investments | - | - | - | - | - | - |
| Net Pension Asset | - | - | - | - | - | - |
| Deferred outflow | - | 964 | 3,156 | - | - | 2,161 |
| Total other noncurrent assets | <u>163</u> | <u>2,001</u> | <u>3,245</u> | <u>-</u> | <u>2</u> | <u>2,206</u> |
| Interdistrict receivable | - | - | (253) | - | - | - |
| Total noncurrent assets | <u>171,812</u> | <u>23,635</u> | <u>30,335</u> | <u>996</u> | <u>11,466</u> | <u>85,927</u> |
| TOTAL ASSETS | <u>287,367</u> | <u>19,300</u> | <u>39,963</u> | <u>(88)</u> | <u>25,513</u> | <u>97,337</u> |

| 230 | 235 | 240 | 250 | 252/253 | 256 | 260/261 | 282 /284 | 286/288/ 289 | 400 | Total |
|----------|----------|----------|----------|---------|-----|----------|----------|-----------------|---------|-----------|
| 6,517 | (18,824) | 652 | 13,846 | (802) | 172 | 6,967 | 3,212 | (1,195) | - | 119,954 |
| - | - | - | - | - | - | - | - | - | - | - |
| 17 | (16) | 3 | 33 | - | - | 14 | 8 | (1) | - | 173 |
| - | - | - | - | - | - | - | - | - | 9,504 | 9,504 |
| - | - | - | - | - | - | - | - | - | - | 11 |
| - | - | - | - | - | - | - | - | - | - | - |
| 3,766 | - | - | 8,595 | - | - | 1,490 | 2,324 | - | - | 35,178 |
| - | 70 | - | 25 | - | - | - | - | - | - | 2,387 |
| 3,783 | 54 | 3 | 8,653 | - | - | 1,504 | 2,332 | (1) | 9,504 | 47,253 |
| - | - | - | - | - | - | - | - | - | - | - |
| 1,708 | 200 | 2,082 | 9,099 | - | - | 929 | 590 | 51 | - | 29,050 |
| - | - | - | - | - | - | - | - | - | 15,231 | 15,231 |
| 1,708 | 200 | 2,082 | 9,099 | - | - | 929 | 590 | 51 | 15,231 | 44,281 |
| 12,008 | (18,570) | 2,737 | 31,598 | (802) | 172 | 9,400 | 6,134 | (1,145) | 24,735 | 211,488 |
| 84,146 | 76,309 | 87,173 | 224,106 | 38 | - | 74,552 | 28,957 | 5,391 | - | 922,020 |
| (33,398) | (34,187) | (29,264) | (55,996) | (6) | - | (22,968) | (10,982) | (1,315) | - | (294,316) |
| 50,748 | 42,122 | 57,909 | 168,110 | 32 | - | 51,584 | 17,975 | 4,076 | - | 627,704 |
| 1,944 | 2,391 | 817 | 3,423 | - | - | 1,236 | 264 | 30 | - | 32,120 |
| 16,467 | 703 | 5,047 | 43,528 | 883 | - | 11,421 | 3,845 | 22 | - | 141,560 |
| 69,159 | 45,216 | 63,773 | 215,061 | 915 | - | 64,241 | 22,084 | 4,128 | - | 801,384 |
| 9,630 | - | - | 21,513 | - | - | 6,885 | 2,594 | - | - | 41,660 |
| 185 | - | 133 | 668 | - | - | 140 | 48 | - | - | 1,334 |
| - | - | - | - | - | - | - | - | - | - | 138 |
| - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | 324,565 | 324,565 |
| - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - |
| 2,484 | 397 | 4,083 | 15,777 | - | - | 1,250 | 842 | 101 | - | 31,215 |
| 12,299 | 397 | 4,216 | 37,958 | - | - | 8,275 | 3,484 | 101 | 324,565 | 398,912 |
| - | - | - | - | - | - | - | 253 | - | - | - |
| 81,458 | 45,613 | 67,989 | 253,019 | 915 | - | 72,516 | 25,821 | 4,229 | 324,565 | 1,200,296 |
| 93,466 | 27,043 | 70,726 | 284,617 | 113 | 172 | 81,916 | 31,955 | 3,084 | 349,300 | 1,411,784 |

Irvine Ranch Water District
Combining Schedule of Net Assets - Sewer Subfunds
June 30, 2012
(Continued)

| | 200/210/ 211/299 | 212 | 213 | 215 | 220 | 221 |
|---|---------------------|---------------|---------------|--------------|---------------|---------------|
| LIABILITIES AND NET ASSETS | | | | | | |
| Current Liabilities: | | | | | | |
| Account payable and accrued expenses | 2,381 | 650 | 170 | 36 | (18) | 1,516 |
| Customer deposits and advance payments | - | - | - | - | - | - |
| Accrued interest: | | | | | | |
| General obligation bonds | - | 73 | 32 | - | - | 70 |
| JPA revenue bonds | - | - | - | - | - | - |
| Other accrued interest payable | 1,014 | - | - | - | 19 | 49 |
| Current portion of long-term liabilities: | | | | | | |
| General obligation bonds | - | 244 | 603 | - | - | 520 |
| Certificates of participation | 1,214 | - | - | - | 79 | 199 |
| JPA revenue bonds | - | - | - | - | - | - |
| Notes payable | 6 | 24 | 15 | - | - | 46 |
| Other long-term liabilities | - | - | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - |
| Total current liabilities | <u>4,615</u> | <u>991</u> | <u>820</u> | <u>36</u> | <u>80</u> | <u>2,400</u> |
| Long-Term Liabilities: | | | | | | |
| General obligation bonds, net of current portion | - | 15,461 | 22,516 | - | - | 20,980 |
| Certificates of Participation, net of current portion | 3,025 | - | - | - | 198 | 496 |
| JPA revenue bonds, net of current portion | - | - | - | - | - | - |
| Notes payable, net of current portion | 41 | 171 | 105 | - | - | 319 |
| Other long-term liabilities, net of current portion | 110 | - | - | - | - | - |
| Deferred revenue, net of current portion | - | - | - | - | - | - |
| Net OPEB obligation | - | - | - | - | - | - |
| Swap liability | - | 964 | 3,156 | - | - | 2,161 |
| Total long-term liabilities | <u>3,176</u> | <u>16,596</u> | <u>25,777</u> | <u>-</u> | <u>198</u> | <u>23,956</u> |
| Interdistrict payable | - | - | (253) | - | - | - |
| TOTAL LIABILITIES | <u>7,791</u> | <u>17,587</u> | <u>26,344</u> | <u>36</u> | <u>278</u> | <u>26,356</u> |
| NET ASSETS | | | | | | |
| Change in net assets | 25,382 | (61) | 211 | (196) | (234) | (1,162) |
| Net assets at beginning of year | <u>254,194</u> | <u>1,774</u> | <u>13,409</u> | <u>72</u> | <u>25,469</u> | <u>72,144</u> |
| NET ASSETS AT END OF YEAR | <u>\$ 279,576</u> | <u>1,713</u> | <u>13,620</u> | <u>(124)</u> | <u>25,235</u> | <u>70,982</u> |

| 230 | 235 | 240 | 250 | 252/253 | 256 | 260/261 | 282 /284 | 286/288/ 289 | 400 | Total |
|---------------|---------------|---------------|----------------|-----------|------------|---------------|---------------|-----------------|----------------|----------------|
| 983 | 166 | 254 | 2,670 | 63 | - | 740 | 232 | 2 | - | 9,845 |
| - | - | - | - | - | - | - | - | - | - | - |
| 182 | 5 | 20 | 421 | - | - | 139 | 55 | 1 | - | 998 |
| - | - | - | - | - | - | - | - | - | 4,277 | 4,277 |
| 373 | - | - | 73 | - | - | 30 | - | - | - | 1,558 |
| 740 | 59 | 1,640 | 3,850 | - | - | 285 | 89 | 27 | - | 8,057 |
| 1,521 | - | (5) | 265 | - | - | 116 | - | - | - | 3,389 |
| - | - | - | - | - | - | - | - | - | 19,952 | 19,952 |
| 34 | - | 20 | 27 | - | - | 22 | - | - | - | 194 |
| - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - |
| <u>3,833</u> | <u>230</u> | <u>1,929</u> | <u>7,306</u> | <u>63</u> | <u>-</u> | <u>1,332</u> | <u>376</u> | <u>30</u> | <u>24,229</u> | <u>48,270</u> |
| 38,225 | 2,784 | 26,442 | 151,409 | - | - | 25,765 | 9,581 | 769 | - | 313,932 |
| 3,788 | - | 4,392 | 20,711 | - | - | 5,296 | - | - | - | 37,906 |
| - | - | - | - | - | - | - | - | - | 299,309 | 299,309 |
| 241 | - | 140 | 186 | - | - | 156 | - | - | - | 1,359 |
| - | - | - | - | - | - | - | - | - | - | 110 |
| - | - | - | - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - | - | - | - |
| 2,484 | 397 | 4,083 | 15,777 | - | - | 1,250 | 842 | 101 | - | 31,215 |
| <u>44,738</u> | <u>3,181</u> | <u>35,057</u> | <u>188,083</u> | <u>-</u> | <u>-</u> | <u>32,467</u> | <u>10,423</u> | <u>870</u> | <u>299,309</u> | <u>683,831</u> |
| - | - | - | - | - | - | - | 253 | - | - | - |
| <u>48,571</u> | <u>3,411</u> | <u>36,986</u> | <u>195,389</u> | <u>63</u> | <u>-</u> | <u>33,799</u> | <u>11,052</u> | <u>900</u> | <u>323,538</u> | <u>732,101</u> |
| (2,383) | (2,301) | 247 | 887 | 23 | (128) | (868) | (351) | (167) | (7,683) | 11,216 |
| <u>47,277</u> | <u>25,931</u> | <u>33,492</u> | <u>88,339</u> | <u>26</u> | <u>300</u> | <u>48,987</u> | <u>21,253</u> | <u>2,352</u> | <u>33,446</u> | <u>668,465</u> |
| <u>44,894</u> | <u>23,630</u> | <u>33,739</u> | <u>89,226</u> | <u>49</u> | <u>172</u> | <u>48,119</u> | <u>20,902</u> | <u>2,185</u> | <u>25,763</u> | <u>679,681</u> |

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Statistical Section

Irvine Ranch Water District
Fiscal Year Ended June 30, 2012

This section of the Irvine Ranch Water District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Financial Trends Schedules – These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

- Net Assets
- Changes in Net Assets

Revenue Capacity Schedules – These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property and sales taxes.

- Water Sold by Type of Customer
- Water Rates
- Largest Water Customers
- Sewer Rates
- Largest Sewer Customers
- Ad Valorem Property Tax Rates

Debt Capacity Schedules – These schedule present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issues additional debt in the future.

- Assessed Valuation and Estimated Actual Value of Taxable Property
- Direct and Overlapping Property Tax Rates
- Direct and Overlapping Debt
- Principal Property Taxpayers
- Property Tax Collections/Delinquency
- Outstanding Debt by Type
- Outstanding General Obligation Debt by Improvement District
- Ratios of General Obligation Debt to Assessed Values
- Ratios of Annual Debt Service Expenditures to Total General Expenditures – Cash Basis
- Debt Service Coverage

Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

- Principal Employers
- Demographic and Economic Statistics

Operating Information – These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

- Operating Indicators – Water and Sewer Service Connections
- Operating Indicators – New Service Connections
- Operating Indicators – Average Monthly Usage
- Capital Asset Statistics
- Full-Time Employees

Irvine Ranch Water District
Net Assets
For the Past Ten Fiscal Years
(in millions)

| | Fiscal Year | | | | | | | | | |
|---|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Assets | | | | | | | | | | |
| Current & other assets | \$ 1,447.9 | 1,327.1 | 1,250.6 | 1,162.1 | 1,088.9 | 1,103.8 | 1,224.1 | 1,209.7 | 1,332.7 | 1,220.0 |
| Capital assets | 902.1 | 950.7 | 1,017.4 | 1,111.1 | 1,224.3 | 1,346.1 | 1,423.1 | 1,396.6 | 1,430.3 | 1,508.8 |
| Total assets | <u>2350.0</u> | <u>2,277.8</u> | <u>2,268.0</u> | <u>2,273.2</u> | <u>2,313.2</u> | <u>2,449.9</u> | <u>2,647.2</u> | <u>2,606.3</u> | <u>2,763.0</u> | <u>2,728.8</u> |
| Liabilities | | | | | | | | | | |
| Current and other liabilities | 79.4 | 78.0 | 82.8 | 91.5 | 95.3 | 96.5 | 99.4 | 67.3 | 97.7 | 99.0 |
| Long-term liabilities | 1,153.2 | 1,109.1 | 1,058.6 | 1,068.9 | 1,022.2 | 1,074.7 | 1,190.8 | 1,204.3 | 1,323.7 | 1,281.8 |
| Total liabilities | <u>1,232.6</u> | <u>1,187.1</u> | <u>1,141.4</u> | <u>1,160.4</u> | <u>1,117.5</u> | <u>1,171.2</u> | <u>1,290.2</u> | <u>1,271.6</u> | <u>1,421.4</u> | <u>1,380.8</u> |
| Net assets | | | | | | | | | | |
| Invested in capital assets, net of related debt | 598.9 | 648.0 | 730.2 | 791.0 | 927.6 | 977.7 | 994.3 | 929.5 | 900.6 | 943.1 |
| Restricted for water services | 324.1 | 298.1 | 280.4 | 231.2 | 229.2 | 253.8 | 294.4 | 271.3 | 234.3 | 203.4 |
| Restricted for sewer services | 194.4 | 144.6 | 116.0 | 90.6 | 38.9 | 47.2 | 68.3 | 133.9 | 206.7 | 201.5 |
| Total net assets | <u>\$ 1,117.4</u> | <u>1,090.7</u> | <u>1,126.6</u> | <u>1,112.8</u> | <u>1,195.7</u> | <u>1,278.7</u> | <u>1,357.0</u> | <u>1,334.7</u> | <u>1,341.6</u> | <u>1,348.0</u> |

Source: IRWD Basic Financial Statements

Irvine Ranch Water District
Changes in Net Assets
For the Past Ten Fiscal Years
(in thousands)

| | Fiscal Year | | | | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Operating Revenues | | | | | | | | | | |
| Water sales and service charges | \$ 27,185 | 31,700 | 33,105 | 39,256 | 45,138 | 48,516 | 50,940 | 51,268 | 54,796 | 57,558 |
| Sewer sales and service charges | 18,521 | 23,346 | 24,622 | 29,248 | 37,649 | 39,811 | 41,157 | 45,344 | 45,375 | 49,234 |
| Total operating revenues | 45,706 | 55,046 | 57,727 | 68,504 | 82,787 | 88,327 | 92,097 | 96,612 | 100,171 | 106,792 |
| Operating Expenses | | | | | | | | | | |
| Water | | | | | | | | | | |
| Water services | 24,820 | 26,139 | 25,198 | 29,813 | 33,281 | 37,030 | 40,333 | 40,103 | 42,383 | 40,593 |
| General and administrative | 7,016 | 7,035 | 7,308 | 8,625 | 10,267 | 11,257 | 12,536 | 14,574 | 13,663 | 14,453 |
| Customer accounts | 1,325 | 1,384 | 1,446 | 1,572 | 1,698 | 1,999 | 1,940 | 2,263 | 2,242 | 2,142 |
| Sewer | | | | | | | | | | |
| Sewer services | 15,558 | 19,052 | 19,055 | 18,480 | 23,439 | 26,032 | 27,402 | 27,804 | 30,787 | 26,816 |
| General and administrative | 5,125 | 5,266 | 5,571 | 5,556 | 6,328 | 7,259 | 7,712 | 8,330 | 7,669 | 12,729 |
| Customer accounts | 882 | 923 | 964 | 1,048 | 1,131 | 1,179 | 1,294 | 1,509 | 1,495 | 1,332 |
| Depreciation | 24,984 | 25,091 | 26,395 | 27,135 | 28,449 | 31,595 | 34,699 | 39,444 | 43,592 | 41,379 |
| Total operating expenses | 79,710 | 84,890 | 85,937 | 92,229 | 104,593 | 116,351 | 125,916 | 134,027 | 141,831 | 139,444 |
| Operating income (loss) | (34,004) | (29,844) | (28,210) | (23,725) | (21,806) | (28,024) | (33,819) | (37,415) | (41,660) | (32,652) |
| Nonoperating Revenues (Expenses) | | | | | | | | | | |
| Property taxes | 14,247 | 15,304 | 7,725 | 15,237 | 30,667 | 34,245 | 36,240 | 38,392 | 38,679 | 38,062 |
| Investment income | 8,333 | 7,700 | 7,695 | 9,115 | 10,768 | 10,674 | 4,365 | 2,191 | 2,599 | 3,132 |
| Increase (decrease) in fair value | | | | | | | | | | |
| of investments | 50,204 | (56,999) | 8,864 | (53,542) | (3,996) | 26,976 | 9,837 | (7,782) | (20,172) | (23,586) |
| JPA investment income | 65,249 | 63,741 | 64,870 | 63,427 | 61,793 | 59,854 | 57,676 | 55,726 | 53,708 | 51,530 |
| Gain (loss) on sale of capital assets | | 2,283 | | | | | | | | |
| Real estate income | 8,146 | 8,460 | 9,076 | 9,118 | 9,483 | 10,478 | 10,792 | 9,701 | 9,719 | 11,039 |
| Other income | 6,120 | 7,475 | 9,753 | 8,494 | 10,457 | 11,130 | 9,918 | 10,706 | 7,987 | 6,141 |
| Interest expense | (4,390) | (3,929) | (5,092) | (9,286) | (12,762) | (8,515) | (6,061) | (9,962) | (14,174) | (16,924) |
| JPA interest expense | (64,219) | (63,014) | (61,593) | (60,060) | (58,404) | (56,616) | (54,686) | (51,530) | (41,264) | (39,603) |
| Real estate expense | (3,478) | (3,919) | (4,131) | (4,493) | (4,562) | (5,149) | (5,698) | (6,186) | (6,004) | (6,016) |
| Other expenses | (373) | (1,526) | (430) | (666) | (883) | (2,288) | (1,535) | (1,286) | (989) | (10,713) |
| Total nonoperating revenue (expenses) | 79,839 | (24,424) | 36,737 | (22,656) | 42,561 | 80,789 | 60,848 | 39,970 | 30,089 | 13,062 |
| Income (loss) before capital contributions | 45,835 | (54,268) | 8,527 | (46,381) | 20,755 | 52,765 | 27,029 | 2,555 | (11,571) | (19,590) |
| Contributed capital assets | 25,963 | 27,610 | 27,374 | 32,525 | 52,672 | 29,319 | 32,517 | 17,963 | 18,506 | 25,948 |
| Increase (decrease) in net assets | 71,798 | (26,658) | 35,901 | (13,856) | 73,427 | 82,084 | 59,546 | 20,518 | 6,935 | 6,358 |
| | \$1,045,614 | 1,117,412 | 1,090,754 | 1,126,655 | 1,112,799 | 1,195,761 | 1,278,703 | 1,357,046 | 1,334,666 | 1,341,601 |
| Net Assets at beginning of year | | | | | 9,535 | | | | | |
| SCWD Retained Earnings at 6/30/06 | | | | | | 858 | | | | |
| OPA Net Assets at 6/1/08 | | | | | | | 18,797 | (42,898) | | |
| Prior period adjustments | | | | | | | | | | |
| Net assets at end of year | \$1,117,412 | \$1,090,754 | \$1,126,655 | \$1,112,799 | \$1,195,761 | \$1,278,703 | \$1,357,046 | \$1,334,666 | \$1,341,601 | \$1,347,959 |

Source: IRWD Basic Financial Statements

Irvine Ranch Water District
Water Sold By Type of Customer (in Acre Feet)
For the Past Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Residential | 29,728 | 31,136 | 30,681 | 31,514 | 34,097 | 33,771 | 34,189 | 31,721 | 31,127 | 32,262 |
| Commercial | 7,218 | 7,544 | 7,602 | 8,037 | 8,710 | 8,710 | 8,382 | 7,586 | 7,632 | 8,021 |
| Industrial | 6,237 | 6,222 | 6,047 | 5,714 | 5,438 | 5,353 | 5,009 | 4,711 | 4,733 | 4,713 |
| Public Authority | 2,490 | 2,601 | 2,842 | 2,795 | 2,474 | 2,588 | 2,571 | 2,293 | 2,305 | 2,373 |
| Construction & Temporary | 1,074 | 931 | 489 | 790 | 696 | 513 | 133 | 127 | 174 | 275 |
| Treated - Landscape Irrigation | 5,051 | 5,464 | 4,953 | 5,322 | 6,249 | 6,039 | 5,789 | 4,712 | 4,252 | 4,741 |
| Treated - Agricultural | 1,512 | 1,709 | 1,177 | 1,018 | 1,009 | 820 | 563 | 210 | 183 | 229 |
| Untreated - Agricultural | 8,346 | 7,606 | 5,973 | 7,621 | 7,583 | 6,211 | 6,452 | 5,024 | 3,025 | 2,204 |
| Recycled - Landscape/ Agricultural | 17,380 | 19,551 | 18,620 | 19,504 | 24,624 | 24,564 | 24,415 | 20,951 | 20,147 | 25,011 |
| Total | <u>79,036</u> | <u>82,764</u> | <u>78,384</u> | <u>82,315</u> | <u>90,880</u> | <u>88,569</u> | <u>87,503</u> | <u>77,335</u> | <u>73,578</u> | <u>79,829</u> |

Irvine Ranch Water District

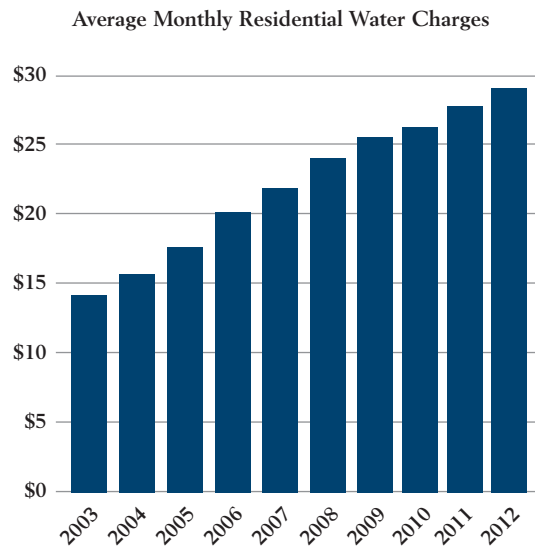
Water Rates

For the Past Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Fixed Service Charge</u> | <u>Commodity Rate (per ccf)</u> | <u>Average monthly residential charge</u> |
|--------------------|-----------------------------|---------------------------------|---|
| 2003 | \$3.00 | \$0.69 | \$14.14 |
| 2004 | \$3.65 | \$0.75 | \$15.87 |
| 2005 | \$3.90 | \$0.83 | \$17.56 |
| 2006 | \$5.45 | \$0.88 | \$20.01 |
| 2007 | \$6.75 | \$0.91 | \$21.85 |
| 2008 | \$7.50 | \$0.98 | \$23.86 |
| 2009 | \$7.50 | \$1.07 | \$25.48 |
| 2010 | \$7.75 | \$1.15 | \$26.53 |
| 2011 | \$8.00 | \$1.21 | \$27.86 |
| 2012 | \$8.75 | \$1.22 | \$28.79 |

The water charge to the average residential customer is based upon an average of 18 ccf per month. The first 8 ccf are at the District's low volume rate, which is \$0.31 less than the commodity rate. The IRWD Board of Directors approved an enhancement component of \$0.31 for both water and sewer system on the fixed service charge.

Source: IRWD



Irvine Ranch Water District
 Schedule of Largest Water Customers
 Fiscal Year Ended June 30, 2012

| <u>Customer Name</u> | <u>Total Paid</u> | <u>Percentage of Water Sales Revenues</u> |
|-------------------------------------|----------------------------|---|
| 1. The Irvine Company | \$ 3,496,479 | 6.07% |
| 2. University of California, Irvine | 1,285,572 | 2.23% |
| 3. City of Irvine | 1,007,256 | 1.75% |
| 4. Jazz Semiconductor | 668,429 | 1.16% |
| 5. B Braun Medical Inc | 510,160 | 0.89% |
| 6. Woodbridge Village Assn | 388,341 | 0.67% |
| 7. Irvine Unified School District | 304,178 | 0.53% |
| 8. County of Orange | 273,061 | 0.47% |
| 9. Caltrans District 12 | 271,094 | 0.47% |
| 10. ERP Operating LP | 182,670 | 0.32% |
| 11. Maruchan | 181,714 | 0.32% |
| 12. Tustin Ranch Golf Club | 181,436 | 0.32% |
| 13. Orange County Great Park Corp | 180,103 | 0.31% |
| 14. City of Lake Forest | 155,152 | 0.27% |
| 15. Marriotts Newport Coast Villas | 155,098 | 0.27% |
| Total | <u>\$ 9,240,743</u> | <u>16.05%</u> |

Source: Irvine Ranch Water District

Information for Largest Water Customers is not available for FY2003 for comparison purposes.

Irvine Ranch Water District

Sewer Rates

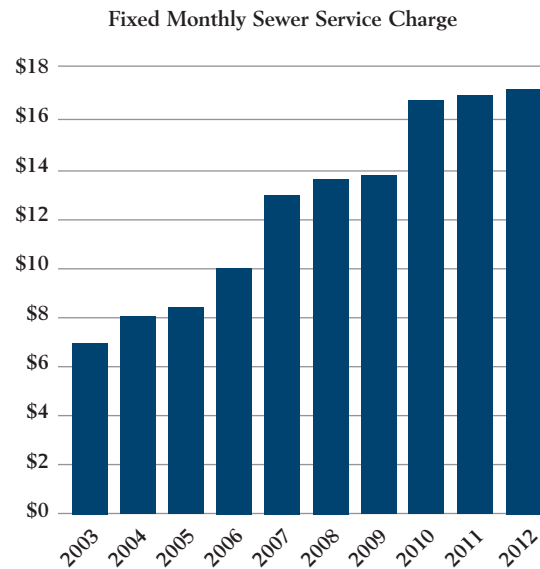
For the Past Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Fixed Monthly Service Charge</u> |
|--------------------|-------------------------------------|
| 2003 | \$6.95 |
| 2004 | \$8.05 |
| 2005 | \$8.35 |
| 2006 | \$10.00 |
| 2007 | \$13.05 |
| 2008 | \$13.65 |
| 2009 | \$13.80 |
| 2010 | \$16.60 |
| 2011 | \$16.65 |
| 2012 | \$16.90 |

Source: IRWD

The IRWD Board of Directors approved an increase to the replacement surcharge to fund aging infrastructure replacement and refurbishment an increased from \$4.00 in FY 2010-11 to \$4.65 in FY 2011-12 and added an enhancement component of \$0.31 for water and sewer system. This is included in the sewer fixed charge.

Source: IRWD



Irvine Ranch Water District
 Schedule of Largest Sewer Customers
 Fiscal Year Ended June 30, 2012

| <u>Customer Name</u> | <u>Total Paid</u> | <u>Percentage of Water Sales Revenues</u> |
|------------------------------------|----------------------------------|---|
| 1. The Irvine Company | \$599,076 | 1.22% |
| 2. Royalty Carpet Mills | 239,524 | 0.49% |
| 3. Maruchan Inc | 239,416 | 0.49% |
| 4. Allergan Sales, LLC | 236,507 | 0.48% |
| 5. Villa Sienna Apts | 223,932 | 0.45% |
| 6. ERP Operating LP | 188,978 | 0.38% |
| 7. Oakley Technical Center | 185,862 | 0.38% |
| 8. Newport Bluffs Apts | 162,462 | 0.33% |
| 9. The Park @ Spectrum Apartments | 148,341 | 0.30% |
| 10. Airport Ind Complex | 136,890 | 0.28% |
| 11. Park West Apts | 135,577 | 0.28% |
| 12. Teva Parenteral Medicines, Inc | 129,581 | 0.26% |
| 13. Serrano Apartments | 117,978 | 0.24% |
| 15. Las Palmas Apts | 115,546 | 0.23% |
| 15. Oak Glen Apts | 91,311 | 0.19% |
| Total | <u><u>\$2,950,983</u></u> | <u><u>5.99%</u></u> |

Source: Irvine Ranch Water District

Information for Sewer Water Customers is not available for FY2003 for comparison purposes.

Irvine Ranch Water District
Ad Valorem Tax Rate
For the Past Ten Fiscal Years

| Improvement District | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| 112 (1) | N/A | N/A | N/A | N/A | N/A |
| 113 (1) | N/A | N/A | N/A | N/A | 0.01920 |
| 120 | 0.00001 | 0.00001 | 0.00001 | 0.01168 | 0.01168 |
| 121 | 0.00001 | 0.00001 | 0.00001 | 0.00001 | 0.00001 |
| 130 | 0.00001 | 0.00001 | 0.00001 | 0.00001 | 0.00001 |
| 135 (2) | 0.04264 | 0.01500 | 0.00001 | 0.00001 | 0.00842 |
| 140 | 0.00001 | 0.00001 | 0.00001 | 0.00001 | 0.00001 |
| 150 | 0.00001 | 0.00001 | 0.00001 | 0.00001 | 0.00001 |
| 160 | 0.00001 | 0.00001 | 0.00001 | 0.01168 | 0.01168 |
| 161 | 0.00001 | 0.00001 | 0.00001 | 0.00001 | 0.00001 |
| 182 | 0.00001 | 0.00001 | 0.00001 | 0.00808 | 0.00808 |
| 184 | N/A | N/A | N/A | N/A | 0.00001 |
| 186 | 0.00001 | 0.00001 | 0.00001 | 0.02051 | 0.02051 |
| 188 | 0.00001 | 0.00001 | 0.00001 | 0.02051 | 0.02051 |
| 190 | 0.00001 | 0.00001 | 0.00001 | 0.00001 | 0.00001 |
| 210 | 0.00001 | 0.00001 | 0.00001 | 0.00001 | 0.00001 |
| 212 (1) | N/A | N/A | N/A | N/A | N/A |
| 213 (1) | N/A | N/A | N/A | N/A | 0.14093 |
| 220 | 0.00001 | 0.00001 | 0.00001 | 0.01000 | 0.01000 |
| 221 | 0.00001 | 0.00001 | 0.00001 | 0.00001 | 0.00001 |
| 230 | 0.00001 | 0.00001 | 0.00001 | 0.01995 | 0.01995 |
| 235 (2) | 0.00936 | 0.00001 | 0.00001 | 0.00001 | 0.00532 |
| 240 | 0.00001 | 0.00001 | 0.00001 | 0.02168 | 0.02168 |
| 250 | 0.00001 | 0.00001 | 0.00001 | 0.02602 | 0.03199 |
| 252 | N/A | N/A | N/A | N/A | N/A |
| 260 | N/A | N/A | N/A | N/A | 0.02030 |
| 261 | 0.00001 | 0.00001 | 0.00001 | 0.00001 | 0.00001 |
| 282 | 0.00001 | 0.00001 | 0.00001 | 0.01280 | 0.01280 |
| 284 | N/A | N/A | N/A | N/A | 0.00001 |
| 290 | 0.00001 | 0.00001 | 0.00001 | 0.01995 | 0.01995 |

Irvine Ranch Water District
Ad Valorem Tax Rate
For the Past Ten Fiscal Years
(Continued)

| Improvement District | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| 112 | N/A | N/A | 0.07920 | 0.07920 | 0.07920 |
| 113 | 0.01920 | 0.01920 | 0.01980 | 0.01980 | 0.01980 |
| 120 | 0.01298 | 0.01298 | 0.01311 | 0.00001 | 0.00000 |
| 121 | 0.00001 | 0.00001 | 0.00001 | 0.01311 | 0.01311 |
| 130 | 0.00500 | 0.00500 | 0.00680 | 0.00680 | 0.00680 |
| 135 | 0.00842 | 0.00842 | 0.00842 | 0.00842 | 0.00842 |
| 140 | 0.00001 | 0.00001 | 0.00001 | 0.00001 | 0.00001 |
| 150 | 0.00780 | 0.00780 | 0.00990 | 0.00990 | 0.00990 |
| 160 | 0.01648 | 0.01648 | 0.01758 | 0.00001 | 0.00000 |
| 161 | 0.00001 | 0.00001 | 0.00001 | 0.01758 | 0.01758 |
| 182 | 0.01300 | 0.01300 | 0.01350 | 0.01350 | 0.01350 |
| 184 | 0.00001 | 0.00001 | 0.00001 | 0.00001 | 0.00001 |
| 186 | 0.02700 | 0.02700 | 0.03191 | 0.03191 | 0.03191 |
| 188 | 0.02700 | 0.02700 | 0.03590 | 0.03590 | 0.03590 |
| 190 | 0.00500 | 0.00500 | N/A | N/A | |
| N/A210 | 0.00001 | 0.00001 | 0.00001 | 0.00001 | 0.00000 |
| 212 | N/A | N/A | 0.12420 | 0.12420 | 0.12420 |
| 213 | 0.14093 | 0.14093 | 0.14533 | 0.14533 | 0.14533 |
| 220 | 0.01400 | 0.01400 | 0.01800 | 0.01800 | 0.01800 |
| 221 | 0.00001 | 0.00001 | 0.00001 | 0.00001 | 0.00001 |
| 230 | 0.02000 | 0.02000 | 0.02200 | 0.02200 | 0.02200 |
| 235 | 0.00532 | 0.00532 | 0.00532 | 0.00532 | 0.00532 |
| 240 | 0.02699 | 0.02699 | 0.03140 | 0.03140 | 0.03140 |
| 250 | 0.03200 | 0.03200 | 0.03600 | 0.03600 | 0.03600 |
| 252 | 0.00001 | 0.00001 | 0.00001 | 0.02830 | 0.02830 |
| 260 | 0.02330 | 0.02330 | 0.02830 | 0.00001 | 0.00000 |
| 261 | 0.00001 | 0.00001 | 0.00001 | 0.01890 | 0.01890 |
| 282 | 0.01400 | 0.01400 | 0.01890 | 0.03239 | 0.03239 |
| 284 | 0.02699 | 0.02699 | 0.03239 | 0.00001 | 0.00001 |
| 290 | 0.02000 | 0.02000 | N/A | N/A | N/A |

Source: Irvine Ranch Water District

Notes:

- (1) Improvement Districts 113 and 213 encompass the former Tustin Marine Base.
- (2) The Los Alisos Water District and the District consolidated on December 31, 2000 adding Improvement Districts 135 and 235.

Irvine Ranch Water District
Assessed Valuation of Taxable Property and 1% Property Tax Revenue
For the Past Ten Fiscal Years
(in thousands)

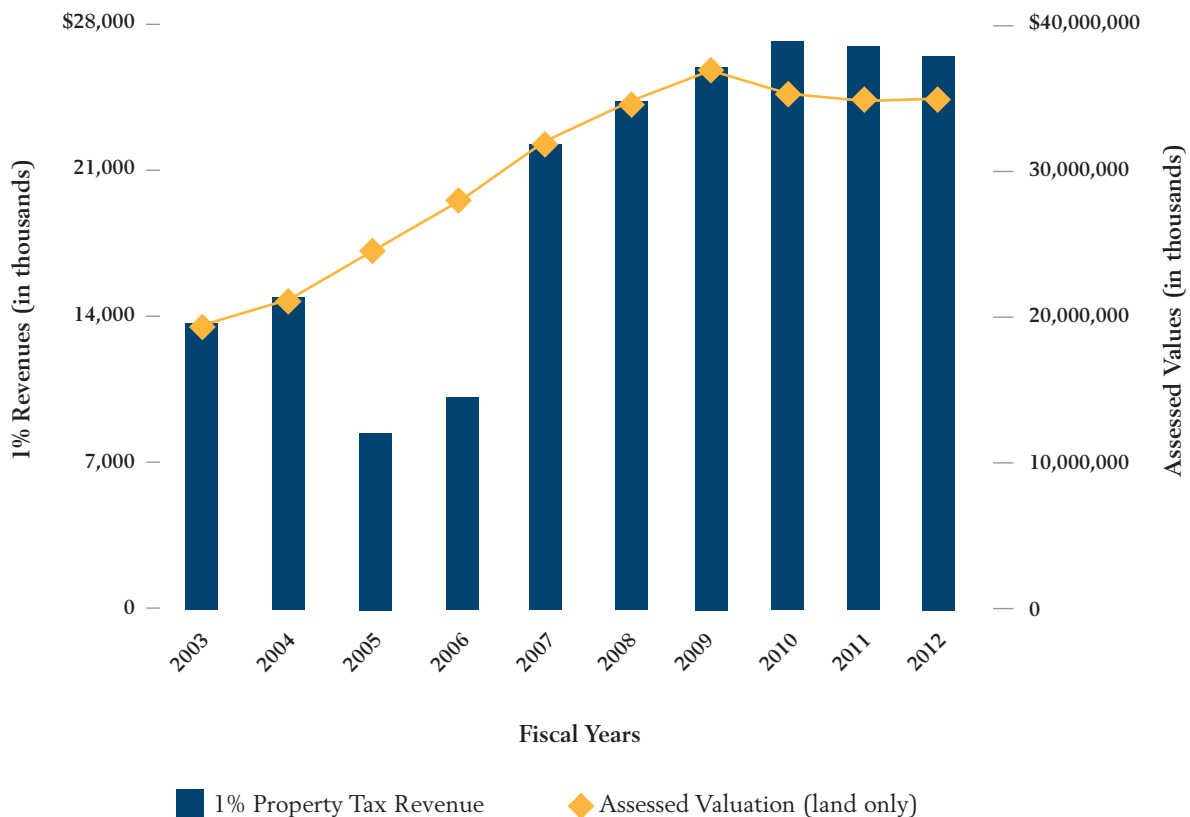
| <u>Fiscal Year Ended</u> | <u>Assessed Valuation (land only) (2)</u> | <u>1 % Property Tax Revenue</u> |
|--------------------------|---|---------------------------------|
| 2003 | 16,951,715 | 12,833 |
| 2004 | 19,117,325 | 14,474 |
| 2005 (1) | 22,101,916 | 7,335 |
| 2006 | 25,869,944 | 10,177 |
| 2007 | 31,378,053 | 22,444 |
| 2008 | 35,540,296 | 24,730 |
| 2009 | 37,002,606 | 26,283 |
| 2010 | 35,089,440 | 27,150 (3) |
| 2011 | 34,624,237 | 26,989 |
| 2012 | 34,889,412 | 26,478 |

Source: Orange County Auditor-Controller and Orange County Tax Collector.

- Notes: (1) The IRWD state mandated contribution to ERAF for FY 2004-05 and FY 2005-06 was \$9.7 million per year.
(2) Estimated market values for the land-only Assessed Values are not available.
(3) Of this amount, the State of California borrowed \$2.0 million, which will be repaid by FY 2012-13.

In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold.

1% Revenues and Assessed Values



Irvine Ranch Water District
Direct and Overlapping Tax Rates
Fiscal Year Ended June 30, 2012

Direct Rate:

| | |
|--|---------|
| Irvine Ranch Water District I.D. No. 1 | 0.00001 |
| Irvine Ranch Water District I.D. No. 2 | 0.00001 |
| Irvine Ranch Water District I.D. No. 3 | - |
| Irvine Ranch Water District I.D. No. 102 | 0.00001 |
| Irvine Ranch Water District I.D. No. 103 | - |
| Irvine Ranch Water District I.D. No. 105 | 0.01980 |
| Irvine Ranch Water District I.D. No. 106 | 0.00001 |
| Irvine Ranch Water District I.D. No. 109 | - |
| Irvine Ranch Water District I.D. No. 112 | 0.03168 |
| Irvine Ranch Water District I.D. No. 113 | 0.05940 |
| Irvine Ranch Water District I.D. No. 121 | 0.01311 |
| Irvine Ranch Water District I.D. No. 130 | 0.00680 |
| Irvine Ranch Water District I.D. No. 140 | 0.01000 |
| Irvine Ranch Water District I.D. No. 161 | 0.01758 |
| Irvine Ranch Water District I.D. No. 182 | 0.02700 |
| Irvine Ranch Water District I.D. No. 184 | 0.01350 |
| Irvine Ranch Water District I.D. No. 186 | 0.04787 |
| Irvine Ranch Water District I.D. No. 188 | 0.21540 |
| Irvine Ranch Water District I.D. No. 206 | 0.00001 |
| Irvine Ranch Water District I.D. No. 212 | 0.07452 |
| Irvine Ranch Water District I.D. No. 213 | 0.08720 |
| Irvine Ranch Water District I.D. No. 221 | 0.01700 |
| Irvine Ranch Water District I.D. No. 230 | 0.02200 |
| Irvine Ranch Water District I.D. No. 240 | 0.02140 |
| Irvine Ranch Water District I.D. No. 250 | 0.03600 |
| Irvine Ranch Water District I.D. No. 252 | 0.00001 |
| Irvine Ranch Water District I.D. No. 261 | 0.02830 |
| Irvine Ranch Water District I.D. No. 282 | 0.01890 |
| Irvine Ranch Water District I.D. No. 284 | 0.03239 |
| Irvine Ranch Water District I.D. No. 286 | 0.00201 |
| Irvine Ranch Water District I.D. No. 288 | 0.01000 |
| Irvine Ranch Water District I.D. No. 290 | - |
| 135 (Formerly Los Alisos Water District) | 0.00421 |
| 235 (Formerly Los Alisos Water District) | 0.00266 |

Overlapping Rates:

School Districts:

| | |
|--|---------|
| Coast Community College District | 0.01754 |
| Rancho Santiago Community College District | 0.03146 |
| Laguna Beach Unified School District | 0.01601 |
| Newport Mesa Unified School District | 0.02670 |
| Saddleback Valley Unified School District | 0.03163 |
| Santa Ana Unified School District | 0.09917 |
| Tustin Unified School District SFID 2002-1 | 0.03751 |
| Tustin Unified School District SFID 2008-1 | 0.01835 |

Cities:

| | |
|--------------|---------|
| Laguna Beach | 0.00000 |
|--------------|---------|

Source: California Municipal Statistics, Inc.

Irvine Ranch Water District
Direct and Overlapping Debt
Fiscal Year Ended June 30, 2012

2011-12 Land Only Assessed Valuation: \$35,008,275,739 (before deduction of redevelopment incremental valuation)

| <u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u> | <u>Total Debt</u> <u>6/30/12</u> | <u>% Applicable (1)</u> | <u>District's Share of</u> <u>Debt 6/30/12</u> |
|--|-------------------------------------|-------------------------|---|
| Metropolitan Water District | \$196,545,000 | 3.860% | \$ 7,586,637 |
| Coast Community College District | 317,803,867 | 5.103 | 16,217,531 |
| Rancho Santiago Community College District | 302,555,660 | 18.552 | 56,130,126 |
| Saddleback Valley Unified School District | 131,925,000 | 34.466 | 45,469,271 |
| Santa Ana Unified School District | 302,027,117 | 38.877 | 117,419,082 |
| Other Unified School Districts | 383,554,727 | Various | 64,347,677 |
| Irvine Unified School District Community Facilities District No. 86-1 | 106,170,000 | 100. | 106,170,000 |
| Irvine Unified School District Community Facilities District No. 09-1 | 113,640,000 | 100. | 113,640,000 |
| Other Irvine Unified School District Community Facilities Districts | 179,940,838 | 100. | 179,940,838 |
| Tustin Unified School District Community Facilities Districts | 251,987,675 | 100. | 251,987,675 |
| City Community Facilities Districts | 90,845,000 | 100. | 90,845,000 |
| Other Community Facilities Districts | 108,912,612 | Various | 108,912,612 |
| City of Irvine 1915 Act Bonds | 807,707,210 | 100. | 807,707,210 |
| County 1915 Act Bonds | 93,328,296 | 100. | 93,328,296 |
| TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT | | | \$2,059,701,955 |
| <u>DIRECT TAX AND ASSESSMENT DEBT:</u> | | | |
| Irvine Ranch Water District Improvement Districts | 552,960,000 | 100. | \$552,960,000 |
| TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT | | | \$2,612,661,955 |
| <u>Ratios to Land Only Assessed Valuation:</u> | | | |
| Direct Debt (\$552,960,000) | 1.58% | | |
| Total Direct and Overlapping Tax and Assessment Debt | 7.46% | | |
| <u>OVERLAPPING GENERAL FUND DEBT:</u> | | | |
| Orange County General Fund Obligations | \$233,751,000 | 18.477% | \$ 43,190,172 |
| Orange County Pension Obligations | 39,615,000 | 18.477 | 39,615,677 |
| Orange County Board of Education Certificates of Participation | 16,000,000 | 18.477 | 2,956,320 |
| Municipal Water District of Orange County Water Facilities Corporation | 12,145,000 | 21.679 | 2,632,915 |
| Coast Community College District General Fund Obligations | 20,240,000 | 5.103 | 1,032,847 |
| Santa Ana Unified School District Certificates of Participation | 50,672,741 | 38.877 | 19,700,042 |
| Other Unified School District Certificates of Participation | 143,025,000 | Various | 9,662,060 |
| City of Newport Beach Certificates of Participation | 124,920,000 | 17.376 | 21,706,099 |
| Other City General Fund Obligations | 154,625,000 | Various | 12,744,376 |
| TOTAL GROSS OVERLAPPING GENERAL FUND DEBT | | | \$153,240,508 |
| Less: MWDOC Water Facilities Corporation (100% self-supporting) | | | 2,632,915 |
| City self-supporting obligations | | | 7,084,316 |
| TOTAL NET OVERLAPPING GENERAL FUND DEBT | | | \$143,523,277 |
| <u>DIRECT GENERAL FUND DEBT:</u> | | | |
| Irvine Ranch Water District Certificates of Participation | 77,190,000 | 100. | \$77,190,000 |
| TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT | | | \$220,713,277 |
| TOTAL DIRECT DEBT | | | \$630,150,000 |
| TOTAL GROSS OVERLAPPING DEBT | | | \$2,212,942,463 |
| TOTAL NET OVERLAPPING DEBT | | | \$2,203,225,232 |
| GROSS COMBINED TOTAL DEBT | | | \$2,843,092,463 (2) |
| NET COMBINED TOTAL DEBT | | | \$2,833,375,232 |

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the district based on redevelopment adjusted all property assessed valuation of \$69,616,026,928.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included base on principal due at maturity.

Ratios to Adjusted All Property Assessed Valuation:

| | |
|--|--------------|
| Total Direct Debt (\$630,150,000) | 0.91% |
| Gross Combined Total Debt | 4.08% |
| Net Combined Total Debt | 4.07% |

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/12: \$0

Source: California Municipal Statistics, Inc.

Irvine Ranch Water District

Principal Property Taxpayers
Fiscal Year Ended June 30, 2012

| <u>Property Owner's Name</u> | <u>Type of Business</u> | <u>Assessed Valuation of Property, including Land & Improvements</u> | <u>Percentage of Total City Taxable Assessed Value</u> |
|------------------------------|---------------------------------------|--|--|
| The Irvine Company | Developer/Real Estate | \$5,654,582,848 | 13.05% |
| Irvine Apartment Communities | Real Estate | 713,571,672 | 1.60% |
| Heritage Fields El Toro | Real Estate Developer | 634,826,440 | 1.44% |
| LBA IV-PPI LLC | Real Estate Investment and Management | 471,281,277 | 1.08% |
| B Braun Medical Inc. | Bio-Medical Manufacturing | 299,112,522 | 0.69% |
| Allergan | Pharmaceutical (R&D/Marketing) | 291,140,446 | 0.67% |
| Lakeshore Properties LLC | Real Estate | 178,972,092 | 0.41% |
| Capital Research Company | Real Estate Developer | 156,735,000 | 0.36% |
| Central Park West | Real Estate Developer | 147,774,648 | 0.34% |
| Kilroy Realty | Developer/Real Estate | 135,513,812 | 0.31% |
| | | <u>\$8,683,510,757</u> | <u>19.95%</u> |

Source: City of Irvine Comprehensive Annual Financial Report (Fiscal Year Ended June 30, 2011)

Data was not yet available for FY2010/12 from the City of Irvine.

The City of Irvine is only a part of the IRWD service area.

Information for Largest Property Taxpayers is not available for FY2002/03 for comparison purposes.

Irvine Ranch Water District
Summary Of Property Tax Collections/Delinquency
For the Past Ten Fiscal Years

| Fiscal Year Ended | IRWD Estimated Levy During Fiscal Year | | Collected During Fiscal Year | | Percentage Collected | | Amount of Levy Collected in Subsequent Periods | |
|-------------------|--|---------------------|------------------------------|---------------------|----------------------|-----------|--|--------------------|
| | 1 Percent (1) | General (2) | 1 Percent | General (3) | 1 Percent | General | 1 Percent | General |
| 2003 | 12,756,500 | 881,909 | 12,459,640 | 1,352,950 | 97.67% | 153.41% | 790,125 | 156,184 |
| 2004 | 13,541,700 | 282,045 | 13,932,804 | 979,552 | 102.89% | 347.30% | 958,597 | 11,033 |
| 2005 | 7,750,200 | 3,151 | 7,404,859 | 448,835 | 95.54% | 14244.20% | 1,129,009 | 27,285 |
| 2006 | 7,965,300 | 3,081,122 | 8,755,621 | 5,038,833 | 109.92% | 163.54% | 1,441,127 | 149,874 |
| 2007 | 19,419,300 | 5,050,938 | 21,368,075 | 7,869,904 | 110.04% | 155.81% | 1,093,740 | 541,024 |
| 2008 | 23,963,000 | 7,626,979 | 22,859,667 | 10,242,088 | 95.40% | 134.29% | 887,709 | 496,260 |
| 2009 | 25,486,200 | 11,694,868 | 25,910,366 | 9,873,983 | 101.66% | 84.43% | 477,134 | 281,774 |
| 2010 | 24,166,600 | 5,050,938 | 23,636,793 | 10,802,992 | 97.81% | 213.88% | 1,493,752 | 634,095 |
| 2011 | 26,493,900 | 10,323,198 | 25,892,653 | 11,180,391 | 97.73% | 108.30% | 1,153,265 | 753,309 |
| 2012 | 26,749,900 | 10,558,510 | 25,953,788 | 11,716,056 | 97.02% | 110.96% | 733,450 | 118,691 |
| Total | <u>\$188,292,600</u> | <u>\$60,005,969</u> | <u>\$188,174,266</u> | <u>\$69,505,583</u> | | | <u>\$10,157,908</u> | <u>\$3,169,531</u> |

Source: County of Orange Tax Ledger

Notes:

- (1) The estimated levy for one percent revenue is generated internally and it is based on prior year receipts and developer growth projections.
- (2) The estimated levy for G.O. tax receipts is based on the county's assessed value projection multiplied by the tax rate assessed within each improvement district.
- (3) The General column for Collected tax receipts includes an unbudgeted utility tax revenue from improvement districts 190/290 that adds approximately \$400K per year.

Irvine Ranch Water District
Outstanding Debt by Type ⁽¹⁾
For the Past Ten fiscal years

| Fiscal Year Ended | Total Connections(2) | General Obligation Bonds | GO Debt per Connection | Certificates of Participation (COPs) | COPs Debt per Connections | JPA Revenue Bonds | JPA Debt per Connection | Total Debt | Total Debt per Connection |
|-------------------|----------------------|--------------------------|------------------------|--------------------------------------|---------------------------|-------------------|-------------------------|---------------|---------------------------|
| 2003 | 161,526 | 230,124,368 | 1,425 | 120,800,000 | 748 | 831,833,622 | 5,150 | 1,182,757,990 | 7,322 |
| 2004 | 166,897 | 209,227,990 | 1,254 | 118,800,000 | 712 | 813,397,384 | 4,874 | 1,141,425,374 | 6,839 |
| 2005 | 172,548 | 187,396,610 | 1,086 | 116,600,000 | 676 | 793,611,146 | 4,599 | 1,097,607,756 | 6,361 |
| 2006 | 177,325 | 224,585,230 | 1,267 | 114,200,000 | 644 | 772,359,906 | 4,356 | 1,111,145,136 | 6,266 |
| 2007 | 182,140 | 201,585,230 | 1,107 | 111,600,000 | 613 | 749,513,668 | 4,115 | 1,062,698,898 | 5,835 |
| 2008 | 185,359 | 280,947,000 | 1,516 | 106,934,000 | 577 | 724,962,000 | 3,911 | 1,112,843,000 | 6,004 |
| 2009 | 186,856 | 415,699,000 | 2,225 | 103,100,000 | 552 | 698,566,000 | 3,739 | 1,217,365,000 | 6,515 |
| 2010 | 188,049 | 399,152,800 | 2,123 | 92,005,200 | 489 | 690,263,700 | 3,671 | 1,181,421,700 | 6,283 |
| 2011 | 191,474 | 562,051,000 | 2,935 | 88,043,000 | 460 | 676,415,000 | 3,533 | 1,326,509,000 | 6,928 |
| 2012 | 193,381 | 548,549,000 | 2,837 | 83,616,000 | 432 | 638,521,000 | 3,302 | 1,270,686,000 | 6,571 |

Notes:

(1) More detail about the District's long-term liabilities can be found at Note 9 to the Financial Statements.

(2) Per Capita income information for the Irvine Ranch Water District is not readily available. Accordingly, the District presents this schedule by total service connections.

(3) Debt balances are as of June 30 for each fiscal year.

Irvine Ranch Water District
Outstanding General Obligation Bonds by Improvement District
As of June 30, 2012

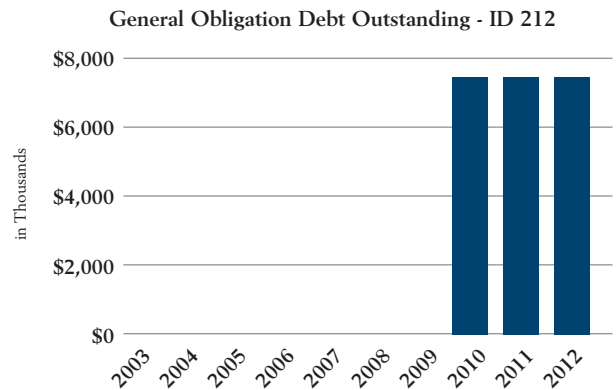
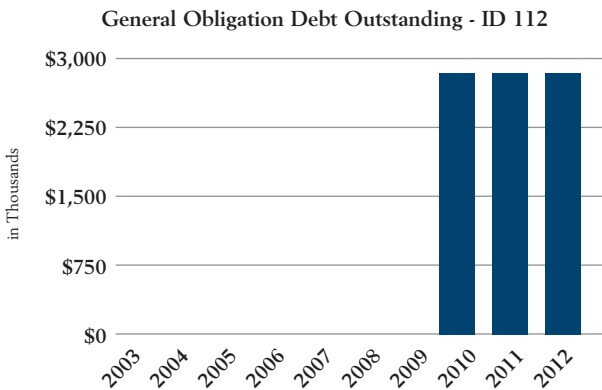
| Improvement District | General Obligation Bonds Authorized | General Obligation Bonds Issued | Remaining Unissued General Obligation Bonds Authorized | Amount Outstanding as of June 30, 2012 |
|----------------------|-------------------------------------|---------------------------------|--|--|
| 112 | \$ 28,512,300 | \$ 5,740,000 | \$ 22,772,300 | \$ 5,745,000 |
| 113 | 25,769,500 | 14,800,000 | 10,969,500 | 14,663,000 |
| 120 | 26,805,000 | 26,805,000 | - | - |
| 121 | 35,437,000 | 32,182,000 | 3,255,000 | 20,205,000 |
| 130 | 110,465,000 | 55,161,000 | 55,304,000 | 16,995,000 |
| 135 | 20,010,000 | 20,010,000 | - | 4,769,000 |
| 140 | 117,130,000 | 32,326,100 | 84,803,900 | 11,348,000 |
| 150 | 188,734,000 | 188,678,600 | 55,400 | 129,026,000 |
| 153 | 237,300,000 | - | 237,300,000 | - |
| 154 | 4,839,000 | - | 4,839,000 | - |
| 160 | 22,895,000 | 22,569,000 | 326,000 | - |
| 161 | 40,786,000 | 12,435,000 | 28,351,000 | 11,654,000 |
| 182 | 74,653,000 | 12,407,000 | 62,246,000 | 5,040,000 |
| 184 | 79,065,000 | 3,950,000 | 75,115,000 | 3,950,000 |
| 186 | 19,266,000 | 6,632,700 | 12,633,300 | 1,850,000 |
| 188 | 8,174,000 | 4,437,000 | 3,737,000 | 1,943,000 |
| Total | <u>\$ 1,039,840,800</u> | <u>\$ 438,133,400</u> | <u>\$ 601,707,400</u> | <u>\$ 227,188,000</u> |
| 210 | \$2,000,000 | \$2,000,000 | \$- | \$- |
| 212 | 108,712,000 | 15,700,000 | 93,012,000 | 15,705,000 |
| 213 | 87,648,000 | 23,800,000 | 63,848,000 | 23,264,000 |
| 220 | 30,316,000 | 28,410,000 | 1,906,000 | - |
| 221 | 50,452,000 | 50,452,000 | - | 21,500,000 |
| 230 | 165,173,000 | 70,422,000 | 94,751,000 | 38,966,000 |
| 235 | 15,724,000 | 15,724,000 | - | 2,868,000 |
| 240 | 117,273,000 | 48,476,500 | 68,796,500 | 28,081,000 |
| 250 | 286,727,000 | 216,618,000 | 70,109,000 | 155,764,000 |
| 253 | 122,283,000 | - | 122,283,000 | - |
| 260 | 69,665,000 | 17,917,000 | 51,748,000 | - |
| 261 | 46,364,000 | 27,375,000 | 18,989,000 | 26,059,000 |
| 282 | 59,101,000 | 9,480,000 | 49,621,000 | 4,475,000 |
| 284 | 92,590,000 | 12,850,000 | 79,740,000 | 5,195,000 |
| 286 | 40,531,000 | 500,000 | 40,031,000 | 495,000 |
| 288 | 8,977,000 | 300,000 | 8,677,000 | 300,000 |
| Total | <u>\$ 1,303,536,000</u> | <u>\$ 540,024,500</u> | <u>\$ 763,511,500</u> | <u>\$ 322,672,000</u> |
| | <u>\$ 2,343,376,800</u> | <u>\$ 978,157,900</u> | <u>\$ 1,365,218,900</u> | <u>\$ 549,860,000</u> |

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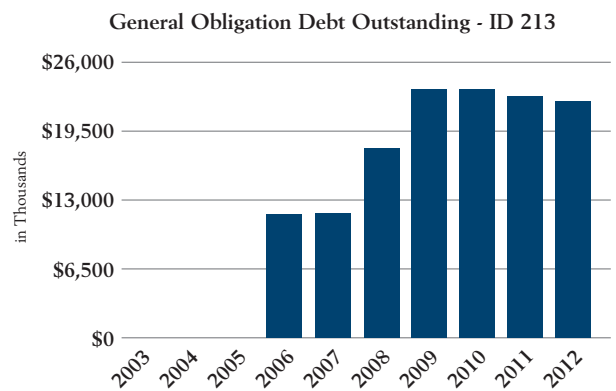
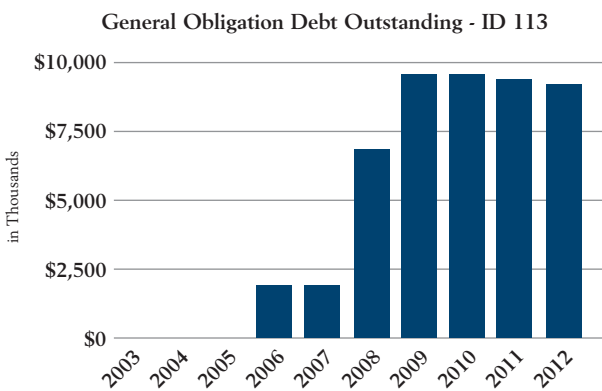
Irvine Ranch Water District

Ratio of General Obligation Debt to Assessed Values For the Past Ten Fiscal Years

| Fiscal Year Ended | Improvement District 112 | | | Improvement District 212 | | |
|-------------------|--------------------------|-------------------------------------|---|--------------------------|-------------------------------------|---|
| | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation |
| 2003 | \$ - | \$ - | n/a | \$ - | \$ - | n/a |
| 2004 | - | - | n/a | - | - | n/a |
| 2005 | - | - | n/a | - | - | n/a |
| 2006 | - | - | n/a | - | - | n/a |
| 2007 | - | - | n/a | - | - | n/a |
| 2008 | - | - | n/a | - | - | n/a |
| 2009 | - | - | n/a | - | - | n/a |
| 2010 | 521,318,307 | 2,745,000 | 0.00526550 | 521,318,307 | 7,305,000 | 0.01401255 |
| 2011 | 539,618,060 | 2,745,000 | 0.00508693 | 539,618,060 | 7,305,000 | 0.01353735 |
| 2012 | 504,820,526 | 2,745,000 | 0.00543758 | 504,820,526 | 7,305,000 | 0.01447049 |

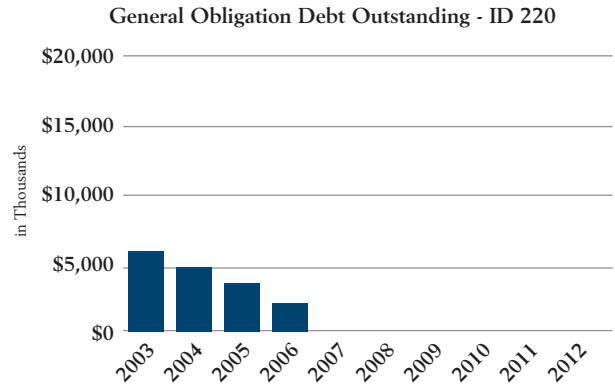
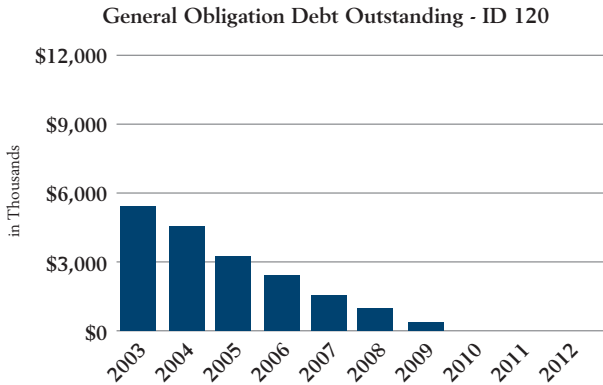


| Fiscal Year Ended | Improvement District 113 | | | Improvement District 213 | | |
|-------------------|--------------------------|-------------------------------------|---|--------------------------|-------------------------------------|---|
| | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation |
| 2003 | \$ - | \$ - | n/a | \$ - | \$ - | n/a |
| 2004 | - | - | n/a | - | - | n/a |
| 2005 | - | - | n/a | - | - | n/a |
| 2006 | - | - | n/a | - | - | n/a |
| 2007 | - | - | n/a | - | - | n/a |
| 2008 | 691,298,772 | 6,523,125 | 0.00943604 | 691,298,772 | 17,462,140 | 0.02525990 |
| 2009 | 609,156,504 | 9,523,125 | 0.01563330 | 609,156,504 | 23,867,140 | 0.03918064 |
| 2010 | 651,917,180 | 9,523,125 | 0.01460788 | 651,917,180 | 23,867,140 | 0.03661069 |
| 2011 | 553,458,157 | 9,365,000 | 0.01692088 | 553,458,157 | 23,450,700 | 0.04237122 |
| 2012 | 536,369,090 | 9,225,000 | 0.01719898 | 536,369,090 | 23,090,100 | 0.04304890 |

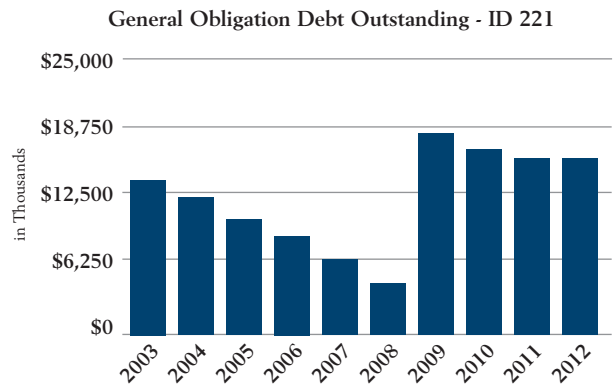
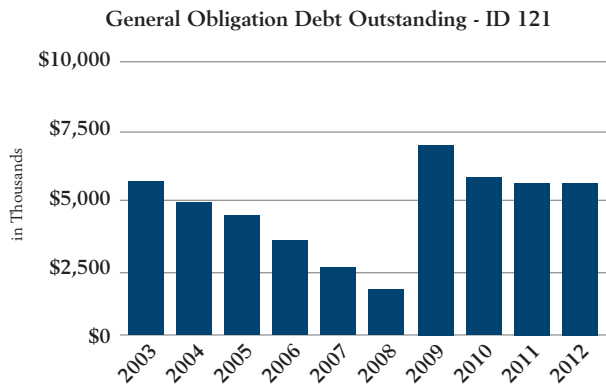


Irvine Ranch Water District
Ratio of General Obligation Debt to Assessed Values
For the Past Ten Fiscal Years
(Continued)

| Fiscal Year Ended | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation |
|-------------------|--------------------------|-------------------------------------|---|--------------------------|-------------------------------------|---|
| | Improvement District 120 | | | Improvement District 220 | | |
| 2003 | \$2,460,176,613 | \$ 4,915,952 | 0.00199821 | \$3,025,751,360 | \$ 5,872,679 | 0.00194090 |
| 2004 | 2,655,750,823 | 4,014,721 | 0.00151171 | 3,277,646,727 | 4,562,620 | 0.00139204 |
| 2005 | 3,048,171,194 | 3,073,075 | 0.00100817 | 3,712,898,262 | 2,958,274 | 0.00079676 |
| 2006 | 3,296,099,817 | 2,079,199 | 0.00063081 | 4,084,154,528 | 1,557,866 | 0.00038144 |
| 2007 | 3,716,412,058 | 974,678 | 0.00026226 | 4,601,691,594 | - | - |
| 2008 | 3,999,440,197 | 673,414 | 0.00016838 | 4,946,140,742 | - | - |
| 2009 | 3,907,684,159 | 354,428 | 0.00009070 | 4,819,998,823 | - | - |
| 2010 | 3,889,246,597 | - | - | 4,819,368,486 | - | - |
| 2011 | 3,888,009,506 | - | - | 4,855,864,665 | - | - |
| 2012 | 3,940,518,873 | - | - | 4,924,357,431 | - | - |



| Fiscal Year Ended | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation |
|-------------------|--------------------------|-------------------------------------|---|--------------------------|-------------------------------------|---|
| | Improvement District 121 | | | Improvement District 221 | | |
| 2003 | \$2,460,176,613 | \$ 5,646,252 | 0.00229506 | \$2,437,921,523 | \$ 13,411,720 | 0.00550129 |
| 2004 | 2,655,750,823 | 4,965,507 | 0.00186972 | 2,633,056,001 | 11,709,055 | 0.00444694 |
| 2005 | 3,048,171,194 | 4,248,360 | 0.00139374 | 2,991,737,859 | 9,901,563 | 0.00330964 |
| 2006 | 3,296,099,817 | 3,464,525 | 0.00105110 | 3,270,481,689 | 7,941,236 | 0.00242815 |
| 2007 | 3,716,412,058 | 2,662,787 | 0.00071649 | 3,688,965,082 | 6,007,654 | 0.00162855 |
| 2008 | 3,999,440,197 | 1,793,038 | 0.00044832 | 3,971,444,282 | 3,907,194 | 0.00098382 |
| 2009 | 3,907,684,159 | 6,780,059 | 0.00173506 | 3,876,394,631 | 17,989,776 | 0.00464085 |
| 2010 | 3,889,246,597 | 5,873,689 | 0.00151024 | 3,859,829,277 | 16,330,283 | 0.00423083 |
| 2011 | 3,888,009,506 | 5,805,000 | 0.00149305 | 3,860,526,608 | 15,600,000 | 0.00404090 |
| 2012 | 3,940,518,873 | 5,805,000 | 0.00147316 | 3,912,486,315 | 15,600,000 | 0.00398723 |

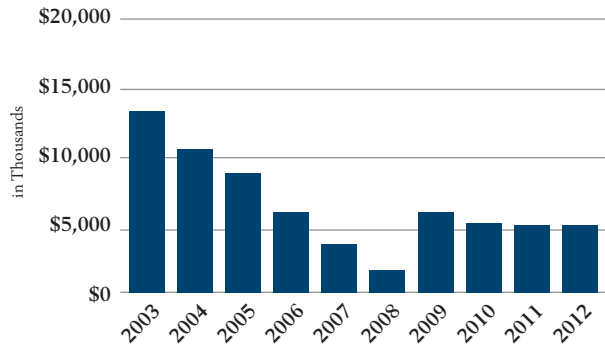


Source: Irvine Ranch Water District and the County of Orange Auditor Controller

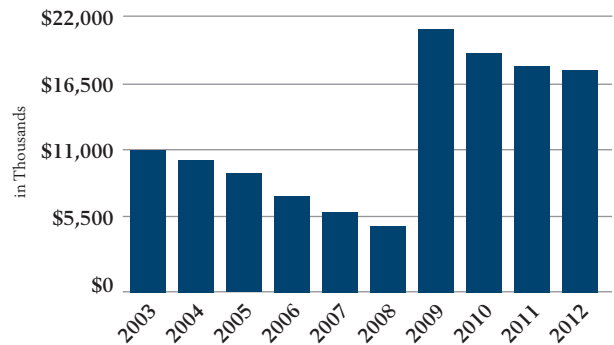
Irvine Ranch Water District
Ratio of General Obligation Debt to Assessed Values
For the Past Ten Fiscal Years
(Continued)

| Fiscal Year Ended | Improvement District 130 | | | Improvement District 230 | | |
|-------------------|--------------------------|-------------------------------------|---|--------------------------|-------------------------------------|---|
| | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation |
| 2003 | \$ 887,679,877 | \$12,923,272 | 0.01455848 | \$ 888,086,748 | \$11,167,518 | 0.01257481 |
| 2004 | 932,620,903 | 10,542,893 | 0.01130459 | 933,035,911 | 9,904,911 | 0.01061579 |
| 2005 | 1,049,255,231 | 8,288,716 | 0.00789962 | 1,049,677,986 | 8,567,847 | 0.00816236 |
| 2006 | 1,153,678,462 | 5,767,709 | 0.00499941 | 1,154,109,671 | 7,115,505 | 0.00616536 |
| 2007 | 1,489,017,966 | 3,460,656 | 0.00232412 | 1,492,117,118 | 5,703,185 | 0.00382221 |
| 2008 | 1,660,025,116 | 1,678,813 | 0.00101132 | 1,663,766,768 | 4,179,777 | 0.00251224 |
| 2009 | 2,585,629,375 | 6,424,815 | 0.00248482 | 2,585,629,375 | 19,865,955 | 0.00768322 |
| 2010 | 2,390,684,306 | 5,834,412 | 0.00244048 | 2,390,684,306 | 18,768,724 | 0.00785077 |
| 2011 | 2,242,156,959 | 5,295,000 | 0.00236157 | 2,242,156,959 | 17,949,522 | 0.00800547 |
| 2012 | 2,307,116,191 | 5,295,000 | 0.00229507 | 2,307,116,191 | 17,765,526 | 0.00770032 |

General Obligation Debt Outstanding - ID 130

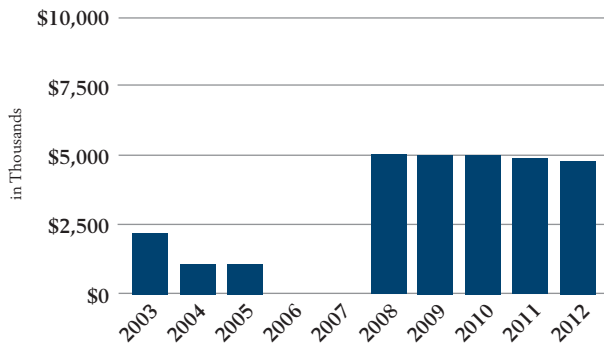


General Obligation Debt Outstanding - ID 230

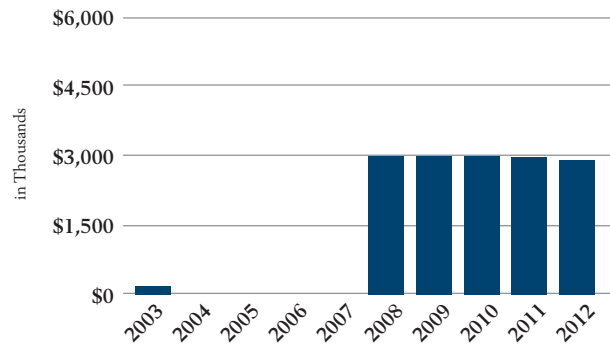


| Fiscal Year Ended | Improvement District 135 | | | Improvement District 235 | | |
|-------------------|--------------------------|-------------------------------------|---|--------------------------|-------------------------------------|---|
| | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation |
| 2003 | \$ 1,861,970,430 | 2,095,000 | 0.00112515 | \$ 1,861,970,430 | 130,000 | 0.00006982 |
| 2004 | 2,062,480,035 | 820,000 | 0.00039758 | 2,062,480,035 | - | - |
| 2005 | 2,279,958,176 | 720,000 | 0.00031580 | 2,279,958,176 | - | - |
| 2006 | 2,553,323,737 | - | - | 2,553,323,737 | - | - |
| 2007 | 2,898,277,302 | - | - | 2,898,277,302 | - | - |
| 2008 | 3,154,824,099 | 4,985,802 | 0.00158037 | 3,154,824,099 | 2,998,707 | 0.00095051 |
| 2009 | 3,071,898,725 | 4,985,802 | 0.00162304 | 3,071,898,725 | 2,998,707 | 0.00097617 |
| 2010 | 3,083,700,261 | 4,985,802 | 0.00161682 | 3,083,700,261 | 2,998,707 | 0.00097244 |
| 2011 | 3,057,223,724 | 4,867,920 | 0.00159227 | 3,057,223,724 | 2,928,240 | 0.00095781 |
| 2012 | 3,139,556,068 | 4,768,560 | 0.00151886 | 3,139,556,068 | 2,868,480 | 0.00091366 |

General Obligation Debt Outstanding - ID 135



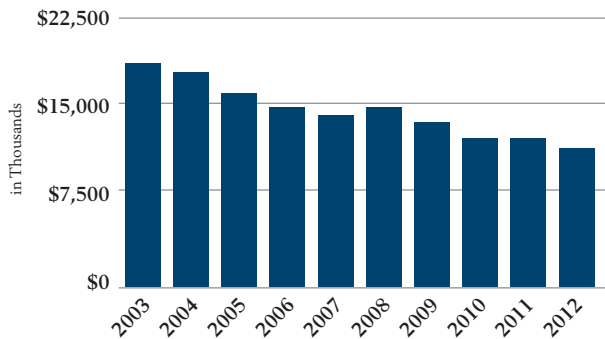
General Obligation Debt Outstanding - ID 235



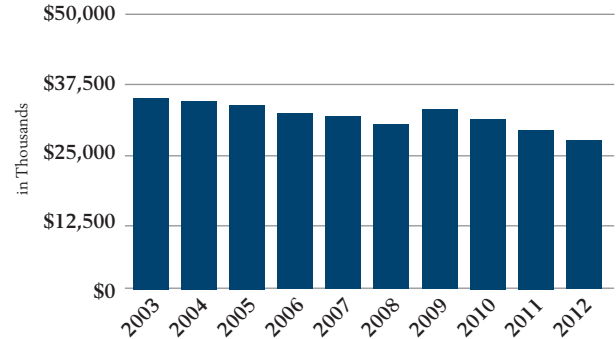
Irvine Ranch Water District
Ratio of General Obligation Debt to Assessed Values
For the Past Ten Fiscal Years
(Continued)

| Fiscal Year Ended | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation |
|-------------------|--------------------------|-------------------------------------|---|--------------------------|-------------------------------------|---|
| | Improvement District 140 | | | Improvement District 240 | | |
| 2003 | \$1,982,470,064 | \$ 19,187,818 | 0.00967874 | \$1,982,470,064 | \$ 34,882,612 | 0.01759553 |
| 2004 | 2,294,454,249 | 18,246,359 | 0.00795237 | 2,294,454,249 | 33,862,453 | 0.01475839 |
| 2005 | 2,719,982,105 | 17,253,705 | 0.00634332 | 2,719,982,105 | 32,792,726 | 0.01205623 |
| 2006 | 3,446,887,473 | 16,181,977 | 0.00469466 | 3,446,887,473 | 31,643,024 | 0.00918017 |
| 2007 | 4,140,693,955 | 15,086,812 | 0.00364355 | 4,140,693,955 | 30,462,056 | 0.00735675 |
| 2008 | 4,642,366,023 | 13,892,372 | 0.00299252 | 4,642,366,023 | 29,182,814 | 0.00628619 |
| 2009 | 4,936,249,533 | 14,472,944 | 0.00293197 | 4,936,249,533 | 32,326,608 | 0.00654882 |
| 2010 | 4,871,225,527 | 13,161,947 | 0.00270198 | 4,871,225,527 | 30,885,287 | 0.00634035 |
| 2011 | 4,903,741,743 | 12,263,056 | 0.00250075 | 4,903,741,743 | 29,527,697 | 0.00602146 |
| 2012 | 4,973,007,663 | 11,347,503 | 0.00228182 | 4,973,007,663 | 28,081,173 | 0.00564672 |

General Obligation Debt Outstanding - ID 140



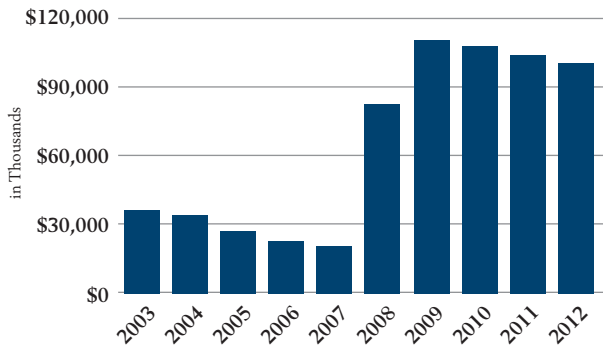
General Obligation Debt Outstanding - ID 240



Improvement District 150

| | | | |
|------|------------------|---------------|------------|
| 2003 | \$ 2,631,853,234 | \$ 34,390,746 | 0.01306712 |
| 2004 | 3,134,625,172 | 31,004,136 | 0.00989086 |
| 2005 | 3,548,888,756 | 27,478,309 | 0.00774279 |
| 2006 | 4,222,037,532 | 23,691,456 | 0.00561138 |
| 2007 | 5,194,093,605 | 20,060,770 | 0.00386223 |
| 2008 | 5,984,544,964 | 80,999,560 | 0.01353479 |
| 2009 | 5,541,316,286 | 110,002,188 | 0.01985127 |
| 2010 | 5,780,753,315 | 108,360,835 | 0.01874511 |
| 2011 | 6,316,070,513 | 106,086,298 | 0.01679625 |
| 2012 | 6,608,122,000 | 103,936,717 | 0.01572863 |

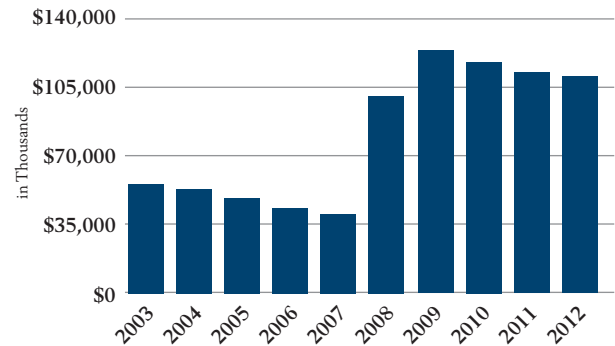
General Obligation Debt Outstanding - ID 150



Improvement District 250

| | | | |
|------|------------------|---------------|------------|
| 2003 | \$ 2,626,638,626 | \$ 52,352,492 | 0.01993136 |
| 2004 | 3,129,472,091 | 49,109,239 | 0.01569250 |
| 2005 | 3,543,639,799 | 45,671,541 | 0.01288831 |
| 2006 | 4,216,683,635 | 41,914,218 | 0.00994009 |
| 2007 | 4,874,632,043 | 38,062,529 | 0.00780829 |
| 2008 | 5,642,845,768 | 96,043,083 | 0.01702033 |
| 2009 | 5,229,731,606 | 123,488,402 | 0.02361276 |
| 2010 | 5,459,374,896 | 119,319,325 | 0.02185586 |
| 2011 | 6,003,427,629 | 114,046,826 | 0.01899695 |
| 2012 | 6,293,664,935 | 111,454,829 | 0.01770905 |

General Obligation Debt Outstanding - ID 250



Source: Irvine Ranch Water District and the County of Orange Auditor Controller

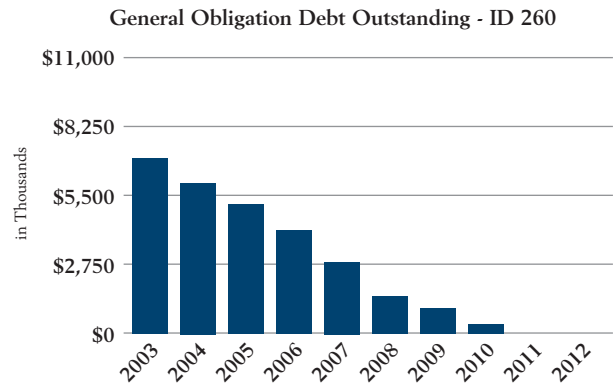
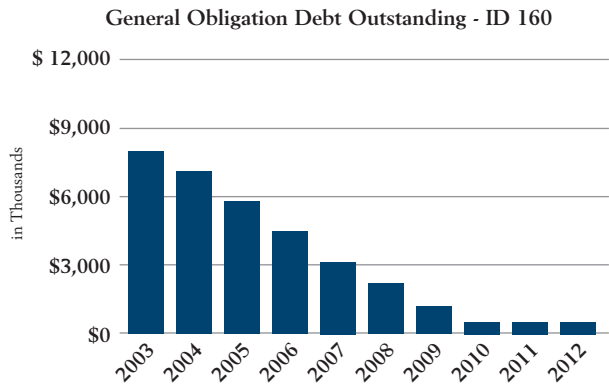
Irvine Ranch Water District
Ratio of General Obligation Debt to Assessed Values
For the Past Ten Fiscal Years
(Continued)

| Fiscal Year Ended | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation | |
|----------------------------------|-----------------------|---|---|----------------------------------|---|---|--|
| Improvement District 153 | | | | Improvement District 253 | | | |
| 2003 | \$ - | n/a | n/a | \$ - | n/a | n/a | |
| 2004 | - | n/a | n/a | - | n/a | n/a | |
| 2005 | - | n/a | n/a | - | n/a | n/a | |
| 2006 | - | n/a | n/a | - | n/a | n/a | |
| 2007 | - | n/a | n/a | - | n/a | n/a | |
| 2008 | 36,114,444 | n/a | n/a | 36,114,444 | n/a | n/a | |
| 2009 | 36,903,662 | n/a | n/a | 36,903,662 | n/a | n/a | |
| 2010 | 36,997,523 | n/a | n/a | 36,997,523 | n/a | n/a | |
| 2011 | 7,971,152 | n/a | n/a | 7,971,152 | n/a | n/a | |
| 2012 | 8,114,060 | n/a | n/a | 8,114,060 | n/a | n/a | |
| No Debt Outstanding at this Time | | | | No Debt Outstanding at this Time | | | |

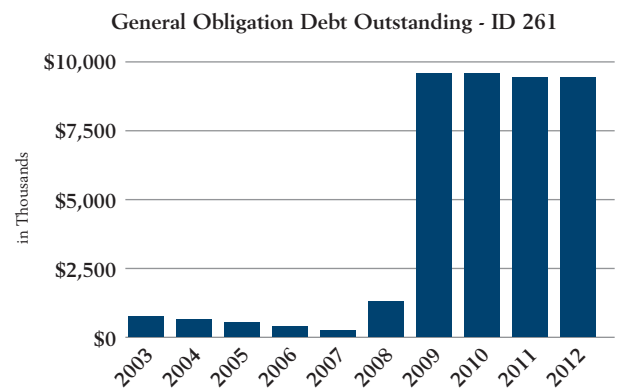
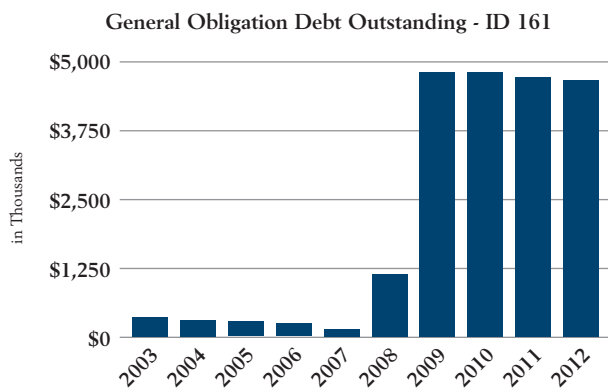
| Improvement District 154 | | | |
|----------------------------------|------------|-----|-----|
| 2003 | \$ - | n/a | n/a |
| 2004 | - | n/a | n/a |
| 2005 | - | n/a | n/a |
| 2006 | - | n/a | n/a |
| 2007 | - | n/a | n/a |
| 2008 | 7,531,850 | n/a | n/a |
| 2009 | 10,209,169 | n/a | n/a |
| 2010 | 8,831,144 | n/a | n/a |
| 2011 | 8,904,175 | n/a | n/a |
| 2012 | 9,127,678 | n/a | n/a |
| No Debt Outstanding at this Time | | | |

Irvine Ranch Water District
Ratio of General Obligation Debt to Assessed Values
For the Past Ten Fiscal Years
(Continued)

| Fiscal Year Ended | Improvement District 160 | | | Improvement District 260 | | |
|-------------------|--------------------------|-------------------------------------|---|--------------------------|-------------------------------------|---|
| | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation |
| 2003 | \$1,205,443,542 | \$ 7,585,846 | 0.00629299 | \$1,165,302,814 | \$ 7,068,360 | 0.00606568 |
| 2004 | 1,486,590,105 | 6,511,087 | 0.00437988 | 1,442,431,910 | 6,063,833 | 0.00420390 |
| 2005 | 2,101,987,732 | 5,380,202 | 0.00255958 | 2,050,256,515 | 5,006,027 | 0.00244166 |
| 2006 | 2,922,826,431 | 4,162,705 | 0.00142421 | 2,866,594,651 | 3,759,358 | 0.00131144 |
| 2007 | 3,372,542,514 | 2,883,509 | 0.00085500 | 3,304,863,810 | 2,555,075 | 0.00077313 |
| 2008 | 3,711,389,964 | 2,022,479 | 0.00054494 | 3,641,310,305 | 1,584,223 | 0.00043507 |
| 2009 | 3,457,883,370 | 1,111,736 | 0.00032151 | 3,399,796,704 | 1,031,756 | 0.00030348 |
| 2010 | 3,483,763,692 | 103,561 | 0.00002973 | 3,409,716,951 | 433,656 | 0.00012718 |
| 2011 | 3,571,525,574 | - | - | 3,499,774,771 | - | - |
| 2012 | 3,604,538,765 | - | - | 3,533,912,329 | - | - |

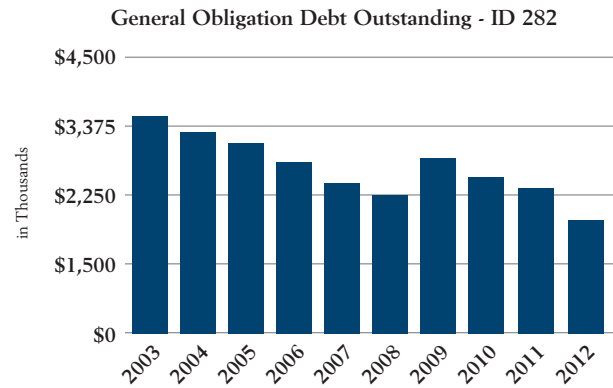
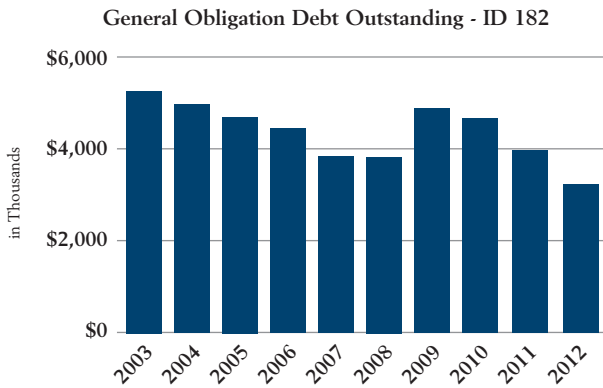


| Fiscal Year Ended | Improvement District 161 | | | Improvement District 261 | | |
|-------------------|--------------------------|-------------------------------------|---|--------------------------|-------------------------------------|---|
| | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation |
| 2003 | \$1,122,693,719 | \$ 256,221 | 0.00022822 | \$1,213,366,283 | \$ 394,153 | 0.00032484 |
| 2004 | 1,398,433,040 | 206,815 | 0.00014789 | 1,494,056,460 | 318,150 | 0.00021294 |
| 2005 | 2,007,153,739 | 155,112 | 0.00007728 | 2,109,648,525 | 238,613 | 0.00011311 |
| 2006 | 2,817,492,876 | 99,961 | 0.00003548 | 2,929,383,541 | 153,773 | 0.00005249 |
| 2007 | 3,260,457,444 | 51,704 | 0.00001586 | 3,382,835,586 | 79,538 | 0.00002351 |
| 2008 | 3,593,517,713 | 1,101,935 | 0.00030665 | 3,723,380,975 | 1,101,935 | 0.00029595 |
| 2009 | 3,341,406,070 | 4,701,935 | 0.00140717 | 3,473,875,612 | 9,006,935 | 0.00259276 |
| 2010 | 3,361,758,076 | 4,701,935 | 0.00139865 | 3,486,287,355 | 9,006,935 | 0.00258353 |
| 2011 | 3,442,885,652 | 4,676,040 | 0.00135817 | 3,572,028,485 | 8,981,040 | 0.00251427 |
| 2012 | 3,471,901,837 | 4,654,080 | 0.00134050 | 3,603,739,115 | 8,959,080 | 0.00248605 |



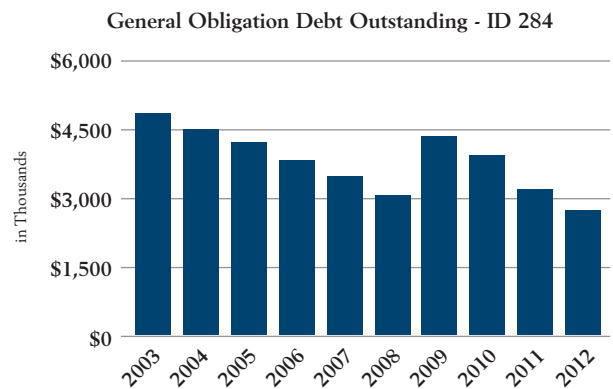
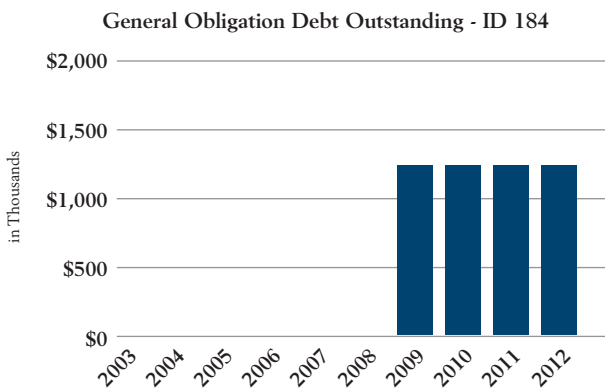
Irvine Ranch Water District
Ratio of General Obligation Debt to Assessed Values
For the Past Ten Fiscal Years
(Continued)

| Fiscal Year Ended | Improvement District 182 | | | Improvement District 282 | | |
|-------------------|--------------------------|-------------------------------------|---|--------------------------|-------------------------------------|---|
| | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation |
| 2003 | \$ 321,075,182 | \$ 5,000,000 | 0.01557268 | \$ 321,075,182 | \$ 3,500,000 | 0.01090087 |
| 2004 | 367,379,519 | 4,700,000 | 0.01279331 | 367,379,519 | 3,200,000 | 0.00871034 |
| 2005 | 429,865,962 | 4,400,000 | 0.01023575 | 429,865,962 | 3,000,000 | 0.00697892 |
| 2006 | 509,371,089 | 4,000,000 | 0.00785282 | 509,371,089 | 2,800,000 | 0.00549697 |
| 2007 | 643,569,573 | 3,600,000 | 0.00559380 | 643,569,573 | 2,500,000 | 0.00388458 |
| 2008 | 720,602,896 | 3,561,290 | 0.00494210 | 720,602,896 | 2,200,000 | 0.00305300 |
| 2009 | 595,670,830 | 4,856,290 | 0.00815264 | 595,670,830 | 2,875,000 | 0.00482649 |
| 2010 | 600,594,737 | 4,356,290 | 0.00725329 | 600,594,737 | 2,575,000 | 0.00428742 |
| 2011 | 606,591,207 | 3,847,800 | 0.00634332 | 606,591,207 | 2,275,000 | 0.00375047 |
| 2012 | 606,302,632 | 3,240,600 | 0.00534486 | 606,302,632 | 1,875,000 | 0.00309252 |



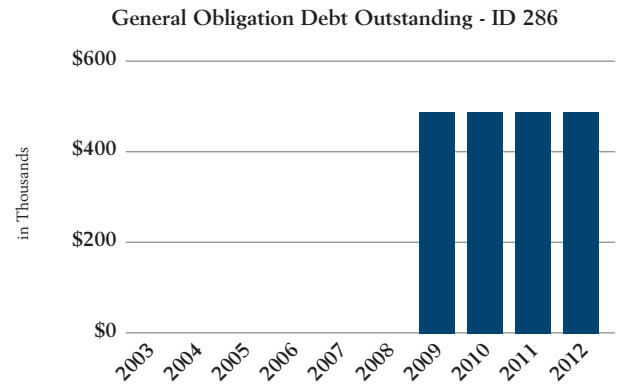
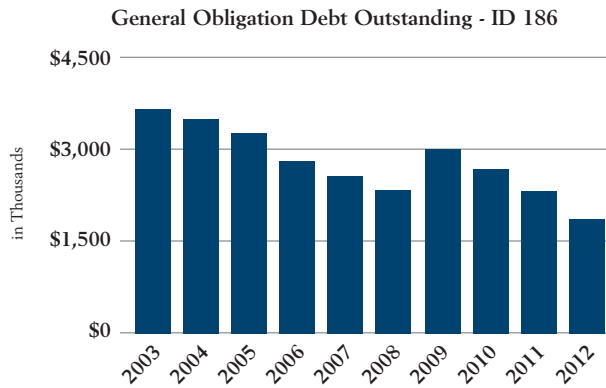
Source: Irvine Ranch Water District and the County of Orange Auditor Controller

| Fiscal Year Ended | Improvement District 184 | | | Improvement District 284 | | |
|-------------------|--------------------------|-------------------------------------|---|--------------------------|-------------------------------------|---|
| | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation |
| 2003 | \$ 212,339,216 | \$ - | - | \$ 212,339,216 | \$ 4,900,000 | 0.02307628 |
| 2004 | 234,612,404 | - | - | 234,612,404 | 4,600,000 | 0.01960681 |
| 2005 | 262,111,956 | - | - | 262,111,956 | 4,300,000 | 0.01640520 |
| 2006 | 283,547,263 | - | - | 283,547,263 | 3,900,000 | 0.01375432 |
| 2007 | 328,208,160 | - | - | 328,208,160 | 3,500,000 | 0.01066396 |
| 2008 | 378,200,679 | - | - | 378,200,679 | 3,100,000 | 0.00819671 |
| 2009 | 424,421,998 | 1,200,000 | 0.00282737 | 424,421,998 | 4,295,000 | 0.01011965 |
| 2010 | 386,137,068 | 1,200,000 | 0.00310770 | 386,137,068 | 3,795,000 | 0.00982812 |
| 2011 | 377,719,266 | 1,200,000 | 0.00317696 | 377,719,266 | 3,295,000 | 0.00872341 |
| 2012 | 378,265,831 | 1,200,000 | 0.00317237 | 378,265,831 | 2,695,000 | 0.00712462 |

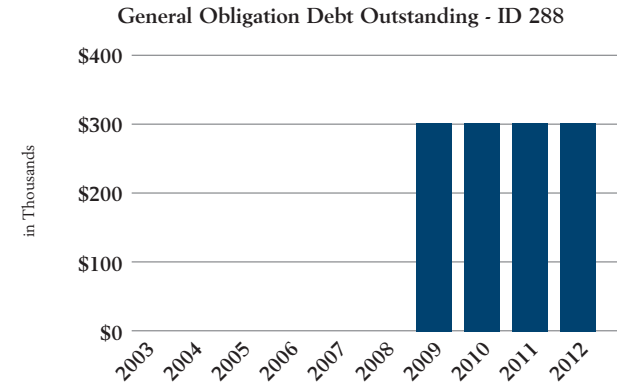
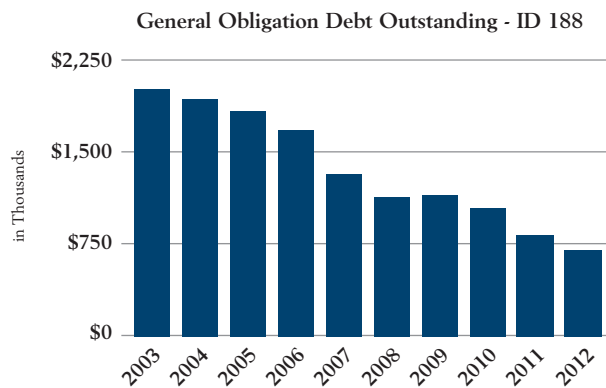


Irvine Ranch Water District
Ratio of General Obligation Debt to Assessed Values
For the Past Ten Fiscal Years
(Continued)

| Fiscal Year Ended | Improvement District 186 | | | Improvement District 286 | | |
|-------------------|--------------------------|-------------------------------------|---|--------------------------|-------------------------------------|---|
| | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation |
| 2003 | \$ 112,738,988 | \$ 3,582,046 | 0.03177292 | \$ 112,738,988 | | |
| 2004 | 131,012,460 | 3,345,496 | 0.02553571 | 131,012,460 | | |
| 2005 | 160,071,307 | 3,092,050 | 0.01931670 | 160,071,307 | | |
| 2006 | 195,573,514 | 2,821,706 | 0.01442786 | 195,573,514 | | |
| 2007 | 226,924,367 | 2,551,363 | 0.01124323 | 226,924,367 | | |
| 2008 | 250,901,383 | 2,247,227 | 0.00895662 | 250,901,383 | | |
| 2009 | 203,882,434 | 2,931,195 | 0.01437689 | 203,882,434 | | |
| 2010 | 205,164,372 | 2,593,266 | 0.01263994 | 205,164,372 | | |
| 2011 | 200,509,899 | 2,238,441 | 0.01116374 | 200,509,899 | | |
| 2012 | 197,522,448 | 1,849,822 | 0.00936512 | 197,522,448 | 495,000 | 0.00250604 |



| Fiscal Year Ended | Improvement District 188 | | | Improvement District 288 | | |
|-------------------|--------------------------|-------------------------------------|---|--------------------------|-------------------------------------|---|
| | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation | Assessed Valuation | General Obligation Debt Outstanding | General Obligation Debt to Assessed Valuation |
| 2003 | \$11,454,943 | \$1,962,312 | 0.17130697 | \$11,454,943 | \$ - | - |
| 2004 | 11,684,036 | 1,832,725 | 0.15685718 | 11,684,036 | - | - |
| 2005 | 11,694,828 | 1,693,882 | 0.14484028 | 11,694,828 | - | - |
| 2006 | 11,928,713 | 1,545,783 | 0.12958508 | 11,928,713 | - | - |
| 2007 | 12,167,278 | 1,397,684 | 0.11487238 | 12,167,278 | - | - |
| 2008 | 12,410,613 | 1,231,073 | 0.09919517 | 12,410,613 | - | - |
| 2009 | 12,806,315 | 1,235,205 | 0.09645283 | 12,806,315 | 300,000 | 0.02342594 |
| 2010 | 14,613,156 | 1,050,082 | 0.07185864 | 14,613,156 | 300,000 | 0.02052945 |
| 2011 | 13,887,854 | 855,702 | 0.06161511 | 13,887,854 | 300,000 | 0.02160161 |
| 2012 | 14,165,606 | 642,809 | 0.04537817 | 14,165,606 | 300,000 | 0.02117806 |

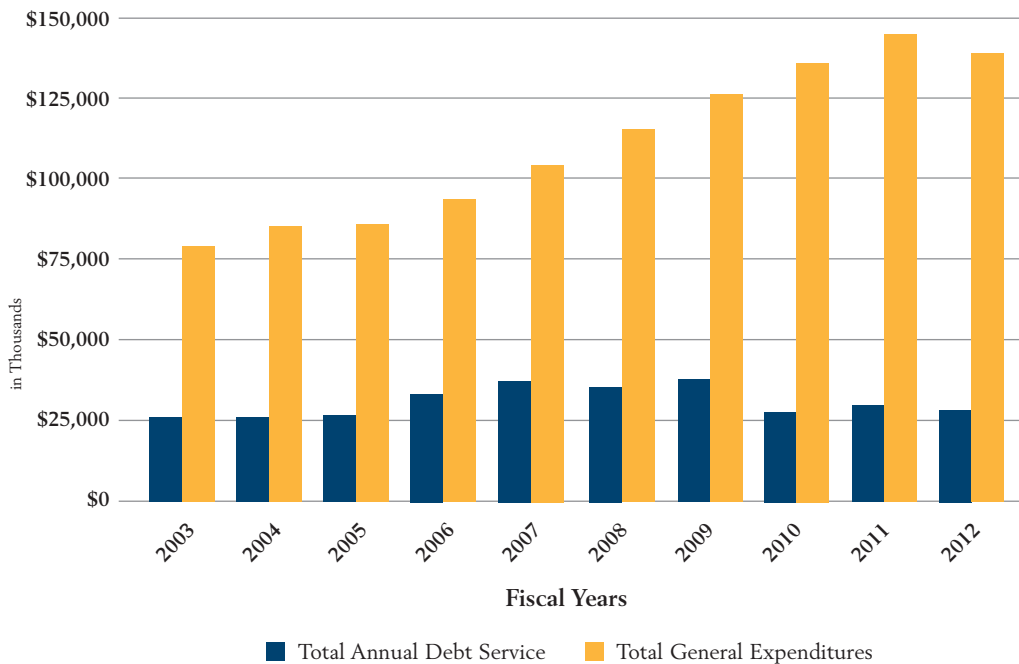


Irvine Ranch Water District

Ratios of Annual Debt Service Expenditures to Total General Expenditures - Cash Basis
For the Past Ten Fiscal Years
(in thousands)

| Fiscal Year Ended | Total Annual Debt Service | Total General Expenditures | Ratio of Total Annual Debt Service to Total General Expenditures |
|-------------------|---------------------------|----------------------------|--|
| 2003 | 27,408 | 79,710 | 34.4% |
| 2004 | 27,751 | 84,890 | 32.7% |
| 2005 | 28,090 | 85,937 | 32.7% |
| 2006 | 34,871 | 92,229 | 37.8% |
| 2007 | 36,562 | 104,592 | 35.0% |
| 2008 | 28,374 | 116,351 | 24.4% |
| 2009 | 27,326 | 125,916 | 21.7% |
| 2010 | 29,044 | 134,021 | 21.7% |
| 2011 | 34,842 | 141,831 | 24.6% |
| 2012 | 33,437 | 139,444 | 24.0% |

Annual Debt Service to Annual General Expenditures



Source: Irvine Ranch Water District

Irvine Ranch Water District
Debt Service Coverage
For the Past Ten Fiscal Years
(in thousands)

| | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> |
|--|---------------|---------------|-----------------|-----------------|-----------------|
| Revenues | | | | | |
| Water sales and service charges | \$ 27,185 | \$31,700 | \$33,105 | \$39,256 | \$45,138 |
| Sewer sales and service charges | 18,521 | 23,346 | 24,622 | 29,248 | 37,649 |
| Developer Connection fees | 6,677 | 5,546 | 6,188 | 17,903 | 22,122 |
| Net real estate income | 5,661 | 5,534 | 6,105 | 5,793 | 6,081 |
| Interest income | 5,973 | 5,158 | 7,695 | 7,749 | 8,969 |
| Net earnings on JPA | 2,360 | 3,269 | 3,277 | 3,367 | 3,388 |
| Available 1% property tax revenue | 0 | 0 | 0 | 0 | 216 |
| Other | 6,120 | 13,065 | 9,753 | 8,494 | 10,457 |
| Total Revenues | <u>72,497</u> | <u>87,618</u> | <u>90,745</u> | <u>111,810</u> | <u>134,020</u> |
| Expenses | | | | | |
| Water supply services | 24,820 | 26,139 | 25,198 | 29,813 | 33,281 |
| Sewer services | 15,558 | 19,052 | 19,055 | 18,480 | 23,439 |
| Administrative and general | 12,141 | 12,301 | 12,879 | 14,181 | 16,595 |
| Customer accounts | 2,207 | 2,307 | 2,410 | 2,620 | 2,829 |
| Other | 373 | 1,881 | 430 | 666 | 884 |
| Total Expenses | <u>55,099</u> | <u>61,680</u> | <u>59,972</u> | <u>65,760</u> | <u>77,028</u> |
| Net Revenues | <u>17,398</u> | <u>25,938</u> | <u>30,773</u> | <u>46,050</u> | <u>56,992</u> |
| Parity Obligations | | | | | |
| Certificates of Participation | 470 | 599 | 1,094 | 1,873 | 2,319 |
| 1997 State Loan #3 | 227 | 226 | 226 | 227 | 227 |
| Series 2010B Bonds | - | - | - | - | - |
| Series 2011-A Index Tender Notes | - | - | - | - | - |
| Prior Reimbursement Agreements | - | - | - | - | - |
| Total Parity Obligations Debt Service | <u>\$ 697</u> | <u>\$ 825</u> | <u>\$ 1,320</u> | <u>\$ 2,100</u> | <u>\$ 2,546</u> |
| Remaining Revenues | \$ 16,701 | \$ 25,113 | \$ 29,453 | \$ 43,950 | \$ 54,446 |
| Party Obligation Coverage | <u>25.0 x</u> | <u>31.4 x</u> | <u>23.3 x</u> | <u>21.9 x</u> | <u>22.4 x</u> |
| Subordinate Obligations | | | | | |
| Fixed Payer Swap Payments | - | (705) | (1,811) | 42 | 612 |
| State Loans and SCWD Debt | 292 | 292 | 292 | 317 | 300 |
| Total Subordinate Obligations | <u>292</u> | <u>(413)</u> | <u>(1,519)</u> | <u>359</u> | <u>912</u> |
| Remaining Revenues | <u>16,409</u> | <u>25,526</u> | <u>30,972</u> | <u>43,591</u> | <u>53,534</u> |
| Non-Double-Barrel GO Bonds | | | | | |
| Revenues Pledged to Non-Double-Barrel GO Bonds | | | | | |
| 1% Property tax revenues (Pledged to Secured Bonds) | 12,833 | 14,474 | 7,335 | 10,177 | 22,040 |
| Pro-rata Share Ad valorem Assessments for | 1,414 | 830 | 390 | 5,060 | 8,411 |
| Sub-total Pledged Revenues | <u>30,656</u> | <u>40,830</u> | <u>38,697</u> | <u>58,828</u> | <u>83,985</u> |
| Additional Funds Available for Non-Double-Barrel GO Bonds | | | | | |
| Remaining 1% Property Tax Revenues | 0 | 0 | 0 | 0 | 216 |
| Additional Net Revenues | 16,409 | 25,526 | 30,972 | 43,591 | 53,318 |
| Total with Additional Pledged Revenues | <u>30,656</u> | <u>40,830</u> | <u>38,697</u> | <u>58,828</u> | <u>83,985</u> |
| Debt Service | | | | | |
| Non-Double-Barrel GO Bond Debt Service | 26,310 | 25,685 | 27,432 | 28,935 | 30,451 |
| GO Bond Coverage | 1.2 x | 1.6 x | 1.4 x | 2.0 x | 2.8 x |
| Remaining Revenues | <u>4,346</u> | <u>15,145</u> | <u>11,265</u> | <u>29,893</u> | <u>53,534</u> |
| Total Debt Coverage | <u>1.2 x</u> | <u>1.6 x</u> | <u>1.4 x</u> | <u>2.0 x</u> | <u>2.6 x</u> |

Irvine Ranch Water District
Debt Service Coverage
For the Past Ten Fiscal Years (Continued)
(in thousands)

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|--|-----------------|-----------------|-----------------|------------------|------------------|
| Revenues | | | | | |
| Water sales and service charges | \$ 48,516 | \$ 50,940 | \$ 51,268 | \$ 54,796 | \$ 57,558 |
| Sewer sales and service charges | 39,811 | 41,157 | 45,344 | 45,375 | 49,234 |
| Developer Connection fees | 6,411 | 4,535 | 5,818 | 10,572 | 9,030 |
| Net real estate income | 7,171 | 7,010 | 5,624 | 3,715 | 5,023 |
| Interest income | 9,859 | 4,365 | 2,191 | 2,599 | 3,132 |
| Net earnings on JPA | 3,238 | 2,990 | 4,196 | 12,444 | 11,927 |
| Available 1% property tax revenue | 4,869 | 17,007 | 17,213 | 15,113 | 14,737 |
| Other | 11,130 | 9,918 | 10,706 | 7,987 | 6,141 |
| Total Revenues | <u>131,005</u> | <u>137,922</u> | <u>142,360</u> | <u>152,601</u> | <u>156,782</u> |
| Expenses | | | | | |
| Water supply services | 37,030 | 40,333 | 40,103 | 42,383 | 40,593 |
| Sewer services | 26,032 | 27,402 | 27,804 | 30,787 | 26,817 |
| Administrative and general | 18,516 | 20,248 | 22,904 | 21,332 | 27,182 |
| Customer accounts | 3,178 | 3,234 | 3,772 | 3,737 | 3,737 |
| Other | 2,288 | 1,535 | 1,286 | 989 | 10,713 |
| Total Expenses | <u>87,044</u> | <u>92,752</u> | <u>95,869</u> | <u>99,228</u> | <u>109,042</u> |
| Net Revenues | <u>43,961</u> | <u>45,170</u> | <u>46,491</u> | <u>53,373</u> | <u>47,740</u> |
| Parity Obligations | | | | | |
| Certificates of Participation | 3,564 | 2,798 | 3,119 | 7,680 | 7,977 |
| 1997 State Loan #3 | 227 | 227 | - | 226 | 226 |
| Series 2010B Bonds | - | - | - | 4,080 | 7,533 |
| Series 2011-A Index Tender Notes | - | - | - | 35 | 185 |
| Prior Reimbursement Agreements | - | - | - | - | - |
| Total Parity Obligations Debt Service | <u>\$ 3,791</u> | <u>\$ 3,025</u> | <u>\$ 3,119</u> | <u>\$ 12,021</u> | <u>\$ 15,921</u> |
| Remaining Revenues | \$ 40,170 | \$ 42,145 | \$ 43,372 | \$ 41,352 | \$ 31,819 |
| Party Obligation Coverage | <u>11.6 x</u> | <u>14.9 x</u> | <u>14.9 x</u> | <u>4.4 x</u> | <u>3.0 x</u> |
| Subordinate Obligations | | | | | |
| Fixed Payer Swap Payments | 2,115 | 5,694 | 7,391 | 7,734 | 7,734 |
| State Loans and SCWD Debt | 559 | 481 | 381 | 253 | 254 |
| Total Subordinate Obligations | <u>2,674</u> | <u>6,175</u> | <u>7,772</u> | <u>7,987</u> | <u>7,988</u> |
| Remaining Revenues | <u>37,496</u> | <u>35,970</u> | <u>35,600</u> | <u>33,365</u> | <u>23,831</u> |
| Non-Double-Barrel GO Bonds | | | | | |
| Revenues Pledged to Non-Double-Barrel GO Bonds | | | | | |
| 1% Property tax revenues (Pledged to Secured Bonds) | 19,861 | 9,276 | 9,935 | 11,875 | 11,876 |
| Pro-rata Share Ad valorem Assessments for | 9,515 | 9,959 | 11,244 | 11,690 | 11,585 |
| Sub-total Pledged Revenues | 66,872 | 55,205 | 56,779 | 56,930 | 47,292 |
| Additional Funds Available for Non-Double-Barrel GO Bonds | | | | | |
| Remaining 1% Property Tax Revenues | 2,395 | 15,454 | 16,348 | 15,113 | 15,112 |
| Additional Net Revenues | 35,101 | 20,516 | 19,252 | 18,252 | 8,719 |
| Total with Additional Pledged Revenues | <u>66,872</u> | <u>55,205</u> | <u>56,779</u> | <u>56,930</u> | <u>47,292</u> |
| Debt Service | | | | | |
| Non-Double-Barrel GO Bond Debt Service | 29,376 | 19,235 | 21,179 | 16,899 | 16,899 |
| GO Bond Coverage | 2.3 x | 2.9 x | 2.7 x | 3.4 x | 2.8 x |
| Remaining Revenues | <u>37,496</u> | <u>35,970</u> | <u>35,600</u> | <u>40,031</u> | <u>30,393</u> |
| Total Debt Coverage | <u>2.0 x</u> | <u>2.3 x</u> | <u>2.1 x</u> | <u>2.1 x</u> | <u>1.7 x</u> |

Irvine Ranch Water District

Principal Employers

Fiscal Year Ended June 30, 2012

| Name of Company | Employment | Products | Percentage of Total Employment |
|---------------------------------------|------------|----------------------------------|--------------------------------|
| University of California, Irvine | 14,227 | Educational | 7.46% |
| Irvine Unified School District | 2,706 | Educational | 1.42% |
| Cellco Partnership / Verizon Wireless | 2,305 | Wireless Communication | 1.21% |
| Broadcom | 2,604 | Technology | 1.37% |
| Edwards Lifesciences | 2,337 | Surgical Appliances and Supplies | 1.23% |
| Allergan | 1,922 | Pharmaceutical (R&D/Marketing) | 1.01% |
| Blizzard Entertainment Inc. | 1,695 | Video Game Developer | 0.89% |
| Parker Hannifin | 1,650 | Aircraft Parts | 0.87% |
| St. John Knits | 1,517 | Apparel | 0.80% |
| B Braun Medical Inc. | 1,400 | Bio-Medical Manufacturing | 0.73% |
| | | | <u>16.99%</u> |

Source: City of Irvine Comprehensive Annual Financial Report (Fiscal Year Ended June 30, 2011)

Data was not yet available for FY2011/12 from the City of Irvine.

The City of Irvine is only a part of the IRWD service area.

Information for Principal Employers is not available for FY2002/03 for comparison purposes.

Irvine Ranch Water District
Demographic & Economic Statistics
For the Past Ten Fiscal Years

| Fiscal Year Ended | IRWD Population | City of Irvine Population | City of Irvine Median Family Income | Total Personal Income | County of Orange Unemployment Rate |
|----------------------|--------------------|------------------------------|--|--------------------------|---------------------------------------|
| 2003 | N/A | 164,917 | 71,200 | N/A | N/A |
| 2004 | N/A | 171,708 | 71,200 | N/A | N/A |
| 2005 | 316,000 | 183,218 | 82,827 | \$7,267,978 | 3.9% |
| 2006 | 322,000 | 192,167 | 84,270 | 7,352,397 | 3.6% |
| 2007 | 330,000 | 199,400 | 85,624 | 7,667,079 | 4.0% |
| 2008 | 330,000 | 207,646 | 98,923 | 8,691,214 | 5.3% |
| 2009 | 330,000 | 212,541 | 91,101 | 8,733,663 | 8.3% |
| 2010 | 331,500 | 217,686 | 94,903 | 8,090,372 | 9.5% |
| 2011 | 330,000 | 219,156 | 93,258 | 8,484,794 | 9.2% |
| 2012 | 330,000 | 219,156 | N/A (1) | N/A (1) | 7.9% |

Source: City of Irvine Comprehensive Annual Financial Report (Fiscal Year Ended June 30, 2011) and County of Orange website.

*Data for the entire Irvine Ranch Water District service area is not readily available.
The City of Irvine is only a part of the IRWD service area.*

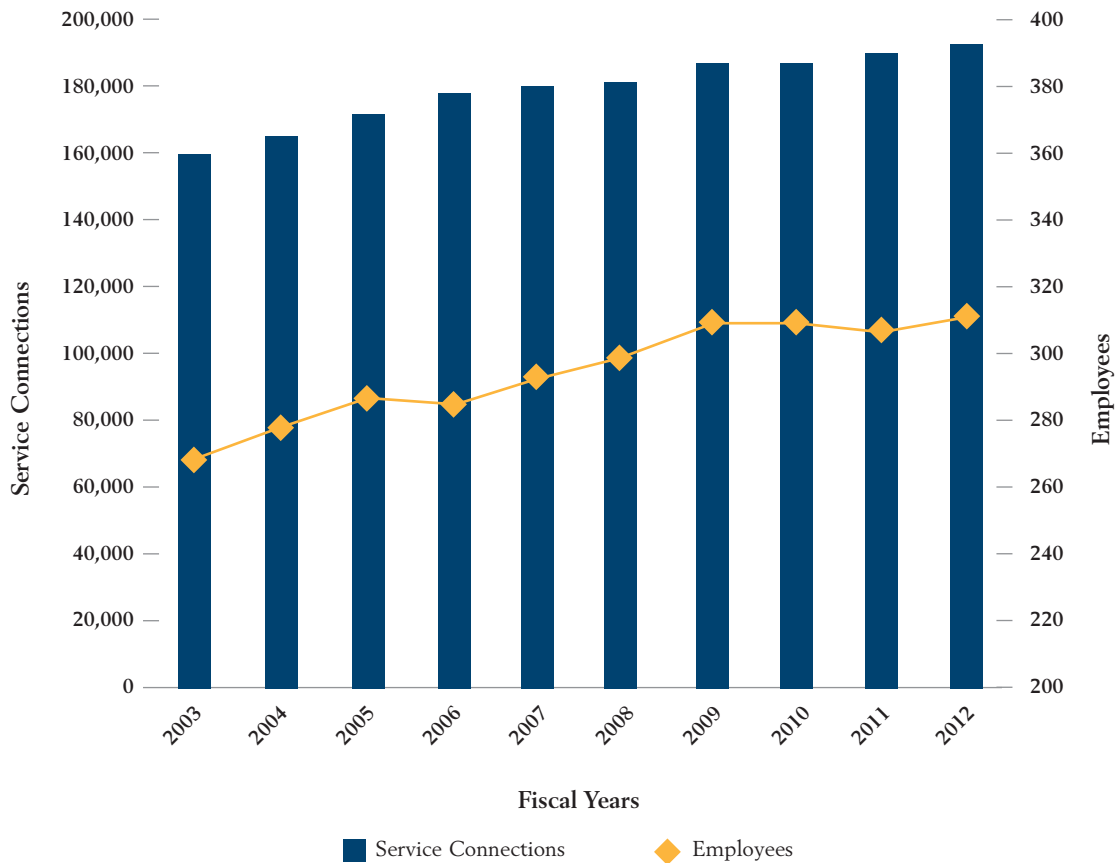
(1) Median Family Income and Total Personal Income for FY 2012 has not yet been published by the City of Irvine.

Irvine Ranch Water District
 Operating Indicators by Function
 Water and Sewer Service Connections
 For the Past Ten Fiscal Years

| Fiscal Year Ended | Potable Water | Non-Potable Water | Sewer & Recycled Water | Total Service Connections | Average Employee Population | Service Connections per Employee |
|-------------------|---------------|-------------------|------------------------|---------------------------|-----------------------------|----------------------------------|
| 2003 | 83,526 | 120 | 77,880 | 161,526 | 275 | 587 |
| 2004 | 85,652 | 117 | 81,128 | 166,897 | 285 | 586 |
| 2005 | 88,423 | 143 | 83,982 | 172,548 | 293 | 589 |
| 2006 | 90,816 | 219 | 86,290 | 177,325 | 290 | 611 |
| 2007 | 93,531 | 293 | 88,316 | 182,140 | 303 | 601 |
| 2008 | 95,386 | 198 | 89,775 | 185,359 | 313 | 592 |
| 2009 | 96,110 | 201 | 90,545 | 186,856 | 310 | 603 |
| 2010 | 96,797 | 226 | 91,252 | 188,275 | 310 | 607 |
| 2011 | 98,453 | 184 | 92,837 | 191,474 | 305 | 628 |
| 2012 | 99,465 | 88 | 93,828 | 193,381 | 314 | 616 |

Source: Irvine Ranch Water District

Service Connections and Average Employee Count



Irvine Ranch Water District
 Operating Indicators by Function
 New Service Connections
 For the Past Ten Fiscal Years

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|-------|-------|-------|-------|-------|-------|------|------|-------|------|
| Water | | | | | | | | | | |
| Residential | 1,563 | 1,788 | 2,360 | 2,039 | 2,211 | 1,439 | 552 | 631 | 1,469 | 862 |
| Commercial/Industrial/ Public Authority | 137 | 174 | 269 | 211 | 321 | 229 | 89 | 19 | 98 | 18 |
| Fire Protection | 152 | 141 | 137 | 128 | 162 | 173 | 86 | 43 | 40 | 37 |
| Landscape Irrigation | 15 | 25 | 6 | 91 | 93 | (80) | 13 | 4 | 11 | 4 |
| Agricultural | 0 | (5) | (6) | 0 | 2 | (1) | (13) | (8) | (11) | (3) |
| Sewer | | | | | | | | | | |
| Residential | 1,561 | 1,808 | 2,355 | 2,002 | 1,462 | 891 | 527 | 613 | 1,462 | 861 |
| Commercial/Industrial/ Public Authority | 115 | 1,268 | 237 | 150 | 290 | 357 | 156 | 21 | 37 | 21 |
| Landscape Irrigation | 168 | 174 | 264 | 156 | 276 | 207 | 84 | 63 | 85 | 102 |
| Agricultural | 2 | (2) | (2) | 0 | (2) | 4 | 3 | 10 | 1 | 7 |

Source: Irvine Ranch Water District

Irvine Ranch Water District
 Operating Indicators by Function
 Average Monthly Usage (in CCF)
 For the Past Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|--------------------------------|---------------|--------------|--------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| Water | | | | | | | | | | |
| Residential | 11 | 10 | 10 | 11 | 11 | 11 | 10 | 10 | 9 | 9 |
| Commercial | 75 | 68 | 72 | 73 | 75 | 69 | 63 | 57 | 56 | 61 |
| Industrial | 258 | 227 | 258 | 241 | 228 | 226 | 211 | 200 | 201 | 201 |
| Public Authority | 487 | 398 | 464 | 454 | 356 | 359 | 347 | 300 | 295 | 296 |
| Construction & Temporary | 237 | 179 | 95 | 94 | 94 | 122 | 39 | 52 | 79 | 106 |
| Treated - Landscape Irrigation | 107 | 99 | 103 | 110 | 127 | 122 | 116 | 95 | 85 | 94 |
| Treated - Agricultural | 2,309 | 2,080 | 1,990 | 1,760 | 1,653 | 1,294 | 1,116 | 663 | 925 | 835 |
| Untreated - Agricultural | 6,836 | 5,686 | 5,520 | 7,659 | 7,991 | 6,405 | 7,495 | 6,925 | 4,714 | 4,768 |
| | 10,322 | 8,747 | 8,512 | 10,401 | 10,534 | 8,608 | 9,397 | 8,302 | 6,364 | 6,370 |
| Recycled water | | | | | | | | | | |
| Landscape Irrigation | 188 | 199 | 178 | 176 | 211 | 191 | 182 | 152 | 134 | 152 |
| Agricultural | 277 | 330 | 268 | 895 | 1,792 | 1,792 | 2,418 | 1,874 | 2,247 | 3,768 |
| | 465 | 529 | 446 | 1,071 | 2,003 | 1,982 | 2,600 | 2,026 | 2,381 | 3,920 |

Source: Irvine Ranch Water District

Irvine Ranch Water District
Capital Asset Statistics
For the Past Eight Fiscal Years
June 30, 2012

| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|---------|--------|--------|--------|--------|--------|--------|--------|
| Potable System | | | | | | | | |
| Miles of Water Main | (1) 990 | 1,040 | 1,090 | 1,132 | 1,134 | 1,169 | 1,460 | 1,490 |
| Number of Storage Tanks | 27 | 29 | 37 | 37 | 37 | 37 | 37 | 37 |
| Maximum Storage Capacity (Acre Feet) | 418 | 440 | 460 | 460 | 460 | 460 | 490 | 490 |
| Number of Pumping Plants | 24 | 32 | 40 | 40 | 46 | 46 | 46 | 46 |
| Number of Wells | 21 | 26 | 26 | 27 | 27 | 27 | 27 | 27 |
| Well Production Capacity (cfs) | 100 | 109 | 109 | 117 | 117 | 117 | 117 | 117 |
| Water Banking Storage (Acre Feet) | - | - | - | - | - | 57,600 | 57,600 | 59,495 |
| Non-Potable and Recycled Systems | | | | | | | | |
| Miles of Water Main | (1) 307 | 337 | 367 | 399 | 400 | 407 | 468 | 478 |
| Number of Storage Tanks | (2) 14 | 10 | 11 | 11 | 11 | 11 | 11 | 11 |
| Number of Open Reservoirs | (2) | 4 | 4 | 4 | 4 | 5 | 5 | 5 |
| Maximum Storage Capacity (Acre Feet) | 28,500 | 30,036 | 30,043 | 30,043 | 30,043 | 30,543 | 30,543 | 30,543 |
| Number of Pumping Plants | 17 | 14 | 20 | 19 | 19 | 19 | 19 | 19 |
| Number of Wells | 4 | 7 | 7 | 6 | 6 | 6 | 6 | 7 |
| Well Production Capacity (cfs) | 4.5 | 6.0 | 6.0 | 9.0 | 9.0 | 9 | 9 | 11 |
| Sewer System | | | | | | | | |
| Miles of Sewer Line | 656 | 680 | 809 | 899 | 901 | 940 | 950 | 962 |
| Number of Lift Stations | 22 | 16 | 29 | 29 | 29 | 29 | 29 | 24 |
| Treatment Plants | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Treatment Capacity | 22.5 | 22.5 | 22.5 | 22.5 | 22.5 | 23 | 23 | 23 |
| Average Flows | 18.6 | 19.5 | 19.5 | 19.5 | 19.5 | 20 | 20 | 20 |
| Average % of Daily Flows - Michelson Plant | 74% | 71% | 72% | 72% | 72% | 72% | 70% | 70% |
| Average % of Daily Flows - Los Alisos Plant | 26% | 29% | 28% | 28% | 28% | 28% | 30% | 30% |

Source: Irvine Ranch Water District

Note:

(1) Miles of Water Main only include Distribution and Transmission mains, not laterals.

(2) IRWD began reporting storage tanks and open reservoirs separately in 2006. Previously for purposes of these statistics, both have been combined under "storage tanks".

Information on prior years' capital asset statistics was not readily available.

Irvine Ranch Water District
Full-Time Employees
For the Past Ten Fiscal Years

| Average Full-Time Employees | Fiscal Year | | | | | | | | | |
|-----------------------------|-------------|------|------|------|------|------|------|------|------|------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
| | 275 | 285 | 293 | 290 | 303 | 313 | 310 | 310 | 305 | 314 |



Source: Irvine Ranch Water District

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IRVINE RANCH WATER DISTRICT

POST OFFICE BOX 57000

IRVINE, CALIFORNIA 92619-7000

949.453.5300

December 10, 2012 *FA*
Prepared by: Davis/Fournier/Jacobson *FD*
Submitted by: Cheryl Clary *CC*
Approved by: Paul Cook *PC*

CONSENT CALENDAR

2013 IRWD INVESTMENT POLICY

SUMMARY:

Each year, the District is required to adopt an Investment Policy. Changes to the policy from year-to-year are required to conform to any amendments to the California Government Code governing investment of public funds. During 2012, there were no significant changes to the California Government Code; and the proposed policy for 2013 mirrors the policy adopted for 2012. Staff recommends the Board adopt a resolution approving the 2013 IRWD Investment Policy and authorizing the Treasurer and Assistant Treasurers to invest and reinvest funds of the District and of each of its improvement districts, and to sell and exchange securities.

BACKGROUND:

Staff annually submits a Statement of Investment Policy to the Board of Directors for approval. The annual submittal generally incorporates amendments to investment-related Government Code sections, policy objectives, delegation of authority and a detailed schedule of authorized investments. The 2013 Investment Policy and related resolution are attached as Exhibits "A" and "B", respectively. During 2012, there were no significant amendments to the Government Code section relating to authorized investments for local agencies, and therefore the 2013 policy is the same as the 2012 policy.

As specified in the Government Code, the Board's delegation of authority to the Treasurer and Assistant Treasurer to manage the District's investment program is limited to a one-year period, renewable annually. The recommended 2013 Investment Policy includes continuation of this annual delegation of authority to the Treasurer and Assistant Treasurer.

Given the conservative nature of the State codes and the Board's additional restrictions, staff believes the authorized investments in the recommended 2013 Investment Policy are sufficiently limited to ensure appropriate investments while retaining some degree of flexibility to take advantage of changing market opportunities. Additionally, the recommended policy provides authority for the Finance and Personnel Committee to further restrict, but not liberalize, authorized investments. Any liberalization of authorized investments would first require the approval of the Board of Directors.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

This activity is categorically exempt from the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations, Title 14, Chapter 3, Sections 15301 and 15302.

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on December 3, 2012.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2012-

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE
RANCH WATER DISTRICT APPROVING THE 2013 IRWD
INVESTMENT POLICY AND AUTHORIZING THE TREASURER
AND ASSISTANT TREASURERS TO INVEST AND REINVEST
FUNDS OF THE DISTRICT AND OF EACH OF ITS IMPROVEMENT
DISTRICTS AND TO SELL AND EXCHANGE SECURITIES

LIST OF EXHIBITS:

Exhibit "A" – 2013 IRWD Investment Policy
Exhibit "B" – Resolution Adopting 2013 IRWD Investment Policy

Exhibit "A"

IRVINE RANCH WATER DISTRICT PROPOSED - 2013 INVESTMENT POLICY

Introduction:

This investment policy is intended to establish a clear understanding of the District's authorized investment activities for members of the public, the Board of Directors of the Irvine Ranch Water District (the "District"), District management and outside investment professionals.

Policy:

It is the policy of the District to invest its funds in a prudent and professional manner which will provide maximum security of principal while meeting required cash flow demands and conforming to all State statutes governing the investment of public funds, the District's investment policies, and prudent cash management principles.

Scope:

This investment policy applies to all District funds that are under the direct oversight of the Board of Directors. The investment of any bond proceeds or related funds will also be made in accordance with this investment policy.

Standard of Care:

The Board of Directors and those persons authorized to make investment decisions on behalf of the District are trustees of public funds. The standard of care to be used in all investment transactions shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio (Government Code Section 53600.3). The "prudent person" standard is:

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Officers and employees of the District involved in the investment process shall refrain from personal business activities that could conflict with proper execution of the investment program or could impair their ability to make impartial investment decisions.

"Designated employees" of the District involved in the investment of District funds, which includes the Treasurer and Assistant Treasurer(s), shall disclose all information at the times and in the manner required by the District's Conflict of Interest Code.

Objectives:

The primary objectives of the District's investment activities, in priority order, are as follows:

1. **Safety:** Safety of principal is the foremost objective of the investment program. Investments of the District shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. Accordingly, diversification by issuer, type, and maturity of securities will be made to avoid or minimize potential losses on individual securities.
2. **Liquidity:** The District's investment portfolio will remain sufficiently liquid to enable the District to meet all operating and capital cash requirements. To the extent required, this liquidity will be maintained through the purchase of securities with active secondary or resale markets and with short-term maturities so as to minimize market risk on the market price of the securities.
3. **Yield:** The District's investment portfolio shall be designed with the objective of attaining the highest rate of return commensurate with the above requirements for the preservation of capital and the maintenance of adequate liquidity.

Delegation of Authority:

In accordance with Government Code Sections 53607 and 53608, the Board of Directors has delegated to the District's Treasurer and Assistant Treasurer(s), acting singly, the authority to manage the District's investment program and to provide for the safekeeping of securities. This delegated authority is effective for the 2013 calendar year (Resolution 2012-XX).

Authorized Investments:

The District is authorized to invest its funds pursuant to the following State codes:

Government Code:

- Section 53600 et seq. - General investments
- Section 16429.1 - Local Agency Investment Fund (LAIF)
- Section 53684 - Orange County Treasury Pool (not currently authorized by the Board of Directors)
- Section 5920 - Public finance contracts

Water Code:

- Section 35912 - Real estate

The Treasurer and Assistant Treasurer(s) are authorized to invest District funds in accordance with these Code sections, subject to certain restrictions imposed by the District's Board of Directors. These authorized investments and restrictions are shown in Exhibit "A".

Whenever practical, a competitive process shall be used for the purchase and sale of securities.

The Board of Directors has approved investing in securities with terms or remaining maturities in excess of five years as part of the District's investment program, but that no such investments are to be made without the concurrence of the Finance and Personnel Committee.

Authorized Financial Institutions:

Only financial institutions designated as "primary dealers" by the Federal Reserve Bank of New York, or other dealers that qualify under Securities and Exchange Commission Rule 15C3-1 (uniform net capital rule), are authorized to provide investment services to the District. The Treasurer may limit the number of dealers authorized to provide such services.

A copy of the District's annual investment policy shall be provided to each institution authorized by the Treasurer to provide services to the District. Prior to providing investment services, such financial institution shall acknowledge in writing that it has received the District's investment policy and that all persons handling the District's account have reviewed the policy.

All authorized financial institutions are required to send the District unaudited quarterly and audited annual financial statements or provide electronic access to the financial statements.

Safekeeping and Custody:

All security transactions entered into by the District shall be conducted on a delivery-versus-payment (DVP) basis. All securities owned by the District shall be delivered to the District by book entry, physical delivery, or a third party custodial agreement. Any third party custodian shall be designated by the Treasurer, and all securities held by such custodian, including book entry and physical securities, shall be held in a manner that clearly establishes the District's right of ownership. The District's custodial agent shall meet the requirements of Government Code Section 53608. The District's deposits with LAIF or any other authorized investment pool shall be evidenced by the standard reporting requirements of LAIF or the investment pool.

Reporting:

The Treasurer shall file a monthly report with the Board of Directors at a public meeting that shows the status of the District's cash and securities, and all related investment transactions that occurred during the month. The status report shall also be filed with the District's General Manager and will include at least the following information:

- Type of investment
- Issuing institution
- Par amount
- Coupon and/or yield
- Original cost
- Market value, including source
- Maturity date

In addition, the status report shall include the portfolio's rate of return for the month, the average weighted life of the portfolio, a statement regarding the portfolio's compliance with the District's investment policy, and a statement regarding the District's ability to meet expenditure requirements over the following six months. (Government Code Sections 53607 and 53646)

The Treasurer shall also file a quarterly report with the Board of Directors at a public meeting with respect to the District's real estate investments and any related transactions which occurred during such quarter. The real estate report will be structured to comply as closely as possible with the information requirements of G.C. Section 53646.

Investment Policy Adoption and Amendments:

The Treasurer shall submit an investment policy at least annually to the Board of Directors at a public meeting. (Government Code Section 53646) The policy shall be effective for the calendar year specified. If the Board of Directors does not approve an investment policy for any calendar year, then the investment policy for the previous calendar year shall remain in effect until a new policy is approved.

The District's Finance and Personnel Committee is authorized to make changes in the investment policy from time to time as may be necessary, provided that such changes may only be more restrictive in nature. Any changes that would liberalize the investment policy shall be approved by the Board of Directors before becoming effective. Any changes in the investment policy by the Finance and Personnel Committee shall be reported to the Board of Directors at its next regular meeting.

**IRVINE RANCH WATER DISTRICT
2013 AUTHORIZED INVESTMENTS**

| TYPE OF INVESTMENT | MAJOR PROVISIONS (G.C. 53601 or 53635 except as noted) | ADDITIONAL RESTRICTIONS IMPOSED BY THE BOARD OF DIRECTORS |
|--|--|--|
| California State and Local Agency Bonds, Notes and Warrants | Registered State warrants, treasury notes or bonds. Any bonds, notes, warrants or other evidences of indebtedness of any local agency. | Limited to securities approved by the Finance and Personnel Committee. |
| U.S. Treasury and Agency Obligations | U.S. Treasury notes, bonds, bills or certificates of indebtedness or those for which the full faith and credit of the United States are pledged for the payment of principal and interest. Also federal agency or U.S. government sponsored obligations. | No additional restrictions. |
| Registered treasury notes or bonds of California or other 49 United States | Registered treasury notes or bonds of any of the other 49 United States in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California. | Limited to states and/or agencies approved by the Finance and Personnel Committee. |
| Banker's Acceptances | Must be eligible for discount at the Federal Reserve Bank. May not exceed 180 days maturity or 40% of local agency funds. No more than 30% of local agency funds may be invested in banker's acceptances of any one commercial bank. | Limited to domestic and foreign banks approved by the Finance and Personnel Committee. |
| Commercial Paper | Must be of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized rating service. Issuers must be organized and operating in U.S., have assets exceeding \$500 million and be rated "A" or better. May not exceed 270 days maturity. May not exceed 25% of a local agency's funds. | Limited to corporations approved by the Finance and Personnel Committee. |
| Negotiable Certificates of Deposit | Issued by national or state-chartered banks, savings associations, federal associations, or state or federal credit unions or state-licensed branches of a foreign bank. Specified restrictions on credit unions. Limited to 30% of local agency funds. | Limited to domestic and foreign banks and thrift institutions approved by the Finance and Personnel Committee. |

**IRVINE RANCH WATER DISTRICT
2013 AUTHORIZED INVESTMENTS**

| TYPE OF INVESTMENT | MAJOR PROVISIONS (G.C. 53601 or 53635 except as noted) | ADDITIONAL RESTRICTIONS IMPOSED BY THE BOARD OF DIRECTORS |
|--|--|--|
| Repurchase and Reverse Repurchase Agreements | Repurchase agreements are limited to one year or less and collateral shall be valued at least 102%. Reverse repurchase agreements, including securities lending agreements, are limited to 20% of the base portfolio value and to terms of 92 days or less unless a spread is guaranteed in writing. Securities being sold on reverse must be owned by the agency for at least 30 days. Reverse repurchase agreements may be made with primary dealers of the Federal Reserve Bank of New York, or nationally and state chartered banks with a significant banking relationship with the local agency. | All reverse repurchase agreements must have the prior approval of the Finance and Personnel Committee. All repurchase agreements must be made only with primary dealers of the Federal Reserve Bank of New York, or nationally and state chartered banks with a significant banking relationship with the local agency. |
| Medium Term Corporate Notes | All debt securities issued by U.S. corporations or depository institutions licensed by the U.S. or any state and operating within the U.S. Institutions rated "A" or better. May not exceed five years maturity, or 30% of funds. | For depository institutions, same as shown under Negotiable Certificates of Deposit. For corporations, limited to those approved by the Finance and Personnel Committee. |
| Shares of Beneficial Interest | Issued by diversified management companies investing in securities as specified. Companies shall have highest rating assigned by not less than two nationally recognized statistical rating organizations or shall have a registered and experienced investment advisor. Purchase price shall not include any commissions. Limited to 20% of funds of which no more than 10% may be with any one fund. | No additional restrictions. |
| Shares of Beneficial Interest - (JPA) | Issued by a joint powers authority (JPA) organized pursuant to Section 6509.7 investing in authorized securities as specified. The issuing JPA shall retain an investment advisor that is registered or exempt from registration with the SEC, has not less than five years of investment experience and meets the minimum requirement for assets under management. | No investment in shares of beneficial interest issued by a joint powers authority shall be made without the prior approval of the Finance and Personnel Committee. |

**IRVINE RANCH WATER DISTRICT
2013 AUTHORIZED INVESTMENTS**

| TYPE OF INVESTMENT | MAJOR PROVISIONS (G.C. 53601 or 53635 except as noted) | ADDITIONAL RESTRICTIONS IMPOSED BY THE BOARD OF DIRECTORS |
|---|--|---|
| Collateralized Negotiable Securities | Notes, bonds or obligations secured by a valid first priority security interest in specified securities. Collateral to be placed by delivery or book-entry into the custody of a trust company/department not affiliated with the issuer. Security interest perfected in accordance with Uniform Commercial Code or applicable federal regulations. Collateral requirements are the same as required to secure bank deposits made by local agencies. | No investment in collateralized negotiable securities shall be made without the prior approval of the Finance and Personnel Committee. |
| Collateralized Mortgage Obligations and Asset-Backed Securities | Mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond of a maximum of 5 years maturity. Securities must be issued by an issuer having an "A" or higher rating by a nationally recognized rating service. Securities themselves must have an "AA" rating and may not exceed 20% of surplus funds. | No investment in collateralized mortgage obligations or mortgage-backed securities shall be made without the prior approval of the Finance and Personnel Committee. |
| Financial Futures and Options | Authorizes the investment in financial futures and financial option contracts in any of the investment categories contained in G.C. Section 53601. (Government Code Section 53601.1) | No investments in financial futures and financial option contracts are to be made without the prior approval of the Finance and Personnel Committee. |
| Prohibited Investments | A local agency shall not invest any funds in inverse floaters, range notes, and mortgage derived interest-only strips, or any security that could result in zero interest accrual if held to maturity. (Government Code Sections 53601.6 and 53631.5) | No additional restrictions. |

**IRVINE RANCH WATER DISTRICT
2013 AUTHORIZED INVESTMENTS**

| TYPE OF INVESTMENT | MAJOR PROVISIONS (G.C. 53601 or 53635 except as noted) | ADDITIONAL RESTRICTIONS IMPOSED BY THE BOARD OF DIRECTORS |
|------------------------------|--|---|
| Local Agency Investment Fund | Permits a local agency to deposit funds with the State Treasurer for the purpose of investment in securities prescribed in Government Code Section 16430. (Government Code Section 16429.1 et seq.) | No additional restrictions. |
| Orange County Treasury Pool | Permits a local agency to deposit funds with the County Treasurer for investment in securities prescribed in Government Code Section 53601 or 53635. (Government Code Section 53684) | No investments are to be made with the Orange County Treasury Pool without the prior approval of the Board of Directors. |
| Inactive Public Deposits | Deposits or contracts with Federal Reserve System banks insured by FDIC, savings associations or federal associations which are home loan bank members or insured by FSLIC, and state or federal credit unions. Specified restrictions on credit unions. | No inactive public deposits are to be made without the prior approval of the Finance and Personnel Committee. |
| Public Finance Contracts | Includes interest rate swap agreements, currency swap agreements, forward payment conversion agreements, futures, or index-based agreements to hedge payment, currency, rate, spread or similar exposure. Requires certain determinations by governing body. (Government Code Section 5920 et seq.) | No public finance contracts may be entered into without the prior approval of the Board of Directors. The Board is authorized to approve the general parameters for swap transactions including transaction type (i.e. fixed receiver, fixed payer or basis trade), maximum notional amount(s) and maximum duration(s). The Finance and Personnel Committee shall structure specific parameters for individual transactions including notional amount, transaction timing, counterparty selection, index to be used and ISDA agreement approval. (Resolution 2003-36) |
| Real Estate Investments | Authorized to invest no more than 30% of the District's Replacement Fund in real estate located in Orange County. (Water Code Section 35912) | Real estate investments shall be made in accordance with existing Board policies (Resolution 1990-30). All real estate investments must be individually approved by the Board of Directors. |

Exhibit "B"

RESOLUTION NO. 2012-___

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT APPROVING INVESTMENT
POLICY AND AUTHORIZING THE TREASURER AND ASSISTANT
TREASURERS TO INVEST AND REINVEST FUNDS OF THE
DISTRICT AND OF EACH OF ITS IMPROVEMENT DISTRICTS
AND TO SELL AND EXCHANGE SECURITIES

WHEREAS, the Treasurer of the Irvine Ranch Water District is permitted by Section 53646 of the California Government Code to annually render to the Board of Directors a statement of investment policy, which the Board shall consider at a public meeting; and

WHEREAS, in accordance with such requirement, the Treasurer has presented an investment policy to the Board at this meeting; and

WHEREAS, Section 53607 of the California Government Code permits the Board of Directors to delegate to the Treasurer of the District the Board's authority to invest or reinvest funds of the District or sell or exchange securities so purchased, limits the delegation to a one-year period, allows renewal by the Board on an annual basis and establishes a requirement for monthly reporting of the transactions by the Treasurer to the Board; and

WHEREAS, Section 53608 of the California Government Code permits the Board of Directors to delegate to the Treasurer of the District the Board's authority to deposit for safekeeping the bonds, notes, bills, debentures, obligations, certificates of indebtedness, warrants or other evidences of indebtedness in which money of the District is invested; and

WHEREAS, under Section 53635.2 of the California Government Code, funds of the District may be deposited with certain financial institutions; and

WHEREAS, pursuant to Section V, Paragraph 8 of the District's Bylaws, the Board has appointed one or more Assistant Treasurers;

WHEREAS, Resolution No. 2011-51 contains the previous delegation by this Board of the authority to invest or reinvest funds, sell or exchange securities, deposit investments for safekeeping, and deposit funds;

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

Section 1. The 2013 Investment Policy of the District is approved in the form presented by the Treasurer to this meeting, to be effective January 1, 2013, and remain in effect until it is revoked or is superseded..

Section 2. The authority of the Board of Directors to invest or reinvest funds of the District and its improvement districts or sell or exchange securities so purchased, subject to the requirements of the Investment Policy approved hereby, is hereby delegated to each of the Treasurer and the Assistant Treasurers, acting singly. Pursuant to Government Code Section 53607, the Treasurer shall assume full responsibility for those transactions until this delegation is revoked or expires. This delegation shall become effective January 1, 2013, and shall remain in

effect until it is revoked or is superseded by a subsequent delegation.

Section 3. The authority of the Board of Directors to deposit for safekeeping the bonds, notes, bills, debentures, obligations, certificates of indebtedness, warrants or other evidences of instruments in which money of the District and its improvement districts is invested, subject to the requirements of the investment policy approved hereby, is hereby delegated to each of the Treasurer and the Assistant Treasurers, acting singly. This delegation shall become effective January 1, 2013, and shall remain in effect until it is revoked or is superseded by a subsequent delegation.

ADOPTED, SIGNED AND APPROVED this ____ day of _____, 2012.

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

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

APPROVED AS TO FORM:

BOWIE, ARNESON,
WILES & GIANNONE
Legal Counsel - IRWD

By _____


jca33731/112012

December 10, 2012 *M H JD*
Prepared by: Jacobson/Fournier/Davis
Submitted by: Cheryl Clary *CC*
Approved by: Paul Cook *1.62*

CONSENT CALENDAR

NOVEMBER 2012 FINANCIAL REPORTS

SUMMARY:

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

- A. The Investment Summary Report for November 2012. This Investment Summary Report is in conformity with the 2012 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 November 30, 2012, as outlined in Exhibit "B".
- C. The Summary of Payroll ACH payments in the total amount of \$2,088,698.73, as outlined in Exhibit "C".
- D. The November 30, 2012 Disbursement Summary of the tabulation of Warrant Nos. 334472 through 335256, wire transfers, Workers' Compensation distributions, payroll withholding distributions, and voided checks in the total amount of \$12,547,872.42, as outlined in Exhibit "D".

FISCAL IMPACTS:

As of November 30, 2012, the book value of the investment portfolio was \$331,947,798, with a 0.38% rate of return and a market value of \$332,255,761. Based on the District's September 30, 2012 quarterly real estate investment rate of return of 10.18%, the District's weighted average return for the fixed income and real estate investments was 2.15%.

As of November 30, 2012, the total notional amount of the interest rate swap portfolio was \$130 million of fixed payer swaps. Cash accrual in November from all swaps was negative \$600,142 and negative \$3,116,164 fiscal year to date.

Payroll ACH payments totaled \$2,088,698.73 and wire transfers, all other ACH payments, and checks issued for debt service, accounts payable, payroll and water purchases for November totaled \$12,547,872.42.

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 AND THE MONTHLY INTEREST RATE SWAP SUMMARY FOR NOVEMBER 2012; APPROVE THE NOVEMBER 2012 SUMMARY OF PAYROLL ACH PAYMENTS IN THE TOTAL AMOUNT OF \$2,088,698.73, AND APPROVE THE NOVEMBER 2012 ACCOUNTS PAYABLE DISBURSEMENT SUMMARY OF WARRANTS NOS. 334472 THROUGH 335256, WORKERS' COMPENSATION DISTRIBUTIONS, WIRE TRANSFERS, PAYROLL WITHHOLDING DISTRIBUTIONS AND VOIDED CHECKS IN THE TOTAL AMOUNT OF \$12,547,872.42.

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

11/30/12

| PRICE | ACQUISITION DATE | CUSIP SYMBOL | ISIN | MATURITY DATE | RATING | INVESTMENT TYPE | ISSUER | PAR AMOUNT | CURRENT YIELD | YTD YIELD | ORIGINAL COST | CARRY VALUE | MARKET VALUE | UNREALIZED GAIN/LOSS |
|---|------------------|--------------|----------------|---------------|-------------|----------------------|-----------------------------|----------------------|---------------|-----------|-------------------------|-------------------------|-------------------------|----------------------|
| 100.13% | 11/14/12 | | | 12/30/12 | | LAIF | State of California Tsy. | \$50,000,000 | 0.358% | | \$50,000,000.00 | \$50,000,000.00 | 50,065,703.60 | 65,703.60 |
| 100.13% | 10/15/12 | | | 12/30/12 | | LAIF-IPA | State of California Tsy. | 50,000,000 | 0.358% | | \$50,000,000.00 | \$50,000,000.00 | 50,065,703.60 | 65,703.60 |
| 100.13% | 11/16/12 | | | 12/16/12 | | LAIF BABS | State of California Tsy. | 64,681,560 | 0.358% | | \$64,681,560.43 | \$64,681,560.43 | 64,766,556.66 | 84,996.23 |
| 100.00% | 11/30/12 | | | 12/01/12 | | B of A Tsy. Reserves | Bank of America | 2,692,331 | 0.009% | | 2,692,331.12 | 2,692,331.12 | 2,692,331.12 | |
| 100.55% | 05/23/11 | N/A | N/A | 04/11/13 | Aaa/AAA/AAA | FHLMC - Note | Fed Home Loan Mortgage Bank | 5,000,000 | 1.720% | 0.517% | 5,112,550.00 | 5,021,399.20 | 5,027,343.50 | 5,944.30 |
| 100.39% | 04/24/12 | N/A | N/A | 12/23/13 | Aaa/AA+/AAA | FHLMC - Note | Fed Home Loan Mortgage Bank | 5,000,000 | 0.625% | 0.304% | 5,026,600.00 | 5,016,931.25 | 5,019,350.00 | 2,418.75 |
| 100.00% | 01/31/12 | Continuous | 04/27/12 | 01/27/14 | Aaa/AA+/NR | FFCB - Note | Fed Farm Credit Bank | 5,000,000 | 0.350% | 0.350% | 5,000,000.00 | 5,000,000.00 | 5,000,050.00 | 50.00 |
| 100.03% | 01/30/12 | Continuous | 01/30/13 | 01/30/14 | Aaa/AA+/NR | FFCB - Note | Fed Farm Credit Bank | 5,000,000 | 0.330% | 0.355% | 4,997,500.00 | 4,998,546.51 | 5,001,400.00 | 2,853.49 |
| 101.39% | 07/11/12 | N/A | N/A | 02/25/14 | Aaa/AA+/AAA | FHLMC - Note | Fed Home Loan Mortgage Bank | 5,000,000 | 1.375% | 0.301% | 5,086,800.00 | 5,065,545.89 | 5,069,300.00 | 3,754.11 |
| 100.00% | 02/09/12 | Continuous | 04/25/12 | 04/25/14 | Aaa/AA+/NR | FFCB - Note | Fed Farm Credit Bank | 5,000,000 | 0.430% | 0.430% | 5,000,000.00 | 5,000,000.00 | 5,000,100.00 | 100.00 |
| 100.09% | 05/23/12 | N/A | N/A | 05/23/14 | Aaa/AA+/NR | FHLB - Note | Fed Home Loan Bank | 5,000,000 | 0.350% | 0.394% | 4,995,600.00 | 4,996,757.26 | 5,004,600.00 | 7,842.74 |
| 101.75% | 04/18/12 | N/A | N/A | 05/28/14 | Aaa/AA+/NR | FHLB - Note | Fed Home Loan Bank | 5,000,000 | 1.375% | 0.354% | 5,107,250.00 | 5,075,632.14 | 5,087,250.00 | 11,617.86 |
| 100.14% | 04/26/12 | One Time | 04/26/13 | 10/24/14 | Aaa/AA+/NR | FHLB - Note | Fed Home Loan Mortgage Bank | 5,000,000 | 0.600% | 0.425% | 5,008,700.00 | 5,006,608.56 | 5,007,100.00 | 491.44 |
| 100.01% | 12/19/11 | Quarterly | 12/19/12 | 12/19/14 | Aaa/AA+/NR | FHLMC - Note | Fed Home Loan Mortgage Bank | 5,000,000 | 0.625% | 0.625% | 5,000,000.00 | 5,000,000.00 | 5,000,700.00 | 700.00 |
| 100.39% | 01/30/12 | One Time | 01/30/14 | 01/30/15 | Aaa/AA+/NR | FNMA - Note | Fed Natl Mortgage Assoc | 5,000,000 | 0.750% | 0.500% | 5,024,850.00 | 5,017,911.95 | 5,019,250.00 | 1,338.05 |
| 100.39% | 01/30/12 | One Time | 01/30/14 | 01/30/15 | Aaa/AA+/NR | FNMA - Note | Fed Natl Mortgage Assoc | 10,000,000 | 0.750% | 0.453% | 10,059,000.00 | 10,042,527.37 | 10,038,500.00 | (4,027.37) |
| 100.00% | 02/09/12 | Continuous | 05/09/12 | 02/09/15 | Aaa/AA+/NR | FFCB - Note | Fed Farm Credit Bank | 5,000,000 | 0.460% | 0.480% | 4,997,000.00 | 4,997,810.22 | 5,000,100.00 | 2,289.78 |
| 100.00% | 03/14/12 | Continuous | 09/12/12 | 03/12/15 | Aaa/AA+/NR | FHLB - Note | Fed Home Loan Bank | 5,000,000 | 0.550% | 0.601% | 4,992,500.00 | 4,994,297.80 | 5,000,150.00 | 5,852.20 |
| 100.19% | 04/18/12 | Continuous | 04/16/13 | 04/16/15 | Aaa/AA+/NR | FFCB - Note | Fed Farm Credit Bank | 5,000,000 | 0.600% | 0.617% | 4,997,500.00 | 4,998,019.21 | 5,009,250.00 | 11,230.79 |
| 100.03% | 06/27/12 | Quarterly | 12/26/12 | 06/26/15 | Aaa/AA+/NR | FNMA - Note | Fed Natl Mortgage Assoc | 10,000,000 | 0.700% | 0.693% | 10,002,000.00 | 10,001,720.64 | 10,003,200.00 | 1,479.36 |
| 100.19% | 08/28/12 | Continuous | 08/27/13 | 08/27/15 | Aaa/AA+/NR | FFCB - Note | Fed Farm Credit Bank | 10,000,000 | 0.480% | 0.480% | 10,000,000.00 | 10,000,000.00 | 10,018,500.00 | 18,500.00 |
| 100.11% | 09/17/12 | Continuous | 09/17/13 | 09/17/15 | Aaa/AA+/NR | FFCB - Note | Fed Farm Credit Bank | 5,000,000 | 0.480% | 0.482% | 4,999,750.00 | 4,999,767.12 | 5,005,650.00 | 5,882.88 |
| 100.11% | 09/17/12 | Continuous | 09/17/13 | 09/17/15 | Aaa/AA+/NR | FFCB - Note | Fed Farm Credit Bank | 5,000,000 | 0.480% | 0.455% | 5,001,250.00 | 5,001,164.38 | 5,005,650.00 | 4,485.62 |
| 100.06% | 09/25/12 | Quarterly | 09/25/13 | 09/25/15 | Aaa/AA+/NR | FHLMC - Note | Fed Home Loan Mortgage Bank | 5,000,000 | 0.500% | 0.470% | 5,001,500.00 | 5,001,408.22 | 5,002,800.00 | 1,391.78 |
| 100.02% | 09/28/12 | Continuous | 12/28/12 | 09/28/15 | NA/AA+/NR | FFCB - Note | Fed Farm Credit Bank | 5,000,000 | 0.450% | 0.470% | 4,997,000.00 | 4,997,175.34 | 5,001,100.00 | 3,924.66 |
| 100.14% | 10/17/12 | One Time 2yr | 10/09/14 | 10/09/15 | Aaa/AA+/NR | FNMA - Note | Fed Natl Mortgage Assoc | 5,000,000 | 0.480% | 0.460% | 5,002,000.00 | 5,001,917.20 | 5,007,031.00 | 5,113.80 |
| 99.95% | 11/29/12 | Quarterly | 05/15/13 | 11/16/15 | NA/AA+/NR | FNMA - Note | Fed Natl Mortgage Assoc | 5,000,000 | 0.500% | 0.500% | 5,000,000.00 | 5,000,000.00 | 4,997,700.00 | (2,300.00) |
| 100.07% | 11/30/12 | Quarterly | 05/24/13 | 11/24/15 | Aaa/AA+/NR | FHLMC - Note | Fed Home Loan Mortgage Bank | 5,000,000 | 0.500% | 0.500% | 5,000,000.00 | 5,000,000.00 | 5,003,650.00 | 3,650.00 |
| 101.22% | 08/23/12 | N/A | N/A | 06/20/13 | | CA ST-RANS-A1 | State of California | 3,500,000 | 2.500% | 0.430% | 3,559,535.00 | 3,545,689.65 | 3,542,665.00 | (3,024.65) |
| SUB-TOTAL | | | | | | | | <u>\$305,873,892</u> | | | <u>\$306,342,776.55</u> | <u>\$306,154,721.49</u> | <u>\$306,462,684.48</u> | <u>\$307,962.98</u> |
| RESTRICTED CASH (Swap Collateral Deposits) | | | | | | | | | | | | | | |
| 100.00% | | | | | | Collateral Deposit | Citi-Group | \$17,003,076 | 0.161% | | \$17,003,076.05 | \$17,003,076.05 | 17,003,076.05 | |
| 100.00% | | | | | | Collateral Deposit | Merrill Lynch | \$8,790,000 | 0.161% | | \$8,790,000.00 | \$8,790,000.00 | 8,790,000.00 | |
| SUB-TOTAL | | | | | | | | <u>\$25,793,076</u> | | | <u>\$25,793,076.05</u> | <u>\$25,793,076.05</u> | <u>\$25,793,076.05</u> | |
| TOTAL INVESTMENTS | | | | | | | | <u>\$331,666,968</u> | | | <u>\$332,135,852.60</u> | <u>\$331,947,797.54</u> | <u>\$332,255,760.53</u> | |
| | | | | | | Petty Cash | | | | | 3,300.00 | | | |
| | | | Recent Oct Bal | | | Bank Bal | Bank of America | | | | (817,682.83) | | | |
| | | | | | | | | | | | <u>\$331,321,469.77</u> | | | |

- LAIF market value is as of the most recent quarter-end as reported by LAIF. Security market values are determined using Bank of New York ("Trading Prices"), Bloomberg and/or broker dealer pricing.
- Gain (loss) calculated against carry value using the trading value provided by Bank of New York/or Brokers
- Real estate rate of return is based on most recent quarter end return

| | |
|---|---------------|
| Outstanding Variable Rate Debt | \$364,800,000 |
| Net Outstanding Variable Rate Debt (Less \$130 million fixed-payer swaps) | \$234,800,000 |
| Investment Balance: | \$331,321,470 |
| Investment to Variable Rate Debt Ratio: | 141% |
| Portfolio - Average Number of Days To Maturity | 358 |

| | Investment Portfolio | Real Estate Portfolio (3) | Weighted Avg. Return |
|----------|----------------------|---------------------------|----------------------|
| November | 0.38% | 10.18% | 2.15% |
| October | 0.40% | 10.18% | 2.15% |
| Change | -0.02% | | |

This Investment Summary Report is in conformity with the 2012 Investment Policy and provides sufficient liquidity to meet the next six months estimated expenditures.

IRVINE RANCH WATER DISTRICT
SUMMARY OF MATURITIES

11/30/12

PORTFOLIO \$331,666,968

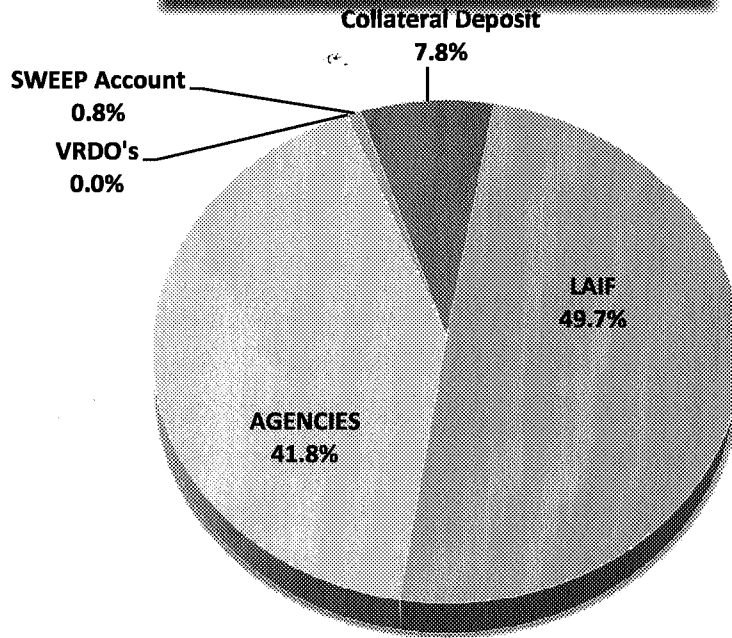
| DATE | TOTAL | % | LAIF | AGENCIES | VRFO | MONEY MARKET SAVINGS & SWEEP | Collateral * Deposit | CAL REV NOTES |
|----------------------------|----------------------|----------------|----------------------|--------------------|----------|---------------------------------|-------------------------|--------------------|
| 11/12 | \$28,485,407 | 8.59% | | | | | | |
| 12/12 | \$164,681,560 | 49.65% | \$164,681,560 | | | 2,692,331 | \$25,793,076 | |
| 1/13 | | | | | | | | |
| 2/13 | | | | | | | | |
| 3/13 | | | | | | | | |
| 04/13 | \$5,000,000 | 1.51% | | 5,000,000 | | | | |
| 05/13 | | | | | | | | |
| 06/13 | \$3,500,000 | 1.06% | | | | | | 3,500,000 |
| 07/13 | | | | | | | | |
| 8/13 | | | | | | | | |
| 09/13 | | | | | | | | |
| 10/13 | | | | | | | | |
| SUB-TOTAL | \$201,666,968 | 60.80% | \$164,681,560 | 5,000,000 | - | 2,692,331 | \$25,793,076 | \$3,500,000 |
| 13 Months - 3 YEARS | | | | | | | | |
| 11/1/2013 - 12/31/2013 | 5,000,000 | 1.51% | | 5,000,000 | | | | |
| 1/1/2014 - 3/31/2014 | \$15,000,000 | 4.52% | | 15,000,000 | | | | |
| 4/1/2014 - 6/30/2014 | \$15,000,000 | 4.52% | | 15,000,000 | | | | |
| 7/1/2014 - 9/30/2014 | | | | | | | | |
| 10/1/2014 - 12/31/2014 | \$10,000,000 | 3.02% | | 10,000,000 | | | | |
| 1/1/2015 - 3/31/2015 | \$25,000,000 | 7.54% | | 25,000,000 | | | | |
| 4/1/2015 - 6/30/2015 | \$15,000,000 | 4.52% | | 15,000,000 | | | | |
| 07/1/30/2015 - 9/30/2015 | \$30,000,000 | 9.05% | | 30,000,000 | | | | |
| 10/1/2015 - 12/30/15 | \$15,000,000 | 4.52% | | 15,000,000 | | | | |
| TOTALS | \$331,666,968 | 100.00% | \$164,681,560 | 135,000,000 | - | 2,692,331 | \$25,793,076 | \$3,500,000 |

% OF PORTFOLIO 49.65% 40.70% 0.81% 7.78% 1.06%

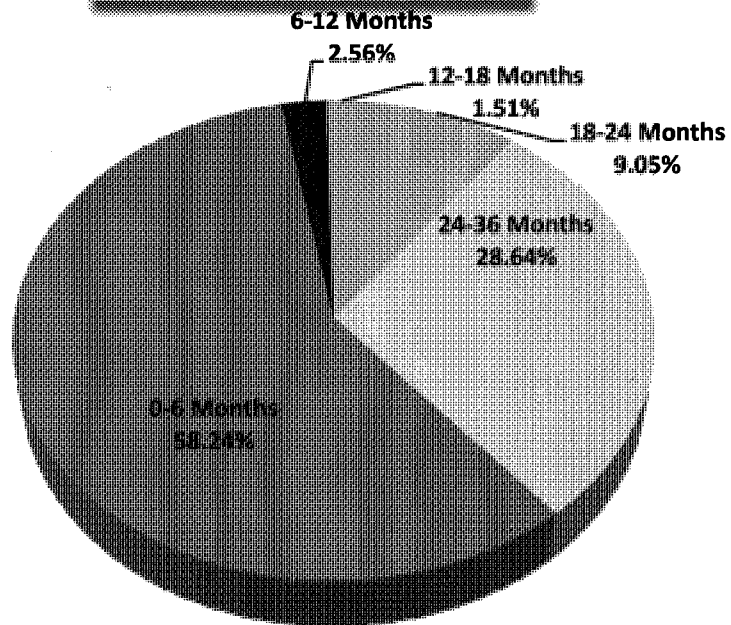
* Return of posted collateral is dependant on interest rates.

November 2012 INVESTMENT PORTFOLIO
As of November 30, 2012

Portfolio by Investment Type



Portfolio by Maturities



Irvine Ranch Water District
 Summary of Real Estate
 9/30/2012

| | <u>ACQUISITION DATE</u> | <u>PROPERTY TYPE</u> | <u>OWNERSHIP INTEREST</u> | <u>ORIGINAL COST</u> | <u>RATE OF RETURN QUARTER ENDED Sep-12</u> |
|---------------------------------|-----------------------------|--------------------------|-------------------------------|--------------------------|--|
| Sycamore Canyon | Dec-92 | Apartments | Fee Simple | \$ 43,550,810 | 13.03% |
| Wood Canyon Villas | Jun-91 | Apartments | Limited Partner | \$ 6,000,000 | 8.30% |
| ITC (230 Commerce) | Jul-03 | Office Building | Fee Simple | \$ 5,739,845 | 8.58% |
| Waterworks Business Pk. | Nov-08 | Research & Dev. | Fee Simple | \$ 8,630,577 | 4.12% |
| Sand Canyon Professional Center | Jul-12 | Medical Building | Fee Simple | \$ 8,111,211 | 3.86% |
| | | | | <u>\$ 72,032,443</u> | <u>10.18%</u> |

IRVINE RANCH WATER DISTRICT
INVESTMENT SUMMARY REPORT

Joint Powers Agency - Investment Contracts

9/30/2012

| Settlement Date | JPA Issue | Investment Contract | Original Cost | Current Par | Market Value 09/30/12 |
|--------------------|----------------|---|-----------------------|-----------------------|--------------------------|
| 10/25/1994 | JPA - Issue #1 | AIG Matched Funding Corp. 7.705% Due 2-15-14 | \$ 407,878,616 | \$ 254,221,200 | \$ 254,221,200 |
| 10/25/1994 | JPA - Issue #2 | Federal National Mortgage Assoc. 8.18% Due 2-15-14 | \$ 518,644,189 | \$ 365,414,156 | \$ 398,758,198 |
| | | | <u>\$ 926,522,805</u> | <u>\$ 619,635,356</u> | <u>\$ 652,979,398</u> |

IRVINE RANCH WATER DISTRICT INVESTMENT SUMMARY REPORT
INVESTMENT ACTIVITY
Nov-12

MATURITIES/SALES

PURCHASES

| DATE | SECURITY TYPE | PAR | YIELD | DATE | SECURITY TYPE | PAR | YIELD |
|------------|---------------|-------------|-------|------------|---------------|-------------|-------|
| 11/29/2012 | FHLMC - NOTE | \$5,000,000 | 0.69% | 11/29/2012 | FNMA - NOTE | \$5,000,000 | 0.50% |
| | | | | 11/30/2012 | FHLMC - NOTE | \$5,000,000 | 0.50% |

LAIF ACTIVITY

| | | |
|----------|-----------|---------------|
| 11/14/12 | LAIF | \$2,000,000 |
| 11/16/12 | LAIF BABS | (\$4,300,000) |
| 11/16/12 | LAIF | \$3,000,000 |
| 11/28/12 | LAIF | \$1,000,000 |

Increase/(Decrease) \$1,700,000

COLLATERALIZED DEPOSIT ACTIVITY

| | |
|------------------|---------------------|
| Balance Forward | \$26,103,498 |
| CITIGROUP | (\$310,421) |
| Balance at 11/30 | <u>\$25,793,077</u> |

**IRVINE RANCH WATER DISTRICT
INTEREST RATE SWAP MONTHLY SUMMARY REPORT - DETAIL
November 30, 2012**

Exhibit "B"

| | | | |
|-------------|-----------|-------------|-----------|
| LIBOR Avg % | Prior Mo. | Current Mo. | 12-Mo Avg |
| | 0.21% | 0.21% | 0.24% |

| Current Fiscal Year Active Swaps | | | | | | | | Cash Flow | | | | 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 | 6.5 | ML | \$ 20,000,000 | FXP | LIBOR | 6.200% | \$ (109,681) | \$ (96,379) | \$ (500,454) | \$ (5,543,301) | \$ 13,371,939 | \$ (6,628,061) |
| 6/4/2006 | 6/4/2019 | 6.5 | CG | \$ 20,000,000 | FXP | LIBOR | 6.200% | \$ (109,681) | \$ (96,379) | \$ (500,454) | \$ (5,543,301) | \$ 13,362,674 | \$ (6,637,326) |
| 6/17/2006 | 6/17/2019 | 6.5 | CG | \$ 30,000,000 | FXP | LIBOR | 6.140% | \$ (162,858) | \$ (143,104) | \$ (743,132) | \$ (8,210,419) | \$ 20,120,379 | \$ (9,879,621) |
| 3/10/2007 | 3/10/2029 | 16.3 | ML | \$ 30,000,000 | FXP | LIBOR | 5.687% | \$ (150,311) | \$ (132,140) | \$ (686,062) | \$ (7,239,480) | \$ 15,141,927 | \$ (14,858,073) |
| 3/10/2007 | 3/10/2029 | 16.3 | CG | \$ 30,000,000 | FXP | LIBOR | 5.687% | \$ (150,311) | \$ (132,140) | \$ (686,062) | \$ (7,239,480) | \$ 15,091,653 | \$ (14,908,347) |
| Totals/Weighted Avgs | | | | 11.0 | | | 5.949% | \$ (682,842) | \$ (600,142) | \$ (3,116,164) | \$ (33,775,982) | \$ 77,088,572 | \$ (52,911,428) |
| Total Current Year Active Swaps | | | | \$ 130,000,000 | | | | \$ (682,842) | \$ (600,142) | \$ (3,116,164) | \$ (33,775,982) | \$ 77,088,572 | \$ (52,911,428) |

| 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 |
| Total Current Year Active & Terminated Swaps | | | | | | | | \$ (682,842) | \$ (600,142) | \$ (3,116,164) | \$ (33,775,982) | \$ 77,088,572 | \$ (52,911,428) |

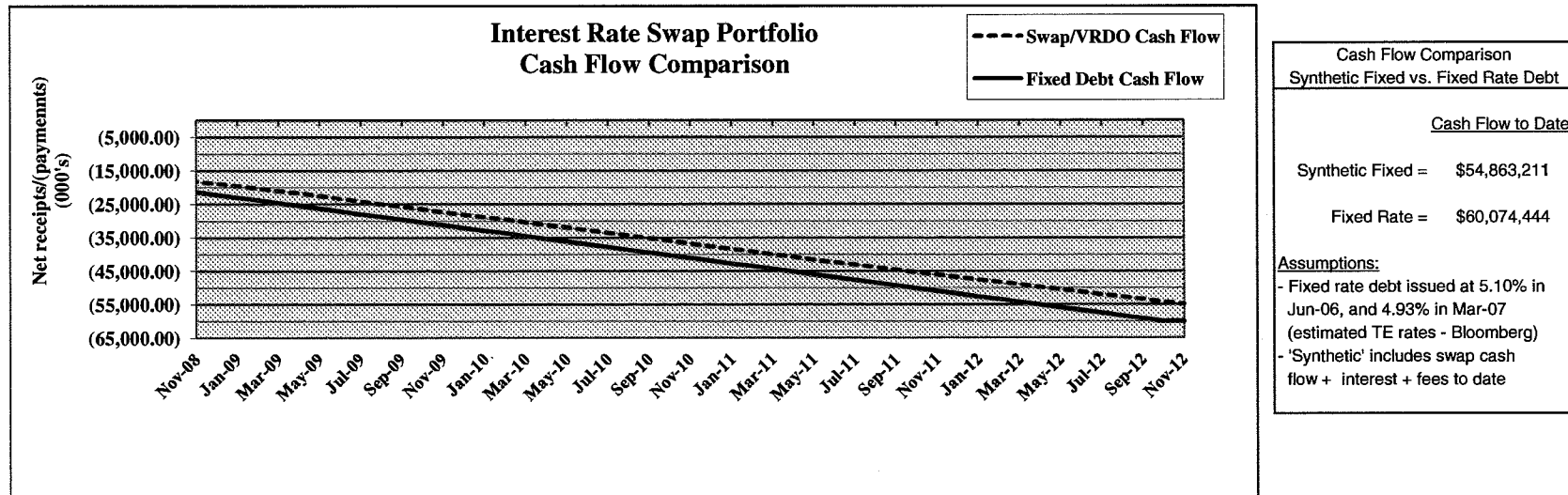


Exhibit "C"

MONTHLY SUMMARY OF PAYROLL ACH PAYMENTS

November
2012

| DATE | AMOUNT | VENDOR | PURPOSE |
|------------|------------------------------|-----------------|--------------------|
| 11/2/2012 | 653,396.60 | BANK OF AMERICA | PAYROLL 11/02/12 |
| 11/16/2012 | 784,198.71 | BANK OF AMERICA | PAYROLL 11/16/2012 |
| 11/30/2012 | 651,103.42 | BANK OF AMERICA | PAYROLL 11/30/2012 |
| | <u><u>\$2,088,698.73</u></u> | | |

Exhibit "D"

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 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 | | | | | | | | |
| 334472 | | 01-NOV-12 | David Mazzarella | | 52.20 | 13-NOV-12 | 52.20 | Reconciled |
| 334473 | | 01-NOV-12 | Gretchen Maswadeh | | 661.15 | 05-NOV-12 | 661.15 | Reconciled |
| 334474 | | 01-NOV-12 | Harry Cho | | 22.00 | 05-NOV-12 | 22.00 | Reconciled |
| 334475 | | 01-NOV-12 | Jenny Pan | | 658.33 | 27-NOV-12 | 658.33 | Reconciled |
| 334476 | | 01-NOV-12 | Kirsten McLaughlin | | 46.50 | 02-NOV-12 | 46.50 | Reconciled |
| 334477 | | 01-NOV-12 | Michelle Klein | | 26.10 | | | Negotiable |
| 334478 | | 01-NOV-12 | Steven LaMar | | 48.55 | 05-NOV-12 | 48.55 | Reconciled |
| 334479 | | 01-NOV-12 | Zackariah Tegel | | 172.41 | 02-NOV-12 | 172.41 | Reconciled |
| 334480 | | 01-NOV-12 | A & Y ASPHALT CONTRACTORS INC | | 6,577.00 | 06-NOV-12 | 6,577.00 | Reconciled |
| 334481 | | 01-NOV-12 | AIRGAS-WEST, INC. | | 95.90 | 05-NOV-12 | 95.90 | Reconciled |
| 334482 | | 01-NOV-12 | ALEXANDER CONTRACT SERVICES INC | | 100,182.22 | 07-NOV-12 | 100,182.22 | Reconciled |
| 334483 | | 01-NOV-12 | ALTERNATIVE FUELS TODAY, INC. | | 472.76 | 05-NOV-12 | 472.76 | Reconciled |
| 334484 | | 01-NOV-12 | AMI, AZUSA | | 6.20 | | | Negotiable |
| 334485 | | 01-NOV-12 | AQUFLOW | | 2,290.77 | 06-NOV-12 | 2,290.77 | Reconciled |
| 334486 | | 01-NOV-12 | ARCADIS U.S., INC. | | 2,988.00 | 05-NOV-12 | 2,988.00 | Reconciled |
| 334487 | | 01-NOV-12 | AT&T | | 2,409.18 | 06-NOV-12 | 2,409.18 | Reconciled |
| 334488 | | 01-NOV-12 | AT&T | | 50.42 | 06-NOV-12 | 50.42 | Reconciled |
| 334489 | | 01-NOV-12 | AUSTIN FOUST ASSOCIATES, INC | | 6,096.00 | 08-NOV-12 | 6,096.00 | Reconciled |
| 334490 | | 01-NOV-12 | AZIMA DLI LLC | | 3,000.00 | 05-NOV-12 | 3,000.00 | Reconciled |
| 334491 | | 01-NOV-12 | BANK OF AMERICA | | 21,232.60 | 08-NOV-12 | 21,232.60 | Reconciled |
| 334492 | | 01-NOV-12 | BANK OF AMERICA MERRILL LYNCH | | 26,902.46 | 09-NOV-12 | 26,902.46 | Reconciled |
| 334493 | | 01-NOV-12 | BENCH-CRAFT, INC. | | 817.82 | 09-NOV-12 | 817.82 | Reconciled |
| 334494 | | 01-NOV-12 | BILCO COMPANY | | 288.60 | 06-NOV-12 | 288.60 | Reconciled |
| 334495 | | 01-NOV-12 | BILL'S SWEEPING SERVICE INC | | 805.00 | 07-NOV-12 | 805.00 | Reconciled |
| 334496 | | 01-NOV-12 | BIOMAGIC INC | | 20,810.51 | 07-NOV-12 | 20,810.51 | Reconciled |
| 334497 | | 01-NOV-12 | C WELLS PIPELINE MATERIALS INC | | 1,616.25 | 07-NOV-12 | 1,616.25 | Reconciled |
| 334498 | | 01-NOV-12 | CALIFORNIA BARRICADE INC | | 5,185.00 | 07-NOV-12 | 5,185.00 | Reconciled |
| 334499 | | 01-NOV-12 | CALIFORNIA SPECIAL DISTRICTS ASSOCIATION | | 4,925.00 | 13-NOV-12 | 4,925.00 | Reconciled |
| 334500 | | 01-NOV-12 | CDW GOVERNMENT LLC | | 1,369.03 | 05-NOV-12 | 1,369.03 | Reconciled |
| 334501 | | 01-NOV-12 | CH2M HILL, INC | | 4,931.47 | 05-NOV-12 | 4,931.47 | Reconciled |
| 334502 | | 01-NOV-12 | CITY OF ORANGE | | 364.59 | 13-NOV-12 | 364.59 | Reconciled |
| 334503 | | 01-NOV-12 | COASTAL TRAFFIC SYSTEMS, INC | | 690.00 | 06-NOV-12 | 690.00 | Reconciled |
| 334504 | | 01-NOV-12 | COMMERCE ENERGY INC | | 641.30 | 05-NOV-12 | 641.30 | Reconciled |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 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 | | | | | | | | |
| 334505 | | 01-NOV-12 | COMMERCIAL CLEANING SYSTEMS INC | | 10,973.99 | 06-NOV-12 | 10,973.99 | Reconciled |
| 334506 | | 01-NOV-12 | COMMERCIAL COATING RESOURCE INC | | 6,200.00 | 09-NOV-12 | 6,200.00 | Reconciled |
| 334507 | | 01-NOV-12 | COMMERCIAL DOOR OF ORANGE COUNTY, INC. | | 862.88 | 05-NOV-12 | 862.88 | Reconciled |
| 334508 | | 01-NOV-12 | CONYBEARE INC | | 17,025.90 | 09-NOV-12 | 17,025.90 | Reconciled |
| 334509 | | 01-NOV-12 | CONNOLLY, EDWARD | | 145.41 | 05-NOV-12 | 145.41 | Reconciled |
| 334510 | | 01-NOV-12 | CRIBE, DAVID W | | 37.68 | 05-NOV-12 | 37.68 | Reconciled |
| 334511 | | 01-NOV-12 | DATASITE INC | | 12,735.00 | 15-NOV-12 | 12,735.00 | Reconciled |
| 334512 | | 01-NOV-12 | DME INC | | 1,871.08 | 05-NOV-12 | 1,871.08 | Reconciled |
| 334513 | | 01-NOV-12 | DRAEGER SAFETY INC | | 3,576.94 | 06-NOV-12 | 3,576.94 | Reconciled |
| 334514 | | 01-NOV-12 | DUDEK | | 5,548.00 | 09-NOV-12 | 5,548.00 | Reconciled |
| 334515 | | 01-NOV-12 | DWYER INSTRUMENTS INC | | 2,912.06 | 05-NOV-12 | 2,912.06 | Reconciled |
| 334516 | | 01-NOV-12 | EVERGREEN OIL INC | | 231.50 | 06-NOV-12 | 231.50 | Reconciled |
| 334517 | | 01-NOV-12 | EVOLVE MEDIA | | 352.00 | 02-NOV-12 | 352.00 | Reconciled |
| 334518 | | 01-NOV-12 | EXPRESSAIR | | 508.50 | 27-NOV-12 | 508.50 | Reconciled |
| 334519 | | 01-NOV-12 | FERGUSON WATERWORKS | | 3,586.95 | 05-NOV-12 | 3,586.95 | Reconciled |
| 334520 | | 01-NOV-12 | FIRST CHOICE SERVICES | | 830.15 | 06-NOV-12 | 830.15 | Reconciled |
| 334521 | | 01-NOV-12 | FORTIS RESOURCE PARTNERS INC | | 3,340.80 | 05-NOV-12 | 3,340.80 | Reconciled |
| 334522 | | 01-NOV-12 | FOUNTAIN VALLEY PAINTS | | 377.13 | 09-NOV-12 | 377.13 | Reconciled |

| | | | | | | |
|--------|-----------|---------------------------------|-----------|-----------|-----------|------------|
| 334523 | 01-NOV-12 | GANAHL LUMBER CO. | 3,962.36 | 07-NOV-12 | 3,962.36 | Reconciled |
| 334524 | 01-NOV-12 | GARZA INDUSTRIES, INC | 1,292.58 | 05-NOV-12 | 1,292.58 | Reconciled |
| 334525 | 01-NOV-12 | GLOBALSTAR INC | 170.13 | 05-NOV-12 | 170.13 | Reconciled |
| 334526 | 01-NOV-12 | GM NEAL CORPORATION | 941.46 | 08-NOV-12 | 941.46 | Reconciled |
| 334527 | 01-NOV-12 | GOLDMAN, SACHS & CO | 19,992.79 | 13-NOV-12 | 19,992.79 | Reconciled |
| 334528 | 01-NOV-12 | GRAINGER | 6,014.88 | 08-NOV-12 | 6,014.88 | Reconciled |
| 334529 | 01-NOV-12 | HAGEMEYER NORTH AMERICA INC | 261.67 | 05-NOV-12 | 261.67 | Reconciled |
| 334530 | 01-NOV-12 | HDR ENGINEERING INC | 20,793.73 | 08-NOV-12 | 20,793.73 | Reconciled |
| 334531 | 01-NOV-12 | HEALTH SCIENCE ASSOCIATES, INC. | 1,240.50 | 06-NOV-12 | 1,240.50 | Reconciled |
| 334532 | 01-NOV-12 | HEARNE, KERRI | 50.91 | 16-NOV-12 | 50.91 | Reconciled |
| 334533 | 01-NOV-12 | HILL BROTHERS CHEMICAL COMPANY | 7,776.10 | 06-NOV-12 | 7,776.10 | Reconciled |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 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 | | | | | | | | |
| 334534 | | 01-NOV-12 | HOME DEPOT USA INC | | 884.75 | 13-NOV-12 | 884.75 | Reconciled |
| 334535 | | 01-NOV-12 | HPA INC | | 6,375.00 | 13-NOV-12 | 6,375.00 | Reconciled |
| 334536 | | 01-NOV-12 | INDUSTRIAL METAL SUPPLY CO | | 196.46 | 06-NOV-12 | 196.46 | Reconciled |
| 334537 | | 01-NOV-12 | INDUSTRIAL NETWORKING | | 4,775.16 | 05-NOV-12 | 4,775.16 | Reconciled |
| 334538 | | 01-NOV-12 | INTERIOR ELECTRIC INC | | 1,050.00 | 09-NOV-12 | 1,050.00 | Reconciled |
| 334539 | | 01-NOV-12 | IRVINE PIPE & SUPPLY INC | | 319.79 | 08-NOV-12 | 319.79 | Reconciled |
| 334540 | | 01-NOV-12 | JOHN CRANE, INC. | | 409.71 | 06-NOV-12 | 409.71 | Reconciled |
| 334541 | | 01-NOV-12 | KANTEX INDUSTRIES INC | | 4,238.00 | 05-NOV-12 | 4,238.00 | Reconciled |
| 334542 | | 01-NOV-12 | KARCHER ENVIRONMENTAL, INC. | | 5,282.00 | 07-NOV-12 | 5,282.00 | Reconciled |
| 334543 | | 01-NOV-12 | KELLY SERVICES INC | | 680.96 | 05-NOV-12 | 680.96 | Reconciled |
| 334544 | | 01-NOV-12 | KS DIRECT LLC | | 1,408.30 | 02-NOV-12 | 1,408.30 | Reconciled |
| 334545 | | 01-NOV-12 | KUO, MAY-CHEN | | 28.32 | | | Negotiable |
| 334546 | | 01-NOV-12 | LAGUNA BEACH COUNTY WATER DISTRICT | | 2,729.79 | 06-NOV-12 | 2,729.79 | Reconciled |
| 334547 | | 01-NOV-12 | LEONARD CHAIDEZ TREE SERVICE | | 7,775.00 | 06-NOV-12 | 7,775.00 | Reconciled |
| 334548 | | 01-NOV-12 | LEWIS OPERATING CORP | | 600.00 | 06-NOV-12 | 600.00 | Reconciled |
| 334549 | | 01-NOV-12 | LINVILLE, DOROTHY | | 27.41 | 05-NOV-12 | 27.41 | Reconciled |
| 334550 | | 01-NOV-12 | LSA ASSOCIATES INC | | 1,509.26 | 05-NOV-12 | 1,509.26 | Reconciled |
| 334551 | | 01-NOV-12 | MBC APPLIED ENVIRONMENTAL SCIENCES | | 2,500.00 | 02-NOV-12 | 2,500.00 | Reconciled |
| 334552 | | 01-NOV-12 | MC MASTER CARR SUPPLY CO | | 1,643.35 | 06-NOV-12 | 1,643.35 | Reconciled |
| 334553 | | 01-NOV-12 | MERCHANTS LANDSCAPE SERVICES INC | | 7,280.00 | 06-NOV-12 | 7,280.00 | Reconciled |
| 334554 | | 01-NOV-12 | MOTION INDUSTRIES INC | | 2,208.30 | 05-NOV-12 | 2,208.30 | Reconciled |
| 334555 | | 01-NOV-12 | NATIONAL READY MIXED CONCRETE CO | | 375.57 | 05-NOV-12 | 375.57 | Reconciled |
| 334556 | | 01-NOV-12 | NEPTUNE TECHNOLOGY | | 36,850.50 | 08-NOV-12 | 36,850.50 | Reconciled |
| 334557 | | 01-NOV-12 | NMG GEOTECHNICAL INC | | 8,986.20 | 13-NOV-12 | 8,986.20 | Reconciled |
| 334558 | | 01-NOV-12 | NORITSU AMERICA CORPORATION | | 3,593.60 | 05-NOV-12 | 3,593.60 | Reconciled |
| 334559 | | 01-NOV-12 | O G SUPPLY | | 71.39 | 13-NOV-12 | 71.39 | Reconciled |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 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 | | | | | | | | |
| 334560 | | 01-NOV-12 | OLIN CORPORATION | | 27,360.86 | 09-NOV-12 | 27,360.86 | Reconciled |
| 334561 | | 01-NOV-12 | ON ASSIGNMENT LAB SUPPORT | | 3,734.40 | 05-NOV-12 | 3,734.40 | Reconciled |
| 334562 | | 01-NOV-12 | ONESOURCE DISTRIBUTORS LLC | | 3,619.61 | 05-NOV-12 | 3,619.61 | Reconciled |
| 334563 | | 01-NOV-12 | ORANGE COUNTY AUTO PARTS CO | | 170.16 | 02-NOV-12 | 170.16 | Reconciled |
| 334564 | | 01-NOV-12 | ORANGE COUNTY SANITATION | | 1,570.00 | 05-NOV-12 | 1,570.00 | Reconciled |

| Payment Number | Sequence Num | Date | Supplier Name | Site | Payment Amount | Cleared Date | Cleared Amount | Status |
|----------------|--------------|--|---------------|------|----------------|--------------|----------------|------------|
| 334565 | 01-NOV-12 | DISTRICT PACIFIC GAS AND ELECTRIC COMPANY | | | 711.40 | 09-NOV-12 | 711.40 | Reconciled |
| 334566 | 01-NOV-12 | PARKHOUSE TIRE INC | | | 2,245.35 | 06-NOV-12 | 2,245.35 | Reconciled |
| 334567 | 01-NOV-12 | PAULUS ENGINEERING INC | | | 165,709.56 | 06-NOV-12 | 165,709.56 | Reconciled |
| 334568 | 01-NOV-12 | PRAXAIR DISTRIBUTION INC | | | 948.00 | 06-NOV-12 | 948.00 | Reconciled |
| 334569 | 01-NOV-12 | PROGRESSIVE WATER TREATMENT INC | | | 3,587.76 | 09-NOV-12 | 3,587.76 | Reconciled |
| 334570 | 01-NOV-12 | PSOMAS | | | 5,265.00 | 13-NOV-12 | 5,265.00 | Reconciled |
| 334571 | 01-NOV-12 | PYRAMID WIRE AND CABLE | | | 8,641.55 | 13-NOV-12 | 8,641.55 | Reconciled |
| 334572 | 01-NOV-12 | RAINBOW NUT & BOLT INC | | | 5,889.40 | 09-NOV-12 | 5,889.40 | Reconciled |
| 334573 | 01-NOV-12 | RAM AIR ENGINEERING INC | | | 2,266.17 | 02-NOV-12 | 2,266.17 | Reconciled |
| 334574 | 01-NOV-12 | RBF CONSULTING | | | 326,596.98 | 09-NOV-12 | 326,596.98 | Reconciled |
| 334575 | 01-NOV-12 | RMC WATER AND ENVIRONMENT | | | 2,975.00 | 06-NOV-12 | 2,975.00 | Reconciled |
| 334576 | 01-NOV-12 | SANTA ANA BLUE PRINT | | | 11,972.29 | 06-NOV-12 | 11,972.29 | Reconciled |
| 334577 | 01-NOV-12 | SANTIAGO AQUEDUCT COMMISSION | | | 38,431.53 | 06-NOV-12 | 38,431.53 | Reconciled |
| 334578 | 01-NOV-12 | SHAMROCK SUPPLY CO INC | | | 424.96 | 02-NOV-12 | 424.96 | Reconciled |
| 334579 | 01-NOV-12 | SIGNATURE FLOORING INC | | | 775.00 | 07-NOV-12 | 775.00 | Reconciled |
| 334580 | 01-NOV-12 | SIMPLEXGRINNELL, LP | | | 2,277.49 | 07-NOV-12 | 2,277.49 | Reconciled |
| 334581 | 01-NOV-12 | SMART & FINAL | | | 41.98 | 20-NOV-12 | 41.98 | Reconciled |
| 334582 | 01-NOV-12 | SOUTH COAST AIR QUALITY MANAGEMENT | | | 3,411.60 | 21-NOV-12 | 3,411.60 | Reconciled |
| 334583 | 01-NOV-12 | DISTRICT SOUTHERN CALIFORNIA EDISON COMPANY | | | 461,423.77 | 05-NOV-12 | 461,423.77 | Reconciled |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 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 | | | | | | | | |
| 334584 | 01-NOV-12 | SOUTHERN CALIFORNIA SECURITY CENTER, INC. | | | 287.54 | 07-NOV-12 | 287.54 | Reconciled |
| 334585 | 01-NOV-12 | SPARKLETTS | | | 301.76 | 08-NOV-12 | 301.76 | Reconciled |
| 334586 | 01-NOV-12 | STATE INDUSTRIAL PRODUCTS CORPORTION | | | 403.98 | 05-NOV-12 | 403.98 | Reconciled |
| 334587 | 01-NOV-12 | STATE WATER RESOURCES CONTROL BOARD | | | 35,657.00 | 07-NOV-12 | 35,657.00 | Reconciled |
| 334588 | 01-NOV-12 | STEVEN ENTERPRISES INC | | | 301.37 | 02-NOV-12 | 301.37 | Reconciled |
| 334589 | 01-NOV-12 | SUPERMEDIA LLC | | | 142.50 | 06-NOV-12 | 142.50 | Reconciled |
| 334590 | 01-NOV-12 | SWAP FINANCIAL GROUP LLC | | | 45,000.00 | 16-NOV-12 | 45,000.00 | Reconciled |
| 334591 | 01-NOV-12 | TESTAMERICA LABORATORIES, INC | | | 336.70 | 06-NOV-12 | 336.70 | Reconciled |
| 334592 | 01-NOV-12 | TETRA TECH, INC | | | 27,084.53 | 08-NOV-12 | 27,084.53 | Reconciled |
| 334593 | 01-NOV-12 | THE PLUMBERS WAREHOUSE | | | 6,743.86 | 07-NOV-12 | 6,743.86 | Reconciled |
| 334594 | 01-NOV-12 | THYSSENKRUPP ELEVATOR | | | 210.87 | 05-NOV-12 | 210.87 | Reconciled |
| 334595 | 01-NOV-12 | TOTAL TELCO SPECIALISTS INC | | | 2,470.00 | 05-NOV-12 | 2,470.00 | Reconciled |
| 334596 | 01-NOV-12 | TRANSCAT, INC | | | 241.84 | 05-NOV-12 | 241.84 | Reconciled |
| 334597 | 01-NOV-12 | TRIPAC MARKETING INC | | | 887.18 | 02-NOV-12 | 887.18 | Reconciled |
| 334598 | 01-NOV-12 | TROPICAL PLAZA NURSERY INC | | | 4,663.54 | 05-NOV-12 | 4,663.54 | Reconciled |
| 334599 | 01-NOV-12 | UNISAN PRODUCTS | | | 824.60 | 05-NOV-12 | 824.60 | Reconciled |
| 334600 | 01-NOV-12 | UNITED PARCEL SERVICE INC | | | 81.78 | 05-NOV-12 | 81.78 | Reconciled |
| 334601 | 01-NOV-12 | US BANK NAT'L ASSOCIATION NORTH DAKOTA | | | 72,681.73 | 09-NOV-12 | 72,681.73 | Reconciled |
| 334602 | 01-NOV-12 | US PEROXIDE LLC | | | 6,145.89 | 08-NOV-12 | 6,145.89 | Reconciled |
| 334603 | 01-NOV-12 | USA BLUEBOOK | | | 1,457.99 | 07-NOV-12 | 1,457.99 | Reconciled |
| 334604 | 01-NOV-12 | V&A CONSULTING ENGINEERS | | | 1,537.50 | 14-NOV-12 | 1,537.50 | Reconciled |
| 334605 | 01-NOV-12 | VERIZON CALIFORNIA INC | | | 317.15 | 07-NOV-12 | 317.15 | Reconciled |
| 334606 | 01-NOV-12 | VERIZON WIRELESS SERVICES LLC | | | 6,406.47 | 08-NOV-12 | 6,406.47 | Reconciled |
| 334607 | 01-NOV-12 | VWR INTERNATIONAL, LLC | | | 52.41 | 05-NOV-12 | 52.41 | Reconciled |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39

BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 6
 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 | | | | | | | | |
| 334608 | | 01-NOV-12 | WASTE MANAGEMENT OF ORANGE COUNTY | | 1,533.61 | 05-NOV-12 | 1,533.61 | Reconciled |
| 334609 | | 01-NOV-12 | WECK LABORATORIES INC | | 8,470.00 | 08-NOV-12 | 8,470.00 | Reconciled |
| 334610 | | 01-NOV-12 | WELLS SUPPLY COMPANY | | 1,012.85 | 02-NOV-12 | 1,012.85 | Reconciled |
| 334611 | | 01-NOV-12 | WELLS TAPPING SERVICE INC | | 335.00 | 06-NOV-12 | 335.00 | Reconciled |
| 334612 | | 01-NOV-12 | WEST COAST SAND & GRAVEL INC. | | 1,035.53 | 05-NOV-12 | 1,035.53 | Reconciled |
| 334613 | | 01-NOV-12 | WORLDWIDE CORPORATE HOUSING, L.P. | | 3,570.00 | 05-NOV-12 | 3,570.00 | Reconciled |
| 334614 | | 01-NOV-12 | YALE CHASE MATERIALS HANDLING INC | | 9,868.88 | 08-NOV-12 | 9,868.88 | Reconciled |
| 334615 | | 02-NOV-12 | AT&T | | 2,258.28 | 07-NOV-12 | 2,258.28 | Reconciled |
| 334616 | | 02-NOV-12 | BROWN, ANASTASIA | | 500.00 | 05-NOV-12 | 500.00 | Reconciled |
| 334617 | | 02-NOV-12 | BRUCE NEWELL | | 1,316.00 | 06-NOV-12 | 1,316.00 | Reconciled |
| 334618 | | 02-NOV-12 | CLEARINGHOUSE | | 528.45 | 05-NOV-12 | 528.45 | Reconciled |
| 334619 | | 02-NOV-12 | CONDITION MONITORING SERVICES INC | | 5,894.25 | 07-NOV-12 | 5,894.25 | Reconciled |
| 334620 | | 02-NOV-12 | CONEYBEARE INC | | 1,259.70 | 06-NOV-12 | 1,259.70 | Reconciled |
| 334621 | | 02-NOV-12 | EMERGENCY POWER CONTROLS INC | | 958.00 | 09-NOV-12 | 958.00 | Reconciled |
| 334622 | | 02-NOV-12 | ENVIRONMENTAL ENGINEERING AND CONTRACTING, INC. | | 11,641.47 | 07-NOV-12 | 11,641.47 | Reconciled |
| 334623 | | 02-NOV-12 | FRANCHISE TAX BOARD | | 704.74 | 14-NOV-12 | 704.74 | Reconciled |
| 334624 | | 02-NOV-12 | HOME DEPOT USA INC | | 463.60 | 13-NOV-12 | 463.60 | Reconciled |
| 334625 | | 02-NOV-12 | INTERNAL REVENUE SERVICE | | 1,452.35 | 09-NOV-12 | 1,452.35 | Reconciled |
| 334626 | | 02-NOV-12 | INTERNAL REVENUE SERVICE | | 25.00 | 08-NOV-12 | 25.00 | Reconciled |
| 334627 | | 02-NOV-12 | KILL-N-BUGS TERMITE AND PEST CONTROL SERVICES | | 2,850.00 | 06-NOV-12 | 2,850.00 | Reconciled |
| 334628 | | 02-NOV-12 | OLIN CORPORATION | | 2,845.14 | 05-NOV-12 | 2,845.14 | Reconciled |
| 334629 | | 02-NOV-12 | ORANGE COUNTY SHERIFF'S OFFICE | | 930.73 | | | Negotiable |
| 334630 | | 02-NOV-12 | PERS LONG TERM CARE | | 1,082.16 | 07-NOV-12 | 1,082.16 | Reconciled |
| 334631 | | 02-NOV-12 | SANTA ANA BLUE PRINT | | 114.15 | 06-NOV-12 | 114.15 | Reconciled |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 7
 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 | | | | | | | | |
| 334632 | | 02-NOV-12 | SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT | | 426.41 | 08-NOV-12 | 426.41 | Reconciled |
| 334633 | | 02-NOV-12 | SOUTHERN COUNTIES LUBRICANTS LLC | | 4,017.73 | 05-NOV-12 | 4,017.73 | Reconciled |
| 334634 | | 02-NOV-12 | UNDERGROUND SERVICE ALERT OF SOUTHERN CALIFORNIA | | 654.00 | 09-NOV-12 | 654.00 | Reconciled |
| 334635 | | 02-NOV-12 | US PEROXIDE LLC | | 6,012.18 | 08-NOV-12 | 6,012.18 | Reconciled |
| 334636 | | 02-NOV-12 | VAN STAVEREN, MARIE | | 24.02 | 13-NOV-12 | 24.02 | Reconciled |
| 334637 | | 02-NOV-12 | VPSI INC | | 9,578.00 | 07-NOV-12 | 9,578.00 | Reconciled |
| 334638 | | 02-NOV-12 | WAXIE'S ENTERPRISES, INC | | 300.79 | 05-NOV-12 | 300.79 | Reconciled |
| 334639 | | 02-NOV-12 | WEST COAST SAND & GRAVEL INC. | | 1,364.87 | 05-NOV-12 | 1,364.87 | Reconciled |
| 334640 | | 02-NOV-12 | WILDLIFE SUPPLY COMPANY | | 1,845.90 | 06-NOV-12 | 1,845.90 | Reconciled |
| 334641 | | 07-NOV-12 | JCI JONES CHEMICALS INC | CINCINNATI | 4,404.40 | 13-NOV-12 | 4,404.40 | Reconciled |
| 334642 | | 08-NOV-12 | BIGWIG MONSTER, LLC | IRVINE | 17,000.00 | 08-NOV-12 | 17,000.00 | Reconciled |
| 334643 | | 08-NOV-12 | Brian McKinstry | | 91.91 | 19-NOV-12 | 91.91 | Reconciled |
| 334644 | | 08-NOV-12 | Eric Akiyoshi | | 406.75 | 19-NOV-12 | 406.75 | Reconciled |
| 334645 | | 08-NOV-12 | Janet Wells | | 513.79 | 13-NOV-12 | 513.79 | Reconciled |
| 334646 | | 08-NOV-12 | Lars Oldewage | | 225.70 | 09-NOV-12 | 225.70 | Reconciled |
| 334647 | | 08-NOV-12 | Leslie Bonkowski | | 169.43 | 23-NOV-12 | 169.43 | Reconciled |

| | | | | | | |
|--------|-----------|---|-----------|-----------|-----------|------------|
| 334648 | 08-NOV-12 | Robert Jacobson | 15.54 | 16-NOV-12 | 15.54 | Reconciled |
| 334649 | 08-NOV-12 | Roberta Sitzler | 29.42 | 13-NOV-12 | 29.42 | Reconciled |
| 334650 | 08-NOV-12 | Tanja Fournier | 172.65 | 13-NOV-12 | 172.65 | Reconciled |
| 334651 | 08-NOV-12 | Thanh-Van Cady | 225.00 | 16-NOV-12 | 225.00 | Reconciled |
| 334652 | 08-NOV-12 | AAF INTERNATIONAL | 92.95 | 13-NOV-12 | 92.95 | Reconciled |
| 334653 | 08-NOV-12 | ACTION ELECTRIC CORP | 1,161.04 | 09-NOV-12 | 1,161.04 | Reconciled |
| 334654 | 08-NOV-12 | AIRGAS-WEST, INC. | 427.83 | 13-NOV-12 | 427.83 | Reconciled |
| 334655 | 08-NOV-12 | AKM CONSULTING ENGINEERS, INC. | 2,045.00 | 09-NOV-12 | 2,045.00 | Reconciled |
| 334656 | 08-NOV-12 | ALL AMERICAN ASPHALT | 828.73 | 19-NOV-12 | 828.73 | Reconciled |
| 334657 | 08-NOV-12 | AMERICAN MESSAGING SERVICES LLC | 338.26 | 13-NOV-12 | 338.26 | Reconciled |
| 334658 | 08-NOV-12 | ARCADIS U.S., INC. | 12,753.64 | 16-NOV-12 | 12,753.64 | Reconciled |
| 334659 | 08-NOV-12 | ASSOCIATION OF CALIFORNIA WATER AGENCIES/JPIA | 30,923.23 | | | Negotiable |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 8
 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 | | | | | | | | |
| 334660 | | 08-NOV-12 | AT&T | | 2,874.40 | 14-NOV-12 | 2,874.40 | Reconciled |
| 334661 | | 08-NOV-12 | AT&T | | 121.50 | 14-NOV-12 | 121.50 | Reconciled |
| 334662 | | 08-NOV-12 | AUSTIN, DENNIS B | | 358.12 | 19-NOV-12 | 358.12 | Reconciled |
| 334663 | | 08-NOV-12 | BANK OF AMERICA MERRILL LYNCH | | 628.42 | 13-NOV-12 | 628.42 | Reconciled |
| 334664 | | 08-NOV-12 | BARNES, KARI | | 51.82 | | | Negotiable |
| 334665 | | 08-NOV-12 | BIOMAGIC INC | | 2,007.39 | 09-NOV-12 | 2,007.39 | Reconciled |
| 334666 | | 08-NOV-12 | BK FOUNTAIN WORKS | | 599.40 | 14-NOV-12 | 599.40 | Reconciled |
| 334667 | | 08-NOV-12 | BOHAC CONSULTING SERVICES, INC. | | 2,340.00 | 14-NOV-12 | 2,340.00 | Reconciled |
| 334668 | | 08-NOV-12 | BORCHARD SURVEYING & MAPPING, INC. | | 4,115.00 | 16-NOV-12 | 4,115.00 | Reconciled |
| 334669 | | 08-NOV-12 | BRAVO, MARIANA | | 131.03 | 13-NOV-12 | 131.03 | Reconciled |
| 334670 | | 08-NOV-12 | BROWN, ANASTASIA | | 428.55 | 09-NOV-12 | 428.55 | Reconciled |
| 334671 | | 08-NOV-12 | CALIFORNIA BARRICADE INC | | 1,783.94 | 14-NOV-12 | 1,783.94 | Reconciled |
| 334672 | | 08-NOV-12 | CANON BUSINESS SOLUTIONS INC | | 1,389.97 | 13-NOV-12 | 1,389.97 | Reconciled |
| 334673 | | 08-NOV-12 | CANON FINANCIAL SERVICES INC | | 3,751.30 | 13-NOV-12 | 3,751.30 | Reconciled |
| 334674 | | 08-NOV-12 | CAPTIVE AUDIENCE MARKETING INC. | | 85.12 | 14-NOV-12 | 85.12 | Reconciled |
| 334675 | | 08-NOV-12 | CERTEK USA, INC. | | 14,878.46 | 19-NOV-12 | 14,878.46 | Reconciled |
| 334676 | | 08-NOV-12 | CITY OF TUSTIN | | 281,811.18 | 15-NOV-12 | 281,811.18 | Reconciled |
| 334677 | | 08-NOV-12 | CLEAN ENERGY FUELS | | 1,008.47 | 13-NOV-12 | 1,008.47 | Reconciled |
| 334678 | | 08-NOV-12 | COAST PLUMBING HEATING AND AIR, INC | | 495.00 | 09-NOV-12 | 495.00 | Reconciled |
| 334679 | | 08-NOV-12 | COASTAL TRAFFIC SYSTEMS, INC | | 510.00 | 15-NOV-12 | 510.00 | Reconciled |
| 334680 | | 08-NOV-12 | CORELOGIC INC | | 3,899.70 | 13-NOV-12 | 3,899.70 | Reconciled |
| 334681 | | 08-NOV-12 | COX COMMUNICATIONS | | 701.44 | 13-NOV-12 | 701.44 | Reconciled |
| 334682 | | 08-NOV-12 | CREDENTIAL CHECK CORPORATION | | 202.59 | 13-NOV-12 | 202.59 | Reconciled |
| 334683 | | 08-NOV-12 | DATASITE INC | | 3,162.00 | 15-NOV-12 | 3,162.00 | Reconciled |
| 334684 | | 08-NOV-12 | David Le | | 2,554.74 | 09-NOV-12 | 2,554.74 | Reconciled |
| 334685 | | 08-NOV-12 | EAST ORANGE COUNTY WATER DISTRICT | | 3,565.87 | 13-NOV-12 | 3,565.87 | Reconciled |
| 334686 | | 08-NOV-12 | EMPLOYMENT DEVELOPMENT DEPARTMENT | | 5,400.00 | 13-NOV-12 | 5,400.00 | Reconciled |
| 334687 | | 08-NOV-12 | ENDRESS AND HAUSER INC | | 8,185.47 | 20-NOV-12 | 8,185.47 | Reconciled |
| 334688 | | 08-NOV-12 | ESA PWA | | 13,457.79 | 19-NOV-12 | 13,457.79 | Reconciled |
| 334689 | | 08-NOV-12 | FEDEX | | 1,221.47 | 13-NOV-12 | 1,221.47 | Reconciled |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 9
 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 | | | | | | | | |
| 334690 | | 08-NOV-12 | FIDELITY SECURITY LIFE INSURANCE COMPANY | | 5,710.48 | 19-NOV-12 | 5,710.48 | Reconciled |
| 334691 | | 08-NOV-12 | FIRST CHOICE SERVICES | | 178.39 | 14-NOV-12 | 178.39 | Reconciled |
| 334692 | | 08-NOV-12 | FISERV | | 11,109.74 | 14-NOV-12 | 11,109.74 | Reconciled |
| 334693 | | 08-NOV-12 | FLW SERVICE CORPORATION | | 615.00 | 09-NOV-12 | 615.00 | Reconciled |
| 334694 | | 08-NOV-12 | FORTIS RESOURCE PARTNERS INC | | 15,557.60 | 15-NOV-12 | 15,557.60 | Reconciled |

| | | | | | | |
|--------|-----------|---|-----------|-----------|-----------|------------|
| 334695 | 08-NOV-12 | FRANK LA PLACA EXTERMINATING INC | 175.00 | 16-NOV-12 | 175.00 | Reconciled |
| 334696 | 08-NOV-12 | GANAHL LUMBER CO. | 2,756.25 | 13-NOV-12 | 2,756.25 | Reconciled |
| 334697 | 08-NOV-12 | GRAINGER | 1,104.86 | 13-NOV-12 | 1,104.86 | Reconciled |
| 334698 | 08-NOV-12 | GUO, YIFAN | 17.69 | | | Negotiable |
| 334699 | 08-NOV-12 | HARDY & HARPER INC | 1,300.00 | 09-NOV-12 | 1,300.00 | Reconciled |
| 334700 | 08-NOV-12 | HARRINGTON INDUSTRIAL PLASTICS LLC | 108.72 | 09-NOV-12 | 108.72 | Reconciled |
| 334701 | 08-NOV-12 | HOME DEPOT USA INC | 201.50 | 19-NOV-12 | 201.50 | Reconciled |
| 334702 | 08-NOV-12 | HUNSAKER & ASSOCIATES IRVINE | 3,696.00 | 14-NOV-12 | 3,696.00 | Reconciled |
| 334703 | 08-NOV-12 | IRVINE PIPE & SUPPLY INC | 1,453.77 | 15-NOV-12 | 1,453.77 | Reconciled |
| 334704 | 08-NOV-12 | IRWD-PETTY CASH CUSTODIAN | 1,281.62 | 08-NOV-12 | 1,281.62 | Reconciled |
| 334705 | 08-NOV-12 | KELLY SERVICES INC | 851.20 | 13-NOV-12 | 851.20 | Reconciled |
| 334706 | 08-NOV-12 | KENNEDY/JENKS CONSULTANTS INC | 84,264.32 | 16-NOV-12 | 84,264.32 | Reconciled |
| 334707 | 08-NOV-12 | KENNY THE PRINTER | 1,826.33 | 09-NOV-12 | 1,826.33 | Reconciled |
| 334708 | 08-NOV-12 | KILL-N-BUGS TERMITE AND PEST CONTROL SERVICES | 450.00 | 09-NOV-12 | 450.00 | Reconciled |
| 334709 | 08-NOV-12 | KOCHAN, ROMAN | 520.00 | 13-NOV-12 | 520.00 | Reconciled |
| 334710 | 08-NOV-12 | KS DIRECT LLC | 586.16 | 09-NOV-12 | 586.16 | Reconciled |
| 334711 | 08-NOV-12 | KUEHN SR., GAVIN A | 604.29 | 13-NOV-12 | 604.29 | Reconciled |
| 334712 | 08-NOV-12 | LEMERISE, PAUL | 5.58 | | | Negotiable |
| 334713 | 08-NOV-12 | LENOVO UNITED STATES INC | 97,774.04 | 16-NOV-12 | 97,774.04 | Reconciled |
| 334714 | 08-NOV-12 | LEWIS OPERATING CORP | 26,210.00 | 15-NOV-12 | 26,210.00 | Reconciled |
| 334715 | 08-NOV-12 | LUNG & ASSOCIATES INC, ROBERT J | 8,490.70 | | | Negotiable |
| 334716 | 08-NOV-12 | MARKET-THINK LLC | 3,900.00 | | | Negotiable |
| 334717 | 08-NOV-12 | MC MASTER CARR SUPPLY CO | 1,942.52 | 13-NOV-12 | 1,942.52 | Reconciled |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 10
 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 | | | | | | | | |
| 334718 | | 08-NOV-12 | MCCLELLAND, CHARLES | | 152.82 | 26-NOV-12 | 152.82 | Reconciled |
| 334719 | | 08-NOV-12 | MCR TECHNOLOGIES INC | | 6,741.62 | 19-NOV-12 | 6,741.62 | Reconciled |
| 334720 | | 08-NOV-12 | MERCHANTS LANDSCAPE SERVICES INC | | 7,280.00 | 14-NOV-12 | 7,280.00 | Reconciled |
| 334721 | | 08-NOV-12 | MUTUAL PROPANE | | 107.40 | 14-NOV-12 | 107.40 | Reconciled |
| 334722 | | 08-NOV-12 | NATIONAL READY MIXED CONCRETE CO | | 438.49 | 13-NOV-12 | 438.49 | Reconciled |
| 334723 | | 08-NOV-12 | NEPTUNE TECHNOLOGY | | 48,293.55 | 16-NOV-12 | 48,293.55 | Reconciled |
| 334724 | | 08-NOV-12 | NEWPORT REAL ESTATE SERVICES INC | | 10,260.15 | 14-NOV-12 | 10,260.15 | Reconciled |
| 334725 | | 08-NOV-12 | NINYO & MOORE | | 1,593.50 | 13-NOV-12 | 1,593.50 | Reconciled |
| 334726 | | 08-NOV-12 | OCEAN BLUE ENVIRONMENTAL SERVICES INC | | 4,166.68 | 09-NOV-12 | 4,166.68 | Reconciled |
| 334727 | | 08-NOV-12 | OLIN CORPORATION | | 16,584.39 | 19-NOV-12 | 16,584.39 | Reconciled |
| 334728 | | 08-NOV-12 | ON ASSIGNMENT LAB SUPPORT | | 3,485.44 | 13-NOV-12 | 3,485.44 | Reconciled |
| 334729 | | 08-NOV-12 | ONESOURCE DISTRIBUTORS LLC | | 152.54 | 13-NOV-12 | 152.54 | Reconciled |
| 334730 | | 08-NOV-12 | ORANGE COUNTY AUTO PARTS CO | | 154.77 | 09-NOV-12 | 154.77 | Reconciled |
| 334731 | | 08-NOV-12 | ORANGE COUNTY TREASURER | | 11,865.44 | 16-NOV-12 | 11,865.44 | Reconciled |
| 334732 | | 08-NOV-12 | ORANGE, COUNTY OF | | 2,035.00 | 15-NOV-12 | 2,035.00 | Reconciled |
| 334733 | | 08-NOV-12 | PASCAL & LUDWIG CONSTRUCTORS | | 116.15 | 13-NOV-12 | 116.15 | Reconciled |
| 334734 | | 08-NOV-12 | PASCAL & LUDWIG CONSTRUCTORS | | 685,817.36 | 14-NOV-12 | 685,817.36 | Reconciled |
| 334735 | | 08-NOV-12 | PAULUS ENGINEERING INC | | 1,900.00 | 09-NOV-12 | 1,900.00 | Reconciled |
| 334736 | | 08-NOV-12 | PRINCIPAL LIFE INSURANCE | | 23,290.12 | 16-NOV-12 | 23,290.12 | Reconciled |
| 334737 | | 08-NOV-12 | PRUDENTIAL OVERALL SUPPLY | | 147.10 | 13-NOV-12 | 147.10 | Reconciled |
| 334738 | | 08-NOV-12 | PSOMAS | | 9,809.30 | 19-NOV-12 | 9,809.30 | Reconciled |
| 334739 | | 08-NOV-12 | RAINBOW DISPOSAL CO INC | | 482.22 | 14-NOV-12 | 482.22 | Reconciled |
| 334740 | | 08-NOV-12 | RBF CONSULTING | | 2,149.32 | 13-NOV-12 | 2,149.32 | Reconciled |
| 334741 | | 08-NOV-12 | RBF CONSULTING | | 13,420.64 | 16-NOV-12 | 13,420.64 | Reconciled |
| 334742 | | 08-NOV-12 | REED, JAMES D | | 1,906.54 | 16-NOV-12 | 1,906.54 | Reconciled |
| 334743 | | 08-NOV-12 | SANTA ANA CITY OF | | 19,760.37 | 26-NOV-12 | 19,760.37 | Reconciled |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 11
 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 | | | | | | | | |
| 334744 | | 08-NOV-12 | SANTIAGO AQUEDUCT COMMISSION | | 30,868.55 | 15-NOV-12 | 30,868.55 | Reconciled |
| 334745 | | 08-NOV-12 | SCHINDLER ELEVATOR CORPORATION | | 176.40 | 13-NOV-12 | 176.40 | Reconciled |
| 334746 | | 08-NOV-12 | SHAMROCK SUPPLY CO INC | | 1,178.71 | 09-NOV-12 | 1,178.71 | Reconciled |
| 334747 | | 08-NOV-12 | SMITH, CAROLE | | 50.57 | 13-NOV-12 | 50.57 | Reconciled |
| 334748 | | 08-NOV-12 | SOUTHERN CALIFORNIA EDISON COMPANY | | 146,440.90 | 13-NOV-12 | 146,440.90 | Reconciled |
| 334749 | | 08-NOV-12 | SOUTHERN COUNTIES LUBRICANTS LLC | | 2,259.27 | 09-NOV-12 | 2,259.27 | Reconciled |
| 334750 | | 08-NOV-12 | SPECIALTY TECHNICAL PUBLISHERS | | 620.00 | 21-NOV-12 | 620.00 | Reconciled |
| 334751 | | 08-NOV-12 | STATE WATER RESOURCES CONTROL BOARD | | 81,952.00 | 15-NOV-12 | 81,952.00 | Reconciled |
| 334752 | | 08-NOV-12 | STORED ENERGY SYSTEMS | | 2,746.77 | 14-NOV-12 | 2,746.77 | Reconciled |
| 334753 | | 08-NOV-12 | TETRA TECH, INC | | 22,900.00 | 16-NOV-12 | 22,900.00 | Reconciled |
| 334754 | | 08-NOV-12 | THE IRVINE COMPANY LLC | | 1,852.22 | 13-NOV-12 | 1,852.22 | Reconciled |
| 334755 | | 08-NOV-12 | THOMAS HARDER & CO | | 240.00 | 14-NOV-12 | 240.00 | Reconciled |
| 334756 | | 08-NOV-12 | TIC-RETAIL PROPERTIES | | 198.44 | 15-NOV-12 | 198.44 | Reconciled |
| 334757 | | 08-NOV-12 | TRENCH SHORING COMPANY | | 64.65 | 13-NOV-12 | 64.65 | Reconciled |
| 334758 | | 08-NOV-12 | TROPICAL PLAZA NURSERY INC | | 11,731.08 | 14-NOV-12 | 11,731.08 | Reconciled |
| 334759 | | 08-NOV-12 | TRUGREEN LANDCARE LLC | | 1,172.82 | 13-NOV-12 | 1,172.82 | Reconciled |
| 334760 | | 08-NOV-12 | UNITED PARCEL SERVICE INC | | 61.94 | 13-NOV-12 | 61.94 | Reconciled |
| 334761 | | 08-NOV-12 | UNITED STATES POST OFFICE | | 25,000.00 | 19-NOV-12 | 25,000.00 | Reconciled |
| 334762 | | 08-NOV-12 | US PEROXIDE LLC | | 6,178.56 | 16-NOV-12 | 6,178.56 | Reconciled |
| 334763 | | 08-NOV-12 | USA MOBILITY WIRELESS INC | | 70.95 | 13-NOV-12 | 70.95 | Reconciled |
| 334764 | | 08-NOV-12 | VA CONSULTING, INC | | 1,920.00 | 14-NOV-12 | 1,920.00 | Reconciled |
| 334765 | | 08-NOV-12 | VANCIU ELECTRIC INC | | 7,550.00 | | | Negotiable |
| 334766 | | 08-NOV-12 | VICI METRONICS | | 949.98 | 15-NOV-12 | 949.98 | Reconciled |
| 334767 | | 08-NOV-12 | WASTE MANAGEMENT OF ORANGE COUNTY | | 1,149.27 | 13-NOV-12 | 1,149.27 | Reconciled |

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

Payment Register For 01-NOV-12 To 30-NOV-12
 Account: Checking AP and PR
 Payment Currency: USD (US Dollar)
 Display Supplier Address: No

Report Date: 04-DEC-2012 08:39
 Page: 12

| Payment Number | Sequence Num | Date | Supplier Name | Site | Payment Amount | Cleared Date | Cleared Amount | Status |
|-------------------------------|--------------|-----------|--------------------------------------|------------|----------------|--------------|----------------|------------|
| Payment Document : IRWD CHECK | | | | | | | | |
| 334768 | | 08-NOV-12 | WATERLINE TECHNOLOGIES INC | | 5,668.42 | 16-NOV-12 | 5,668.42 | Reconciled |
| 334769 | | 08-NOV-12 | WATERMAN INDUSTRIES | | 2,038.94 | 13-NOV-12 | 2,038.94 | Reconciled |
| 334770 | | 08-NOV-12 | WAXIE'S ENTERPRISES, INC | | 708.48 | 13-NOV-12 | 708.48 | Reconciled |
| 334771 | | 08-NOV-12 | WECK LABORATORIES INC | | 230.00 | 09-NOV-12 | 230.00 | Reconciled |
| 334772 | | 08-NOV-12 | WEST COAST SAFETY SUPPLY INC | | 71.13 | 15-NOV-12 | 71.13 | Reconciled |
| 334773 | | 08-NOV-12 | WESTERN MUNICIPAL WATER DISTRICT | | 6,643.00 | 27-NOV-12 | 6,643.00 | Reconciled |
| 334774 | | 08-NOV-12 | WIRELESS WATCHDOGS LLC | | 984.00 | 21-NOV-12 | 984.00 | Reconciled |
| 334775 | | 08-NOV-12 | WISCONSIN STATE LABORATORY OF HYGENE | | 590.00 | 13-NOV-12 | 590.00 | Reconciled |
| 334776 | | 08-NOV-12 | YALE CHASE MATERIALS HANDLING INC | | 32,291.19 | 16-NOV-12 | 32,291.19 | Reconciled |
| 334777 | | 08-NOV-12 | YATOMI, YUJI | | 191.90 | | | Negotiable |
| 334778 | | 08-NOV-12 | ZEE MEDICAL SERVICE CO | | 86.88 | 09-NOV-12 | 86.88 | Reconciled |
| 334779 | | 13-NOV-12 | JCI JONES CHEMICALS INC | CINCINNATI | 4,954.95 | 19-NOV-12 | 4,954.95 | Reconciled |
| 334780 | | 14-NOV-12 | CALPERS | SACRAMENTO | 570,246.00 | 16-NOV-12 | 570,246.00 | Reconciled |
| 334781 | | 14-NOV-12 | FERGUSON, DAVID | PAY | 6,507.45 | 16-NOV-12 | 6,507.45 | Reconciled |
| 334782 | | 15-NOV-12 | Alejandro Coria | | 95.00 | 16-NOV-12 | 95.00 | Reconciled |
| 334783 | | 15-NOV-12 | Amy McNulty | | 227.23 | 26-NOV-12 | 227.23 | Reconciled |
| 334784 | | 15-NOV-12 | Carl Spangenberg | | 220.00 | 20-NOV-12 | 220.00 | Reconciled |

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| | | | | | | |
|--------|-----------|---|----------|-----------|----------|------------|
| 334785 | 15-NOV-12 | Debbie Kanoff | 437.00 | 15-NOV-12 | 437.00 | Reconciled |
| 334786 | 15-NOV-12 | John Tetterer | 96.90 | 27-NOV-12 | 96.90 | Reconciled |
| 334787 | 15-NOV-12 | Karen Bonecki | 296.84 | | | Negotiable |
| 334788 | 15-NOV-12 | Martin Perez | 200.43 | 19-NOV-12 | 200.43 | Reconciled |
| 334789 | 15-NOV-12 | Mary Matheis | 320.97 | 19-NOV-12 | 320.97 | Reconciled |
| 334790 | 15-NOV-12 | Peer Swan | 3,021.10 | 19-NOV-12 | 3,021.10 | Reconciled |
| 334791 | 15-NOV-12 | Peter Wang | 172.39 | 16-NOV-12 | 172.39 | Reconciled |
| 334792 | 15-NOV-12 | Rudy Ocampo | 145.00 | 15-NOV-12 | 145.00 | Reconciled |
| 334793 | 15-NOV-12 | Steven LaMar | 435.30 | 19-NOV-12 | 435.30 | Reconciled |
| 334794 | 15-NOV-12 | AARP HEALTH CARE OPTIONS | 210.92 | 21-NOV-12 | 210.92 | Reconciled |
| 334795 | 15-NOV-12 | AIRGAS-WEST, INC. | 304.32 | 19-NOV-12 | 304.32 | Reconciled |
| 334796 | 15-NOV-12 | ALPHA & OMEGA RESPIRATOR FIT TESTING SERVICES | 2,646.00 | | | Negotiable |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 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 | | | | | | | | |
| 334797 | | 15-NOV-12 | ALTON IMPLANT CENTER | | 216.36 | 20-NOV-12 | 216.36 | Reconciled |
| 334798 | | 15-NOV-12 | ANTHEM BLUE CROSS | | 10,618.96 | | | Negotiable |
| 334799 | | 15-NOV-12 | ASSOCIATED POWER INC | | 1,966.07 | 16-NOV-12 | 1,966.07 | Reconciled |
| 334800 | | 15-NOV-12 | AT&T | | 1,995.42 | 20-NOV-12 | 1,995.42 | Reconciled |
| 334801 | | 15-NOV-12 | AT&T | | 1,886.83 | 20-NOV-12 | 1,886.83 | Reconciled |
| 334802 | | 15-NOV-12 | ATHENS SERVICES | | 896.56 | 16-NOV-12 | 896.56 | Reconciled |
| 334803 | | 15-NOV-12 | AZTEC TECHNOLOGY CORPORATION | | 3,213.11 | 19-NOV-12 | 3,213.11 | Reconciled |
| 334804 | | 15-NOV-12 | BALETE, LEILA | | 108.17 | 19-NOV-12 | 108.17 | Reconciled |
| 334805 | | 15-NOV-12 | BCGR | | 440.00 | 23-NOV-12 | 440.00 | Reconciled |
| 334806 | | 15-NOV-12 | BIOMAGIC INC | | 4,162.00 | 16-NOV-12 | 4,162.00 | Reconciled |
| 334807 | | 15-NOV-12 | BOHAC CONSULTING SERVICES, INC. | | 810.00 | | | Negotiable |
| 334808 | | 15-NOV-12 | C WELLS PIPELINE MATERIALS INC | | 2,642.05 | | | Negotiable |
| 334809 | | 15-NOV-12 | CALIFORNIA PACIFIC HOMES | | 1,230.62 | 20-NOV-12 | 1,230.62 | Reconciled |
| 334810 | | 15-NOV-12 | CANON BUSINESS SOLUTIONS INC | | 1,012.50 | 19-NOV-12 | 1,012.50 | Reconciled |
| 334811 | | 15-NOV-12 | CANON FINANCIAL SERVICES INC | | 4,028.78 | 19-NOV-12 | 4,028.78 | Reconciled |
| 334812 | | 15-NOV-12 | CARL WARREN & CO | | 71.68 | 19-NOV-12 | 71.68 | Reconciled |
| 334813 | | 15-NOV-12 | CH2M HILL, INC | | 8,247.67 | | | Negotiable |
| 334814 | | 15-NOV-12 | CHILDREN'S EDUCATION FOUNDATION OF ORANGE COUNTY | | 5,000.00 | | | Negotiable |
| 334815 | | 15-NOV-12 | CHO DESIGN ASSOCIATES, INC | | 825.00 | 16-NOV-12 | 825.00 | Reconciled |
| 334816 | | 15-NOV-12 | CITY OF TUSTIN | | 20,389.75 | 27-NOV-12 | 20,389.75 | Reconciled |
| 334817 | | 15-NOV-12 | CLA-VAL COMPANY | | 939.01 | 19-NOV-12 | 939.01 | Reconciled |
| 334818 | | 15-NOV-12 | CNC ENGINEERING, INC | | 3,715.00 | 19-NOV-12 | 3,715.00 | Reconciled |
| 334819 | | 15-NOV-12 | COASTAL TRAFFIC SYSTEMS, INC | | 1,020.00 | 20-NOV-12 | 1,020.00 | Reconciled |
| 334820 | | 15-NOV-12 | COMMERCIAL DOOR OF ORANGE COUNTY, INC. | | 1,766.03 | | | Negotiable |
| 334821 | | 15-NOV-12 | CONEYBEARE INC | | 9,314.92 | | | Negotiable |
| 334822 | | 15-NOV-12 | CR & R INCORPORATED | | 12.20 | 20-NOV-12 | 12.20 | Reconciled |
| 334823 | | 15-NOV-12 | DATASITE INC | | 6,698.00 | | | Negotiable |
| 334824 | | 15-NOV-12 | DDB ENGINEERING, INC. | | 5,775.00 | 27-NOV-12 | 5,775.00 | Reconciled |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 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 | | | | | | | | |
| 334825 | | 15-NOV-12 | DEE JASPAR & ASSOCIATES, INC. | | 37,990.55 | | | Negotiable |
| 334826 | | 15-NOV-12 | DISCOVERY SCIENCE CENTER | | 5,393.28 | 27-NOV-12 | 5,393.28 | Reconciled |
| 334827 | | 15-NOV-12 | DWYER INSTRUMENTS INC | | 1,449.33 | 19-NOV-12 | 1,449.33 | Reconciled |
| 334828 | | 15-NOV-12 | EI&C ENGINEERING INC | | 10,450.00 | | | Negotiable |
| 334829 | | 15-NOV-12 | EMA INC | | 4,753.37 | 19-NOV-12 | 4,753.37 | Reconciled |
| 334830 | | 15-NOV-12 | EMPLOYEE BENEFIT SPECIALIST, INC | | 670.00 | 19-NOV-12 | 670.00 | Reconciled |
| 334831 | | 15-NOV-12 | EQUIPCO SALES & | | 1,235.72 | 23-NOV-12 | 1,235.72 | Reconciled |

| Payment Number | Sequence Num | Date | Supplier Name | Site | Payment Amount | Cleared Date | Cleared Amount | Status |
|----------------|--------------|-----------|---|------|----------------|--------------|----------------|------------|
| | | | SERVICE | | | | | |
| 334832 | | 15-NOV-12 | ESA PWA | | 34,308.91 | | | Negotiable |
| 334833 | | 15-NOV-12 | ESRI | | 24,970.20 | | | Negotiable |
| 334834 | | 15-NOV-12 | ESSCO PUMPS AND CONTROLS | | 259.66 | 19-NOV-12 | 259.66 | Reconciled |
| 334835 | | 15-NOV-12 | FERGUSON WATERWORKS | | 7,103.42 | | | Negotiable |
| 334836 | | 15-NOV-12 | FIRST HEALTH LIFE AND HEALTH | | 38.70 | | | Negotiable |
| 334837 | | 15-NOV-12 | INSURANCE COMPANY FISHER SCIENTIFIC COMPANY LLC | | 599.69 | 19-NOV-12 | 599.69 | Reconciled |
| 334838 | | 15-NOV-12 | FISHNET SECURITY INC | | 7,697.18 | | | Negotiable |
| 334839 | | 15-NOV-12 | FIVE POINT PARTNERS LLC | | 27,086.32 | | | Negotiable |
| 334840 | | 15-NOV-12 | FRONTLINE MANAGEMENT INC | | 966.82 | 21-NOV-12 | 966.82 | Reconciled |
| 334841 | | 15-NOV-12 | FT ZIEBARTH COMPANY | | 49,952.34 | 27-NOV-12 | 49,952.34 | Reconciled |
| 334842 | | 15-NOV-12 | GATEWAY PACIFIC CONTRACTORS, INC. | | 11,520.00 | | | Negotiable |
| 334843 | | 15-NOV-12 | GATEWAY PACIFIC CONTRACTORS, INC. | | 1,280.00 | 19-NOV-12 | 1,280.00 | Reconciled |
| 334844 | | 15-NOV-12 | GENTERRA CONSULTANTS INC | | 487.50 | 16-NOV-12 | 487.50 | Reconciled |
| 334845 | | 15-NOV-12 | GEOSCIENCE SUPPORT SERVICES INC | | 68,369.00 | 27-NOV-12 | 68,369.00 | Reconciled |
| 334846 | | 15-NOV-12 | GOLDEN BELL PRODUCTS | | 1,225.00 | 16-NOV-12 | 1,225.00 | Reconciled |
| 334847 | | 15-NOV-12 | GOOGLE INC. | | 1,030.56 | 19-NOV-12 | 1,030.56 | Reconciled |
| 334848 | | 15-NOV-12 | GRAINGER | | 1,764.04 | 19-NOV-12 | 1,764.04 | Reconciled |
| 334849 | | 15-NOV-12 | GRAYBAR ELECTRIC COMPANY | | 13,978.57 | | | Negotiable |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 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 | | | | | | | | |
| 334850 | | 15-NOV-12 | HACH COMPANY | | 2,550.73 | 19-NOV-12 | 2,550.73 | Reconciled |
| 334851 | | 15-NOV-12 | HAN, THAI | | 98.04 | | | Negotiable |
| 334852 | | 15-NOV-12 | HARPER & ASSOCIATES ENGINEERING INC | | 945.00 | 26-NOV-12 | 945.00 | Reconciled |
| 334853 | | 15-NOV-12 | HAUGE, JENNIFER | | 251.92 | | | Negotiable |
| 334854 | | 15-NOV-12 | HOME DEPOT USA INC | | 2,018.79 | 27-NOV-12 | 2,018.79 | Reconciled |
| 334855 | | 15-NOV-12 | HOPKINS TECHNICAL PRODUCTS INC | | 3,738.53 | 19-NOV-12 | 3,738.53 | Reconciled |
| 334856 | | 15-NOV-12 | HUMANA INSURANCE COMPANY | | 20.90 | 19-NOV-12 | 20.90 | Reconciled |
| 334857 | | 15-NOV-12 | HUNSAKER & ASSOCIATES IRVINE | | 2,688.00 | 20-NOV-12 | 2,688.00 | Reconciled |
| 334858 | | 15-NOV-12 | HYDRO-SCAPE PRODUCTS INC | | 531.60 | 19-NOV-12 | 531.60 | Reconciled |
| 334859 | | 15-NOV-12 | IDENTICARD SYSTEMS WORLDWIDE INC | | 236.03 | 23-NOV-12 | 236.03 | Reconciled |
| 334860 | | 15-NOV-12 | II FUELS INC | | 26,425.95 | | | Negotiable |
| 334861 | | 15-NOV-12 | IRON MOUNTAIN INFORMATION MANAGEMENT INC | | 1,713.58 | 19-NOV-12 | 1,713.58 | Reconciled |
| 334862 | | 15-NOV-12 | IRVINE PIPE & SUPPLY INC | | 2,290.60 | 21-NOV-12 | 2,290.60 | Reconciled |
| 334863 | | 15-NOV-12 | IRWD-PETTY CASH CUSTODIAN | | 775.63 | 16-NOV-12 | 775.63 | Reconciled |
| 334864 | | 15-NOV-12 | JCI JONES CHEMICALS INC | | 4,510.87 | 19-NOV-12 | 4,510.87 | Reconciled |
| 334865 | | 15-NOV-12 | JOHN G. ALEVIZOS D.O. INC. | | 2,714.76 | 19-NOV-12 | 2,714.76 | Reconciled |
| 334866 | | 15-NOV-12 | JOHN MICHAEL COVAS | | 99.90 | 21-NOV-12 | 99.90 | Reconciled |
| 334867 | | 15-NOV-12 | KELLY SERVICES INC | | 680.96 | 19-NOV-12 | 680.96 | Reconciled |
| 334868 | | 15-NOV-12 | KENNAH CONSTRUCTION CO INC | | 39,945.00 | 27-NOV-12 | 39,945.00 | Reconciled |
| 334869 | | 15-NOV-12 | KIM, SOON TAE | | 4,500.00 | 19-NOV-12 | 4,500.00 | Reconciled |
| 334870 | | 15-NOV-12 | KNOBBE, MARTENS, OLSON & BEAR | | 147.00 | 16-NOV-12 | 147.00 | Reconciled |
| 334871 | | 15-NOV-12 | KOELLER NEBEKER CARLSON & HALUCK, LLP | | 358.10 | 19-NOV-12 | 358.10 | Reconciled |
| 334872 | | 15-NOV-12 | KS DIRECT LLC | | 560.30 | 16-NOV-12 | 560.30 | Reconciled |
| 334873 | | 15-NOV-12 | LA HABRA FENCE COMPANY INC | | 992.00 | 20-NOV-12 | 992.00 | Reconciled |
| 334874 | | 15-NOV-12 | LCS TECHNOLOGIES, INC. | | 8,843.75 | | | Negotiable |
| 334875 | | 15-NOV-12 | LIN, NEESANG | | 47.18 | | | Negotiable |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 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

| Payment Number | Sequence Num | Date | Supplier Name | Site | Payment Amount | Cleared Date | Cleared Amount | Status |
|--|--------------|-----------|---|------|----------------|--------------|----------------|------------|
| Payment Document : IRWD CHECK | | | | | | | | |
| 334876 | | 15-NOV-12 | MAILFINANCE INC | | 9,912.62 | | | Negotiable |
| 334877 | | 15-NOV-12 | MALCOLM PIRNIE INC | | 350.00 | 19-NOV-12 | 350.00 | Reconciled |
| 334878 | | 15-NOV-12 | MC FADDEN-DALE INDUSTRIAL | | 667.92 | 19-NOV-12 | 667.92 | Reconciled |
| 334879 | | 15-NOV-12 | MC MASTER CARR SUPPLY CO | | 675.43 | 20-NOV-12 | 675.43 | Reconciled |
| 334880 | | 15-NOV-12 | MCCLURE, ALEXANDER | | 66.03 | 20-NOV-12 | 66.03 | Reconciled |
| 334881 | | 15-NOV-12 | MOBILE MODULAR MANAGEMENT CORPORATION | | 1,108.75 | 19-NOV-12 | 1,108.75 | Reconciled |
| 334882 | | 15-NOV-12 | MOLITZ, FRANK | | 16.99 | | | Negotiable |
| 334883 | | 15-NOV-12 | MORTON SAFETY CO | | 599.94 | 16-NOV-12 | 599.94 | Reconciled |
| 334884 | | 15-NOV-12 | MULTI W. SYSTEMS, INC. | | 8,708.36 | 27-NOV-12 | 8,708.36 | Reconciled |
| 334885 | | 15-NOV-12 | MUNICIPAL WATER DISTRICT OF ORANGE COUNTY | | 1,500.00 | 21-NOV-12 | 1,500.00 | Reconciled |
| 334886 | | 15-NOV-12 | MUTUAL PROPANE | | 10.26 | 20-NOV-12 | 10.26 | Reconciled |
| 334887 | | 15-NOV-12 | NATIONAL READY MIXED CONCRETE CO | | 357.99 | 19-NOV-12 | 357.99 | Reconciled |
| 334888 | | 15-NOV-12 | NATURES IMAGE INC | | 997.21 | 20-NOV-12 | 997.21 | Reconciled |
| 334889 | | 15-NOV-12 | NEOGOV | | 13,950.00 | | | Negotiable |
| 334890 | | 15-NOV-12 | NEW RESOURCES GROUP INC | | 1,265.00 | 19-NOV-12 | 1,265.00 | Reconciled |
| 334891 | | 15-NOV-12 | OLIN CORPORATION | | 13,964.38 | | | Negotiable |
| 334892 | | 15-NOV-12 | ON ASSIGNMENT LAB SUPPORT | | 90.00 | 19-NOV-12 | 90.00 | Reconciled |
| 334893 | | 15-NOV-12 | ONESOURCE DISTRIBUTORS LLC | | 6,345.09 | | | Negotiable |
| 334894 | | 15-NOV-12 | ORANGE COUNTY SANITATION DISTRICT | | 1,570.00 | 16-NOV-12 | 1,570.00 | Reconciled |
| 334895 | | 15-NOV-12 | ORANGE COUNTY TREASURER | | 1,250.00 | 20-NOV-12 | 1,250.00 | Reconciled |
| 334896 | | 15-NOV-12 | ORANGE COUNTY TREASURER | | 9,852.24 | | | Voided |
| 334897 | | 15-NOV-12 | ORANGE COUNTY VECTOR CONTROL DISTRICT | | 1,609.50 | | | Negotiable |
| 334898 | | 15-NOV-12 | OSTS, INC | | 2,497.50 | | | Negotiable |
| 334899 | | 15-NOV-12 | PACIFIC GAS AND ELECTRIC COMPANY | | 11,053.69 | | | Negotiable |
| 334900 | | 15-NOV-12 | PAPER DEPOT DOCUMENT DESTRUCTION LLC | | 885.00 | 23-NOV-12 | 885.00 | Reconciled |
| IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 17 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 | | | | | | | | |
| 334901 | | 15-NOV-12 | PARKHILL, SMITH & COOPER, INC. | | 6,500.00 | | | Negotiable |
| 334902 | | 15-NOV-12 | PINNACLE LANDSCAPE COMPANY | | 6,560.00 | 27-NOV-12 | 6,560.00 | Reconciled |
| 334903 | | 15-NOV-12 | PIVOT INTERIORS INC | | 1,817.99 | 16-NOV-12 | 1,817.99 | Reconciled |
| 334904 | | 15-NOV-12 | PROBOLSKY RESEARCH LLC | | 7,000.00 | 27-NOV-12 | 7,000.00 | Reconciled |
| 334905 | | 15-NOV-12 | PRUDENTIAL OVERALL SUPPLY | | 3,126.64 | 19-NOV-12 | 3,126.64 | Reconciled |
| 334906 | | 15-NOV-12 | PSOMAS | | 548.83 | 27-NOV-12 | 548.83 | Reconciled |
| 334907 | | 15-NOV-12 | PVF SALES, INC. | | 627.02 | 16-NOV-12 | 627.02 | Reconciled |
| 334908 | | 15-NOV-12 | QUALITY LAWN SERVICE | | 2,205.00 | 19-NOV-12 | 2,205.00 | Reconciled |
| 334909 | | 15-NOV-12 | R & S SOIL PRODUCTS INC | | 840.45 | 21-NOV-12 | 840.45 | Reconciled |
| 334910 | | 15-NOV-12 | RAM AIR ENGINEERING INC | | 799.97 | 20-NOV-12 | 799.97 | Reconciled |
| 334911 | | 15-NOV-12 | RBF CONSULTING | | 150.00 | 20-NOV-12 | 150.00 | Reconciled |
| 334912 | | 15-NOV-12 | REACH EMPLOYEE ASSISTANCE INC | | 795.20 | 21-NOV-12 | 795.20 | Reconciled |
| 334913 | | 15-NOV-12 | RESPONSE ENVELOPE, INC | | 2,019.79 | 19-NOV-12 | 2,019.79 | Reconciled |
| 334914 | | 15-NOV-12 | REYES, RENZZO | | 168.75 | 21-NOV-12 | 168.75 | Reconciled |
| 334915 | | 15-NOV-12 | SANTA ANA BLUE PRINT | | 1,599.68 | 20-NOV-12 | 1,599.68 | Reconciled |
| 334916 | | 15-NOV-12 | SANTA MARGARITA WATER DISTRICT | | 7,611.72 | 27-NOV-12 | 7,611.72 | Reconciled |
| 334917 | | 15-NOV-12 | SANTIAGO AQUEDUCT COMMISSION | | 23,232.00 | 27-NOV-12 | 23,232.00 | Reconciled |
| 334918 | | 15-NOV-12 | SANTLEY, MICHAEL | | 1.50 | | | Negotiable |
| 334919 | | 15-NOV-12 | SEACO | | 450.43 | | | Negotiable |

| | | | | | | |
|--------|-----------|---|----------|-----------|----------|------------|
| 334920 | 15-NOV-12 | TECHNOLOGIES, INC. SECURTEC DISTRICT PATROL INC | 3,700.00 | 19-NOV-12 | 3,700.00 | Reconciled |
| 334921 | 15-NOV-12 | SHARMA GENERAL ENGINEERING CONSTRUCTION | 315.42 | 20-NOV-12 | 315.42 | Reconciled |
| 334922 | 15-NOV-12 | SIMI VALLEY LANDFILL AND RECYCLING CENTER | 460.20 | 19-NOV-12 | 460.20 | Reconciled |
| 334923 | 15-NOV-12 | SOUTH COAST ANSWERING SERVICE | 560.01 | 20-NOV-12 | 560.01 | Reconciled |
| 334924 | 15-NOV-12 | SOUTH COAST WATER CO. | 40.00 | 19-NOV-12 | 40.00 | Reconciled |

IRWD Ledger
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Report Date: 04-DEC-2012 08:39
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar) Page: 18
 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 | | | | | | | | |
| 334925 | | 15-NOV-12 | SOUTH COAST WATER CO. | | 151.66 | 19-NOV-12 | 151.66 | Reconciled |
| 334926 | | 15-NOV-12 | SOUTHERN CALIFORNIA EDISON COMPANY | | 28,108.36 | 19-NOV-12 | 28,108.36 | Reconciled |
| 334927 | | 15-NOV-12 | SPARLING INSTRUMENTS LLC | | 74.32 | 19-NOV-12 | 74.32 | Reconciled |
| 334928 | | 15-NOV-12 | SPIVAK, GAL MORAN | | 34.17 | 19-NOV-12 | 34.17 | Reconciled |
| 334929 | | 15-NOV-12 | STATE WATER RESOURCES CONTROL BOARD | | 12,040.00 | | | Negotiable |
| 334930 | | 15-NOV-12 | SULLY-MILLER CONTRACTING CO. | | 240,367.66 | 27-NOV-12 | 240,367.66 | Reconciled |
| 334931 | | 15-NOV-12 | SULLY-MILLER CONTRACTING CO. | | 12,650.93 | | | Negotiable |
| 334932 | | 15-NOV-12 | SYNAGRO SOUTH, LLC | | 8,711.20 | | | Negotiable |
| 334933 | | 15-NOV-12 | TALLEY INC | | 1,002.88 | 19-NOV-12 | 1,002.88 | Reconciled |
| 334934 | | 15-NOV-12 | TELEDYNE LEEMAN LABS | | 132.12 | 21-NOV-12 | 132.12 | Reconciled |
| 334935 | | 15-NOV-12 | THE GAS COMPANY | | 10,505.32 | | | Negotiable |
| 334936 | | 15-NOV-12 | TIC-SPECTRUM OFFICE | | 3,371.96 | 20-NOV-12 | 3,371.96 | Reconciled |
| 334937 | | 15-NOV-12 | UNITED PARCEL SERVICE INC | | 20.00 | 19-NOV-12 | 20.00 | Reconciled |
| 334938 | | 15-NOV-12 | UNITED SITE SERVICES OF CALIFORNIA INC | | 458.48 | 19-NOV-12 | 458.48 | Reconciled |
| 334939 | | 15-NOV-12 | US PEROXIDE LLC | | 12,593.80 | | | Negotiable |
| 334940 | | 15-NOV-12 | USA BLUEBOOK | | 14,637.70 | | | Negotiable |
| 334941 | | 15-NOV-12 | VERNAZZA REALTY | | 361.79 | 19-NOV-12 | 361.79 | Reconciled |
| 334942 | | 15-NOV-12 | VWR INTERNATIONAL, LLC | | 479.27 | 19-NOV-12 | 479.27 | Reconciled |
| 334943 | | 15-NOV-12 | WALTON MOTORS & CONTROLS INC | | 3,438.40 | 20-NOV-12 | 3,438.40 | Reconciled |
| 334944 | | 15-NOV-12 | WATERSMART INNOVATIONS | | 42.84 | 19-NOV-12 | 42.84 | Reconciled |
| 334945 | | 15-NOV-12 | WAXIE'S ENTERPRISES, INC | | 297.68 | 19-NOV-12 | 297.68 | Reconciled |
| 334946 | | 15-NOV-12 | WEST COAST SAND & GRAVEL INC. | | 523.27 | | | Negotiable |
| 334947 | | 15-NOV-12 | WESTERN EXTERMINATOR COMPANY | | 7,847.50 | | | Negotiable |
| 334948 | | 15-NOV-12 | XYLEM DEWATERING SOLUTIONS INC | | 2,366.19 | 19-NOV-12 | 2,366.19 | Reconciled |

IRWD Ledger
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Report Date: 04-DEC-2012 08:39
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar) Page: 19
 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 | | | | | | | | |
| 334949 | | 15-NOV-12 | ZEE MEDICAL SERVICE CO | | 590.59 | 16-NOV-12 | 590.59 | Reconciled |
| 334950 | | 16-NOV-12 | AIRGAS-WEST, INC. | | 50.59 | 21-NOV-12 | 50.59 | Reconciled |
| 334951 | | 16-NOV-12 | AT&T | | 123.11 | 27-NOV-12 | 123.11 | Reconciled |
| 334952 | | 16-NOV-12 | BARAK, PETER | | 34.41 | | | Negotiable |
| 334953 | | 16-NOV-12 | BERG, KEVIN | | 20.00 | 27-NOV-12 | 20.00 | Reconciled |
| 334954 | | 16-NOV-12 | BORCHARD SURVEYING & MAPPING, INC. | | 2,910.00 | 26-NOV-12 | 2,910.00 | Reconciled |
| 334955 | | 16-NOV-12 | BRONFEN, MARIA | | 28.04 | | | Negotiable |
| 334956 | | 16-NOV-12 | CALIFORNIA BARRICADE INC | | 4,455.00 | 27-NOV-12 | 4,455.00 | Reconciled |
| 334957 | | 16-NOV-12 | CAVISTON, MIKE | | 25.00 | 21-NOV-12 | 25.00 | Reconciled |
| 334958 | | 16-NOV-12 | CLEARINGHOUSE | | 528.45 | 19-NOV-12 | 528.45 | Reconciled |
| 334959 | | 16-NOV-12 | CONEYBEARE INC | | 18,502.67 | | | Negotiable |
| 334960 | | 16-NOV-12 | DILLON, MOIRA | | 146.03 | 27-NOV-12 | 146.03 | Reconciled |

| | | | | | | |
|--------|-----------|--------------------------------|------------|-----------|-----------|------------|
| 334961 | 16-NOV-12 | EXPRESSAIR | 70.00 | 27-NOV-12 | 70.00 | Reconciled |
| 334962 | 16-NOV-12 | FEDEX | 179.60 | 26-NOV-12 | 179.60 | Reconciled |
| 334963 | 16-NOV-12 | FORTIS RESOURCE PARTNERS INC | 3,340.80 | 20-NOV-12 | 3,340.80 | Reconciled |
| 334964 | 16-NOV-12 | FRANCHISE TAX BOARD | 704.74 | | | Negotiable |
| 334965 | 16-NOV-12 | GCI CONSTRUCTION, INC. | 135,631.21 | | | Negotiable |
| 334966 | 16-NOV-12 | GHAZANFARI, SEAN | 23.11 | 27-NOV-12 | 23.11 | Reconciled |
| 334967 | 16-NOV-12 | HEWITT ASSOCIATES LLC | 1,285.00 | 27-NOV-12 | 1,285.00 | Reconciled |
| 334968 | 16-NOV-12 | HILL BROTHERS CHEMICAL COMPANY | 4,154.20 | 20-NOV-12 | 4,154.20 | Reconciled |
| 334969 | 16-NOV-12 | HOME DEPOT USA INC | 626.18 | | | Negotiable |
| 334970 | 16-NOV-12 | INTERNAL REVENUE SERVICE | 25.00 | 20-NOV-12 | 25.00 | Reconciled |
| 334971 | 16-NOV-12 | INTERNAL REVENUE SERVICE | 1,463.41 | 26-NOV-12 | 1,463.41 | Reconciled |
| 334972 | 16-NOV-12 | IRVINE PIPE & SUPPLY INC | 366.93 | 21-NOV-12 | 366.93 | Reconciled |
| 334973 | 16-NOV-12 | JACKSON HEWITT TAX SERVICE | 40.00 | | | Negotiable |
| 334974 | 16-NOV-12 | KIM, MICHELLE | 40.16 | | | Negotiable |
| 334975 | 16-NOV-12 | LEATHERWOOD CONSTRUCTION INC | 41,700.00 | 21-NOV-12 | 41,700.00 | Reconciled |
| 334976 | 16-NOV-12 | LEU, JASON | 22.99 | | | Negotiable |
| 334977 | 16-NOV-12 | LIN-LAVERY, JENNY | 24.02 | | | Negotiable |
| 334978 | 16-NOV-12 | MAIN GRAPHICS | 551.50 | 26-NOV-12 | 551.50 | Reconciled |
| 334979 | 16-NOV-12 | MALCOLM PIRNIE INC | 51,138.80 | 23-NOV-12 | 51,138.80 | Reconciled |
| 334980 | 16-NOV-12 | MC MASTER CARR SUPPLY CO | 8.57 | 27-NOV-12 | 8.57 | Reconciled |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 20
 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 | | | | | | | | |
| 334981 | | 16-NOV-12 | MCBRIDE, LANCE | | 37.00 | | | Negotiable |
| 334982 | | 16-NOV-12 | MCKNIGHT, STUART | | 83.41 | 20-NOV-12 | 83.41 | Reconciled |
| 334983 | | 16-NOV-12 | MOTION INDUSTRIES INC | | 2,278.29 | 23-NOV-12 | 2,278.29 | Reconciled |
| 334984 | | 16-NOV-12 | MULDER, JIANFEN | | 38.31 | | | Negotiable |
| 334985 | | 16-NOV-12 | NATIONAL READY MIXED CONCRETE CO | | 854.13 | 23-NOV-12 | 854.13 | Reconciled |
| 334986 | | 16-NOV-12 | NGUYEN, SYLVIA M | | 22.97 | 27-NOV-12 | 22.97 | Reconciled |
| 334987 | | 16-NOV-12 | NINYO & MOORE | | 648.25 | 21-NOV-12 | 648.25 | Reconciled |
| 334988 | | 16-NOV-12 | NORRIS, KAREN | | 26.48 | | | Negotiable |
| 334989 | | 16-NOV-12 | OLIN CORPORATION | | 10,961.99 | 23-NOV-12 | 10,961.99 | Reconciled |
| 334990 | | 16-NOV-12 | ONESOURCE DISTRIBUTORS LLC | | 59.07 | 23-NOV-12 | 59.07 | Reconciled |
| 334991 | | 16-NOV-12 | OPEN TEXT INC | | 2,480.18 | 26-NOV-12 | 2,480.18 | Reconciled |
| 334992 | | 16-NOV-12 | ORANGE COUNTY SHERIFF'S OFFICE | | 930.73 | | | Negotiable |
| 334993 | | 16-NOV-12 | ORANGE COUNTY TREASURER | | 9,794.38 | 21-NOV-12 | 9,794.38 | Reconciled |
| 334994 | | 16-NOV-12 | ORANGE, COUNTY OF | | 242,281.27 | 23-NOV-12 | 242,281.27 | Reconciled |
| 334995 | | 16-NOV-12 | PACIFIC GAS AND ELECTRIC COMPANY | | 7,342.55 | 27-NOV-12 | 7,342.55 | Reconciled |
| 334996 | | 16-NOV-12 | PACIFIC HYDROTECH CORPORATION | | 181,523.15 | 21-NOV-12 | 181,523.15 | Reconciled |
| 334997 | | 16-NOV-12 | PAE, YOUNGUN | | 23.11 | | | Negotiable |
| 334998 | | 16-NOV-12 | PERS LONG TERM CARE | | 1,082.16 | 20-NOV-12 | 1,082.16 | Reconciled |
| 334999 | | 16-NOV-12 | PROGRESSIVE BUSINESS PUBLICATIONS | | 94.56 | 23-NOV-12 | 94.56 | Reconciled |
| 335000 | | 16-NOV-12 | QUALITY LAWN SERVICE | | 250.00 | | | Negotiable |
| 335001 | | 16-NOV-12 | RAINBOW NUT & BOLT INC | | 677.75 | | | Negotiable |
| 335002 | | 16-NOV-12 | RALPH ANDERSEN & ASSOCIATES | | 12,250.00 | | | Negotiable |
| 335003 | | 16-NOV-12 | REC SOLAR, INC. | | 81.60 | | | Negotiable |
| 335004 | | 16-NOV-12 | RIZVI, TAHIR | | 33.86 | | | Negotiable |
| 335005 | | 16-NOV-12 | SANTA ANA BLUE PRINT | | 982.45 | 27-NOV-12 | 982.45 | Reconciled |
| 335006 | | 16-NOV-12 | SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT | | 5,811.92 | 27-NOV-12 | 5,811.92 | Reconciled |
| 335007 | | 16-NOV-12 | SOUTHERN CALIFORNIA EDISON COMPANY | | 186,730.10 | 21-NOV-12 | 186,730.10 | Reconciled |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 21
 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 | | | | | | | |
|-------------------------------|-----------|---|----------|-----------|----------|--|------------|
| 335008 | 16-NOV-12 | SOUTHERN CALIFORNIA SECURITY CENTER, INC. | 195.03 | | | | Negotiable |
| 335009 | 16-NOV-12 | TESTAMERICA LABORATORIES, INC | 157.50 | 26-NOV-12 | 157.50 | | Reconciled |
| 335010 | 16-NOV-12 | TETRA TECH, INC | 1,537.00 | 23-NOV-12 | 1,537.00 | | Reconciled |
| 335011 | 16-NOV-12 | THE GAS COMPANY | 134.79 | 27-NOV-12 | 134.79 | | Reconciled |
| 335012 | 16-NOV-12 | TROPICAL PLAZA NURSERY INC | 2,482.50 | 20-NOV-12 | 2,482.50 | | Reconciled |
| 335013 | 16-NOV-12 | U S DEMOLITION | 148.57 | | | | Negotiable |
| 335014 | 16-NOV-12 | VERIZON CALIFORNIA INC | 39.52 | | | | Negotiable |
| 335015 | 16-NOV-12 | VIJAYAN, SHEILA | 66.47 | | | | Negotiable |
| 335016 | 16-NOV-12 | VULCAN MATERIALS COMPANY | 1,286.08 | 21-NOV-12 | 1,286.08 | | Reconciled |
| 335017 | 16-NOV-12 | WATERLINE TECHNOLOGIES INC | 2,780.00 | 21-NOV-12 | 2,780.00 | | Reconciled |
| 335018 | 16-NOV-12 | WAXIE'S ENTERPRISES, INC | 471.65 | 21-NOV-12 | 471.65 | | Reconciled |
| 335019 | 16-NOV-12 | WECK LABORATORIES INC | 590.00 | 20-NOV-12 | 590.00 | | Reconciled |
| 335020 | 16-NOV-12 | WESTERN EXTERMINATOR COMPANY | 1,675.00 | | | | Negotiable |
| 335021 | 16-NOV-12 | WILLIAMS, TOM | 29.69 | 23-NOV-12 | 29.69 | | Reconciled |
| 335022 | 16-NOV-12 | WON, SUMI | 35.10 | 27-NOV-12 | 35.10 | | Reconciled |
| 335023 | 16-NOV-12 | WONG, TUCK | 28.32 | | | | Negotiable |
| 335024 | 16-NOV-12 | YAP, MICHAEL | 31.50 | 23-NOV-12 | 31.50 | | Reconciled |
| 335025 | 16-NOV-12 | YORKE ENGINEERING LLC | 966.75 | | | | Negotiable |
| 335026 | 16-NOV-12 | YORKE, JEFF | 39.86 | 27-NOV-12 | 39.86 | | Reconciled |
| 335027 | 16-NOV-12 | YSI INCORPORATED | 3,333.68 | 23-NOV-12 | 3,333.68 | | Reconciled |
| 335028 | 16-NOV-12 | ZEBRON CONTRACTING INC | 2,950.00 | 26-NOV-12 | 2,950.00 | | Reconciled |
| 335029 | 16-NOV-12 | ZEE MEDICAL SERVICE CO | 308.41 | 20-NOV-12 | 308.41 | | Reconciled |
| 335030 | 16-NOV-12 | ZOMAYA, SUSAN | 26.32 | 21-NOV-12 | 26.32 | | Reconciled |
| 335031 | 20-NOV-12 | PERKINELMER HEALTHCHICAGO SCIENCES INC | 412.75 | 23-NOV-12 | 412.75 | | Reconciled |
| 335032 | 20-NOV-12 | LEWIS OPERATING CORP | 2,227.50 | 21-NOV-12 | 2,227.50 | | Reconciled |
| 335033 | 20-NOV-12 | MISSION COMMUNICATIONS LLC | 227.40 | 27-NOV-12 | 227.40 | | Reconciled |
| 335034 | 20-NOV-12 | PINNACLE TOWERS LLC | 569.34 | 26-NOV-12 | 569.34 | | Reconciled |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 BANK: Bank of America N.A. Branch: Los Angeles Account: Checking AP and PR Page: 22
 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 | | | | | | | | |
| 335035 | | 20-NOV-12 | VWR INTERNATIONAL, PAY LLC | | 323.13 | 26-NOV-12 | 323.13 | Reconciled |
| 335036 | | 20-NOV-12 | KILL-N-BUGS TERMITE AND PEST CONTROL SERVICES | PAY | 3,150.00 | 20-NOV-12 | 3,150.00 | Reconciled |
| 335037 | | 20-NOV-12 | FIRST AMERICAN TITLE CO. | RANCHO CUCAMONG | 1,500.00 | | | Negotiable |
| 335038 | | 20-NOV-12 | SOUTHERN CALIFORNIA EDISON COMPANY | ROSEMEAD | 521.73 | 26-NOV-12 | 521.73 | Reconciled |
| 335039 | | 26-NOV-12 | DEPT OF FISH & GAME | SAN DIEGO | 224.00 | | | Negotiable |
| 335040 | | 26-NOV-12 | DEPT OF FISH & GAME | SAN DIEGO | 224.00 | | | Negotiable |
| 335041 | | 26-NOV-12 | RALPHS GROCERY COMPANY | PAY | 14,962.50 | | | Negotiable |
| 335042 | | 29-NOV-12 | Adrian Murillo | | 140.06 | | | Negotiable |
| 335043 | | 29-NOV-12 | Amy McNulty | | 50.50 | | | Negotiable |
| 335044 | | 29-NOV-12 | Anthony Mossbarger | | 42.11 | | | Negotiable |
| 335045 | | 29-NOV-12 | Anthony Rojas | | 120.00 | | | Negotiable |
| 335046 | | 29-NOV-12 | Blaise Counter | | 113.81 | | | Negotiable |
| 335047 | | 29-NOV-12 | Ethan Fike | | 75.00 | | | Negotiable |
| 335048 | | 29-NOV-12 | Gustavo Orozco | | 132.34 | | | Negotiable |
| 335049 | | 29-NOV-12 | Jane Shafer | | 398.07 | | | Negotiable |
| 335050 | | 29-NOV-12 | Michael Jack | | 1,680.16 | | | Negotiable |
| 335051 | | 29-NOV-12 | Sergio De La Torre | | 250.00 | | | Negotiable |
| 335052 | | 29-NOV-12 | Steven Malloy | | 280.00 | | | Negotiable |
| 335053 | | 29-NOV-12 | ACTION ELECTRIC CORP | | 417.44 | | | Negotiable |
| 335054 | | 29-NOV-12 | AIRGAS-WEST, INC. | | 1,655.33 | | | Negotiable |
| 335055 | | 29-NOV-12 | ALJAFF, MUSTAFA | | 12.65 | | | Negotiable |
| 335056 | | 29-NOV-12 | APD CONSULTANTS INC | | 2,034.50 | | | Negotiable |
| 335057 | | 29-NOV-12 | ARDEN REALTY, INC. | | 91.29 | | | Negotiable |
| 335058 | | 29-NOV-12 | ARIZONA INSTRUMENT | | 168.13 | | | Negotiable |

| | | | | |
|--------|-----------|-----------------------------------|----------|------------|
| 335059 | 29-NOV-12 | LLC ARMORCAST PRODUCTS COMPANY | 7,697.12 | Negotiable |
| 335060 | 29-NOV-12 | ASHFORD, WALT | 665.49 | Negotiable |
| 335061 | 29-NOV-12 | AT&T | 48.12 | Negotiable |
| 335062 | 29-NOV-12 | AT&T | 7,135.89 | Negotiable |
| 335063 | 29-NOV-12 | AVALON BAY COMMUNITIES, INC. | 1,910.00 | Negotiable |
| 335064 | 29-NOV-12 | BATTERY SPECIALTIES | 3,570.42 | Negotiable |
| 335065 | 29-NOV-12 | BDT PRODUCTS INC. | 34.18 | Negotiable |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 23
 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 | | | | | | | | |
| 335066 | | 29-NOV-12 | BEST DRILLING AND PUMP, INC. | | 247,332.50 | | | Negotiable |
| 335067 | | 29-NOV-12 | BILL'S SWEEPING SERVICE INC | | 1,265.00 | | | Negotiable |
| 335068 | | 29-NOV-12 | BOHAC CONSULTING SERVICES, INC. | | 1,260.00 | | | Negotiable |
| 335069 | | 29-NOV-12 | BORCHARD SURVEYING & MAPPING, INC. | | 11,375.00 | | | Negotiable |
| 335070 | | 29-NOV-12 | BOTTOM LINE UTILITY SOLUTIONS, INC. | | 4,108.32 | | | Negotiable |
| 335071 | | 29-NOV-12 | BROOKS UTILITY PRODUCTS GROUP | | 221.63 | | | Negotiable |
| 335072 | | 29-NOV-12 | BUKEWIHGE PROPERTIES LLC | | 15.00 | | | Negotiable |
| 335073 | | 29-NOV-12 | C WELLS PIPELINE MATERIALS INC | | 44,302.19 | | | Negotiable |
| 335074 | | 29-NOV-12 | CALIFORNIA BARRICADE INC | | 3,357.58 | | | Negotiable |
| 335075 | | 29-NOV-12 | CANON BUSINESS SOLUTIONS INC | | 4,327.03 | | | Negotiable |
| 335076 | | 29-NOV-12 | CDW GOVERNMENT LLC | | 1,908.01 | | | Negotiable |
| 335077 | | 29-NOV-12 | CH2M HILL, INC | | 644.00 | | | Negotiable |
| 335078 | | 29-NOV-12 | CHILDREN'S EDUCATION FOUNDATION OF ORANGE COUNTY | | 3,872.20 | | | Negotiable |
| 335079 | | 29-NOV-12 | CITY OF IRVINE | | 422.28 | | | Negotiable |
| 335080 | | 29-NOV-12 | CITY OF TUSTIN | | 523.67 | | | Negotiable |
| 335081 | | 29-NOV-12 | CLA-VAL COMPANY | | 528.45 | | | Negotiable |
| 335082 | | 29-NOV-12 | CLEARINGHOUSE | | 250.00 | | | Negotiable |
| 335083 | | 29-NOV-12 | COAST PLUMBING HEATING AND AIR, INC | | 1,020.00 | | | Negotiable |
| 335084 | | 29-NOV-12 | COASTAL TRAFFIC SYSTEMS, INC | | 514.42 | | | Negotiable |
| 335085 | | 29-NOV-12 | COMMERCE ENERGY INC | | 240.00 | | | Negotiable |
| 335086 | | 29-NOV-12 | COMMERCIAL CLEANING SYSTEMS INC | | 1,050.00 | | | Negotiable |
| 335087 | | 29-NOV-12 | COMMERCIAL COATING RESOURCE INC | | 189.00 | | | Negotiable |
| 335088 | | 29-NOV-12 | COMMERCIAL DOOR OF ORANGE COUNTY, INC. | | | | | Negotiable |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 24
 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 | | | | | | | | |
| 335089 | | 29-NOV-12 | CONEYBEARE INC | | 6,426.26 | | | Negotiable |
| 335090 | | 29-NOV-12 | CONTROLLED KEY SYSTEMS INC | | 1,004.00 | | | Negotiable |
| 335091 | | 29-NOV-12 | CORELOGIC INC | | 24.00 | | | Negotiable |
| 335092 | | 29-NOV-12 | COX COMMUNICATIONS | | 97.15 | | | Negotiable |
| 335093 | | 29-NOV-12 | CRUMP & CO, INC. | | 4,214.33 | | | Negotiable |
| 335094 | | 29-NOV-12 | CUMMINS CAL PACIFIC LLC | | 4,706.75 | | | Negotiable |
| 335095 | | 29-NOV-12 | DATA CLEAN CORPORATION | | 513.25 | | | Negotiable |
| 335096 | | 29-NOV-12 | DIRECTV INC | | 89.99 | | | Negotiable |
| 335097 | | 29-NOV-12 | DRAEGER SAFETY INC | | 1,002.11 | | | Negotiable |
| 335098 | | 29-NOV-12 | DUDEK | | 12,748.81 | | | Negotiable |
| 335099 | | 29-NOV-12 | DWYER INSTRUMENTS INC | | 4,883.11 | | | Negotiable |
| 335100 | | 29-NOV-12 | ELECTRICAL SYSTEMS | | 9,675.00 | | | Negotiable |

| Payment Number | Sequence Num | Date | Supplier Name | Site | Payment Amount | Cleared Date | Cleared Amount | Status |
|----------------|--------------|-----------|--|------|----------------|--------------|----------------|------------|
| 335101 | | 29-NOV-12 | ENGINEERING EMA INC | | 720.00 | | | Negotiable |
| 335102 | | 29-NOV-12 | EMERGENCY POWER CONTROLS INC | | 5,195.00 | | | Negotiable |
| 335103 | | 29-NOV-12 | EMPLOYERS GROUP | | 2,000.44 | | | Negotiable |
| 335104 | | 29-NOV-12 | ENVIRONMENTAL EXPRESS INC | | 575.18 | | | Negotiable |
| 335105 | | 29-NOV-12 | ENVIRONMENTAL WATER MANAGEMENT INC | | 5,000.00 | | | Negotiable |
| 335106 | | 29-NOV-12 | EXPRESSAIR | | 149.00 | | | Negotiable |
| 335107 | | 29-NOV-12 | FARRELL & ASSOCIATES | | 196.23 | | | Negotiable |
| 335108 | | 29-NOV-12 | FEDEX | | 379.52 | | | Negotiable |
| 335109 | | 29-NOV-12 | FEDEX NATIONAL LTL, INC | | 1,756.94 | | | Negotiable |
| 335110 | | 29-NOV-12 | FERGUSON WATERWORKS | | 13,674.01 | | | Negotiable |
| 335111 | | 29-NOV-12 | FIRE EXTINGUISHING SAFETY | | 477.49 | | | Negotiable |
| 335112 | | 29-NOV-12 | FIRST CHOICE SERVICES | | 1,156.40 | | | Negotiable |
| 335113 | | 29-NOV-12 | FISERV | | 11,222.66 | | | Negotiable |
| 335114 | | 29-NOV-12 | FISHER SCIENTIFIC COMPANY LLC | | 6,804.37 | | | Negotiable |
| 335115 | | 29-NOV-12 | FLADEBOE AUTOMOTIVE GROUP | | 683.00 | | | Negotiable |
| 335116 | | 29-NOV-12 | FLEET SOLUTIONS LLC | | 3,967.05 | | | Negotiable |

IRWD Ledger
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Report Date: 04-DEC-2012 08:39
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar) Page: 25
 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 | | | | | | | | |
| 335117 | | 29-NOV-12 | FLW SERVICE CORPORATION | | 2,338.70 | | | Negotiable |
| 335118 | | 29-NOV-12 | FORTIS RESOURCE PARTNERS INC | | 4,083.20 | | | Negotiable |
| 335119 | | 29-NOV-12 | FRANCHISE TAX BOARD | | 1,065.36 | | | Negotiable |
| 335120 | | 29-NOV-12 | GARDENSOFT | | 1,100.00 | | | Negotiable |
| 335121 | | 29-NOV-12 | GEORGE YARDLEY CO INC | | 1,500.00 | | | Negotiable |
| 335122 | | 29-NOV-12 | GEOSCIENCE SUPPORT SERVICES INC | | 28,480.00 | | | Negotiable |
| 335123 | | 29-NOV-12 | GRAINGER | | 6,377.90 | | | Negotiable |
| 335124 | | 29-NOV-12 | HARRINGTON INDUSTRIAL PLASTICS LLC | | 2,629.85 | | | Negotiable |
| 335125 | | 29-NOV-12 | HEITMAN BROOKS II, LLC | | 1,568.18 | | | Negotiable |
| 335126 | | 29-NOV-12 | HILL BROTHERS CHEMICAL COMPANY | | 16,997.11 | | | Negotiable |
| 335127 | | 29-NOV-12 | HOME DEPOT USA INC | | 680.85 | | | Negotiable |
| 335128 | | 29-NOV-12 | HUANG, TIFFANY | | 11.56 | | | Negotiable |
| 335129 | | 29-NOV-12 | HUGHES, ROBERT | | 28.32 | | | Negotiable |
| 335130 | | 29-NOV-12 | HYDRO-SCAPE PRODUCTS INC * | | 177.07 | | | Negotiable |
| 335131 | | 29-NOV-12 | IDENTICARD SYSTEMS WORLDWIDE INC | | 81.75 | | | Negotiable |
| 335132 | | 29-NOV-12 | INDUSTRIAL METAL SUPPLY CO | | 380.54 | | | Negotiable |
| 335133 | | 29-NOV-12 | INDUSTRIAL NETWORKING SOLUTIONS | | 4,775.81 | | | Negotiable |
| 335134 | | 29-NOV-12 | INTERNAL REVENUE SERVICE | | 1,474.43 | | | Negotiable |
| 335135 | | 29-NOV-12 | INTERNAL REVENUE SERVICE | | 25.00 | | | Negotiable |
| 335136 | | 29-NOV-12 | INVESTMENTS INC OPES | | 25.65 | | | Negotiable |
| 335137 | | 29-NOV-12 | IRVINE PACIFIC, LP | | 30.20 | | | Negotiable |
| 335138 | | 29-NOV-12 | IRVINE PIPE & SUPPLY INC | | 1,664.18 | | | Negotiable |
| 335139 | | 29-NOV-12 | IRWD-PETTY CASH CUSTODIAN | | 1,138.30 | | | Negotiable |
| 335140 | | 29-NOV-12 | JOHANNESSEN, JOHNNIE | | 15.87 | | | Negotiable |
| 335141 | | 29-NOV-12 | JOHN CRANE, INC. | | 7,108.01 | | | Negotiable |
| 335142 | | 29-NOV-12 | KELLY SERVICES INC | | 5,020.16 | | | Negotiable |

IRWD Ledger
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Report Date: 04-DEC-2012 08:39
 Bank Account Currency: USD (US Dollar) Payment Currency: USD (US Dollar) Page: 26
 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

| | | | | |
|--------|-----------|---|-----------|------------|
| 335143 | 29-NOV-12 | KIMURA, HIROSHI | 33.74 | Negotiable |
| 335144 | 29-NOV-12 | KOUTSEMKO, NINA | 34.48 | Negotiable |
| 335145 | 29-NOV-12 | KS DIRECT LLC | 2,873.70 | Negotiable |
| 335146 | 29-NOV-12 | LABELLE-MARVIN INC | 2,015.00 | Negotiable |
| 335147 | 29-NOV-12 | LAYNE CHRISTENSEN COMPANY | 9,084.82 | Negotiable |
| 335148 | 29-NOV-12 | LEE, SUNKI | 37.79 | Negotiable |
| 335149 | 29-NOV-12 | LINDQUIST, ERIK | 28.26 | Negotiable |
| 335150 | 29-NOV-12 | MARVIN GARDENS LLC | 1,757.18 | Negotiable |
| 335151 | 29-NOV-12 | MC FADDEN-DALE INDUSTRIAL | 4.90 | Negotiable |
| 335152 | 29-NOV-12 | MC MASTER CARR SUPPLY CO | 982.08 | Negotiable |
| 335153 | 29-NOV-12 | MERCHANTS LANDSCAPE SERVICES INC | 643.02 | Negotiable |
| 335154 | 29-NOV-12 | MISCOWATER | 468.21 | Negotiable |
| 335155 | 29-NOV-12 | MODERN WATER INC | 1,050.43 | Negotiable |
| 335156 | 29-NOV-12 | MOODY'S INVESTORS SERVICE INC | 5,000.00 | Negotiable |
| 335157 | 29-NOV-12 | MOREDO, MELVIN | 29.17 | Negotiable |
| 335158 | 29-NOV-12 | MUNICIPAL WATER DISTRICT OF ORANGE COUNTY | 23,300.00 | Negotiable |
| 335159 | 29-NOV-12 | NATIONAL READY MIXED CONCRETE CO | 3,544.59 | Negotiable |
| 335160 | 29-NOV-12 | NEWAGE INDUSTRIES INC | 696.79 | Negotiable |
| 335161 | 29-NOV-12 | NEWPORT BEACH, CITY OF | 1,090.99 | Negotiable |
| 335162 | 29-NOV-12 | NEWPORT WINDOW MAINTENANCE INC | 2,314.00 | Negotiable |
| 335163 | 29-NOV-12 | NINYO & MOORE | 3,585.50 | Negotiable |
| 335164 | 29-NOV-12 | O'HAREN GOVERNMENT RELATIONS | 6,500.00 | Negotiable |
| 335165 | 29-NOV-12 | OLIN CORPORATION | 19,238.35 | Negotiable |
| 335166 | 29-NOV-12 | ONESOURCE DISTRIBUTORS LLC | 1,636.88 | Negotiable |
| 335167 | 29-NOV-12 | ORANGE COUNTY SHERIFF'S OFFICE | 930.73 | Negotiable |
| 335168 | 29-NOV-12 | ORANGE COUNTY WATER DISTRICT | 50,065.57 | Negotiable |
| 335169 | 29-NOV-12 | ORANGE, COUNTY OF | 5,180.00 | Negotiable |
| 335170 | 29-NOV-12 | PACIFIC GAS AND ELECTRIC COMPANY | 11.50 | Negotiable |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 BANK: Bank of America N.A. Branch: Los Angeles Account: Checking AP and PR Page: 27
 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 | | | | | | | | |
| 335171 | | 29-NOV-12 | PACIFIC SURVEYS, LLC | | 1,995.00 | | | Negotiable |
| 335172 | | 29-NOV-12 | PARKHOUSE TIRE INC | | 1,202.44 | | | Negotiable |
| 335173 | | 29-NOV-12 | PASCAL & LUDWIG CONSTRUCTORS | | 28,412.60 | | | Negotiable |
| 335174 | | 29-NOV-12 | PAULUS ENGINEERING INC | | 24,788.97 | | | Negotiable |
| 335175 | | 29-NOV-12 | PEARPOINT | | 888.93 | | | Negotiable |
| 335176 | | 29-NOV-12 | PERS LONG TERM CARE | | 1,082.16 | | | Negotiable |
| 335177 | | 29-NOV-12 | PLASTIC & METAL CENTER, INC | | 1,562.38 | | | Negotiable |
| 335178 | | 29-NOV-12 | PONTON INDUSTRIES INC | | 2,230.86 | | | Negotiable |
| 335179 | | 29-NOV-12 | PRAXAIR DISTRIBUTION INC | | 2,815.64 | | | Negotiable |
| 335180 | | 29-NOV-12 | PRO GROWERS INC | | 1,691.50 | | | Negotiable |
| 335181 | | 29-NOV-12 | PSB THE MARKETING SUPERSOURCE | | 2,362.50 | | | Negotiable |
| 335182 | | 29-NOV-12 | PSOMAS | | 2,070.00 | | | Negotiable |
| 335183 | | 29-NOV-12 | RALPH ANDERSEN & ASSOCIATES | | 6,125.00 | | | Negotiable |
| 335184 | | 29-NOV-12 | RAM AIR ENGINEERING INC | | 27,336.73 | | | Negotiable |
| 335185 | | 29-NOV-12 | REACH EMPLOYEE ASSISTANCE INC | | 785.20 | | | Negotiable |
| 335186 | | 29-NOV-12 | REAL ESTATE TODAY | | 15.00 | | | Negotiable |
| 335187 | | 29-NOV-12 | REMAX | | 962.01 | | | Negotiable |
| 335188 | | 29-NOV-12 | REO ADVANTAGE | | 25.65 | | | Negotiable |
| 335189 | | 29-NOV-12 | RITE AID PHARMACY | | 240.00 | | | Negotiable |
| 335190 | | 29-NOV-12 | ROSEDALE - RIO BRAVO | | 303,243.26 | | | Negotiable |
| 335191 | | 29-NOV-12 | S&S SEEDS INC | | 163.19 | | | Negotiable |
| 335192 | | 29-NOV-12 | SANDERS PAVING INC | | 11,336.00 | | | Negotiable |
| 335193 | | 29-NOV-12 | SANTA ANA BLUE PRINT | | 2,584.35 | | | Negotiable |
| 335194 | | 29-NOV-12 | SANTA ANA CITY OF | | 49.73 | | | Negotiable |

| | | | | | |
|--------|-----------|----------------------------|--|----------|------------|
| 335195 | 29-NOV-12 | SAPETTO GROUP INC | | 1,543.75 | Negotiable |
| 335196 | 29-NOV-12 | SEPARATION PROCESSES INC | | 3,432.50 | Negotiable |
| 335197 | 29-NOV-12 | SERVER, JOSHUA | | 36.55 | Negotiable |
| 335198 | 29-NOV-12 | SHAMROCK SUPPLY CO INC | | 1,887.11 | Negotiable |
| 335199 | 29-NOV-12 | SINGH, RAMSHARAN | | 33.09 | Negotiable |
| 335200 | 29-NOV-12 | SOUTH COAST WATER DISTRICT | | 184.69 | Negotiable |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 28
 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 | | | | | | | | |
| 335201 | | 29-NOV-12 | SOUTHERN CALIFORNIA EDISON COMPANY | | 138,415.87 | | | Negotiable |
| 335202 | | 29-NOV-12 | SOUTHERN CALIFORNIA SECURITY CENTER, INC. | | 23.76 | | | Negotiable |
| 335203 | | 29-NOV-12 | SPARKLETT'S | | 282.06 | | | Negotiable |
| 335204 | | 29-NOV-12 | SS MECHANICAL CORPORATION | | 9,187.22 | | | Negotiable |
| 335205 | | 29-NOV-12 | ST. JOHN, ROBERT | | 39.56 | | | Negotiable |
| 335206 | | 29-NOV-12 | STATE WATER RESOURCES CONTROL BOARD | | 678.12 | | | Negotiable |
| 335207 | | 29-NOV-12 | STEIN, MEYER | | 23.27 | | | Negotiable |
| 335208 | | 29-NOV-12 | STEVE GIRAUD PHOTOGRAPHY, INC. | | 250.00 | | | Negotiable |
| 335209 | | 29-NOV-12 | STITT, MICHAEL | | 47.91 | | | Negotiable |
| 335210 | | 29-NOV-12 | SUN-STAR ELECTRIC LP | | 12,190.00 | | | Negotiable |
| 335211 | | 29-NOV-12 | SUNSET INDUSTRIAL PARTS | | 7,058.70 | | | Negotiable |
| 335212 | | 29-NOV-12 | T AND S LARSEN MAINTENANCE | | 400.00 | | | Negotiable |
| 335213 | | 29-NOV-12 | TAKAKURA, AKIRA | | 38.74 | | | Negotiable |
| 335214 | | 29-NOV-12 | TALBOT, EVELYN | | 33.63 | | | Negotiable |
| 335215 | | 29-NOV-12 | TAYLOR MORRISON | | 32.95 | | | Negotiable |
| 335216 | | 29-NOV-12 | TELEDYNE ISCO, INC. | | 628.97 | | | Negotiable |
| 335217 | | 29-NOV-12 | TELEDYNE LEEMAN LABS | | 459.14 | | | Negotiable |
| 335218 | | 29-NOV-12 | TENNANT, GREGORY | | 47.66 | | | Negotiable |
| 335219 | | 29-NOV-12 | TESTAMERICA LABORATORIES, INC | | 410.55 | | | Negotiable |
| 335220 | | 29-NOV-12 | TETRA TECH, INC | | 63,178.65 | | | Negotiable |
| 335221 | | 29-NOV-12 | TETRA TECH, INC | | 1,418.53 | | | Negotiable |
| 335222 | | 29-NOV-12 | TGS MANAGEMENT COMPANY LLC | | 11,985.53 | | | Negotiable |
| 335223 | | 29-NOV-12 | THYSSENKRUPP ELEVATOR | | 769.00 | | | Negotiable |
| 335224 | | 29-NOV-12 | TIC-RETAIL PROPERTIES | | 15.00 | | | Negotiable |
| 335225 | | 29-NOV-12 | TRANSCAT, INC | | 1,209.40 | | | Negotiable |
| 335226 | | 29-NOV-12 | TROPICAL PLAZA NURSERY INC | | 22,658.46 | | | Negotiable |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 29
 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 | | | | | | | | |
| 335227 | | 29-NOV-12 | TRUGREEN LANDCARE LLC | | 41,000.00 | | | Negotiable |
| 335228 | | 29-NOV-12 | UNITED PARCEL SERVICE INC | | 92.34 | | | Negotiable |
| 335229 | | 29-NOV-12 | UNITED SITE SERVICES OF CALIFORNIA INC | | 132.63 | | | Negotiable |
| 335230 | | 29-NOV-12 | UNIVERSITY OF CALIFORNIA | | 40,791.00 | | | Negotiable |
| 335231 | | 29-NOV-12 | URS CORPORATION | | 32,117.21 | | | Negotiable |
| 335232 | | 29-NOV-12 | US PEROXIDE LLC | | 12,897.04 | | | Negotiable |
| 335233 | | 29-NOV-12 | USA BLUEBOOK | | 452.93 | | | Negotiable |
| 335234 | | 29-NOV-12 | UTILITY SYSTEMS SCIENCE & SOFTWARE INC. | | 2,000.00 | | | Negotiable |
| 335235 | | 29-NOV-12 | VA CONSULTING, INC | | 5,485.00 | | | Negotiable |
| 335236 | | 29-NOV-12 | VERIZON CALIFORNIA INC | | 495.14 | | | Negotiable |
| 335237 | | 29-NOV-12 | VPSI INC | | 9,578.00 | | | Negotiable |

| | | | | |
|--------|-----------|-----------------------------------|------------|------------|
| 335238 | 29-NOV-12 | VVR INTERNATIONAL, LLC | 1,258.12 | Negotiable |
| 335239 | 29-NOV-12 | W DESIGN ASSOCIATES INC | 850.00 | Negotiable |
| 335240 | 29-NOV-12 | W.M. LYLES CO | 175,214.12 | Negotiable |
| 335241 | 29-NOV-12 | WASTE MANAGEMENT OF ORANGE COUNTY | 1,727.60 | Negotiable |
| 335242 | 29-NOV-12 | WATEREUSE ASSOCIATION | 8,624.00 | Negotiable |
| 335243 | 29-NOV-12 | WATSON HYDRAULICS INC | 759.42 | Negotiable |
| 335244 | 29-NOV-12 | WATTS, DINA | 33.69 | Negotiable |
| 335245 | 29-NOV-12 | WAXIE'S ENTERPRISES, INC | 2,379.00 | Negotiable |
| 335246 | 29-NOV-12 | WECK LABORATORIES INC | 448.50 | Negotiable |
| 335247 | 29-NOV-12 | WEST COAST SAND & GRAVEL INC. | 1,364.79 | Negotiable |
| 335248 | 29-NOV-12 | WILLIAM LYON HOMES | 184.81 | Negotiable |
| 335249 | 29-NOV-12 | WINGTIP, LLC | 4,950.50 | Negotiable |
| 335250 | 29-NOV-12 | WONDERWARE WEST | 73,336.32 | Negotiable |
| 335251 | 29-NOV-12 | WORKFLOWONE | 2,339.79 | Negotiable |
| 335252 | 29-NOV-12 | WORLDWIDE CORPORATE HOUSING, L.P. | 3,570.00 | Negotiable |
| 335253 | 29-NOV-12 | WYLAND, BRETT | 26.87 | Negotiable |
| 335254 | 29-NOV-12 | DEACON, AMOS R. PAY | 4,247.36 | Negotiable |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 30
 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 | | | | | | | | |
| 335255 | | 29-NOV-12 | Gina Jackson | HOME | 52.10 | | | Negotiable |
| 335256 | | 29-NOV-12 | ORANGE, COUNTY OF SANTA ANA | 7 | 108,212.36 | | | Negotiable |
| Payment Document Subtotal: | | | | | 8,345,893.49 | | 5,761,826.25 | |

| | | | | | | | | |
|------------------------------|--|-----------|---|--------------|------------|--|--|------------|
| Payment Document : IRWD Wire | | | | | | | | |
| 9661 | | 02-NOV-12 | YORK INSURANCE SERVICES GROUP INC - CA | PAY | 2,411.78 | | | Negotiable |
| 9662 | | 06-NOV-12 | YORK INSURANCE SERVICES GROUP INC - CA | PAY | 6,053.66 | | | Negotiable |
| 9663 | | 06-NOV-12 | CALPERS | SACRAMENTO | 318,695.76 | | | Negotiable |
| 9664 | | 14-NOV-12 | YORK INSURANCE SERVICES GROUP INC - CA | PAY | 4,730.35 | | | Negotiable |
| 9665 | | 19-NOV-12 | YORK INSURANCE SERVICES GROUP INC - CA | PAY | 7,266.79 | | | Negotiable |
| 9666 | | 21-NOV-12 | BANK OF NEW YORK MELLON TRUST COMPANY NA | NEWARK | 14,328.85 | | | Negotiable |
| 9667 | | 21-NOV-12 | SUMITOMO MITSUI BANKING CORPORATION | NEW YORK | 2,811.01 | | | Negotiable |
| 9668 | | 21-NOV-12 | U.S. BANK NATIONAL ASSOCIATION | ST. LOUIS | 9,290.30 | | | Negotiable |
| 9669 | | 21-NOV-12 | BANK OF AMERICA MERRILL LYNCH | PAY | 11,786.17 | | | Negotiable |
| 9670 | | 21-NOV-12 | INTERNAL REVENUE SERVICE | FRESNO | 135,523.40 | | | Negotiable |
| 9671 | | 21-NOV-12 | FRANCHISE TAX BOARD | SACRAMENTO | 37,323.85 | | | Negotiable |
| 9672 | | 21-NOV-12 | EMPLOYMENT DEVELOPMENT DEPARTMENT | W SACRAMENTO | 7,434.75 | | | Negotiable |
| 9673 | | 21-NOV-12 | WILLIAMS, TWYLA | PARKER | 1,158.79 | | | Negotiable |
| 9674 | | 21-NOV-12 | CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES | SACRAMENTO | 1,991.98 | | | Negotiable |
| 9675 | | 21-NOV-12 | IRWD EMPLOYEE ASSOCIATION | IRVINE | 280.00 | | | Negotiable |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 31
 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 Wire | | | | | | | | |
| 9676 | | 21-NOV-12 | EMPLOYEE BENEFIT | PAY | 10,834.26 | | | Negotiable |

| | | | | | |
|------|-----------|--|----------------------|----------------------|--------------------------|
| 9677 | 21-NOV-12 | SPECIALIST, INC GREAT WEST | DENVER | 75,618.86 | Negotiable |
| 9678 | 21-NOV-12 | CALPERS | SACRAMENTO | 75,593.32 | Negotiable |
| 9679 | 21-NOV-12 | ASSOCIATION U.S. BANK NATIONALST. LOUIS | ST. LOUIS | 250.00 | Negotiable |
| 9680 | 21-NOV-12 | SUMITOMO MITSUI BANKING CORPORAION | NEW YORK | 7,658.69 | Negotiable |
| 9681 | 21-NOV-12 | BANK OF NEW YORK MELLON TRUST | NEWARK | 5,431.63 | Negotiable |
| 9682 | 21-NOV-12 | COMPANY NA BANK OF AMERICA | PAY | 295.00 | Negotiable |
| 9683 | 21-NOV-12 | MERRILL LYNCH INTERNAL REVENUE | FRESNO | 153,615.65 | Negotiable |
| 9684 | 21-NOV-12 | SERVICE FRANCHISE TAX | SACRAMENTO | 41,690.02 | Negotiable |
| 9685 | 21-NOV-12 | BOARD EMPLOYMENT | W SACRAMENTO | 7,587.61 | Negotiable |
| 9686 | 21-NOV-12 | DEVELOPMENT DEPARTMENT | | | |
| 9687 | 21-NOV-12 | WILLIAMS, TWYLA CALIFORNIA | PARKER SACRAMENTO | 1,158.79 1,991.98 | Negotiable Negotiable |
| 9688 | 21-NOV-12 | DEPARTMENT OF CHILD SUPPORT | | | |
| 9688 | 21-NOV-12 | SERVICES IRWD EMPLOYEE | IRVINE | 370.00 | Negotiable |
| 9689 | 21-NOV-12 | ASSOCIATION EMPLOYEE BENEFIT | PAY | 11,509.26 | Negotiable |
| 9690 | 21-NOV-12 | SPECIALIST, INC GREAT WEST | DENVER | 89,852.12 | Negotiable |
| 9691 | 21-NOV-12 | CALPERS | SACRAMENTO | 76,722.95 | Negotiable |
| 9692 | 21-NOV-12 | MUNICIPAL WATER FOUNTAIN | FOUNTAIN | 1,733,630.18 | Negotiable |
| 9693 | 29-NOV-12 | DISTRICT OF ORANGEVALLEY COUNTY | | | |
| 9693 | 29-NOV-12 | YORK INSURANCE SERVICES GROUP INC | PAY | 20,186.86 | Negotiable |
| 9694 | 30-NOV-12 | - CA U.S. BANK NATIONALST. LOUIS | | 9,329.70 | Negotiable |
| 9695 | 30-NOV-12 | ASSOCIATION BANK OF AMERICA | PAY | 590.00 | Negotiable |
| 9696 | 30-NOV-12 | MERRILL LYNCH BANK OF NEW YORK | NEWARK | 902.78 | Negotiable |
| 9697 | 30-NOV-12 | MELLON TRUST COMPANY NA | | | |
| 9697 | 30-NOV-12 | INTERNAL REVENUE SERVICE | FRESNO | 137,937.37 | Negotiable |

IRWD Ledger Payment Register For 01-NOV-12 To 30-NOV-12 Report Date: 04-DEC-2012 08:39
 BANK: Bank of America N.A. Branch : Los Angeles Account: Checking AP and PR Page: 32
 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 Wire | | | | | | | | |
| 9698 | | 30-NOV-12 | FRANCHISE TAX BOARD | SACRAMENTO | 38,014.72 | | | Negotiable |
| 9699 | | 30-NOV-12 | EMPLOYMENT DEVELOPMENT DEPARTMENT | W SACRAMENTO | 6,580.77 | | | Negotiable |
| 9700 | | 30-NOV-12 | WILLIAMS, TWYLA | PARKER | 1,158.79 | | | Negotiable |
| 9701 | | 30-NOV-12 | CALIFORNIA DEPARTMENT OF CHILD SUPPORT SERVICES | SACRAMENTO | 1,991.98 | | | Negotiable |
| 9702 | | 30-NOV-12 | IRWD EMPLOYEE ASSOCIATION | IRVINE | 370.00 | | | Negotiable |
| 9703 | | 30-NOV-12 | EMPLOYEE BENEFIT SPECIALIST, INC | PAY | 10,911.18 | | | Negotiable |
| 9704 | | 30-NOV-12 | GREAT WEST | DENVER | 75,508.17 | | | Negotiable |
| 9705 | | 30-NOV-12 | CALPERS | SACRAMENTO | 75,920.41 | | | Negotiable |
| 9706 | | 30-NOV-12 | J.R. FILANC CONSTRUCTION COMPANY INC. | ESCONDIDO | 967,678.44 | | | Negotiable |
| Payment Document Subtotal: | | | | | 4,201,978.93 | | | |
| Bank Account Subtotal : | | | | | 12,547,872.42 | | 5,761,826.25 | |
| Report Count : 831 | Report Total: | | | | 12,547,872.42 | | 5,761,826.25 | |

*** End of Report ***

December 10, 2012
Prepared by: Gretchen Maswadeh
Submitted by: Janet Wells
Approved by: Paul Cook 

CONSENT CALENDAR

LONG-TERM DISABILITY COVERAGE FOR CALENDAR YEAR 2013

SUMMARY:

Staff has received renewal rates for long-term disability insurance (LTD). The District is in the second year of a three-year rate guarantee for life insurance and dependent life insurance coverage. Staff recommends that the Board authorize the General Manager to extend IRWD's current contract with Principal Financial for LTD coverage.

BACKGROUND:

Long-term disability coverage provides wage replacement to individuals who experience wage loss due to a disability lasting longer than 90 days. LTD provides cash income in the event that an employee becomes disabled through illness or injury. Employees may receive up to 66.67% of their monthly gross income, up to a maximum monthly benefit of \$10,000.00, while they are disabled. A summary of the District's current coverage is provided in Exhibit "A".

Renewal Rates:

Principal has proposed a 0% premium increase for the District's LTD premiums. The current rate of 0.42% of insured payroll will remain in place for calendar year 2013.

FISCAL IMPACTS:

Staff budgeted \$107,000 for LTD premiums for FY 2012-13. Contracting with Principal Financial for LTD coverage will result in estimated annual premiums of \$99,000, an estimated \$8,000 or 7.5% under budgeted projections.

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on December 3, 2012.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO CONTINUE TO CONTRACT FOR LONG-TERM DISABILITY COVERAGE FOR THE CALENDAR YEAR 2013 WITH PRINCIPAL FINANCIAL.

Consent Calendar – Long-term Disability Coverage for Calendar Year 2013

December 10, 2012

Page 2

LIST OF EXHIBITS:

Exhibit “A” – Summary of Long-term Disability coverage

EXHIBIT "A"

LONG TERM DISABILITY INSURANCE SUMMARY

| | | |
|--|---|---|
| Minimum Hours Requirement | Employees must be working at least 30 hours a week | |
| Who Pays for Coverage | You are not required to pay a part of the premium for insurance under the Group Policy. | |
| Elimination Period | three months | |
| Own Occupation Period | two year(s) | |
| Primary Monthly Benefit | 66 2/3% of your Predisability Earnings. | |
| Maximum Monthly Benefit | \$10,000 | |
| Minimum Monthly Benefit | \$100 | |
| Maximum Benefit Payment Period | Member's Age on The Date Disability Begins Before age 65 | Months of the Benefit Payment Period greater of 36 Months or to Social Security Normal Retirement Age |
| | 65-67 | 24 months |
| | 68-69 | 18 months |
| | 70-71 | 15 months |
| | 72 and over | 12 months |
| Rehabilitation Services and Benefits | | |
| Rehabilitation Services | Included | |
| Predisability Intervention Services | Included | |
| Other Coverage Features | | |
| Work Incentive Benefit | 12 months | |
| Survivor Benefit | three times Primary Monthly Benefit | |
| NOTE: | | |
| No premiums are required during a Long Term Disability Benefit Payment Period. | | |
| Benefits may be reduced by other sources of income and disability earnings. | | |
| Some disabilities may not be covered or may be limited under this insurance. | | |

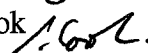
This summary provides only highlights of the Group Policy. The entire Group Policy determines all rights, benefits, exclusions and limitations of the insurance described above.

December 10, 2012

Prepared by: F. Sanchez

Submitted by: G. Heiertz

Approved by: Paul Cook



CONSENT CALENDAR

SINGLE FAMILY DIRECT INSTALL TOILET PROGRAM BID REJECTION

SUMMARY:

Staff has completed analyses of the bids received for the Single Family Direct Install Toilet Program (Program). Staff recommends that IRWD reject the bids, and that IRWD issue a request to the firms to rebid the project with clarified scope and pricing requirements.

BACKGROUND:

The Program stemmed from the successful UCI student housing retrofit pilot project. Staff had identified significant potential within the single-family sector for the replacement of old 3.5 gallon per flush toilets with the 0.8 gallon per flush Niagara Stealth Toilet that has proven performance and water savings. The 2009 data showed that approximately 25% of homes in the IRWD service area do not have 1.6 gallon per flush toilets, indicating there is still significant water savings potential from toilet retrofits. Staff applied for and was awarded a member agency grant award from Metropolitan to co-fund the project.

Staff issued a Request for Proposal (RFP) in October 2012 to ten firms to administer and implement the Program. Proposals were received from five firms; AmGreen Solutions, Sustainable Solutions, Southwest Environmental, ConServ Inc. and Bottom Line Utility Solutions. Staff evaluated the proposals and found significant disparities and lack of consistency in the pricing. It is unclear whether the prevailing wage requirement was considered by all firms, and there was no pricing provided for a second toilet installed in the same household, which would be expected to have a lower cost. In addition, the Niagara Stealth 0.8 gallon per flush toilet was specified in the RFP, and alternative products were proposed by the bidders. The Bid Summary is attached as Exhibit "A". On the advice of legal counsel, staff recommends the bids be rejected, and the firms invited to rebid the project. Staff will issue a request for the rebid with clarified information on product specifications, pricing breakdowns and requirements.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed at the Water Resources Policy and Communications meeting on December 3, 2012.

RECOMMENDATION:

THAT THE BOARD REJECT BIDS RECEIVED BY THE DISTRICT FOR THE SINGLE FAMILY DIRECT INSTALL TOILET PROGRAM, AND DIRECT STAFF TO ISSUE A REQUEST TO THE BIDDERS TO REBID THE PROJECT WITH CLARIFICATIONS TO THE SCOPE AND PRICING REQUIREMENTS.

LIST OF EXHIBITS:

Exhibit "A" – Single Family Direct Install Toilet Program Bid Summary

EXHIBIT A

Single Family Toilet Direct Install Program Bid Summary

| Item | AmGreen | Sustainable Solutions | Southwest | ConServ Inc. | Bottom Line |
|---|----------|-----------------------|-----------|--------------|-------------|
| 0.8 gpf Bowl and Tank (round or elongated not specified in bid) | | | \$315.00 | \$230.00 | \$288.04 |
| 0.8 gpf ADA Bowl and Tank | | | \$325.00 | | |
| 0.8 gpf Elongated | \$275.00 | | | | |
| 0.8 gpf Round | \$275.00 | | | | |
| Elongated Power One | \$275.00 | | | | |
| Round Power One | \$250.00 | | | | |
| Sydney Smart Tank Style HET | | \$231.43 | | | |
| Toilet Seats | | \$9.97 | \$18.50 | \$9.00 | \$19.29 |
| Showerheads | | \$7.20 | \$9.25 | \$9.00 | \$15.00 |
| Earth Showerhead | \$4.57 | | | | |
| Bi-Max Showerhead | \$10.33 | | | | |
| Sava Showerhead | \$10.25 | | | | |
| Faucet Aerator | \$0.82 | \$0.55 | \$3.50 | \$0.90 | \$5.11 |

Pricing includes all program administration, product installation, disposal of old fixtures, taxes and fees.

DB
December 10, 2012
Prepared by: J. Smyth/M. Sotrez
Submitted by: K. Burton *K.B.*
Approved by: Paul Cook *P. Cook*

CONSENT CALENDAR

KELVIN AVENUE CATHODIC PROTECTION BUDGET ADDITION AND EXPENDITURE AUTHORIZATION

SUMMARY:

Three pipeline leaks have occurred over the past five years on the domestic water pipeline loop serving the Charter Apartments on Kelvin Avenue in Irvine due to corrosion. In order to prevent further corrosion and subsequent leaks, staff recommends the installation of a cathodic protection system on the pipeline. Staff recommends specifically that the Board:

- Authorize the addition of Project 11659 in the amount of \$146,400 to the FY 2012-13 Capital Budget; and
- Approve an Expenditure Authorization in the amount of \$146,400 for the Kelvin Avenue Cathodic Protection Project 11659.

BACKGROUND:

Three pipeline leaks have occurred over the past five years on the domestic water pipeline loop serving the Charter Apartments on Kelvin Avenue in Irvine due to corrosion. In order to prevent further corrosion and subsequent leaks, V&A Consulting Engineers, Inc. was retained to design cathodic protection for the ductile iron pipeline. The project consists of installing four sacrificial anode beds, three test stations, three insulating joints, and continuity joint bonding to protect the pipeline. The design was completed in October 2012. A Location Map is provided as Exhibit "A".

Construction Award:

The project was advertised on November 2, 2012 to a select bid list of eight contractors. Five contractors attended the pre-bid meetings: Paulus Engineering, Corrpro Companies, Farwest Corrosion Control Company, Kantex Industries, and GCI Construction. The bid opening was held on November 27, 2012 with bids received from Paulus Engineering and American Construction and Supply. Paulus Engineering is the apparent low bidder with a bid of \$82,625; the Engineer's Estimate is \$82,400. A Bid Summary is attached as Exhibit "B". The contract with Paulus Engineering is within the approval limits of the General Manager.

FISCAL IMPACTS:

Project 11659 (3913) is not included in the FY 2012-13 Capital Budget. Staff requests the addition of Project 11659 (3913) to the FY 2012-13 Capital Budget and approval of an Expenditure Authorization to fund the construction as shown in the table below and in Exhibit "C".

| Project No. | Current Budget | Addition <Reduction> | Total Budget | Existing EA | This EA Request | Total EA Request |
|--------------|----------------|----------------------|--------------|-------------|-----------------|------------------|
| 11659 (3913) | \$ -0- | \$146,400 | \$146,400 | \$ -0- | \$146,400 | \$146,400 |

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was reviewed by the Engineering and Operations Committee on December 4, 2012.

RECOMMENDATION:

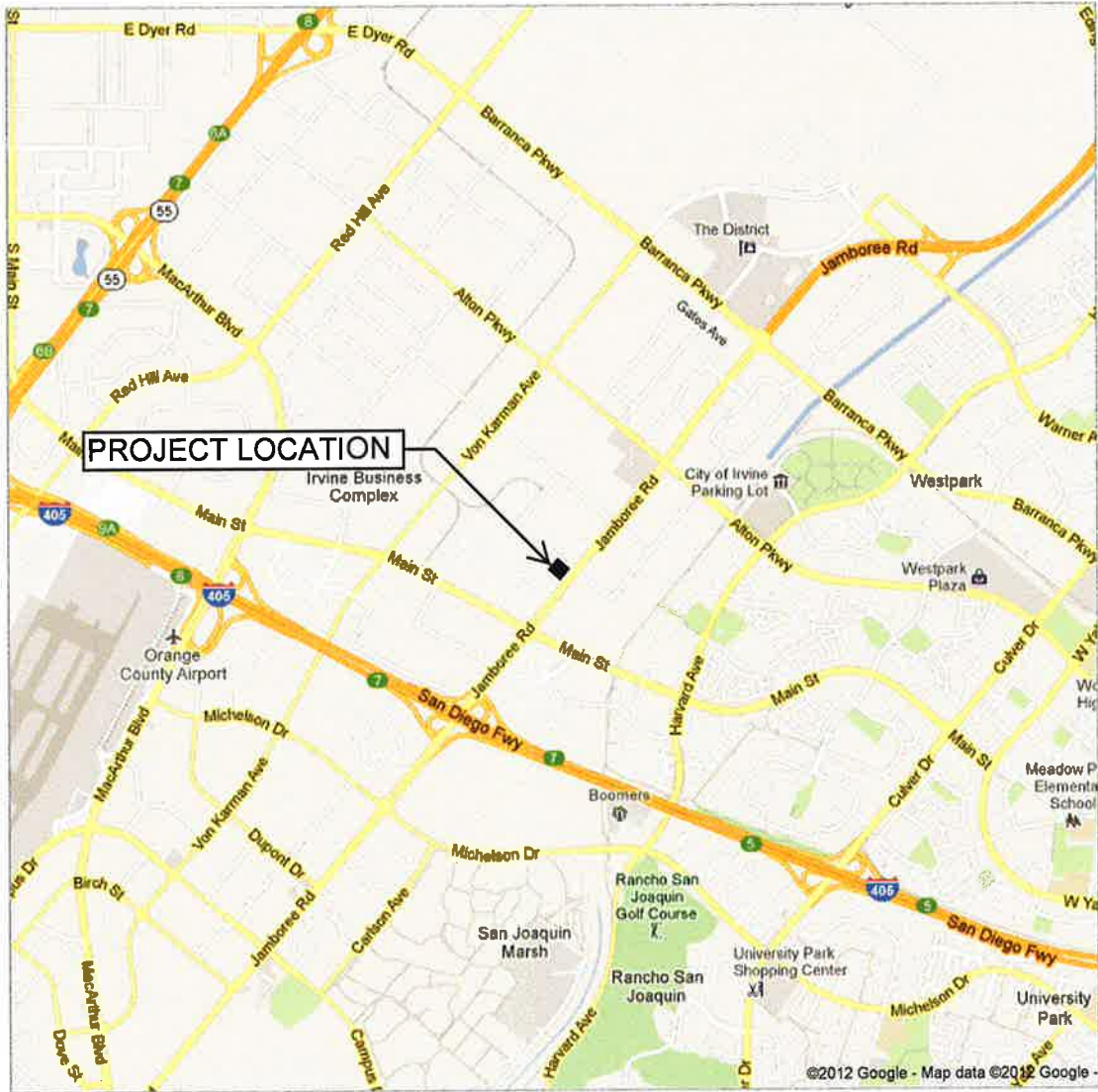
THAT THE BOARD AUTHORIZE THE ADDITION OF PROJECT 11659 (3913) IN THE AMOUNT OF \$146,400 TO THE FY 2012-13 CAPITAL BUDGET, AND APPROVE AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$146,400 FOR THE KELVIN AVENUE CATHODIC PROTECTION PROJECT 11659 (3913).

LIST OF EXHIBITS:

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

EXHIBIT A

LOCATION MAP KELVIN AVENUE CATHODIC PROTECTION



| Item No. | Description | Engineer's Estimate | | | | 1 Paulus Engineering, Inc. Anaheim, CA | | 2 American Construction & Supply Corte Madera, CA | |
|----------------------------|---|---------------------|------|------------|-----------------------------|--|------------------------------------|---|--------------|
| | | Qty | Unit | Unit | Total | Unit | Total | Unit | Total |
| | | | | Price | Amount | Price | Amount | Price | Amount |
| 1 | Mobilization, Demobilization, Cleanup and Spoil Disposal | 1 | LS | \$5,000.00 | \$5,000.00 | \$8,000.00 | \$8,000.00 | \$3,000.00 | \$3,000.00 |
| 2 | Install Cathodic Protection Test Stations per IRWD Std. Dwg. CP-1 | 3 | EA | \$4,000.00 | \$12,000.00 | \$3,300.00 | \$9,900.00 | \$5,850.00 | \$17,550.00 |
| 3 | Install bond wires across existing PVC pipe repairs. | 2 | EA | \$500.00 | \$1,000.00 | \$1,500.00 | \$3,000.00 | \$222.00 | \$444.00 |
| 4 | Install anode bed, test and structure leads, cathodic protection test box, and terminal board. | 4 | EA | \$4,500.00 | \$18,000.00 | \$4,000.00 | \$16,000.00 | \$8,637.00 | \$34,548.00 |
| 5 | Install bond wires across pipe joints and fittings within the pipe segments indicated on Construction Plan Sheet 3 per IRWD Std. Dwg. CP-9. | 23 | EA | \$150.00 | \$3,450.00 | \$550.00 | \$12,650.00 | \$111.00 | \$2,553.00 |
| 6 | Trenching and trench repairs to install bond wires across PVC pipe repairs, pipe joints, and fittings within the pipe segments indicated on Construction Plan Sheet 3 per IRWD Std. Dwg. W-17 and City of Irvine Standard Plan 223. | 154 | LF | \$75.00 | \$11,550.00 | \$80.00 | \$12,320.00 | \$286.00 | \$44,044.00 |
| 7 | Install Above Ground Insulating Joint per IRWD Std. Dwg. CP-10. | 3 | EA | \$2,000.00 | \$6,000.00 | \$2,200.00 | \$6,600.00 | \$908.00 | \$2,724.00 |
| 8 | Asphalt Repair per City of Irvine Standard Plan 223. | 1,000 | SF | \$10.00 | \$10,000.00 | \$8.00 | \$8,000.00 | \$0.50 | \$500.00 |
| 9 | Sidewalk Repair per City of Irvine Standard Plan 201. | 85 | SF | \$20.00 | \$1,700.00 | \$10.00 | \$850.00 | \$1.00 | \$85.00 |
| 10 | Curb and Gutter Repair per City of Irvine Standard Plan 200. | 70 | LF | \$30.00 | \$2,100.00 | \$64.00 | \$4,480.00 | \$0.50 | \$35.00 |
| 11 | Replace V-Gutter in kind. | 30 | LF | \$15.00 | \$450.00 | \$35.00 | \$1,050.00 | \$0.50 | \$15.00 |
| 12 | Trench Safety Measures. | 1 | LS | \$2,000.00 | \$2,000.00 | \$125.00 | \$125.00 | \$250.00 | \$250.00 |
| 13 | Startup, Testing, Commissioning, and Continuity Testing. | 1 | LS | \$4,000.00 | \$4,000.00 | \$2,700.00 | \$2,700.00 | \$6,696.00 | \$6,696.00 |
| 14 | Traffic control. | 1 | LS | \$2,000.00 | \$2,000.00 | \$2,900.00 | \$2,900.00 | \$500.00 | \$500.00 |
| 15 | Final Record Drawings. | 1 | LS | \$1,350.00 | \$1,350.00 | \$250.00 | \$250.00 | \$500.00 | \$500.00 |
| 16 | Backflow testing of the three fire pipeline double detector check and bypass meter backflow assemblies before and after insulating joint installaiton | 1 | LS | \$1,800.00 | \$1,800.00 | \$1,800.00 | \$1,800.00 | \$1,800.00 | \$1,800.00 |
| TOTAL AMOUNT OF BID | | | | | \$82,400.00 | | \$90,625.00 | | \$115,244.00 |
| Adjustment (+ or -) | | | | | \$0.00 | | -\$8,000.00 | | \$0.00 |
| Total Amount of Bid | | | | | \$82,400.00 | | \$82,625.00 | | \$115,244.00 |
| | | | | | Item Delivery Dates: | | Item Delivery Dates: | | |
| | | | | | Anodes: 15 days | | Anodes: 30 days | | |
| | | | | | Terminal Boards: 15 days | | Terminal Boards: 30 days | | |
| | | | | | Manufacturers: | | Manufacturers: | | |
| | | | | | None Listed | | None Listed | | |
| | | | | | Subcontractors: | | Subcontractors: | | |
| | | | | | None Listed | | Final Patch Paving: Hardy & Harper | | |

EXHIBIT B

IRVINE RANCH WATER DISTRICT EXHIBIT "C"

Expenditure Authorization

Project Name: KELVIN AVENUE CATHODIC PROTECTION
 EPMS Project No: 11659 EA No: 1
 Oracle Project No:
 Project Manager: CORTEZ, MALCOLM
 Project Engineer: SMYTH, JEFFREY
 Request Date: November 29, 2012

ID Split: Miscellaneous

Improvement District (ID) Allocations

| ID No. | Allocation % | Source of Funds |
|--------------|---------------|-----------------|
| 115 | 100.0 | CAPITAL FUND |
| Total | 100.0% | |

Summary of Direct Cost Authorizations

| | |
|---------------------------------------|------------------|
| Previously Approved EA Requests: | \$0 |
| This Request: | \$146,400 |
| Total EA Requests: | \$146,400 |
| Previously Approved Budget: | \$0 |
| Budget Adjustment Requested this EA: | \$146,400 |
| Updated Budget: | \$146,400 |
| Budget Remaining After This EA | \$0 |

Comments:

| Phase | This EA Request | Previous EA Requests | EA Requests to Date | This Budget Request | Previous Budget | Updated Budget | Start | Finish |
|--|------------------|----------------------|---------------------|---------------------|-----------------|------------------|-------|--------|
| ENGINEERING - CA&I IRWD | 10,000 | 0 | 10,000 | 10,000 | 0 | 10,000 | 12/12 | 6/13 |
| ENGINEERING - CA&I OUTSIDE | 30,000 | 0 | 30,000 | 30,000 | 0 | 30,000 | 12/12 | 6/13 |
| CONSTRUCTION FIELD SUPPORT | 2,500 | 0 | 2,500 | 2,500 | 0 | 2,500 | 12/12 | 6/13 |
| CONSTRUCTION | 90,000 | 0 | 90,000 | 90,000 | 0 | 90,000 | 12/12 | 6/13 |
| LEGAL | 500 | 0 | 500 | 500 | 0 | 500 | 12/12 | 6/13 |
| Contingency - 10.00% Subtotal | \$13,400 | \$0 | \$13,400 | \$13,400 | \$0 | \$13,400 | | |
| Subtotal (Direct Costs) | \$146,400 | \$0 | \$146,400 | \$146,400 | \$0 | \$146,400 | | |
| Estimated G/A - 180.00% of direct labor* | \$22,500 | \$0 | \$22,500 | \$22,500 | \$0 | \$22,500 | | |
| Total | \$168,900 | \$0 | \$168,900 | \$168,900 | \$0 | \$168,900 | | |
| Direct Labor | \$12,500 | \$0 | \$12,500 | \$12,500 | \$0 | \$12,500 | | |

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


EA Originator: _____

Department Director: _____

Finance: _____

Board/General Manager: _____

** IRWD hereby declares that it reasonably expects those expenditures marked with two asterisks to be reimbursed with proceeds of future debt to be incurred by IRWD in a maximum principal amount of \$173,000. The above-captioned project is further described in the attached staff report and additional documents, if any, which are hereby incorporated by reference. This declaration of official intent to reimburse costs of the above-captioned project is made under Treasury Regulation Section 1.150-2.

046
December 10, 2012
Prepared by: K. Lew/M. Cortez
Submitted by: K. Burton (KLB)
Approved by: Paul Cook 

CONSENT CALENDAR

MASTER REIMBURSEMENT AGREEMENT BETWEEN IRWD AND THE CITY OF LAKE FOREST FOR THE INSTALLATION OF MISCELLANEOUS FACILITIES

SUMMARY:

IRWD has historically entered into reimbursement agreements (RAs) with the cities in the District's service area to facilitate minor capital improvements, such as raising valve cans and sewer manholes to grade following a street repaving project. Based on the success of individual RAs with the City of Lake Forest (City) for the past several years, staff recommends that the Board authorize the General Manager to execute a Master Reimbursement Agreement (RA) without an expiration date with the City to facilitate these minor capital improvements.

BACKGROUND:

IRWD and the City have been successful with individual RAs for managing the City's various street rehabilitation projects. Typically included in the City's Capital Improvement Projects (CIP) are alternate bid items for raising existing sewer manhole covers and domestic and recycled water valve cans to the new pavement grade. Entering into an "umbrella"-type RA reduces the administrative work involved in preparing a separate agreement for each individual project thereby requiring review and approval by both parties. For any project with estimated costs over \$100,000, an individual RA is required.

Since the individual RAs have encountered minimal revisions over the years, and are very successful, staff agreed that it was appropriate to enter into a permanent Master RA with the City. Staff prepared the Master RA based on the same terms of past individual RAs. The Master RA allows either party to propose modifications which will require Board and City Council approval. The proposed Master RA has been reviewed by IRWD's legal counsel and is attached as Exhibit "A".

FISCAL IMPACTS:

The Raise System Valves and Raise Manholes to Grade Projects 11486 (1656), 20944 (1203), and 31486 (1268) are included in the FY 2012-13 Capital Budget. The project budgets and existing Expenditure Authorizations are sufficient.

ENVIRONMENTAL COMPLIANCE:

These projects are exempt from the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15061 (b) (3). The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

In addition, projects referenced in these agreements are exempt from CEQA as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15302 C, which provides exemption for “replacement or reconstruction involving negligible or no expansion of capacity”.

COMMITTEE STATUS:

This item was reviewed by the Engineering and Operations Committee on December 4, 2012.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE A MASTER REIMBURSEMENT AGREEMENT BETWEEN IRWD AND THE CITY OF LAKE FOREST FOR THE INSTALLATION OF MISCELLANEOUS FACILITIES.

LIST OF EXHIBITS:

Exhibit “A” – Reimbursement Agreement between IRWD and the City of Lake Forest for the Installation of Miscellaneous Facilities

EXHIBIT "A"

REIMBURSEMENT AGREEMENT
BETWEEN
IRVINE RANCH WATER DISTRICT
AND THE CITY OF LAKE FOREST
FOR THE INSTALLATION OF
MISCELLANEOUS FACILITIES

This Agreement is made and entered as of this _____ day of _____, 20____, by and between IRVINE RANCH WATER DISTRICT, a California Water District formed and existing pursuant to California Water District Law, hereinafter referred to as "IRWD," and the CITY OF LAKE FOREST, a municipal corporation, hereinafter referred to as "CITY."

W I T N E S S E T H

WHEREAS, CITY periodically undertakes street improvement projects, a number of which involve concurrent construction, modification or relocation of water, sewer and/or recycled water facilities of IRWD in the vicinity of the respective projects; and

WHEREAS, the parties have determined that for certain projects, to be mutually designated by CITY and IRWD staff (each, a "Project" and collectively, the "Projects"), it would be more efficient for CITY, rather than IRWD, to carry out the design, construction, modification or relocation of the affected water, sewer and/or recycled water facilities of IRWD ("IRWD FACILITIES") due to the particular alignment and construction scheduling of IRWD FACILITIES; and

WHEREAS, the parties desire to enter into a master reimbursement agreement covering all Projects that involve an estimated IRWD FACILITIES construction cost of less than \$100,000 per Project; and

WHEREAS, IRWD is amenable to the construction of IRWD FACILITIES by CITY at CITY's cost, which cost is to be reimbursed to CITY by IRWD as provided herein; and

WHEREAS, all IRWD FACILITIES shall be the property of IRWD in accordance with the terms and conditions hereinafter set forth;

NOW, THEREFORE, the parties hereto, in consideration of the mutual promises and covenants hereinafter set forth, DO AGREE AS FOLLOWS:

A. SELECTION OF PROJECTS

SECTION 1. CITY and IRWD shall, by consultation between their respective staffs on an as-needed basis, review all proposed CITY street improvement projects to identify each project which involves the design, construction, modification and/or relocation of IRWD FACILITIES having an estimated construction cost of under \$100,000 and which the staffs concur would be more efficiently accomplished by the CITY than IRWD. The parties agree to identify all such projects in good faith, but the identification of any project shall be subject to mutual approval. IRWD shall prepare the cost estimates for this purpose. For each project so identified and the related IRWD FACILITIES, an Addendum in the form of Exhibit "A," attached hereto and incorporated herein by this reference, shall be executed by authorized representatives of CITY and IRWD, and, upon execution, shall be deemed incorporated in this Agreement. Each project for which an Addendum is executed shall be deemed a "Project" as used herein.

SECTION 2. A Project and the related IRWD FACILITIES may be identified at any time so long as the related Addendum is executed prior to the termination of this Agreement.

SECTION 3. A Project and the related IRWD FACILITIES shall continue to be governed by the terms of this Agreement notwithstanding that actual total costs of items set forth in Section 11 exceed \$100,000 for the Project.

SECTION 4. Any CITY street improvement project which involves the construction, modification and/or relocation of the IRWD FACILITIES with an estimated construction cost over \$100,000 and for which the parties desire to have the IRWD FACILITIES constructed on a reimbursement basis shall be governed by a separate agreement.

SECTION 5. This Agreement shall not alter any other obligations which may exist between the parties relating to the allocation of costs for particular IRWD FACILITIES, such as easement rights. Costs which are the obligation of CITY or any party other than IRWD shall not be considered within the estimates of costs for purposes of identifying Projects under Section 1.

B. CONSTRUCTION AND REIMBURSEMENT

SECTION 6. The provisions of Part B shall apply separately to each individual Project included within this Agreement.

SECTION 7. CITY agrees to initiate and pursue to completion with its construction of the Project, the construction of the IRWD FACILITIES as shown on plans and specifications incorporated by reference in the Addendum for the subject Project, and IRWD agrees to cooperate with CITY with respect to the construction and schedules for completion of IRWD FACILITIES.

SECTION 8. CITY agrees that IRWD FACILITIES shall be completed pursuant to IRWD-approved plans and specifications (the "Plans and Specifications") which shall be supplied by IRWD. The Plans and Specifications shall be deemed to incorporate the applicable portions of IRWD's latest edition of "Construction Manual for the Construction of Water, Sewer, and Reclaimed Water Facilities" (the "Construction Manual"). The IRWD FACILITIES shall be contracted by CITY together with CITY's non-reimbursable work to be completed by CITY within the Project pursuant to plans prepared by CITY's design engineer.

SECTION 9. The parties agree that the construction of IRWD FACILITIES shall be included in CITY's proposed Project plans. City will award a construction contract, which may include IRWD FACILITIES, for street repairs on various CITY streets received from the lowest responsive, responsible bidder. Upon opening of bids by CITY, CITY will submit a spreadsheet summary of the bids to IRWD for review and approval. CITY agrees that the bid prices received shall be subject to the review and approval of IRWD prior to the CITY's award of a construction contract. Should IRWD reject the bid received from the lowest responsive, responsible bidder for the CITY project for IRWD FACILITIES, CITY shall proceed with its project and pave over IRWD facilities identified in the project. IRWD will be responsible for raising their facilities to an at-grade level at their expense under an encroachment permit issued by the CITY. IRWD shall have a period of ten (10) working days for review of the bid prices presented in the low bidder's proposal for the IRWD FACILITIES, and for approval or rejection of the bid prices. The total estimated construction cost for IRWD FACILITIES is as set forth in the Addendum provided, however, that the amount to be reimbursed by IRWD shall be based on the actual construction costs (as set forth in Section 11). Upon transmitting the Notice to Proceed to the Contractor, CITY shall provide IRWD with one (1) original copy of the fully executed contract documents and one (1) copy of the bid form.

SECTION 10. CITY agrees that if, during design or construction, CITY requests or initiates any revision to the Plans and Specifications that would increase the cost of the IRWD

FACILITIES, such additional costs shall be borne by CITY, and shall not be reimbursed by IRWD, except for such revision(s) and cost(s) that are determined necessary to construct IRWD FACILITIES in accordance with the Construction Manual and could not reasonably have been foreseen at the time bids were received. The cost of any such necessary and unforeseeable revisions, and the cost of any revisions requested or initiated by IRWD shall be reimbursed by IRWD as provided herein.

CITY shall promptly furnish IRWD with copies of any proposed change orders to the Project contract within five (5) working days of initiation of changed conditions to such contract, which change orders shall be subject to IRWD approval if and to the extent any of the IRWD FACILITIES are affected thereby. IRWD will review and respond to proposed change orders affecting the IRWD FACILITIES within five (5) working days of receipt by IRWD.

SECTION 11. Within thirty (30) calendar days following receipt from CITY of each monthly invoice for the portion of a design or construction progress payment attributable to IRWD FACILITIES, together with supporting documentation, IRWD shall deposit with CITY the amount of such invoice. CITY shall maintain separate costs for all bid item and change order amounts expended by CITY in relation to the IRWD FACILITIES. IRWD agrees to accept the IRWD FACILITIES when the Project, which includes the IRWD FACILITIES, has been completed, including any change orders approved by IRWD as provided in Section 10 hereof and accepted by CITY. Within sixty (60) calendar days of CITY's final acceptance of the Project, a final accounting (the "Final Accounting") of the actual cost of the bid items and change order amounts attributable to the IRWD FACILITIES, plus an administration fee equal to four percent (4%) of the actual cost of the bid items and change order amounts attributable to the IRWD FACILITIES deemed to cover costs of all items associated with surveying, compaction testing, permits, construction inspection, administration, accounting, and reproductions attributable to the IRWD FACILITIES ("COSTS"), shall be made by CITY and submitted to IRWD, accompanied by receipts and other supporting documentation. All legal costs attributable to IRWD FACILITIES will be invoiced in addition to COSTS. IRWD agrees to pay to CITY, within thirty (30) calendar days of receipt of the Final Accounting, the total amount of COSTS, less the amount previously paid by IRWD pursuant to progress payment invoices. If the amount previously paid by IRWD pursuant to progress payment invoices exceeds the COSTS as determined in the Final Accounting, CITY shall refund the difference to IRWD within thirty (30) calendar days following preparation of the Final Accounting.

SECTION 12. IRWD shall have sole and absolute discretion as to all aspects of design and construction of the IRWD FACILITIES, and IRWD shall be entitled to inspect the construction of IRWD FACILITIES as it deems necessary to assure compliance with the Plans and Specifications, including shop drawing review and/or material inspection thereof. IRWD

will promptly notify CITY of any portion of the work on IRWD FACILITIES which appears not to conform to the Plans and Specifications. The determination of IRWD as to conformity of IRWD FACILITIES with the Plans and Specifications shall be made in IRWD's sole and absolute discretion. IRWD agrees not to unreasonably withhold its approval as to such conformity. CITY shall require its contractor to construct the IRWD FACILITIES so that the IRWD FACILITIES conform to the Plans and Specifications.

SECTION 13. At the time of completion and acceptance of the IRWD FACILITIES, CITY agrees to furnish IRWD with "as-built" drawings.

SECTION 14. It is mutually agreed between the parties hereto that notwithstanding the fact that CITY shall accomplish the design or construction of the IRWD FACILITIES subject to reimbursement, IRWD FACILITIES to be completed hereunder, rights-of-way, and other privileges, shall at all times be subject to the applicable rates, rules and regulations of IRWD, as modified or amended from time to time. CITY hereby disclaims any interest in IRWD FACILITIES and by acceptance of the Project which includes the IRWD FACILITIES, transfers and assigns to IRWD any and all right, title, and interest it may have in the IRWD FACILITIES. IRWD shall own, operate and maintain the IRWD FACILITIES following acceptance thereof.

SECTION 15. CITY agrees to cause its contractor for the IRWD FACILITIES to guarantee the IRWD FACILITIES against defects in workmanship and materials for a period of one (1) year from the date of acceptance by IRWD. It is further agreed that CITY shall assume the responsibility for causing the IRWD FACILITIES to be brought or restored to full compliance with the requirements of the Plans and Specifications, including any test requirements, for any portion of the IRWD FACILITIES which during said one (1) year period are found not to be in conformance with the provisions of the Plans and Specifications. This guarantee is in addition to any and all other warranties, expressed or implied, from CITY contractors or material manufacturers with respect to the IRWD FACILITIES. The guarantee and obligations under this section shall in no way be relieved by IRWD inspection and/or approval of the IRWD FACILITIES. This section sets forth the entire agreement of CITY with respect to guarantees and warranties of the IRWD FACILITIES, but this section shall in no way limit any expressed or implied warranties of other persons with respect to the IRWD FACILITIES.

SECTION 16. CITY shall indemnify, defend and hold IRWD, its officers, agents and employees, harmless from any expense, liability or claim for death, injury, loss, damage or expense to persons or property which may arise or is claimed to have arisen during construction of the IRWD FACILITIES and prior to acceptance by IRWD, as a result of any work or action performed by CITY or on behalf of CITY, save and except to the extent such death, injury, loss,

damage or expense is determined by a court of competent jurisdiction to have been proximately caused in whole or in part by any negligence of IRWD, its officers, agents or employees or by any act or omission for which IRWD, its officers, agents or employees are liable without fault.

IRWD shall indemnify, defend and hold CITY, its officers, agents, and employees, harmless from any expense, liability or claim for death, injury, loss, damage or expense to persons or property which may arise or is claimed to have arisen either (i) as a result of any act performed by IRWD, its officers, agents, or employees, with respect to the construction of the IRWD FACILITIES, or (ii) following IRWD acceptance of the IRWD FACILITIES, with respect to maintenance and operation of the IRWD FACILITIES, save and except to the extent such death, injury, loss, damage or expense is determined by a court of competent jurisdiction to have been proximately caused in whole or in part by any negligence of CITY, its officers, agents or employees, or by any act or omission for which CITY, its officers, agents or employees are liable without fault.

SECTION 17. CITY shall cause its contractors for the construction of IRWD FACILITIES to obtain insurance coverage sufficiently broad to insure the matters set forth in this Agreement and to include IRWD as an additional insured on all insurance policies that CITY requires its contractors to provide. As evidence of such insurance coverage, CITY shall, prior to commencement of construction of the IRWD FACILITIES, provide IRWD with certificates of insurance and insurance endorsements in forms that are acceptable to IRWD.

SECTION 18. Either party shall have the right, upon written notice to the other which shall become effective five (5) working days after receipt pursuant to Section 19, to terminate any Addendum and thereby delete the respective Project from this Agreement at any time, subject to the provisions of this section. If at the request or direction of a party other than CITY, including IRWD, the IRWD FACILITIES construction is not accomplished or completed, IRWD shall remain obligated for the actual amount of any Costs incurred by CITY for the items set forth in Section 11 above to the date of termination.

C. MISCELLANEOUS

SECTION 19. Any notice or other written instrument required or permitted by this Agreement to be given to either party shall be deemed received when personally served or twenty-four (24) hours after being deposited in the U.S. Mail, postage prepaid, registered or certified and addressed as follows:

IRWD:
Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, CA 92618-3102
Attn: General Manager

CITY:
City of Lake Forest
25550 Commercentre Drive
Lake Forest, CA 92630
Attn: Director of Public Works

SECTION 20. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of CITY and IRWD. This Agreement constitutes the entire Agreement between CITY and IRWD and supersedes all prior understandings and Agreements between the parties with respect to the subject hereof. This Agreement may be modified only in writing, signed by both parties hereto.

SECTION 21. In the event of any declaratory or other legal or equitable action instituted between CITY and IRWD in connection with this Agreement, the prevailing party shall be entitled to recover from the losing party all of its costs and expenses, including court costs and reasonable attorneys' fees.

SECTION 22. Any approval required to be given by either party pursuant to this Agreement, shall be deemed given if no response to the party's request for such approval is received by the requesting party within fifteen (15) working days following the request for such approval.

SECTION 23. Either party may terminate this Agreement by giving the other party sixty (60) calendar days' prior written notice. This Agreement shall continue in effect until either party exercises such right to terminate.

SECTION 24. In the event of the termination of this Agreement, the provisions of Parts B and C of this Agreement shall survive and remain in effect with respect to any Project until the completion of construction and reimbursement of the Costs of the related IRWD FACILITIES. The provisions of Sections 15 and 16 shall survive the termination of this Agreement or the applicable Addendum.

SECTION 25. The persons executing this Agreement on behalf of each party warrant that he/she is duly authorized to execute and deliver this Agreement on behalf of the respective party for whom he/she signs, and that by so executing this Agreement, each party is bound by the provisions of this Agreement.

SECTION 26. If any term, provision, covenant or condition of this Agreement is held to be invalid, void or otherwise unenforceable, to any extent, by any court of competent jurisdiction, the remainder of this Agreement shall not be affected thereby, and each term, provision, covenant or condition of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

SECTION 27. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the parties to the Agreement have executed this Agreement on the date hereinabove written.

IRVINE RANCH WATER DISTRICT

By _____
General Manager

Dated _____

ATTEST:

By _____
Secretary/Assistant Secretary

Dated _____

APPROVED AS TO FORM:

By _____
Legal Counsel,
Irvine Ranch Water District

Dated _____

CITY OF LAKE FOREST

By _____
Mayor

Dated _____

APPROVED AS TO FORM:

By _____
City Attorney

Dated _____

EXHIBIT A
[Form of Addendum]

ADDENDUM

NO. _____
TO

REIMBURSEMENT AGREEMENT BETWEEN
IRVINE RANCH WATER DISTRICT AND THE CITY OF LAKE FOREST
FOR THE INSTALLATION OF MISCELLANEOUS FACILITIES

By execution of this Addendum, the parties agree that the following Project has been identified pursuant to Section 1 of the agreement dated _____, 20____, entitled "REIMBURSEMENT AGREEMENT BETWEEN IRVINE RANCH WATER DISTRICT AND THE CITY OF LAKE FOREST FOR THE INSTALLATION OF MISCELLANEOUS FACILITIES (the "Agreement") and that such Project and the below-specified IRWD FACILITIES shall be covered by the Agreement.

Project: _____

_____ (depicted on
Exhibit "1" attached and incorporated in this Addendum)

IRWD FACILITIES (type, diameter, approximate linear feet, PR Nos., etc.): _____

_____ (depicted on
the plans and specifications incorporated by reference in this Addendum)

Estimated cost of IRWD FACILITIES: \$ _____

IN WITNESS WHEREOF, the parties to the Agreement have executed this Addendum.

IRVINE RANCH WATER DISTRICT

By _____
General Manager

Dated _____

CITY OF LAKE FOREST

By _____
Mayor

Dated _____

December 10, 2012

Prepared by: K. Lew/M. Cortez

Submitted by: K. Burton

Approved by: Paul Cook

CONSENT CALENDAR

PLANNING AREA 9B (STONEGATE) BUDGETS, EXPENDITURE AUTHORIZATIONS, AND CHANGE ORDERS

SUMMARY:

Irvine Community Development Company (ICDC) is proceeding with Planning Area 9B (Stonegate) development including the Jeffrey Road Improvements and Phase 2 Backbone Street Improvements. As part of the development projects, ICDC will design and construct IRWD's domestic water, sewer, and recycled water capital facilities under a Supplemental Reimbursement Agreement. Staff recommends that the Board:

- Authorize the addition of Projects 30389, 30384, and 21125 to the FY 12-13 Capital Budget in the amounts of \$777,700, \$486,200, and \$238,700, respectively;
- Authorize a budget decrease in the amount of \$770,000, from \$3,499,100 to \$2,729,100 for Project 30422;
- Approve Expenditure Authorizations for Projects 10423, 30422, 30389, 30384, and 21125 in the amounts of \$720,500, \$2,376,000, \$777,700, \$486,200, and \$238,700, respectively; and
- Approve design change orders in the amounts of \$120,935, \$44,589, and \$33,997 to the Reimbursement Agreement with ICDC for Planning Area 9B Jeffrey Road IRWD Capital Facilities, Projects 10423, 30422, and 30389.

BACKGROUND:

IRWD and ICDC have had a Reimbursement Agreement (RA) for design and construction of IRWD capital facilities in place since May 1997. Under this RA, a Supplemental Reimbursement Agreement serves to define the improvements to be designed and constructed within a specific planning area as well as the estimated reimbursable costs.

A Supplemental Reimbursement Agreement was previously approved on February 2, 2003 for all IRWD capital facilities within Planning Area 9. All required IRWD capital improvements are documented in the Planning Area 9B and 9C Sub-Area Master Plan Updates, dated March 2010 and April 2012, prepared by Stantec. The improvements are shown in Exhibit "A".

Jeffrey Road Pipelines:

In November 2006, the Board authorized the Jeffrey Road capital pipeline design. The selected consultant was Penco Engineering (Penco). Over the past six years, the project has been put on hold two times due to the economic slow down and has undergone several updates to current IRWD design standards. Southern California Edison (SCE) has installed two 66kV transmission facilities along the project area, resulting in an extensive coordination and potholing effort and multiple redesigns to accommodate SCE's recent construction. A summary of the project design costs is provided in the Staff Report attached as Exhibit "B" and Penco's change orders are

Consent Calendar: Planning Area 9B (Stonegate) Budgets, Expenditure Authorizations, and Change Orders

December 10, 2012

Page 2

provided as Exhibit "C". Staff is requesting approval of design Change Orders 4, 5, and 6 in the amounts of \$120,935, \$44,589, and \$33,997, respectively, for the Jeffrey Road Pipelines project.

The Jeffrey Road Pipelines project includes construction of approximately 5,000 lineal feet of 12-inch Zone 3 domestic water pipeline, 2,700 lineal feet of 36-inch Zone A recycled water pipeline, 2,700 lineal feet of 36-inch Syphon pipeline, 4,800 lineal feet of 16-inch Zone B recycled water pipeline, and 1,400 lineal feet of 6-inch, 12-inch, and 20-inch Zone C recycled water pipelines. ICDC received seven bids and the low bidder for the IRWD work was Sully Miller with a bid of \$2,814,246; the engineer's estimate was \$3,721,220. The Bid Summary is shown as Exhibit "D". Sully Miller made an error in their bid and was determined to be a non-responsive bidder. ICDC requested IRWD's concurrence of awarding the contract to the second lowest bidder, Leatherwood Construction (Leatherwood), with a bid of \$2,825,570. Leatherwood's bid had no irregularities and staff concurs with ICDC's recommendation to award the construction contract to Leatherwood. ICDC also received proposals from SAIC, Kling, and VA Consulting for construction support services and staff concurs with the selections.

A summary of the Jeffrey Road Pipelines costs is shown below:

| | |
|--------------------------------------|---------------------|
| Design Engineering (Penco) | \$ 532,470.00 |
| Construction (Leatherwood) | \$2,825,570.00 |
| Construction Engineering (SAIC) | \$ 51,951.00 |
| Construction Geotechnical (Kling) | \$ 12,170.00 |
| Construction Staking (VA Consulting) | \$ 17,200.00 |
| ICDC Administration Fee (1%) | <u>\$ 28,255.70</u> |
| | \$3,467,616.70 |

Stonegate Phase 2 Backbone Facilities:

Phase 2 Backbone Facilities include construction of approximately 1,300 lineal feet of 12-inch sewer, 1,000 lineal feet of 36-inch Syphon lateral pipeline, and 1,000 lineal feet of 6-inch recycled water pipeline. ICDC received four bids and the low bidder for the IRWD work was Clearwater Pipeline (Clearwater) with a bid of \$401,078.45; the engineer's estimate was \$517,248. The Bid Summary is shown as Exhibit "E". ICDC requested IRWD's concurrence of awarding the contract to Clearwater. Clearwater's bid had no irregularities and staff concurs with ICDC's recommendation to award the construction contract to Clearwater. ICDC also received proposals from Hunsaker, Kling, and RBF Consulting for construction support services and staff concurs with the selections.

A summary of the Stonegate Phase 2 Backbone costs is shown below:

| | |
|---------------------------------------|--------------------|
| Design Engineering (Hunsaker) | \$ 51,736.00 |
| Construction (Clearwater) | \$401,078.45 |
| Construction Engineering (Hunsaker) | \$ 6,150.00 |
| Construction Geotechnical (Kling) | \$ 4,880.00 |
| Construction Staking (RBF Consulting) | \$ 3,500.00 |
| ICDC Administration Fee (1%) | <u>\$ 4,010.78</u> |
| | \$471,355.23 |

Consent Calendar: Planning Area 9B (Stonegate) Budgets, Expenditure Authorizations, and Change Orders

December 10, 2012

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FISCAL IMPACTS:

Projects 10423 (1519) and 30422 (1024) are included in the FY 2012-13 Capital Budget. Staff is requesting to add Projects 30389 (4176), 30384 (3942), and 21125 (3844) to the FY 2012-13 Capital Budget. Approval of Expenditure Authorizations is requested in the amounts shown in the table below and in Exhibit "F".

| Project No. | Current Budget | Addition <Reduction> | Total Budget | Existing EA | This EA Request | Total EA Request |
|--------------|----------------|----------------------|--------------|-------------|-----------------|------------------|
| 10423 (1519) | \$1,755,600 | \$-0- | \$1,755,600 | \$265,100 | \$720,500 | \$985,600 |
| 30422 (1024) | \$3,499,100 | <\$770,000> | \$2,729,100 | \$353,100 | \$2,376,000 | \$2,729,100 |
| 30389 (4176) | \$-0- | \$777,700 | \$777,700 | \$-0- | \$777,700 | \$777,700 |
| 30384 (3942) | \$-0- | \$486,200 | \$486,200 | \$-0- | \$486,200 | \$486,200 |
| 21125 (3844) | \$-0- | \$238,700 | \$238,700 | \$-0- | \$238,700 | \$238,700 |
| Total | \$5,254,700 | \$732,600 | \$5,987,300 | \$618,200 | \$4,599,100 | \$5,217,300 |

ENVIRONMENTAL COMPLIANCE:

The construction of the capital facilities for Planning Area 9B is subject to the California Environmental Quality Act (CEQA) and in conformance with the California Code of Regulations Title 14, Chapter 3, Article 7, an Environmental Impact Report, SCH #2001051010, was certified by the lead agency, the City of Irvine, the lead agency for this project on March 25, 2002.

COMMITTEE STATUS:

This item was reviewed by the Engineering and Operations Committee on December 4, 2012.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE ADDITION OF PROJECTS 30389 (4176), 30384 (3942), AND 21125 (3844) TO THE FY 2012-13 CAPITAL BUDGET IN THE AMOUNTS OF \$777,700, \$486,200, AND \$238,700, RESPECTIVELY; AUTHORIZE A BUDGET DECREASE IN THE AMOUNT OF \$770,000, FROM \$3,499,100 TO \$2,729,100 FOR PROJECT 30422 (1024); APPROVE EXPENDITURE AUTHORIZATIONS FOR PROJECTS 10423 (1519), 30422 (1024), 30389 (4176), 30384 (3942), AND 21125 (3844) IN THE AMOUNTS OF \$720,500, \$2,376,000, \$777,700, \$486,200, AND \$238,700, RESPECTIVELY; AND APPROVE DESIGN CHANGE ORDERS IN THE AMOUNTS OF \$120,935, \$44,589, AND \$33,997 TO THE REIMBURSEMENT AGREEMENT WITH THE IRVINE COMMUNITY DEVELOPMENT COMPANY FOR PLANNING AREA 9B JEFFREY ROAD IRWD CAPITAL FACILITIES, PROJECTS 10423 (1519), 30422 (1024), AND 30389 (4176).

Consent Calendar: Planning Area 9B (Stonegate) Budgets, Expenditure Authorizations, and
Change Orders

December 10, 2012

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LIST OF EXHIBITS:

Exhibit "A" – Project Location Maps

Exhibit "B" – Staff Report – Summary of Design Change Orders

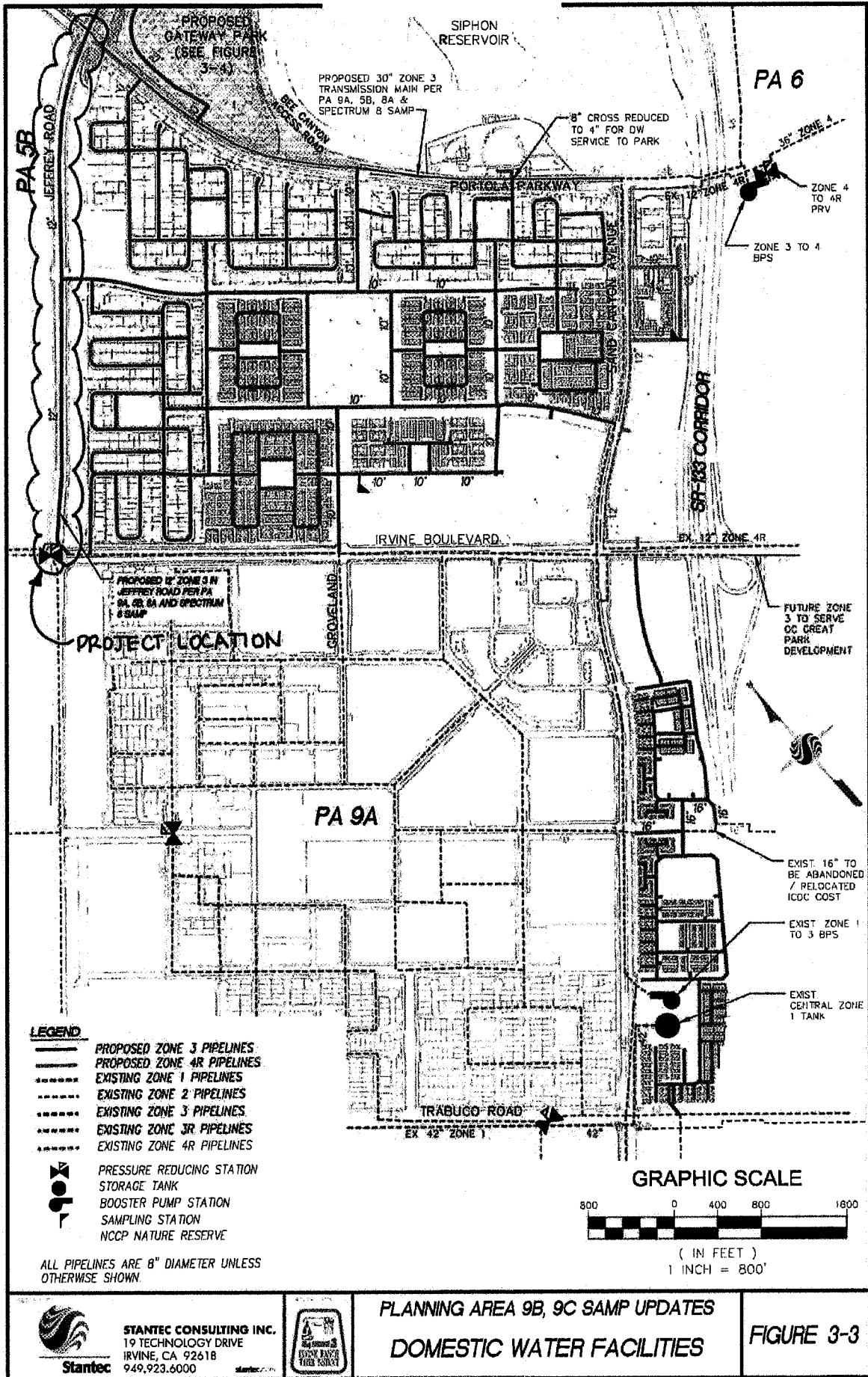
Exhibit "C" – Penco's Change Orders 4, 5, and 6

Exhibit "D" – Jeffrey Road Pipelines Bid Summary

Exhibit "E" – Stonegate Phase 2 Backbone Bid Summary

Exhibit "F" – Expenditure Authorizations

EXHIBIT "A"

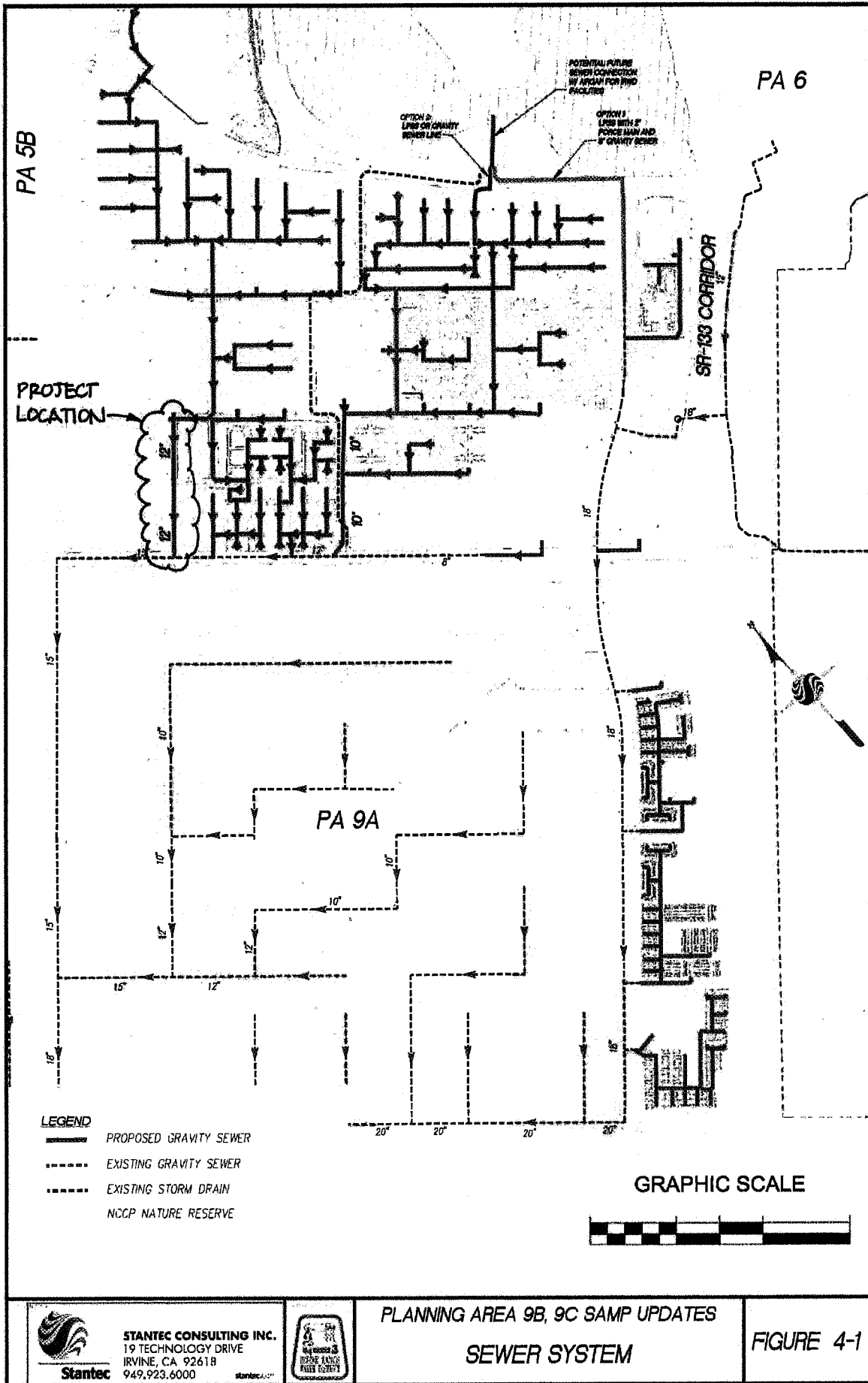


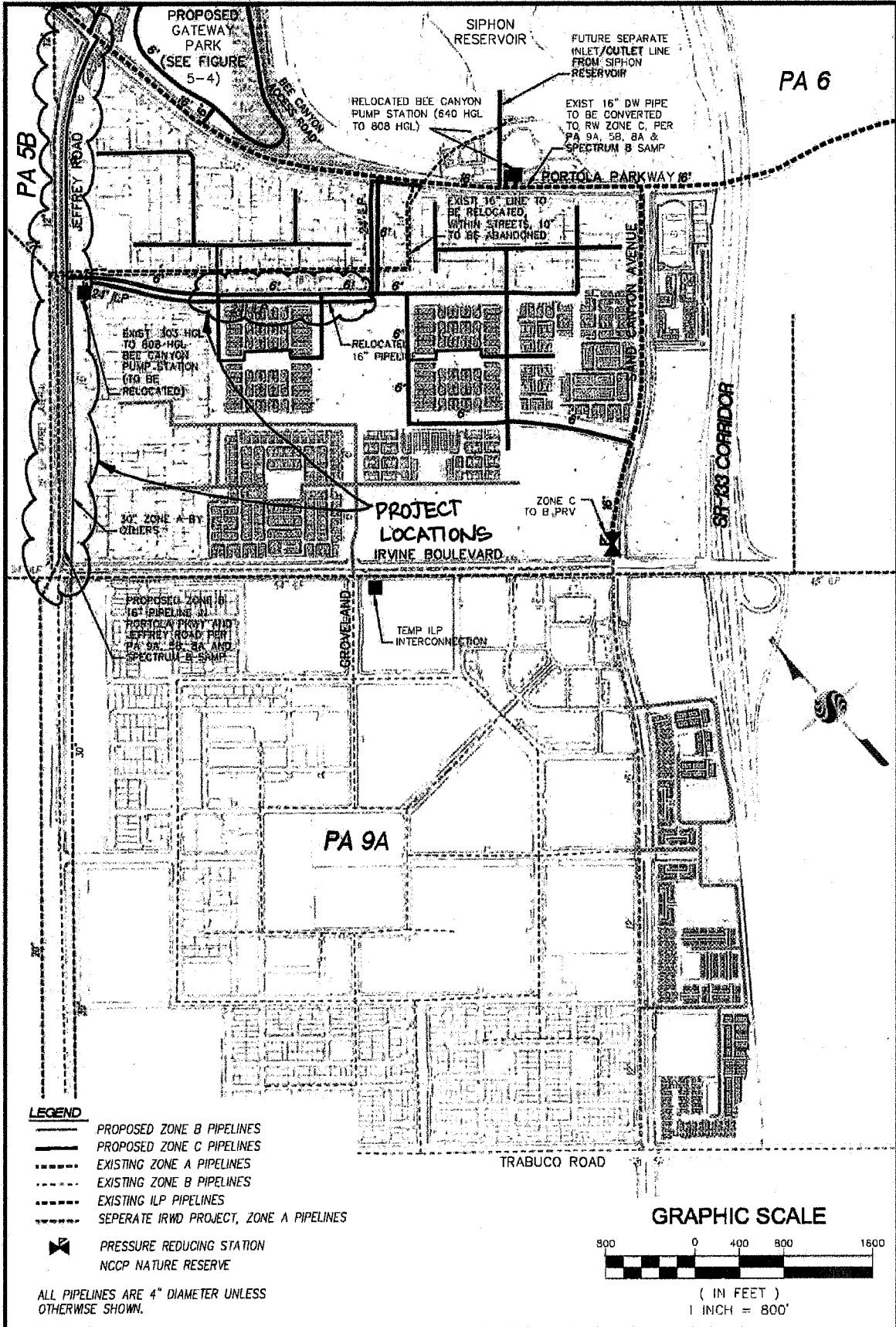
STANTEC CONSULTING INC.
19 TECHNOLOGY DRIVE
IRVINE, CA 92618
949.923.6000



PLANNING AREA 9B, 9C SAMP UPDATES
DOMESTIC WATER FACILITIES

FIGURE 3-3





STANTEC CONSULTING INC.
19 TECHNOLOGY DRIVE
IRVINE, CA 92618
949.923.6000



PLANNING AREA 9B, 9C SAMP UPDATES
NON-POTABLE WATER

FIGURE 5-3

EXHIBIT "B"

Staff Report

Planning Area 9B (Stonegate) Jeffrey Road Pipelines Summary of Penco's Design Change Orders

| Contract No. | Date | Description | Amount | Status |
|--------------|----------|--|-----------|---------------------|
| Original | Nov 2006 | The original design contract was authorized in November 2006. The project was put on hold in September 2007. | \$209,518 | Approved |
| CO No. 1 | Apr 2011 | Project was restarted in April 2011. The 12-inch domestic water pipeline was realigned to avoid the bike lane. Plans were updated to current IRWD standards. | \$32,585 | Approved |
| CO No. 2 | Feb 2012 | The plans were revised to incorporate IRWD requested design changes and to coordinate with SCE design plans. The revisions included: <ul style="list-style-type: none">• Upsizing the Zone B pipeline from 16" to 36"• Revising the 30" Zone A pipeline to connect to the 36" Syphon pipeline• Evaluating alternatives for the valve vaults• Extending the 12" Zone 3 pipeline to connect to a new pipeline at Encore• Multiple pipeline alignment revisions to coordinate with SCE design plans | \$83,146 | Approved |
| CO No. 3 | May 2012 | Provided a field survey of the horizontal alignment of two SCE 66 kV transmission facilities recently installed along the project area. | \$7,700 | Approved |
| CO No. 4 | Jun 2012 | The field survey performed under CO No. 3 determined that SCE did not construct their facilities per plan and there were significant impacts to IRWD's proposed pipelines. Penco coordinated with SCE to identify conflicts. Multiple design revisions were required due to conflicts with SCE facilities including: <ul style="list-style-type: none">• Revising the 16" Zone B pipeline design• Revising the 30" Zone A pipeline design• Revising the 6" Zone C pipeline design Additional work was performed including: <ul style="list-style-type: none">• Relocating the 20" Jeffrey Lateral RW main to avoid conflict with a traffic signal pole• Redesigning the 12" Zone 3 pipeline due to a conflict with an existing gas line• Preparing easements and meter relocation coordination• SCE informed us that their facilities were not constructed at standard depth and varied between 3 to 9 feet in depth. Penco developed a pothole plan and performed 45 potholes at critical locations (cost of \$48,023) | \$120,935 | Currently requested |

| Contract No. | Date | Description | Amount | Status |
|---------------------|-------------|--|------------------|---------------------|
| CO No. 5 | Jul 2012 | The plans were revised to incorporate IRWD requested revisions including: <ul style="list-style-type: none"> • Adding a 12" Zone B recycled water lateral to serve future PA 5B development • Upsizing the 30" Zone A recycled water pipeline to 36" based on updated planning information • Eliminating the 6" Zone C recycled water pipeline by utilizing the existing 12" ILP main (this change resulted in a construction cost saving of approximately \$150,000) • Revising the 12" Zone 3 domestic water pipeline to add a lateral to serve future PA 5B development | \$44,589 | Currently requested |
| CO No. 6 | Aug 2012 | Received information from potholing performed under CO No. 4. Adjusted plan and profiles for all pipelines to eliminate conflicts with verified utilities. | \$33,997 | Currently requested |
| TOTAL | | | \$532,470 | |

CHANGE NO.: 4
DATE: June 27, 2012

**POTENTIAL CHANGE OF WORK ACKNOWLEDGEMENT & VALUE
(FOR IRWD CAPITAL IMPROVEMENTS)**

The purpose of this form is to acknowledge a change in work for the intent of reimbursement of costs. Upon acceptance a change order will be issued.

IRWD P.O. No.: _____ ICDC Original Contract #: 4500034113
ICDC Original SAP PO #: _____
ICDC SAP CO PO #: _____
Owner: Irvine Community Development Company
Consultant: Penco Engineering
Sewer
Domestic Water
Reclaim Water
Other
Design Engineer: _____
IRWD Mgr. Jeff Staneart *KELLY LEW*

Project Description: PA 9B

PART A - POTENTIAL CHANGE OF WORK:

Plan Revision Required: YES NO **Estimated Cost:** N/A

Change Initiated By: IRWD

Work Description: As described on attached work order

1. Submitted by: Jamie Yoshida

In IRWD's opinion the aforementioned work **does** **does not** qualify as a potential change in work.

2b. IRWD comments (required if representative does not concur with the potential change):

2c. Reviewed by: Kelly Lew 11/1/12
IRWD Representative / Date

3. Received and Recorded by: _____
Owner Representative / Date

PART B - CHANGE OF WORK VALUE: \$ 120,935.00

Detailed Backup Attached
1. Submitted by: Jamie Yoshida / Date

2. Recommended by: KAL KLB / Date
IRWD Representative / Date



PENCO Engineering, Inc.

Civil Engineering
Planning
Surveying

"Client Success is Our Success"

Revised June 20, 2012

Revised June 11, 2012

Revised May 22, 2012

May 14, 2012

Planning Area 9B

Contract No. 4500034113

PENCO Engineering, Inc. Job No. 1790.25

Mr. Jamie Yoshida

THE IRVINE COMPANY

550 Newport Center Drive

Newport Beach, CA 92658

RE: ADDENDUM FOR ADDITIONAL ENGINEERING SERVICES RELATED TO THE 66KV LINES IN JEFFREY ROAD AND PROPOSED WATER LINES

Dear Mr. Yoshida:

This addendum is provided in response to additional field information obtained related to the new SCE lines that have been installed, coordination with the traffic signals at Encore and Jeffrey, as well as comments from IRWD. A summary, provided by SAIC, is provided below.

SCE recently installed two 66kv electrical duct banks and associated vault structures on the west side of Jeffrey Road between Irvine Blvd and Portola Parkway. SAIC has reviewed vertical and horizontal as-built information on the SCE infrastructure and identified horizontal and vertical conflicts with the domestic and recycled water lines based on this as-built information. This task authorization covers the design plan revisions that will be required as a result of identified horizontal and vertical conflicts with the existing SCE facilities.

In addition, proposed traffic signal pole locations on the west side of the Jeffrey Encore intersection result in conflicts with existing IRWD recycled water lines. SAIC has coordinated with IRWD on solutions to remove/relocate the existing recycled water mains to avoid proposed conflicts. This task authorization covers the design plan revisions that will be required as a result of identified horizontal alignment conflicts with the existing IRWD recycled water facilities.

SAIC has received the IRWD plan review of the revised Jeffrey Road Plans. As a result of this plan review, IRWD has requested that a proposed 30" valve vault be modified and relocated closer to the center median due to its currently proposed proximity to a proposed storm drain on the east side of Jeffrey Road. SAIC prepared two alternatives to accomplish this revisions and presented them to IRWD to review. IRWD has indicated that Alternative #2 is their preferred method for relocation of the valve vault. To accomplish this revision, the proposed 6" Zone C recycled water main will need to be shortened, revised in horizontal alignment and two proposed recycled water services relocated. The valve vault detail will need to be revised to reflect a mirror image of the current vault configuration. The 30" Zone A Recycled water

INLAND EMPIRE

255 E. Rincon Street, Suite 325
Corona, CA 92879
951-736-2040 • Fax 951-736-5292

IRVINE

16842 Von Karman Avenue, Suite 150
Irvine, CA 92606
949-262-9111 • Fax 949-262-0775

LONG BEACH

100 Oceangate, Suite 1120
Long Beach, CA 90802
562-264-1111 • Fax 562-264-1101

main will also be realigned horizontally based on the revised valve vault location. A copy of Alternative 2 is attached for reference.

The horizontal alignment of the proposed 6" Zone C Recycled Water Main will need to be adjusted to avoid a recently constructed 8" medium pressure gas line stub at Jeffrey and Portola Parkway. The current plan and profile of the 6" Zone C Recycled Water Main will need to be revised. In addition the current connection detail will need to be revised to reflect separate connection points along the existing 16" main in Portola to accommodate the revised 6" Zone C realignments.

The proposed Scope and Fees are as follows:

- 1. PENCO Engineering review and coordinate with SCE, SAIC, ICDC, and The Irvine Company agricultural regarding the Proposed Waterlines** **\$25,180.00**

Review and coordinate with SAIC the results of the impact of the survey of the horizontal alignment of the SCE trenches on their design of the new water lines. Coordinate with SAIC, ICDC, and The Irvine Company agricultural personnel regarding the existing and proposed water systems. Coordinate and revise plans accordingly.
- 2. Easement Preparation for Relocated 10" Water Meter at Encore (west side of Jeffrey Road)** **\$1,970.00**

PENCO shall prepare metes and bounds legal description, exhibit plat and a traverse closure sheet for the grant of an easement to IRWD for the relocated 10" Water Meter (for TIC Agricultural use).
- 3. Easement Preparation for relocated 30" recycled water main (Zone A) at Encore (west side of Jeffrey Road)** **\$1,970.00**

PENCO shall prepare metes and bounds legal description, exhibit plat and a traverse closure sheet for the grant of an easement to IRWD for the relocated 30" recycled water line.
- 4. Pothole Plan** **\$2,790.00**

PENCO shall coordinate with SAIC to develop a pothole plan (see attached) to address additional potholes for new and relocated utilities. Based on the results, PENCO shall make the appropriate adjustments to utility base files, street improvement plans and storm drain plan and profiles.
- 5. Update Pothole Exhibit** **\$45,233.00**

PENCO shall coordinate with SAF-r-DIG Utility Surveys, Inc. to provide potholing services for potholes required by SAIC. This task includes preparation of an exhibit of the pothole results and survey of the potholes by the PENCO Survey Dept. This fee includes SAF-r-DIG fees for their services. Note that two quotes (see attached) were obtained for potholing services – one from Kana (\$44,675 for 33 potholes)) and one from SAF-r-Dig (\$58,490 for 65 potholes). This task assumes using Saf-r-Dig for the contractor. The quote provided by SAF-r-DIG was for 65 total potholes of which 45 were at SAIC's request. The overall cost for the potholing (\$58,490) has been prorated $45/65 \times \$8,490 = \$40,493$. Note that Saf-r-Dig includes obtaining an encroachment permit from the City of Irvine.

6. Initial Processing for Encroachment Permit for SAIC Water Plans \$1,550.00

PENCO shall submit SAIC's plans (and any subsequent revisions during the original approval process with IRWD) to the City of Irvine for review. This is the initial step in obtaining an encroachment permit from the City. Once SAIC's plans are approved by IRWD, the contractor will take that set of plans to the City for the actual encroachment permit.

7. Existing 8" Gas Line and 6" Recycled Water at Portola Pkwy Coordination \$930.00

PENCO shall coordinate with SAIC and Moran regarding the existing 8" medium pressure gas line and proposed 6" recycled water line to come up with an alignment for the new 6" recycled water line. PENCO shall make the appropriate adjustments to utility base files.

8. Irrigation Meter Coordination \$1,240.00

PENCO shall coordinate with Kai Yang at Valleycrest and Kristen Whatley at SAIC to locate the irrigation water meters for Jeffrey medians and parkway and the Jeffrey Open Space Trail (JOST).

Total Fee (PENCO): \$80,863.00

9. SAIC Revisions to water plans based on SCE As-Builts, IRWD comments, coordination with ICDC, traffic signal and dry utility consultants

Task 1 – Recycled Water Plan Redesign & Updates

Task 1.1 Revise Plan and Profile of 16" Zone B Recycled Water Main

SAIC will revise the plan and profile of approximately six sheets of the 16" Zone B Recycled Water Main plans to address horizontal and vertical conflicts that were identified with the existing SCE 66kv electrical duct banks and associated vault structures. In addition, revisions to the alignments will be made to accommodate IRWD's request to protect in place an existing 24" Zone A recycled water main that was previously proposed to be abandoned.

Task 1.2 Revise Plan and Profile of 30" Zone A Main and Connection Detail

SAIC will propose alternatives and coordinate with IRWD to relocate the 30" Zone A Recycled Water Main Valve Vault closer to the median as requested by IRWD under Alternative 2. SAIC will revise the plan and profile of one sheet of the 30" Zone A Recycled Water Main plans to modify the location of the proposed valve vault and connection to the existing 27" Zone A Recycled Water Main. Additional plan and profile will be required to extend a newly proposed 30" Recycled Water Main from the currently proposed 21" connection location to the newly proposed 27" connection location. Cost excludes easement documentation to extend 30" main across private property. In addition, the plans will be modified to show capping and abandonment/removal of the existing 21" Zone A Recycled Water Main through the intersection of Encore and to approximately 100' south of the proposed SW curb return. The connection detail will also need to be revised to reflect connection to the existing 27" Zone A Recycled Water Main.

Task 1.3 Revise Plan and Profile of 6" Zone C Recycled Water Main

SAIC will revise the plan and profile of one sheets of the 6" Zone C Recycled Water Main plans to shorten the length of the proposed main and relocate proposed meters south of Encore to accommodate a revision to the proposed location of the 30" Zone A Recycled Water Main Valve Vault under Alternative 2. SAIC will revise the current plan and profile of one sheet of the 6" Zone C Recycled Water Main plans to eliminate an existing gas main stub conflict. SAIC will revise current connection detail to reflect separate connection points along the existing 16" main in Portola. Additional plan and profile re-stationing will be required for the balance of the 6" Zone C Recycled Water Main design after the plan and profile revisions have been completed.

Task 1.4 Create New Plan and Profile to Relocate Existing 20" IRWD Jeffrey Rd Lateral Recycled Water Main Design

Due to the traffic signal pole conflicts identified with the existing 20" IRWD Jeffrey Road Lateral a section of 20" main will need to be relocated. SAIC will complete as-built and field research to identify the new connection point along the existing 27" Zone A RW main. SAIC will prepare a plan and profile and necessary connection details to relocate the existing line into the proposed bike lane. In addition, the plans will indicate capping and abandonment/removal of the existing 20" IRWD Jeffrey Road Lateral Recycled Water Main through the proposed traffic signal pole foundation location at the intersection of Encore near the proposed SW curb return.

Task 2 – Coordination and Meetings

SAIC anticipates additional coordination and meetings with Penco, IRWD, and ICDC on the plan and connection detail revisions reviewed above.

Task 3 – Updates to Technical Specifications and Cost Estimates

SAIC will update current draft technical specifications and cost estimates to reflect the revisions indicated in Tasks 1.1 -1.4.

Schedule

It is anticipated the additional design will be completed within a month, not including IRWD and ICDC review and approval.

Fee for Services

| | |
|---|----------------|
| 1. Recycled Water Plan Redesign and Updates | |
| 1.1 Revise Plan and Profile of 16" Zone B Main | \$9,627 |
| 1.2 Revise Plan and Profile of 30" Zone A Main and Connection Detail at Encore | \$9,632 |
| 1.3 Revise Plan and Profile of 6" Zone C Main | \$6,421 |

| | |
|---|---------|
| 1.4 Prepare Plan and Profile to Relocate of 20" Jeffrey Rd Lateral Main | \$6,477 |
| 2. Coordination and Meetings | \$5,661 |
| 3. Update Technical Specifications | \$2,254 |

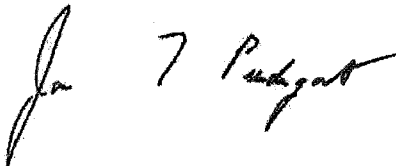
Total Fee (SAIC): \$40,072

Additional Services
As outlined above.

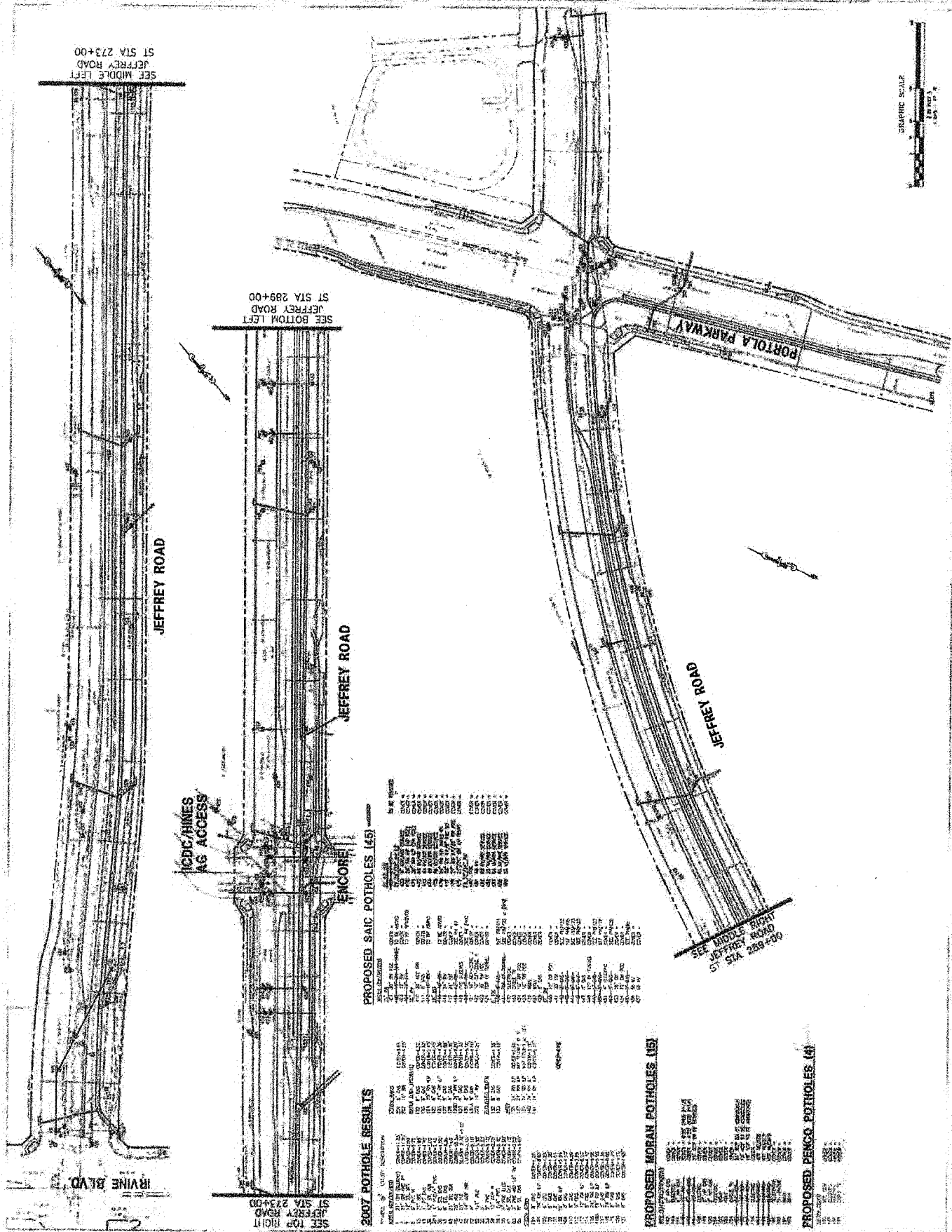
GRAND TOTAL: \$120,935

PENCO Engineering, Inc. looks forward to working on successful completion of this project with ICDC. Should you have any questions regarding this document, please contact me at (949) 753-8111 or by email at jprendergast@pencoeng.com.

Sincerely,
PENCO Engineering Inc.



James Prendergast, P.E.
Civil Engineering Technical Manager



PROPOSED SAIC POTHOLES (45)

| NO. | STATION | TYPE | DIAMETER | DEPTH | REMARKS |
|-----|-----------|------|----------|-------|---------|
| 1 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 2 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 3 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 4 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 5 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 6 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 7 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 8 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 9 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 10 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 11 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 12 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 13 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 14 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 15 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 16 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 17 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 18 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 19 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 20 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 21 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 22 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 23 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 24 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 25 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 26 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 27 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 28 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 29 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 30 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 31 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 32 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 33 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 34 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 35 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 36 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 37 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 38 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 39 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 40 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 41 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 42 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 43 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 44 | 273+00.00 | SAIC | 18" | 4" | SAIC |
| 45 | 273+00.00 | SAIC | 18" | 4" | SAIC |

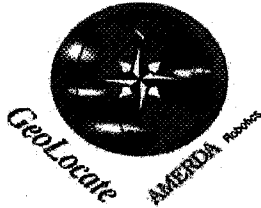
PROPOSED MORAN POTHOLES (16)

| NO. | STATION | TYPE | DIAMETER | DEPTH | REMARKS |
|-----|-----------|-------|----------|-------|---------|
| 1 | 273+00.00 | MORAN | 18" | 4" | MORAN |
| 2 | 273+00.00 | MORAN | 18" | 4" | MORAN |
| 3 | 273+00.00 | MORAN | 18" | 4" | MORAN |
| 4 | 273+00.00 | MORAN | 18" | 4" | MORAN |
| 5 | 273+00.00 | MORAN | 18" | 4" | MORAN |
| 6 | 273+00.00 | MORAN | 18" | 4" | MORAN |
| 7 | 273+00.00 | MORAN | 18" | 4" | MORAN |
| 8 | 273+00.00 | MORAN | 18" | 4" | MORAN |
| 9 | 273+00.00 | MORAN | 18" | 4" | MORAN |
| 10 | 273+00.00 | MORAN | 18" | 4" | MORAN |
| 11 | 273+00.00 | MORAN | 18" | 4" | MORAN |
| 12 | 273+00.00 | MORAN | 18" | 4" | MORAN |
| 13 | 273+00.00 | MORAN | 18" | 4" | MORAN |
| 14 | 273+00.00 | MORAN | 18" | 4" | MORAN |
| 15 | 273+00.00 | MORAN | 18" | 4" | MORAN |
| 16 | 273+00.00 | MORAN | 18" | 4" | MORAN |

PROPOSED PENCO POTHOLES (4)

| NO. | STATION | TYPE | DIAMETER | DEPTH | REMARKS |
|-----|-----------|-------|----------|-------|---------|
| 1 | 273+00.00 | PENCO | 18" | 4" | PENCO |
| 2 | 273+00.00 | PENCO | 18" | 4" | PENCO |
| 3 | 273+00.00 | PENCO | 18" | 4" | PENCO |
| 4 | 273+00.00 | PENCO | 18" | 4" | PENCO |

SAF-r-DIG



SAF-r-DIGSM Utility Surveys, Inc.

"Positive I.D. Pothing", three dimensional information, utilizing Non-destructive soil extraction technology, performed with surgical skill!

We designate, locate and verify actual depths of underground utilities

Licenses: CA - 712492, AZ -108545

Proposal/Contract

Issue Date: 6/20/2012

Client Ref:

Our TaskID: 201201068

Client ID: PENC00

Attn: Brent Chamberlain
Penco Engineering, Inc.
16842 Von Karman Avenue
Suite 150

Irvine CA 92606

Ph: (949) 753-8111 **Fax:** (949) 753-0775

Billing Address:

Penco Engineering, Inc.

Att: Sebrina Tomas

16842 Von Karman Ave Suite 150

Irvine CA 92606-

Project Name: Jeffery Rd. Portola Pkwy. Phase-2

SAF-r-DIG Utility Surveys, Inc. (hereinafter referred to as SAF-r-DIG), shall provide scope of services as requested by: Penco Engineering, Inc. (hereinafter referred to as Client). Services will be conducted in accordance with Attachment A, SAF-r-DIG's standard Scope, Terms and Conditions, unless otherwise expressly noted, in writing, prior to the execution of this contract.

SCOPE Provide Subsurface Utility Services to determine the horizontal and vertical positions of **OF** existing underground utilities at approximately 33 locations. **NOTE:** All potholes to be **SERVICES:** backfilled with Native Soil and capped with 3 yr. Permanent Cold Patch.

COMPENSATION: SAF-r-DIG agrees to perform the above Scope of Services for consideration of:

Task Total: \$58,490.00

Prevailing wage estimate based @ \$750.00 per hole to include Moderate T/C and Permit Acqui. Plus 32 Additional Holes \$695.00 each. City of Irvine Permit \$500+15%. Arrowboard \$2500+15%. T/C Plans \$3000+15% T/C \$4000+15% USA Removal Not Incl.

| | | |
|--|--|-----------------|
| ADDITIONAL COST | * City/County/DOT encroachment permits..... | INCLUDED |
| | * Special 'Inspection' Bonding by City/County/DOT..... | N/A |
| EXCEPTIONS / INCLUSIONS as noted and Provided By: | * Pre-marking utility survey area; as required by state law..... | INCLUDED |
| | * Notification of One-Call Service, (USA, DigAlert, Blue Stake)..... | INCLUDED |
| | * Special Traffic Control, plans, barricading and signs..... | INCLUDED |
| | * Daily mobilization and demobilization..... | INCLUDED |
| | * Daily Per-Diem (2man crew) if necessary..... | INCLUDED |

SCHEDULE: SAF-r-DIG shall commence work upon receipt of this executed contract with services estimated to start on: _____ and be completed by: _____

This proposal and its provisions will expire after: 9/30/2012

APPROVALS:

For SAF-r-DIG:

Printed: Nina S. Marcinek
Title: President/Chair
Date: 6/20/2012

For Client:

Printed: _____
Title: _____
Date: _____

...To engage our services, please sign above and return copy with original signature to address below

Corporate Office: PO Box 1478, Palm Desert, CA 92261 (800)328-0446 Fax (760)776-8278

Bid Date: 5/03/2012
Time: 5:00PM

**Proposal for:
Jeffrey Road Potholing**

From
Kana Pipeline, Inc.
1639 E. Miraloma Ave. , Placentia, CA 92870

LN: 461487 Type: A

Phone: (714) 986-1400 Fax: (714) 986-1417

Quote Number: SE139
Penco Engineering
1 Technology Park J725
Irvine, CA 92618

Project No. SE139



| | | | | |
|------------|---------------------------------------|----------|---------------|------------------|
| 100 | Jeffrey Road Potholing | | | |
| 01 | Potholing | 33.00 EA | 671.0000 | 22,143.00 |
| 02 | Hot Asphalt Repair | 33.00 EA | 495.0000 | 16,335.00 |
| 03 | City Permit | 1.00 EA | 575.0000 | 575.00 |
| 04 | Administrative Task | 8.00 HR | 99.0000 | 792.00 |
| 05 | Engineer Stamped Traffic Control Plan | 6.00 EA | 805.0000 | 4,830.00 |
| | | | Total: | 44,675.00 |

Total For Jeffrey Road Potholing 44,675.00

Total: 44,675.00



Kana Pipeline Inc., Job No. SE139 Jeffrey Rd Potholing

Scope

Potholing

Kana agrees to provide all equipment and personnel (2 man crew) needed to vacuum excavate up to thirty-three (33) potholes, to determine the exact horizontal and vertical location of the existing utilities. (8 days)

Kana will backfill all potholes using native and / or fill sand. The prices quoted in this proposal do not include using slurry as backfill. Each hole will be patched using cold mix.

Hot Asphalt Repair

Kana agrees to provide all equipment and personnel (3 man crew) needed to provide permanent hot asphalt repair at each pothole location, up to thirty-three (33). Each asphalt patch will be 2' X 2', should any of the jurisdictional authorities require us to pave an area larger than 2' X 2' for any pothole a change order will be required. (5days)

Permitting

Kana has assumed that the City permit will cost \$575, or less. This is only an assumption since we can't get a permit quote without submitting our application package. Kana will expect to paid for the cost of the permit +15%, should we be required to pay for it. If the costs exceed our assumption a change order will be required.

Traffic Control Plans

We have provided for six pages of engineered traffic control plans in our proposal. A change order will be required if the City or other jurisdictional authority requires us to submit more than six pages of stamped TC plans. Additional pages will be sold at the rate established in the proposal, \$805.

USA Mark Removal

Kana will not be responsible for removing USA marks or any other spray painting marks left on the site as a result of potholing operations. Kana is capable of providing these services but they have not been contemplated in this proposal.

Hazardous Substances

Kana will not be responsible for transporting, disturbing, or abating any hazardous substances found. Should hazardous substances be encountered the client will be



Kana Pipeline, Inc.

notified, by Kana within 24 hours of such a discovery, and all work will cease until such time as the hazards have been abated by others.

Pothole Locations

Kana will gladly layout the **locations of the potholes**, should the client decide not to provide survey of the locations prior to excavation. Should Kana be asked to lay out the pothole locations, without the benefit of client provided survey, the client agrees that the locations determined by Kana will be considered sufficient.

Slurry

Occasionally we will find that all of the utilities in an area are covered in slurry. When this happens we will notify the client of the slurry and ask for guidance. It takes us two to three times longer to dig in slurry than it does dirt. If we are asked to dig through the slurry we will do so only after we have been granted a change order for the additional costs. If the client does not want us to dig through the slurry then we will abandon the hole and charge for the surface repair.

Kana's Report

Kana Pipeline, Inc. to provide the client with a report about each pothole/target, to include the following information:

Surface material type & thickness

Elevation, relative to the surface, of each target facility

What the facility is made of, when such a material is recognizable

Picture of the area excavated

Picture of the exposed target facility (when available)

Tie-downs to structures shown on plans

Client to provide

The client shall provide the following information prior to us beginning work on the project:

- a. An electronic file with a base map of the project area, consistent with the file type required by the client.
- b. All existing utility information available about the project site; previous locating maps, utility as-built maps...
- c. A signed copy of our proposal and scope.
- d. Preliminary lien information.



Exclusions:

1. Pollution control documents or preparation of the same
2. Rubberized asphalt
3. USA mark removal, or other paint markings
4. Night work (this proposal was written assuming that all potholing activities would be during daylight hours).
5. Concrete repair
6. Compaction testing or slurry backfill
7. Hot asphalt patching greater than 2' X 2' for any pothole
8. Permitting costs

CHANGE NO.: 5
DATE: July 19, 2012

**POTENTIAL CHANGE OF WORK ACKNOWLEDGEMENT & VALUE
(FOR IRWD CAPITAL IMPROVEMENTS)**

The purpose of this form is to acknowledge a change in work for the intent of reimbursement of costs. Upon acceptance a change order will be issued.

IRWD P.O. No.: _____ ICDC Original Contract #: 4500034113
ICDC Original SAP PO #: _____
ICDC SAP CO PO #: _____
Owner: Irvine Community Development Company
Consultant: Stantec Consulting
Sewer Design Engineer: _____
Domestic Water IRWD Mgr. Kelly Lew
Reclaim Water
Other

Project Description: PA40 IRWD Capital Improvements

PART A – POTENTIAL CHANGE OF WORK:

Plan Revision Required: YES NO **Estimated Cost:** \$44,589.00

Change Initiated By: _____

Work Description:
Engineering Services Related to the Proposed Water Lines in Jeffrey Road. See attached Change Order dated July 10, 2012 for details.

1. Submitted by: Jamie Yoshida
In IRWD's opinion the aforementioned work does does not
qualify as a potential change in work.
- 2b. IRWD comments (required if representative does not concur with the potential change): _____
- 2c. Reviewed by: Kelly Lew 11/1/12
IRWD Representative / Date
3. Received and Recorded by: _____
Owner Representative / Date

PART B – CHANGE OF WORK VALUE: \$ _____

- Detailed Backup Attached
1. Submitted by: Jamie Yoshida / Date
2. Recommended by: K/L
K/L
IRWD Representative / Date



PENCO Engineering, Inc.

Civil Engineering
Planning
Surveying

"Client Success is Our Success"

July 10, 2012

Planning Area 9B

Contract No. 4500034113

PENCO Engineering, Inc. Job No. 1790.27

Mr. Jamie Yoshida
THE IRVINE COMPANY
550 Newport Center Drive
Newport Beach, CA 92658

RE: ADDENDUM FOR ADDITIONAL ENGINEERING SERVICES RELATED TO THE PROPOSED WATER LINES IN JEFFREY ROAD

Dear Mr. Yoshida:

This addendum is provided in response to additional information and comments that came out of a meeting on May 31, 2012 with Irvine Ranch Water District (IRWD). The following is a summary, provided by SAIC, that explains the changes requested by IRWD and domestic water plan redesign due to SCE vault conflict in Jeffrey Road near Irvine Boulevard is provided below.

Summary of Discussion For Plan Revision

A meeting was held at IRWD on May 31, 2012 to discuss planning efforts for ICDC Planning Area 5B. As a result of this meeting, it was decided to upsize the proposed 30" Zone A main to 36". This main upsizing will allow the existing 20"/21" irrigation line (currently serving Zone A) to be abandoned after the construction of the proposed 36" Zone A Main. Abandonment of the existing line is important as a large portion of the existing main is located outside of the proposed Jeffrey Road right of way. It was also determined that the existing 12" Jeffrey Road ILP Main (currently serving Zone C) within Jeffrey Road would eliminate the need for a portion of the proposed 6" Zone C Main in Jeffrey Road. Therefore, SAIC will show proposed irrigation services and a proposed 6" stub out for Planning area 9B near Encore tie directly into the existing Jeffrey Road ILP. A tie over between the existing 12" Jeffrey Rd. ILP and the proposed 6" Zone C Main will be made where the existing Jeffrey Rd. ILP veers outside of the proposed Jeffrey Road right of way. From this tie-over location east to Portola Pkwy. the proposed 6" Zone C main will be upsized to 12". The proposed 6" Zone C main east of Portola Pkwy. will remain as previously designed. SAIC will also include a connection design between the existing 16" Zone C recycled water main located in Portola Pkwy. and the existing 12" Jeffrey ILP line where it crosses Portola Pkwy. This connection is necessary to continue service to several irrigation meters currently served by the Jeffrey Road ILP. This will allow the existing 12" Jeffrey Road ILP line that is located outside of the proposed Jeffrey Road right of way to be abandoned up to Portola Parkway.

Stantec also identified several stubs that will be necessary to the north side of Encore to serve the future ICDC Planning Area 5B. Stubs to PA5B include a 12" Zone 3 Domestic Water and a 12" Zone B Recycled Water.

INLAND EMPIRE
255 E. Rincon Street, Suite 325
Corona, CA 92879
951-736-2040 • Fax 951-736-5292

IRVINE
16842 Von Karman Avenue, Suite 150
Irvine, CA 92606
949-753-8111 • Fax 949-753-0775

LONG BEACH
100 Oceangate, Suite 1120
Long Beach, CA 90802
562-264-1111 • Fax 562-264-1101

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Task 1 – Recycled Water Plan Redesign & Updates

Task 1.1 Add Plan and Profile of 12" Zone B Recycled Water Main

A new plan and profile will be added to extend a 12" Zone B Recycled Water stub to serve the proposed Planning Area 5B at Encore.

Task 1.2 Update Plan and Profile of 30" Zone A Main to 36" and Update Connection and Valve Vault Details (Based on 5/31/12 meeting)

SAIC will revise the plan and profile of three sheets of the 30" Zone A Recycled Water Main plans to upsize the pipeline to 36". In addition, the current connection and valve vault details will need to be modified to reflect the upsize from 30" to 36". As outlined in Task 2 below, the 30" alignment will need to be modified as needed for the 12" Zone 3 Domestic Water Main alignment revisions.

Task 1.3 Utilization of Existing 20" Jeffrey Road ILP for permanent Zone C distribution in Jeffrey Road (Based on 5/31/12 meeting)

During the course of revising the alignment of the 6" Zone C Recycled Water Main, it was determined that the District could realize significant construction savings by utilizing the existing Jeffrey Road ILP to serve as permanent Zone C distribution within Jeffrey Road. It is anticipated the District will realize approximately \$125,000 - \$150,000 in construction savings.

To complete this task, SAIC will eliminate approximately 2 sheets of proposed 6" Zone C Recycled Water Main plan and profile where existing Jeffrey Road ILP (Zone C) main existing within the proposed Jeffrey Road right of way. SAIC will prepare new plan and profile for connection of a proposed 6" stub out at Encore and connection to the existing Jeffrey Road ILP (Zone C) Main west of Portola Parkway. In addition several proposed irrigation meters will also need to be connected to the existing Jeffrey Road ILP Main (Zone C) within Jeffrey Road. In addition, approximately 650 feet of proposed 6" Zone C Recycled Water Main will be upsized to 12", between the existing main connection point (Sta. 25+50) and the proposed connection point to the existing 16" Zone C Recycled Water main in Portola Parkway. The connection detail at Portola Parkway will need to be updated to reflect the new connection size. A new connection detail will be needed for the existing 16" and 12" Zone C Recycled Water in Portola to continue service to existing irrigation meters east of Portola.

Task 2 – Domestic Water Plan Redesign & Updates

SAIC will revise the plan and profile of one sheet of the 12" Zone 3 Domestic Water Main plans to relocate the horizontal alignment of the proposed 12" Zone 3 Domestic Water Pipeline due to a conflict with existing SCE conduits in Jeffrey Road near Irvine Blvd. To allow room for the domestic water realignment due to minimum separation distances required between Recycled Water and Domestic water pipelines the proposed 36" Zone A pipeline may also require some slight horizontal realignment. In addition, a new plan and profile will be added to extend a 12" Zone 3 Domestic Water stub to serve the proposed Planning Area 5B at Encore.

Task 3 – Coordination and Meetings

SAIC anticipates additional coordination and meetings with PENCO, IRWD, and ICDC on the plan and connection detail revisions reviewed above.

Task 4 – Updates to Technical Specifications and Cost Estimates

SAIC will update current draft technical specifications and cost estimates to reflect the revisions indicated in Tasks 1.1 -2.

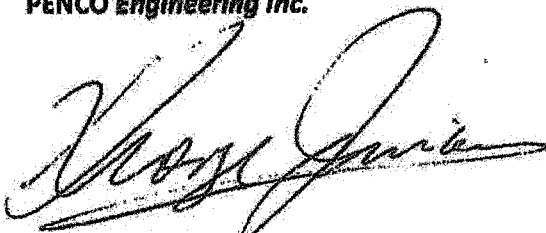
Fee for Services

| | | |
|----|--|----------|
| 1. | Recycled Water Plan Redesign and Updates | |
| | 1.1 Add Plan and Profile of 12" Zone B Main | \$2,459 |
| | 1.2 Update Plan and Profile of 30" Zone A Main to 36" and Update Connection and Valve Vault Details | \$11,989 |
| | 1.3 Utilization of existing 20" ILP for permanent Zone C distribution | \$11,879 |
| 2. | Domestic Water Plan Redesign & Updates | \$7,038 |
| 3. | Coordination and Meetings | \$8,519 |
| 4. | Update Technical Specifications | \$2,705 |

Total Fee: \$44,589

PENCO Engineering, Inc. looks forward to working on successful completion of this project with ICDC. Should you have any questions regarding this document, please contact me at (949) 753-8111 or by email at Gjurica@pencoeng.com.

Sincerely,
PENCO Engineering Inc.



George A. Jurica, P.E.
Principal

**POTENTIAL CHANGE OF WORK ACKNOWLEDGEMENT & VALUE
(FOR IRWD CAPITAL IMPROVEMENTS)**

The purpose of this form is to acknowledge a change in work for the intent of reimbursement of costs. Upon acceptance a change order will be issued.

IRWD P.O. No.: _____ ICDC Original Contract #: 4500034113
_____ ICDC Original SAP PO #: _____
_____ ICDC SAP CO PO #: _____
Owner: Irvine Community Development Company
Consultant: Penco Engineering
Sewer
Domestic Water
Reclaim Water
Other
Design Engineer: _____
IRWD Mgr. Jeff Stancart

Project Description: PA 9B

PART A - POTENTIAL CHANGE OF WORK:

Plan Revision Required: YES NO **Estimated Cost:** N/A

Change Initiated By: IRWD

Work Description: As described on attached work order dated August 6, 2012

1. Submitted by: Jamie Yoshida 8/6/12

In IRWD's opinion the aforementioned work **does** **does not**
qualify as a potential change in work.

2b. IRWD comments (required if representative does not concur with the potential change):

2c. Reviewed by: Kelly Lew 11/1/12
IRWD Representative / Date

3. Received and Recorded by: _____
Owner Representative / Date

PART B - CHANGE OF WORK VALUE:

\$ 33,997.00

Detailed Backup Attached

1. Submitted by: _____
Jamie Yoshida / Date

2. Recommended by: KNL KB
IRWD Representative / Date



PENCO Engineering, Inc.

Civil Engineering
Planning
Surveying

"Client Success is Our Success"

August 6, 2012

Planning Area 9B
Contract No. 4500034113
PENCO Eng No: 1790.29

Mr. Jamie Yoshida
THE IRVINE COMPANY
550 Newport Center Drive
Irvine, CA 92658

RE: Add Service Request for Jeffrey Road Street Improvement Project – Revisions to Designed Plans Due to New Pothole Information – IRWD Capital

Dear Mr. Yoshida:

PENCO Engineering, Inc. hereby submits this add service request for the engineering services for the above referenced project. The following is the scope of services and fee for the add service request.

Scope of Services

A. Plan Revision Summary

New potholes were required for the following reasons: new utilities (SCE 66KV and gas lines) were installed since the project was put on hold in 2007, additional pipeline was added (36" Siphon Main), and proposed pipeline alignments have been modified due to the existence of newly installed utilities. Pothole results for the modified waterline alignments were completed and surveyed on July 21st, 2012. We completed pothole plan and sent it to SAIC on July 23rd, 2012. After reviewing the pothole information, it was determined that several modifications to the plan and profile will be required to address conflicts between existing utilities and proposed domestic and recycled water pipeline vertical alignments. We completed preliminary analysis and presented preliminary design revision impact at TIC meeting on July 24th, 2012. On July 26th, 2012, SAIC met with IRWD regarding crossing under SCE 66KV line and they rejected the alternative for crossing under SCE conduit and wanted to cross above SCE conduit through slurry. We proceeded with our design to cross above SCE conduit to meet project schedule.

INLAND EMPIRE
255 E. Rincon Street, Suite 325
Corona, CA 92879
951-736-2040 • Fax 951-736-5292

IRVINE
16842 Von Karman Avenue, Suite 150
Irvine, CA 92606
949 753-8111 • Fax 949 753-8222

LONG BEACH
100 Oceangate, Suite 1120
Long Beach, CA 90802
562-264-1111 • Fax 562-264-1101

C-18

B. SAIC Revisions to Plans Include:

Task 1 – Recycled Water Plan Redesign

Task 1.1 Revise Plan and Profile of 16" Zone B Recycled Water Main

SAIC will revise the profile of four sheets of the 16" Zone B Recycled Water main to eliminate conflicts with existing utilities that were verified in the current pothole information provided by PENCO. SAIC will revise the alignment of the proposed 16" Zone B Recycled Water main at Sta. 284+00 to provide 3' of clearance between our proposed main and the outside wall of the existing SCE vault as requested by IRWD. Plan stationing updates will be made based on the horizontal alignment revisions. The condensed profile index sheet will also be updated based on the revised profiles.

Task 1.2 Revise Plan and Profile of 36" Zone A Main

SAIC will revise the plan and profile of one sheet of the 36" Zone A Recycled Water Main plans to show the correct tie-in location and depth with the existing 24" Zone A Main at Encore. SAIC will revise the profile of one sheet of the 36" Zone A Recycled Water Main plans to eliminate conflicts with existing utilities that were verified in the current pothole information provided by PENCO. The condensed profile index sheet will also to be updated based on the revised profiles.

Task 1.3 Revise Profile of 6" and 12" Zone C Recycled Water Main

SAIC will revise the profile of two sheets of the 12" Zone C Recycled Water main and one sheet of the 6" Zone C Recycled Water main to eliminate conflicts with existing utilities that were verified in the current pothole information. SAIC will revise the plan and profile of one sheet of the 6" Zone C Recycled Water main to extend the current alignment to a different tie-in point to allow for greater accessibility. The current tie-in point is located between the two existing 66 kV alignments.

Task 1.4 Revise Plan and Profile of 36" Siphon Line

SAIC will revise the alignment of the proposed 36" Zone A Recycled Water Main at Sta. 269+25 to provide 3' of clearance between our proposed main and the outside wall of the existing SCE vault requested by IRWD. Plan stationing updates will be made based on the horizontal alignment revisions.

Task 1.5 Revise Profile of 20" Jeffrey ILP (Recycled Water Main Zone C)

SAIC will revise the profile of one sheet of the 20" Jeffrey ILP (Recycled Water Main Zone C) to match the tie-in elevation of the existing pipe that were verified in the current pothole information.

Task 2 – Domestic Water Plan Redesign & Updates

SAIC will revise the profile of three sheets of the 12" Zone 3 Domestic Water Main plans to eliminate conflicts with existing utilities that were verified in the current pothole information.

Task 3 – Coordination and Meetings

SAIC has reviewed the pothole information and coordinated with PENCO, ICDC, and IRWD on the information. SAIC anticipates additional coordination and meetings with PENCO, IRWD, ICDC, and SCE on the plan revisions reviewed above. SAIC will be resubmitting the revised plans to IRWD for approval after completion of the design revisions discussed above.

Task 4 – Updates to Technical Specifications and Cost Estimates

SAIC will review current technical specifications and cost estimates and update where necessary to reflect the revisions indicated in Tasks 1.1 -2.

Fee for Services:

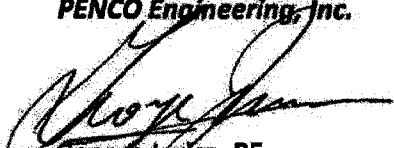
| | |
|---|---------|
| 1. Recycled Water Plan Redesign and Updates | |
| 1.1 Revise Plan and Profile of 16" Zone B Main | \$5,722 |
| 1.2 Revise Plan and Profile of 36" Zone A Main | \$3,288 |
| 1.3 Revise Profile of 12" Zone C Main, Revise Plan and Profile of 6" Zone C Recycled Water Main | \$4,937 |
| 1.4 Revise Plan and Profile of 36" Siphon Line | \$2,497 |
| 1.5 Revise Profile of 20" Jeffrey ILP | \$1,929 |
| 2. Domestic Water Plan Redesign & Updates | \$4,931 |
| 3. Coordination and Meetings | \$9,332 |
| 4. Updates to Technical Specifications and Cost Estimates | \$1,361 |

IRWD CAPITAL WORK - 450003413 Total Fee: \$33,997

PENCO Engineering, Inc. looks forward to working on successful completion of this project with ICDC. Should you have any questions regarding this document, please contact me at (949) 753-8111 or gjurica@pencoeng.com.

Thank you.

Sincerely,
PENCO Engineering, Inc.



George Jurica, PE
President

EXHIBIT "D"

COPY

PRE-BID MEETING DATE: August 7, 2012
 BID OPENING DATE: September 27, 2012
 WITNESSED BY: ATTENDEES

BID SUMMARY
 STONEGATE (PA 88)
 OFFSITE INFRASTRUCTURE IMPROVEMENTS
 JEFFREY ROAD (IRVINE BLVD. TO PORTOLA PKWY.) AND
 PORTOLA PARKWAY (JEFFREY RD. TO STA 17+00) PHASE 2
 ASSESSMENT DISTRICT 07-22, NON-ASSESSMENT DISTRICT
 AND RWCD CAPITAL FACILITIES
 LINEAR FEET: JEFFREY ROAD - 5,800 & PORTOLA PARKWAY - 1,180
 TASK PC ID: LD-0904.ST.01.cr#1
 BID PACKAGE NO: 900099

| ENGINEER'S ESTIMATE | IRWD 5TH | IRWD LOW BIDDER | IRWD 2ND | IRWD 3RD | IRWD 4TH | IRWD 5TH | IRWD 7TH | IRWD 6TH |
|---------------------|-----------|-----------------|-------------|----------|----------|------------------|----------------------|----------|
| PENCO | HILLCREST | SULLY-MILLER | LEATHERWOOD | SUKUT | KEC | KENNEDY PIPELINE | ALL AMERICAN ASPHALT | |

| ITEM DESCRIPTION | QTY | UNIT | UNIT PRICE | | TOTAL | | UNIT PRICE | | TOTAL | | UNIT PRICE | | TOTAL | | UNIT PRICE | | TOTAL | |
|---|-------|------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|
| | | | PRICE | TOTAL | PRICE | TOTAL | PRICE | TOTAL | PRICE | TOTAL | PRICE | TOTAL | PRICE | TOTAL | PRICE | TOTAL | | |
| III. DELETABLE ITEMS | | | | | | | | | | | | | | | | | | |
| THE FOLLOWING DELETABLE ITEMS MAY OR MAY NOT BE PART OF THE CONTRACT: | | | | | | | | | | | | | | | | | | |
| IRWD CAPITAL FACILITIES IMPROVEMENTS (SECTIONS O-Q) | | | | | | | | | | | | | | | | | | |
| O. GENERAL | | | | | | | | | | | | | | | | | | |
| 191 MOBILIZATION (MAX 2% OF CONTRACT PRICE) (SECTIONS O.-Q.) | 1 | LS | \$70,000.00 | \$70,000.00 | \$10,000.00 | \$10,000.00 | \$2,250.00 | \$2,250.00 | \$50,000.00 | \$50,000.00 | \$67,000.00 | \$67,000.00 | \$30,000.00 | \$30,000.00 | \$81,000.00 | \$81,000.00 | \$70,000.00 | \$70,000.00 |
| 192 PAYMENT AND PERFORMANCE BONDS (SECTIONS O.-Q.) | 1 | LS | \$38,000.00 | \$38,000.00 | \$20,600.00 | \$20,600.00 | \$12,000.00 | \$12,000.00 | \$7,600.00 | \$7,600.00 | \$23,000.00 | \$23,000.00 | \$15,000.00 | \$15,000.00 | \$60,000.00 | \$60,000.00 | \$45,000.00 | \$45,000.00 |
| 193 DEVELOP CONSTRUCTION WATER (SECTIONS O.-Q.) | 1 | LS | \$25,000.00 | \$25,000.00 | \$1,500.00 | \$1,500.00 | \$1,700.00 | \$1,700.00 | \$3,000.00 | \$3,000.00 | \$13,000.00 | \$13,000.00 | \$15,000.00 | \$15,000.00 | \$2,600.00 | \$2,600.00 | \$50,000.00 | \$50,000.00 |
| 194 PROVIDE AND OPERATE DEWATERING EQUIPMENT (SECTIONS O.-Q.) | 1 | LS | \$80,000.00 | \$80,000.00 | \$6,500.00 | \$6,500.00 | \$28,000.00 | \$28,000.00 | \$1,000.00 | \$1,000.00 | \$300.00 | \$300.00 | \$9,000.00 | \$9,000.00 | \$1,500.00 | \$1,500.00 | \$20,000.00 | \$20,000.00 |
| P. 8" & 12" DOMESTIC WATER ZONE 3 | | | | | | | | | | | | | | | | | | |
| 195 CONSTRUCT 12" PVC PIPE AND FITTINGS, C-900, DR14 PER IRWD STD DWGS W-17 & W-18 | 4,545 | LF | \$50.00 | \$227,250.00 | \$85.00 | \$295,425.00 | \$50.00 | \$228,155.00 | \$64.00 | \$290,880.00 | \$57.00 | \$259,065.00 | \$84.00 | \$381,780.00 | \$100.50 | \$456,772.50 | \$94.00 | \$427,230.00 |
| 196 INSTALL 12" BUTTERFLY VALVE PER STD DWG W-22 (CLASS 150) | 8 | EA | \$3,800.00 | \$21,600.00 | \$3,600.00 | \$33,600.00 | \$3,400.00 | \$27,200.00 | \$2,350.00 | \$14,105.00 | \$3,400.00 | \$20,400.00 | \$2,800.00 | \$15,800.00 | \$2,800.00 | \$15,000.00 | \$3,600.00 | \$21,000.00 |
| 197 CONSTRUCT 12" DI PIPE AND FITTINGS, CL 350, BONDED WITH RESTRAINED JOINTS, PER IRWD STD DWGS W-17 & W-18 | 330 | LF | \$30.00 | \$29,700.00 | \$144.00 | \$47,520.00 | \$182.00 | \$83,360.00 | \$88.00 | \$31,880.00 | \$103.00 | \$33,990.00 | \$130.00 | \$42,900.00 | \$160.00 | \$52,800.00 | \$145.00 | \$47,850.00 |
| 198 CONSTRUCT 12" GMLAG WELDED STEEL PIPE AND FITTINGS, CL 200, 0.1847 MIN THICKNESS (10 GAUGE), PER IRWD STD DWG W-17 | 145 | LF | \$110.00 | \$15,950.00 | \$580.00 | \$84,100.00 | \$180.00 | \$21,780.00 | \$111.00 | \$16,095.00 | \$304.00 | \$44,080.00 | \$150.00 | \$21,750.00 | \$175.00 | \$25,375.00 | \$171.00 | \$24,795.00 |
| 199 INSTALL FIRE HYDRANT ASSEMBLY PER IRWD STD DWG W-8, LATERAL SEPARATIONS PER IRWD STD W-18 (SHORT SIDE) | 5 | EA | \$6,200.00 | \$30,000.00 | \$7,200.00 | \$36,000.00 | \$8,300.00 | \$41,500.00 | \$6,250.00 | \$31,250.00 | \$7,000.00 | \$35,000.00 | \$7,600.00 | \$38,000.00 | \$10,200.00 | \$51,000.00 | \$6,800.00 | \$34,000.00 |
| 200 INSTALL FIRE HYDRANT ASSEMBLY PER IRWD STD DWG W-8, LATERAL SEPARATIONS PER IRWD STD W-18 (LONG SIDE) | 5 | EA | \$7,500.00 | \$37,500.00 | \$8,500.00 | \$42,500.00 | \$9,000.00 | \$45,000.00 | \$10,100.00 | \$50,500.00 | \$11,400.00 | \$57,000.00 | \$12,000.00 | \$60,000.00 | \$12,600.00 | \$63,000.00 | \$14,500.00 | \$72,500.00 |
| 201 REMOVE EXIST. TEMPORARY B.O. ASSEMBLY AND JOIN TO EXISTING 12" PVC PIPE PER DETAIL ON PLAN (INSTALL 12", G-900, CL200 PIPE COLLAR W/SERRATED RETAINING RING AND 316 STAINLESS STEEL TIE RODS) | 1 | EA | \$3,000.00 | \$3,000.00 | \$3,000.00 | \$3,000.00 | \$3,600.00 | \$3,600.00 | \$3,250.00 | \$3,250.00 | \$3,200.00 | \$3,200.00 | \$3,900.00 | \$3,900.00 | \$2,600.00 | \$2,600.00 | \$4,510.00 | \$4,510.00 |
| 202 REMOVE EXIST. BLIND FLANGE AND JOIN TO EXISTING 12" F.E. SPOOL PIECE PER DETAIL ON PLAN | 1 | EA | \$2,000.00 | \$2,000.00 | \$4,500.00 | \$4,500.00 | \$3,400.00 | \$3,400.00 | \$7,100.00 | \$7,100.00 | \$3,000.00 | \$3,000.00 | \$8,500.00 | \$8,500.00 | \$2,350.00 | \$2,350.00 | \$9,500.00 | \$9,500.00 |
| 203 INSTALL TEMPORARY FLUSH OUT ASSEMBLY W/ END CAP PER IRWD STD. W-12 (CLASS 200) | 1 | EA | \$3,500.00 | \$3,500.00 | \$1,000.00 | \$1,000.00 | \$2,400.00 | \$2,400.00 | \$4,700.00 | \$4,700.00 | \$2,700.00 | \$2,700.00 | \$5,700.00 | \$5,700.00 | \$790.00 | \$790.00 | \$6,500.00 | \$6,500.00 |
| 204 INSTALL 1" AIRVAC ASSEMBLY PER IRWD STD. W-11 (CLASS 150) | 8 | EA | \$3,500.00 | \$28,000.00 | \$3,240.00 | \$25,920.00 | \$5,000.00 | \$40,000.00 | \$3,750.00 | \$30,000.00 | \$5,000.00 | \$40,000.00 | \$4,800.00 | \$38,400.00 | \$4,395.00 | \$35,160.00 | \$5,300.00 | \$42,400.00 |
| 205 INSTALL CATHODIC PROTECTION TEST STATION PER IRWD STD. CP-1 | 8 | EA | \$2,200.00 | \$17,600.00 | \$750.00 | \$6,000.00 | \$1,400.00 | \$11,200.00 | \$1,350.00 | \$10,800.00 | \$1,200.00 | \$9,600.00 | \$1,700.00 | \$13,600.00 | \$600.00 | \$4,800.00 | \$2,000.00 | \$16,000.00 |

BID SUMMARY
 STONEGATE (PA 9B)
 OFFSITE INFRASTRUCTURE IMPROVEMENTS
 JEFFREY ROAD (RYVINE BLVD. TO PORTOLA PKWY.) AND
 PORTOLA PARKWAY (JEFFREY RD. TO STA 17+40) PHASE 2
 ASSESSMENT DISTRICT 07-22, NON-ASSESSMENT DISTRICT
 AND IRWD CAPITAL FACILITIES
 JEFFREY ROAD - 8,800 & PORTOLA PARKWAY - 1,180
 LINEAR FEET; TASK ID: LD-0804.ST.01.001
 TASK PC ID: LD-0804.ST.01.001
 BID PACKAGE NO: B00039

Q. RECYCLED WATER

| | | | IRWD 5TH | | IRWD LOW BIDDER | | IRWD 2ND | | IRWD 3RD | | IRWD 4TH | | IRWD 5TH | | IRWD 6TH | | IRWD 7TH | | |
|---|---|----------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|--------------|--------------|--------------|--------------|--------------|----------------|--------------|--------------|--------------|
| | | | ENGINEER'S ESTIMATE | LOW BIDDER | 2ND BIDDER | 3RD BIDDER | 4TH BIDDER | 5TH BIDDER | 6TH BIDDER | 7TH BIDDER | | | | | | | | | |
| | | | PENCO | HILLCREST | SULLY-MILLER | LEATHERWOOD | SUKUT | KEC | KENNEDY PIPELINE | ALL AMERICAN ASPHALT | | | | | | | | | |
| 36" ZONE A | | | | | | | | | | | | | | | | | | | |
| 206 | CONSTRUCT 36" CML&C WELDED STEEL PIPE AND FITTINGS, CL200, 0.25" MIN. THICKNESS, PER IRWD STD DWG W-17 | 2,710 EA | \$350.00 | \$948,500.00 | \$410.00 | \$1,111,100.00 | \$245.00 | \$683,950.00 | \$235.00 | \$638,850.00 | \$290.00 | \$785,900.00 | \$300.00 | \$813,000.00 | \$290.00 | \$785,900.00 | \$340.00 | \$921,400.00 | |
| 207 | JOIN EXISTING 30" CML&C PIPE PER DETAIL ON PLAN, INCLUDING FITTINGS AND REMOVAL AND DISPOSAL OF EXISTING 16" PVC RECYCLED WATER MAIN AS NEEDED (CLASS 200) | 1 EA | \$12,500.00 | \$12,500.00 | \$26,500.00 | \$26,500.00 | \$16,000.00 | \$16,000.00 | \$17,300.00 | \$17,300.00 | \$9,200.00 | \$9,200.00 | \$22,000.00 | \$22,000.00 | \$6,500.00 | \$6,500.00 | \$24,500.00 | \$24,500.00 | |
| 208 | INSTALL CATHODIC PROTECTION TEST STATION PER IRWD STD. CP-1 | 6 EA | \$2,500.00 | \$15,000.00 | \$750.00 | \$4,500.00 | \$2,100.00 | \$12,600.00 | \$1,300.00 | \$7,800.00 | \$1,800.00 | \$11,400.00 | \$1,800.00 | \$9,000.00 | \$2,800.00 | \$3,800.00 | \$1,900.00 | \$11,900.00 | \$11,400.00 |
| 209 | INSTALL 6" BLOW OFF PER IRWD STD. W-14 (CLASS 200) | 1 EA | \$6,500.00 | \$9,600.00 | \$14,400.00 | \$14,400.00 | \$21,000.00 | \$21,000.00 | \$28,200.00 | \$28,200.00 | \$3,000.00 | \$33,000.00 | \$33,000.00 | \$35,000.00 | \$19,500.00 | \$19,500.00 | \$40,000.00 | \$40,000.00 | |
| 210 | INSTALL 4" AIRVAC ASSEMBLY PER DETAIL ON PLAN (CLASS 150) | 2 EA | \$9,500.00 | \$19,000.00 | \$15,700.00 | \$31,400.00 | \$11,000.00 | \$22,000.00 | \$16,800.00 | \$31,600.00 | \$49,000.00 | \$59,000.00 | \$20,000.00 | \$40,000.00 | \$6,500.00 | \$11,000.00 | \$22,000.00 | \$44,000.00 | |
| 211 | INSTALL 30" VALVE VAULT PER DETAIL ON PLAN | 1 EA | \$95,000.00 | \$95,000.00 | \$205,000.00 | \$205,000.00 | \$137,000.00 | \$137,000.00 | \$137,000.00 | \$137,000.00 | \$107,000.00 | \$107,000.00 | \$159,000.00 | \$159,000.00 | \$101,500.00 | \$101,500.00 | \$176,000.00 | \$176,000.00 | |
| 212 | JOIN EXISTING 27" ACP PIPE PER DETAIL ON PLAN, INCLUDING FITTINGS AND REMOVAL & DISPOSAL OF EXISTING AC PIPE AS NEEDED (CLASS 200) | 1 EA | \$20,000.00 | \$20,000.00 | \$34,800.00 | \$34,800.00 | \$29,000.00 | \$29,000.00 | \$40,000.00 | \$40,000.00 | \$15,500.00 | \$15,500.00 | \$50,000.00 | \$50,000.00 | \$15,000.00 | \$15,000.00 | \$57,000.00 | \$57,000.00 | |
| 213 | INSTALL TEMPORARY FLUSH OUT WITH END CAP PER IRWD STD. W-12 (CLASS 200) | 1 EA | \$6,500.00 | \$6,500.00 | \$2,860.00 | \$2,860.00 | \$10,000.00 | \$10,000.00 | \$11,600.00 | \$11,600.00 | \$5,900.00 | \$5,900.00 | \$14,000.00 | \$14,000.00 | \$1,275.00 | \$1,275.00 | \$16,500.00 | \$16,500.00 | |
| 214 | INSTALL 16" BUTTERFLY VALVE PER IRWD STD. W-22 (CLASS 150) | 1 EA | \$ 8,500 | \$8,500.00 | \$5,800.00 | \$5,800.00 | \$7,500.00 | \$7,500.00 | \$5,200.00 | \$5,200.00 | \$4,500.00 | \$4,500.00 | \$6,400.00 | \$6,400.00 | \$3,500.00 | \$3,500.00 | \$7,200.00 | \$7,200.00 | |
| 12" & 16" ZONE B | | | | | | | | | | | | | | | | | | | |
| 215 | CONSTRUCT 16" CML&C PIPE AND FITTINGS, CL200, 0.1345" MIN. THICKNESS, PER IRWD STD DWG W-17 | 4,760 LF | \$140.00 | \$666,400.00 | \$123.00 | \$585,460.00 | \$82.00 | \$390,320.00 | \$80.00 | \$380,800.00 | \$107.00 | \$509,320.00 | \$102.00 | \$485,520.00 | \$287.00 | \$1,270,920.00 | \$115.00 | \$547,400.00 | |
| 216 | REMOVE TEMPORARY BLOWOFF ASSEMBLY AND JOIN EXIST. 16" PVC PIPE PER DETAIL ON PLAN, INCLUDING RESTRAINED FLANGE | 2 EA | \$6,000.00 | \$10,000.00 | \$5,500.00 | \$11,000.00 | \$6,500.00 | \$13,000.00 | \$4,750.00 | \$9,500.00 | \$16,500.00 | \$23,000.00 | \$6,800.00 | \$11,600.00 | \$3,500.00 | \$7,000.00 | \$8,900.00 | \$13,800.00 | \$13,800.00 |
| 217 | INSTALL 2" AIRVAC ASSEMBLY PER IRWD STD. W-11 (CLASS 150) | 4 EA | \$5,500.00 | \$22,000.00 | \$4,350.00 | \$17,400.00 | \$6,300.00 | \$25,200.00 | \$7,600.00 | \$30,400.00 | \$6,200.00 | \$24,800.00 | \$9,300.00 | \$37,200.00 | \$3,600.00 | \$14,000.00 | \$11,000.00 | \$44,000.00 | \$44,000.00 |
| 218 | INSTALL BLOW OFF PER IRWD STD. W-14 (CLASS 200) | 1 EA | \$4,500.00 | \$4,500.00 | \$3,900.00 | \$3,900.00 | \$14,000.00 | \$14,000.00 | \$16,500.00 | \$16,500.00 | \$6,500.00 | \$26,000.00 | \$26,000.00 | \$22,000.00 | \$3,900.00 | \$3,900.00 | \$26,000.00 | \$26,000.00 | |
| 219 | INSTALL 16" BUTTERFLY VALVE PER IRWD STD. W-22 (CLASS 150) | 4 EA | \$6,500.00 | \$26,000.00 | \$5,900.00 | \$23,600.00 | \$7,200.00 | \$28,800.00 | \$5,250.00 | \$21,000.00 | \$4,300.00 | \$17,200.00 | \$6,400.00 | \$25,600.00 | \$3,900.00 | \$16,200.00 | \$7,500.00 | \$30,000.00 | \$30,000.00 |
| 220 | INSTALL CATHODIC PROTECTION TEST STATION PER IRWD STD. CP-1 | 2 EA | \$2,500.00 | \$5,000.00 | \$750.00 | \$1,500.00 | \$1,500.00 | \$3,000.00 | \$1,100.00 | \$2,200.00 | \$1,900.00 | \$3,800.00 | \$1,300.00 | \$2,600.00 | \$900.00 | \$1,800.00 | \$1,700.00 | \$3,400.00 | \$3,400.00 |
| 221 | CONSTRUCT 12" PVC PIPE AND FITTINGS, C-800, DR14 PER IRWD STD DWG W-17 & W-18 | 62 LF | \$50.00 | \$3,100.00 | \$68.00 | \$4,272.00 | \$110.00 | \$6,720.00 | \$100.00 | \$6,200.00 | \$120.00 | \$7,200.00 | \$277.00 | \$14,404.00 | \$75.00 | \$3,900.00 | \$320.00 | \$16,840.00 | \$16,840.00 |
| 222 | INSTALL 12" BUTTERFLY VALVE PER STD DWG W-22 (CLASS 150) | 1 EA | \$3,500.00 | \$3,500.00 | \$3,800.00 | \$3,800.00 | \$3,800.00 | \$3,800.00 | \$4,450.00 | \$4,450.00 | \$3,100.00 | \$3,100.00 | \$5,400.00 | \$5,400.00 | \$2,800.00 | \$2,800.00 | \$6,200.00 | \$6,200.00 | |
| 223 | INSTALL TEMPORARY FLUSH OUT ASSEMBLY W/ END CAP PER IRWD STD. W-12 (CLASS 200) | 1 EA | \$3,000.00 | \$3,000.00 | \$1,700.00 | \$1,700.00 | \$1,800.00 | \$1,800.00 | \$3,250.00 | \$3,250.00 | \$2,200.00 | \$2,200.00 | \$3,900.00 | \$3,900.00 | \$1,250.00 | \$1,250.00 | \$4,700.00 | \$4,700.00 | |
| 6" & 12" ZONE C | | | | | | | | | | | | | | | | | | | |
| 224 | CONSTRUCT 6" PVC PIPE AND FITTINGS, C-900, DR14 PER IRWD STD DWG W-17 | 202 LF | \$36.00 | \$7,070.00 | \$125.00 | \$25,260.00 | \$100.00 | \$20,200.00 | \$80.00 | \$16,160.00 | \$135.00 | \$27,270.00 | \$108.00 | \$21,816.00 | \$55.00 | \$11,110.00 | \$122.00 | \$24,844.00 | \$24,844.00 |
| 225 | INSTALL 6" GATE VALVE PER IRWD STD DWG W-19 (CLASS 200) | 1 EA | \$2,500.00 | \$2,500.00 | \$2,430.00 | \$2,430.00 | \$1,800.00 | \$1,800.00 | \$1,800.00 | \$1,800.00 | \$1,325.00 | \$1,325.00 | \$2,000.00 | \$2,000.00 | \$1,100.00 | \$1,100.00 | \$2,500.00 | \$2,500.00 | |
| 226 | JOIN TO EXISTING 18" PVC PIPE PER DETAIL ON PLAN, INCLUDING CUTTING OF 30" STEEL CASING & 16" PVC PIPE COLLARS AND FITTINGS (CLASS 200) | 4 EA | \$20,000.00 | \$80,000.00 | \$15,000.00 | \$60,000.00 | \$7,200.00 | \$28,800.00 | \$4,000.00 | \$16,000.00 | \$4,650.00 | \$18,600.00 | \$4,800.00 | \$19,200.00 | \$2,500.00 | \$10,000.00 | \$5,800.00 | \$23,600.00 | \$23,600.00 |
| 227 | JACK AND BORE 18" STEEL CASING (5/16" THICK), INCLUDING STAINLESS STEEL SPACERS, END SEALS, ANODES, CASING TEST STATIONS, AND GROUT PER IRWD STD. DWG. W-21 | 31 LF | \$ 800.00 | \$24,800.00 | \$1,130.00 | \$35,030.00 | \$1,100.00 | \$34,100.00 | \$900.00 | \$19,600.00 | \$492.00 | \$15,252.00 | \$730.00 | \$22,630.00 | \$575.00 | \$17,825.00 | \$900.00 | \$27,900.00 | \$27,900.00 |
| 228 | INSTALL TEMPORARY FLUSH OUT ASSEMBLY W/ END CAP PER IRWD STD. W-12 (CLASS 200) | 1 EA | \$3,000.00 | \$3,000.00 | \$830.00 | \$830.00 | \$1,300.00 | \$1,300.00 | \$3,250.00 | \$3,250.00 | \$1,052.00 | \$1,052.00 | \$3,900.00 | \$3,900.00 | \$950.00 | \$950.00 | \$4,800.00 | \$4,800.00 | |
| 229 | JOIN EXISTING 12" ACP PIPE PER DETAIL ON PLAN, INCLUDING FLEX TRANSITION COUPLINGS AND FITTINGS (CLASS 200) | 1 EA | \$2,500.00 | \$2,500.00 | \$9,100.00 | \$9,100.00 | \$5,700.00 | \$5,700.00 | \$9,300.00 | \$9,300.00 | \$7,680.00 | \$7,680.00 | \$11,000.00 | \$11,000.00 | \$3,500.00 | \$3,500.00 | \$15,000.00 | \$15,000.00 | |
| 230 | CONSTRUCT 12" PVC PIPE AND FITTINGS, C-900, DR14 PER IRWD STD DWG W-17 & W-18 | 1,290 LF | \$50.00 | \$64,500.00 | \$95.00 | \$122,650.00 | \$72.00 | \$92,960.00 | \$95.00 | \$122,550.00 | \$107.00 | \$138,036.00 | \$118.00 | \$152,220.00 | \$78.00 | \$100,620.00 | \$135.00 | \$174,150.00 | \$174,150.00 |
| 231 | INSTALL 12" BUTTERFLY VALVE PER STD DWG W-22 (CLASS 150) | 4 EA | \$3,800.00 | \$15,200.00 | \$4,060.00 | \$16,240.00 | \$3,650.00 | \$14,600.00 | \$3,250.00 | \$13,000.00 | \$3,100.00 | \$12,400.00 | \$3,900.00 | \$15,600.00 | \$2,900.00 | \$11,600.00 | \$4,650.00 | \$18,600.00 | \$18,600.00 |
| 232 | INSTALL 16" BUTTERFLY VALVE PER STD DWG W-22 (CLASS 150) | 1 EA | \$6,500.00 | \$6,500.00 | \$5,900.00 | \$5,900.00 | \$5,900.00 | \$5,900.00 | \$5,000.00 | \$5,000.00 | \$4,700.00 | \$4,700.00 | \$6,100.00 | \$6,100.00 | \$3,500.00 | \$3,500.00 | \$7,500.00 | \$7,500.00 | |
| 6" SECTION | | | | | | | | | | | | | | | | | | | |
| 233 | INSTALL 36" CML&C WELDED STEEL PIPE AND FITTINGS, CL200, 0.25" MIN. THICKNESS PER IRWD STD. W-17 | 2,063 LF | \$390.00 | \$802,950.00 | \$314.00 | \$648,182.00 | \$207.00 | \$426,161.00 | \$215.00 | \$432,545.00 | \$223.00 | \$819,849.00 | \$263.00 | \$542,369.00 | \$290.00 | \$597,270.00 | \$300.00 | \$618,900.00 | \$618,900.00 |
| 234 | INSTALL BLOW OFF PER IRWD STD. W-14 (CLASS 200) | 1 EA | \$7,500.00 | \$7,500.00 | \$14,000.00 | \$14,000.00 | \$23,000.00 | \$23,000.00 | \$19,000.00 | \$19,000.00 | \$38,000.00 | \$38,000.00 | \$23,000.00 | \$23,000.00 | \$6,600.00 | \$6,600.00 | \$29,600.00 | \$29,600.00 | |
| 235 | INSTALL CATHODIC PROTECTION TEST STATION PER IRWD STD. CP-1 | 5 EA | \$ 2,500 | \$12,500.00 | \$790.00 | \$3,950.00 | \$1,700.00 | \$8,500.00 | \$1,900.00 | \$9,500.00 | \$1,900.00 | \$9,500.00 | \$1,800.00 | \$9,000.00 | \$800.00 | \$3,000.00 | \$2,500.00 | \$12,500.00 | \$12,500.00 |
| 20" JEFFREY ROAD LATERAL RELOCATION | | | | | | | | | | | | | | | | | | | |
| 236 | REMOVE AND DISPOSE OF EXISTING 20" ACP JEFFREY ROAD LATERAL RECYCLED WATER MAIN AND JOIN PROPOSED 20" CML&C PIPE PER DETAIL ON PLAN (INCLUDE PORTS FOR PROPOSED RECYCLED WATER METER CONNECTIONS) | 2 EA | \$20,000.00 | \$40,000.00 | \$29,000.00 | \$58,000.00 | \$5,750.00 | \$11,500.00 | \$11,600.00 | \$23,200.00 | \$8,000.00 | \$16,000.00 | \$14,000.00 | \$28,000.00 | \$500 | \$7,000.00 | \$17,000.00 | \$34,000.00 | \$34,000.00 |
| 237 | CONSTRUCT 20" CML&C WELDED STEEL PIPE AND FITTINGS, CL200, 0.1345" MIN THICKNESS PER IRWD STD DWG W-17 | 254 LF | \$200.00 | \$50,800.00 | \$30.00 | \$8,820.00 | \$180.00 | \$45,720.00 | \$140.00 | \$35,560.00 | \$404.00 | \$102,816.00 | \$175.00 | \$44,450.00 | 297 | \$72,896.00 | \$200.00 | \$50,800.00 | \$50,800.00 |
| TOTAL IRWD CAPITAL FACILITY IMP'S (ITEMS Q.191 - Q.237): | | | \$3,721,220.00 | \$3,944,019.00 | \$2,814,248.00 | \$2,828,870.00 | \$3,342,088.00 | \$3,910,239.00 | \$4,143,318.00 | | | | | | | | | | |

✓ Dave Conley
 ✓ Mike Morse
 ✓ Joseph O'Toole
 ✓ Julie with Del Key Map

EXHIBIT "E"

PRE-BID MEETING DATE: February 15, 2012
 BID OPENING DATE: March 29, 2012
 WITNESSED BY: Mandy Lee
 Mary Collins

BID SUMMARY
Neighborhoods 3, 4, 6 and 7
CONTRACT B10 WET UTILITIES PREVALUING WAGE
PHASE 2 BACKBONE STREETS EXCURE & GRAVATION (AD) AND SPRING MEADOW,
CRESTED BROOK AND "N" MAP (NRV AND)
 Estimate Project: 15,250 linear feet
TABULAR ID: 10-0297-87-06-001(2)(2)(2)

| | | | | | |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| ENGINEER'S ESTIMATE | LOW BIDDER | 2ND BIDDER | 3RD BIDDER | 4TH BIDDER | 5TH BIDDER |
| HUNSAKER | LAB | CLEARWATER | FYDAG | LEATHERWOOD | KENNEDY |

CHECK LIST
Required Items to be included in bid package:

1. Signed Addendum Nos. 1-4
2. Corporate Seal (if applicable)
3. Correct Signatures (Page V-3)
4. Bid Tabular Correctly
5. List of Subcontractors
6. Equipment/Related Expense Information
7. Corrective Rates/Reviews
8. 10% Bid Bond
9. Construction Schedule
10. Non-Collusion Certificate
11. Contractor Prequalification

| Comments | Comments | Comments | Comments | Comments | Comments |
|----------|----------|----------|-------------------------------------|-------------------------------------|----------|
| | | | DID NOT CHECK AS BIDDER WAS NOT LOW | DID NOT CHECK AS BIDDER WAS NOT LOW | NO BIDS |

COPY

| CD/CONTRACT | ITEM | DESCRIPTION | QTY | UNIT | UNIT PRICE | TOTAL | UNIT PRICE | TOTAL | UNIT PRICE | TOTAL | UNIT PRICE | TOTAL | UNIT PRICE | TOTAL | |
|--|------|---|------|------|------------|---------------------|-------------|---------------------|------------|---------------------|-------------|---------------------|-------------|---------------------|--------------|
| V. DETAILABLE ITEMS | | | | | | | | | | | | | | | |
| These items may or may not be part of the Contract | | | | | | | | | | | | | | | |
| T. GENERAL - IRWD CAPITAL ITEMS | | | | | | | | | | | | | | | |
| 9000470 | 218 | MOBILIZATION NOT TO EXCEED 2% OF CONTRACT PRICE OF SECTIONS H-M | 1 | LS | \$8,000.00 | \$8,000.00 | \$4,000.00 | \$4,000.00 | \$1,000.00 | \$1,000.00 | \$1,000.00 | \$1,000.00 | \$11,000.00 | \$11,000.00 | |
| 9000470 | 219 | PAYMENT AND PERFORMANCE BOND - (SECTIONS T-V) | 1 | LS | \$4,500.00 | \$4,500.00 | \$1,500.00 | \$1,500.00 | \$1,200.00 | \$1,200.00 | \$1,200.00 | \$1,200.00 | \$12,000.00 | \$12,000.00 | |
| 9000470 | 220 | DEVELOP CONSTRUCTION WATER SECTIONS T-V | 1 | LS | \$7,300.00 | \$7,300.00 | \$4,600.00 | \$4,600.00 | \$1,000.00 | \$1,000.00 | \$1,000.00 | \$1,000.00 | \$1,500.00 | \$1,500.00 | |
| 9000470 | 221 | TRAFFIC CONTROL (SECTIONS T-V) | 1 | LS | \$7,350.00 | \$7,350.00 | \$7,600.00 | \$7,600.00 | \$1,500.00 | \$1,500.00 | \$2,000.00 | \$2,000.00 | \$8,000.00 | \$8,000.00 | |
| U. SANITARY SEWER CAPITAL IMPROVEMENTS | | | | | | | | | | | | | | | |
| 9000470 | 222 | REMOVE, DISPOSE AND REPLACE BY KNO INTERFERING PORTIONS OF EXISTING CURB AND GUTTER | 1 | LS | \$600.00 | \$600.00 | \$600.00 | \$600.00 | \$1,600.00 | \$1,600.00 | \$2,500.00 | \$2,500.00 | \$2,200.00 | \$2,200.00 | |
| 9000470 | 223 | REMOVE, DISPOSE AND REPLACE BY KNO INTERFERING PORTIONS OF EXISTING GRAB | 1 | LS | \$1,000.00 | \$1,000.00 | \$1,800.00 | \$1,800.00 | \$1,600.00 | \$1,600.00 | \$2,500.00 | \$2,500.00 | \$7,800.00 | \$7,800.00 | |
| 9000470 | 224 | ORND AND EXPOSE EXISTING PAVEMENT 0.1' AND INSTALL NEW PAVEMENT INCLUDING NEW STRIPING | 4200 | SF | \$2.00 | \$8,400.00 | \$3.25 | \$13,650.00 | \$7.35 | \$30,750.00 | \$18.00 | \$75,600.00 | \$5.00 | \$21,000.00 | |
| 9000470 | 225 | INSTALL STURRY SEAL AND NEW STRIPING | 4200 | SF | \$0.50 | \$2,100.00 | \$2.10 | \$8,820.00 | \$2.35 | \$9,870.00 | \$3.00 | \$12,600.00 | \$3.00 | \$12,600.00 | |
| 9000470 | 226 | "A" | 563 | SF | \$5.00 | \$2,815.00 | \$20.00 | \$11,260.00 | \$17.00 | \$9,571.00 | \$25.00 | \$14,075.00 | \$54.00 | \$30,258.00 | |
| 9000470 | 227 | INSTALL DEEP 10 FT DEPTH 12" PVC SD4-36 SEWER MAIN | 1092 | LF | \$40.00 | \$43,680.00 | \$47.00 | \$51,324.00 | \$58.56 | \$63,718.32 | \$59.00 | \$64,428.00 | \$65.00 | \$70,764.00 | |
| 9000470 | 228 | INSTALL DEEP 10 FT DEPTH 12" PVC SD4-36 SEWER MAIN | 209 | LF | \$42.00 | \$8,778.00 | \$40.25 | \$8,411.25 | \$40.25 | \$8,411.25 | \$42.00 | \$8,778.00 | \$42.00 | \$8,778.00 | |
| 9000470 | 229 | INSTALL DEEP 10 FT DEPTH 12" PVC SD4-36 SEWER MAIN | 20 | LF | \$90.00 | \$1,800.00 | \$80.00 | \$1,600.00 | \$48.15 | \$963.00 | \$55.00 | \$1,100.00 | \$180.00 | \$3,600.00 | |
| 9000470 | 230 | CONSTRUCT 60" MANHOLE PER IRWD STD. S-1 | 2 | EA | \$6,500.00 | \$13,000.00 | \$4,725.00 | \$9,450.00 | \$7,715.00 | \$15,430.00 | \$9,300.00 | \$18,600.00 | \$13,200.00 | \$26,400.00 | |
| 9000470 | 231 | CONSTRUCT 48" MANHOLE PER IRWD STD. S-1 | 3 | EA | \$3,550.00 | \$10,650.00 | \$3,090.00 | \$9,270.00 | \$4,375.00 | \$13,125.00 | \$4,000.00 | \$12,000.00 | \$4,300.00 | \$12,900.00 | |
| 9000470 | 232 | JOIN EXIST MANHOLE AND RECHANNEL MANHOLE BARE & REPAIR MANHOLE WALL PER IRWD STD DWG S-1 | 1 | EA | \$2,400.00 | \$2,400.00 | \$1,800.00 | \$1,800.00 | \$5,500.00 | \$5,500.00 | \$1,800.00 | \$1,800.00 | \$6,400.00 | \$6,400.00 | |
| 9000470 | 233 | INSTALL PVC END PLUG | 4 | EA | \$50.00 | \$200.00 | \$75.00 | \$300.00 | \$300.00 | \$1,200.00 | \$200.00 | \$800.00 | \$100.00 | \$400.00 | |
| 9000470 | 234 | ADJUST SEWER MANHOLE TO BASE PAVE GRADE | 6 | EA | \$400.00 | \$2,400.00 | \$400.00 | \$2,400.00 | \$75.00 | \$450.00 | \$1.00 | \$6.00 | \$50.00 | \$300.00 | |
| 9000470 | 235 | ADJUST SEWER MANHOLE TO FINAL GRADE | 8 | EA | \$300.00 | \$2,400.00 | \$300.00 | \$2,400.00 | \$275.00 | \$2,200.00 | \$375.00 | \$3,000.00 | \$500.00 | \$4,000.00 | |
| V. RECLAIMED WATER CAPITAL IMPROVEMENTS | | | | | | | | | | | | | | | |
| 9000480 | 230 | INSTALL 36" CALCSPP, MIN THK 0.25", 30 KSI 250 PSI WORKING PRESSURE, W/ TRENCH SECTION & TRENCH PER IRWD STD DWG W-17. CONSTRUCT CALSC JOINTS PER IRWD STD DWG W-18. BOND PIPE JOINTS PER STD DWG CP-4, CP-9, AND CP-10. WELD ALL CALCSPP | 963 | LF | \$430.00 | \$414,990.00 | \$220.00 | \$211,860.00 | \$208.00 | \$199,656.00 | \$112.00 | \$107,016.00 | \$730.00 | \$702,864.00 | \$223,955.00 |
| 9000480 | 231 | INSTALL 36" CALCSPP 11.25' BEND PER ASWA C-208 | 2 | EA | \$4,000.00 | \$8,000.00 | \$1,300.00 | \$2,600.00 | \$3,000.00 | \$6,000.00 | \$1,200.00 | \$2,400.00 | \$4,000.00 | \$8,000.00 | |
| 9000480 | 232 | INSTALL 12" BLOWOFF ASSEMBLY PER IRWD STD. PLAN No. W-14 | 1 | EA | \$4,900.00 | \$4,900.00 | \$15,200.00 | \$15,200.00 | \$9,500.00 | \$9,500.00 | \$14,600.00 | \$14,600.00 | \$14,300.00 | \$14,300.00 | |
| 9000480 | 233 | INSTALL 8" WIRE CP TEST STATION PER IRWD STD. PLAN No. CP-1 | 1 | EA | \$900.00 | \$900.00 | \$3,800.00 | \$3,800.00 | \$2,250.00 | \$2,250.00 | \$1,750.00 | \$1,750.00 | \$560.00 | \$560.00 | |
| 9000480 | 240 | INSTALL TEMP BULKHEAD | 1 | EA | \$1,000.00 | \$1,000.00 | \$350.00 | \$350.00 | \$600.00 | \$600.00 | \$700.00 | \$700.00 | \$1,500.00 | \$1,500.00 | |
| 9000480 | 241 | REMOVE TEMPORARY BLOW OFF AND BULKHEAD AND JOIN EXIST RECYCLED WATER LINE | 1 | EA | \$2,400.00 | \$2,400.00 | \$3,800.00 | \$3,800.00 | \$3,000.00 | \$3,000.00 | \$1,600.00 | \$1,600.00 | \$4,100.00 | \$4,100.00 | |
| 9000480 | 242 | INSTALL 8" PURPLE AWWA C200 PVC CLASS 250 RECYCLED WATER LINE, W/ TRENCH SECTION & TRENCH PER IRWD STD. NO. W-17 | 960 | LF | \$18.00 | \$17,280.00 | \$23.00 | \$22,080.00 | \$11.70 | \$11,280.00 | \$90.00 | \$86,400.00 | \$40.00 | \$38,400.00 | |
| 9000480 | 243 | INSTALL 8" 90° 3/4" X 3/4" D.I. FLEXE CROSS AND THRUST BLOCK PER IRWD STD. PLAN No. W-16 | 1 | EA | \$600.00 | \$600.00 | \$375.00 | \$375.00 | \$1,050.00 | \$1,050.00 | \$200.00 | \$200.00 | \$510.00 | \$510.00 | |
| 9000480 | 244 | INSTALL 8" 90° 3/4" D.I. FLEXE TEE AND THRUST BLOCK PER IRWD STD. PLAN No. W-16 | 1 | EA | \$350.00 | \$350.00 | \$275.00 | \$275.00 | \$295.00 | \$295.00 | \$100.00 | \$100.00 | \$370.00 | \$370.00 | |
| 9000480 | 245 | REMOVE TEMPORARY BLOW-OFF AND JOIN EXIST | 1 | EA | \$1,200.00 | \$1,200.00 | \$2,980.00 | \$2,980.00 | \$1,210.00 | \$1,210.00 | \$1,800.00 | \$1,800.00 | \$1,700.00 | \$1,700.00 | |
| 9000480 | 246 | INSTALL 8" CLASS 2008 BUTTERFLY VALVE AND VALVE BOX PER IRWD STD. PLAN No. W-22 | 3 | EA | \$1,000.00 | \$3,000.00 | \$1,215.00 | \$3,645.00 | \$1,715.00 | \$5,145.00 | \$1,500.00 | \$4,500.00 | \$2,400.00 | \$7,200.00 | |
| 9000480 | 247 | INSTALL 8" DI FLEXO ADAPTOR | 3 | EA | \$150.00 | \$450.00 | \$175.00 | \$525.00 | \$90.00 | \$270.00 | \$50.00 | \$150.00 | \$150.00 | \$450.00 | |
| 9000480 | 248 | INSTALL 8" CLASS 2008 BUTTERFLY VALVE AND VALVE BOX PER IRWD STD. PLAN No. W-22 | 3 | EA | \$1,100.00 | \$3,300.00 | \$1,050.00 | \$3,150.00 | \$715.00 | \$2,145.00 | \$1,000.00 | \$3,000.00 | \$1,800.00 | \$5,400.00 | |
| 9000480 | 249 | INSTALL 4" CLASS 2008 FLANGE | 3 | EA | \$200.00 | \$600.00 | \$165.00 | \$495.00 | \$145.00 | \$435.00 | \$50.00 | \$150.00 | \$65.00 | \$195.00 | |
| 9000480 | 250 | INSTALL 4" BLOW-OFF ASSEMBLY PER IRWD STD. NO. W-14 | 2 | EA | \$2,500.00 | \$5,000.00 | \$1,120.00 | \$2,240.00 | \$3,555.00 | \$7,110.00 | \$1,100.00 | \$2,200.00 | \$10,300.00 | \$20,600.00 | |
| 9000480 | 251 | INSTALL END CAP M.I. W/ RETAINER GLAND AND THRUST BLOCK PER IRWD STD. NO. W-12 (REV. 7) | 1 | EA | \$700.00 | \$700.00 | \$90.00 | \$90.00 | \$50.00 | \$50.00 | \$20.00 | \$20.00 | \$640.00 | \$640.00 | |
| 9000480 | 252 | ADJUST VALVE CAP TO BASE PAVE GRADE | 5 | EA | \$400.00 | \$2,000.00 | \$350.00 | \$1,750.00 | \$250.00 | \$1,250.00 | \$1.00 | \$5.00 | \$200.00 | \$1,000.00 | |
| 9000480 | 253 | ADJUST VALVE CAP TO FINAL GRADE | 5 | EA | \$200.00 | \$1,000.00 | \$300.00 | \$1,500.00 | \$160.00 | \$800.00 | \$300.00 | \$1,500.00 | \$350.00 | \$1,750.00 | |
| TOTAL PRICE (SECTIONS T-V) | | | | | | \$517,248.00 | | \$440,746.00 | | \$481,076.45 | | \$401,291.28 | | \$266,498.00 | |

*Preliminary Cost Elements, subject to Finance and Project Management Approval.

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IRVINE RANCH WATER DIST

Expenditure Authorization

Project Name: PA9 JEFFREY RD 12" ZONE 3 - IRVINE BLVD TO PORTOLA
 EPMS Project No: 10423 EA No: 4
 Oracle Project No: 1519
 Project Manager: CORTEZ, MALCOLM
 Project Engineer: LEW, KELLY
 Request Date: November 20, 2012

ID Split: Miscellaneous

| Improvement District (ID) Allocations | | |
|---------------------------------------|---------------|------------------------|
| ID No. | Allocation % | Source of Funds |
| 150 | 100.0 | BONDS YET TO BE SOLD** |
| Total | 100.0% | |

Summary of Direct Cost Authorizations

| | |
|---------------------------------------|--------------------|
| Previously Approved EA Requests: | \$265,100 |
| This Request: | \$720,500 |
| Total EA Requests: | \$985,600 |
| Previously Approved Budget: | \$1,755,600 |
| Budget Adjustment Requested this EA: | \$0 |
| Updated Budget: | \$1,755,600 |
| Budget Remaining After This EA | \$770,000 |

Comments:

| Phase | This EA Request | Previous EA Requests | EA Requests to Date | This Budget Request | Previous Budget | Updated Budget | Start | Finish |
|--|------------------|----------------------|---------------------|---------------------|--------------------|--------------------|-------|--------|
| ENGINEERING DESIGN - IRWD | 0 | 25,000 | 25,000 | 0 | 25,000 | 25,000 | 9/06 | 9/12 |
| ENGINEERING DESIGN - OUTSIDE | 0 | 210,000 | 210,000 | 0 | 210,000 | 210,000 | 9/06 | 9/12 |
| DESIGN STAFF FIELD SUPPORT | 0 | 3,000 | 3,000 | 0 | 3,000 | 3,000 | 9/06 | 9/12 |
| ENGINEERING - CA&I IRWD | 25,000 | 0 | 25,000 | 0 | 25,000 | 25,000 | 1/13 | 6/14 |
| ENGINEERING - CA&I OUTSIDE | 75,000 | 0 | 75,000 | 0 | 75,000 | 75,000 | 1/13 | 6/14 |
| CONSTRUCTION FIELD SUPPORT | 5,000 | 0 | 5,000 | 0 | 5,000 | 5,000 | 1/13 | 6/14 |
| CONSTRUCTION | 550,000 | 0 | 550,000 | 0 | 1,250,000 | 1,250,000 | 1/13 | 6/14 |
| LEGAL | 0 | 3,000 | 3,000 | 0 | 3,000 | 3,000 | 9/06 | 6/14 |
| Contingency - 10.00% Subtotal | \$65,500 | \$24,100 | \$89,600 | \$0 | \$159,600 | \$159,600 | | |
| Subtotal (Direct Costs) | \$720,500 | \$265,100 | \$985,600 | \$0 | \$1,755,600 | \$1,755,600 | | |
| Estimated G/A - 180.00% of direct labor* | \$54,000 | \$50,400 | \$104,400 | \$0 | \$104,400 | \$104,400 | | |
| Total | \$774,500 | \$315,500 | \$1,090,000 | \$0 | \$1,860,000 | \$1,860,000 | | |
| Direct Labor | \$30,000 | \$28,000 | \$58,000 | \$0 | \$58,000 | \$58,000 | | |

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

EA Originator: Kelly Lew 11/20/12
 Department Director: Kari L. Burk 11/21/12
 Finance: _____
 Board/General Manager: _____

** IRWD hereby declares that it reasonably expects those expenditures marked with two asterisks to be reimbursed with proceeds of future debt to be incurred by IRWD in a maximum principal amount of \$1,860,000. This intent is further described in the attached staff report and additional documents, if any, which are hereby incorporated by reference. The official intent to reimburse costs of the above-captioned project is made under Treasury Regulation Section 1.150-2.

IRVINE RANCH WATER DISTRICT

Expenditure Authorization

Project Name: PA9 JEFFREY RD PIPELINES, 36" ZNA, 36" SYPHON

EPMS Project No: 30422 EA No: 4

Oracle Project No: 1024

Project Manager: CORTEZ, MALCOLM

Project Engineer: LEW, KELLY

Request Date: November 27, 2012

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

Improvement District (ID) Allocations

| ID No. | Allocation % | Source of Funds |
|--------------|---------------|------------------------|
| 211 | 2.1 | CAPITAL FUND |
| 212 | 13.2 | BONDS YET TO BE SOLD** |
| 213 | 4.8 | BONDS YET TO BE SOLD** |
| 215 | .7 | CAPITAL FUND |
| 221 | 13.2 | BONDS YET TO BE SOLD** |
| 230 | 9.6 | BONDS YET TO BE SOLD** |
| 235 | 7.9 | PREVIOUSLY SOLD BONDS |
| 240 | 7.7 | BONDS YET TO BE SOLD** |
| 250 | 31.7 | BONDS YET TO BE SOLD** |
| 261 | 9.1 | BONDS YET TO BE SOLD** |
| Total | 100.0% | |

Summary of Direct Cost Authorizations

| | |
|---------------------------------------|--------------------|
| Previously Approved EA Requests: | \$353,100 |
| This Request: | \$2,376,000 |
| Total EA Requests: | \$2,729,100 |
| Previously Approved Budget: | \$3,499,100 |
| Budget Adjustment Requested this EA: | (\$770,000) |
| Updated Budget: | \$2,729,100 |
| Budget Remaining After This EA | \$0 |

Comments:

| Phase | This EA Request | Previous EA Requests | EA Requests to Date | This Budget Request | Previous Budget | Updated Budget | Start | Finish |
|--|--------------------|----------------------|---------------------|---------------------|--------------------|--------------------|-------|--------|
| ENGINEERING DESIGN - IRWD | 25,000 | 25,000 | 50,000 | 25,000 | 25,000 | 50,000 | 9/06 | 9/12 |
| ENGINEERING DESIGN - OUTSIDE | 10,000 | 290,000 | 300,000 | 0 | 300,000 | 300,000 | 9/06 | 9/12 |
| DESIGN STAFF FIELD SUPPORT | 0 | 3,000 | 3,000 | 0 | 3,000 | 3,000 | 9/06 | 9/12 |
| ENGINEERING - CA&I IRWD | 50,000 | 0 | 50,000 | 25,000 | 25,000 | 50,000 | 1/13 | 6/14 |
| ENGINEERING - CA&I OUTSIDE | 170,000 | 0 | 170,000 | 0 | 170,000 | 170,000 | 1/13 | 6/14 |
| CONSTRUCTION FIELD SUPPORT | 5,000 | 0 | 5,000 | 0 | 5,000 | 5,000 | 1/13 | 6/14 |
| CONSTRUCTION | 1,900,000 | 0 | 1,900,000 | (750,000) | 2,650,000 | 1,900,000 | 1/13 | 6/14 |
| LEGAL | 0 | 3,000 | 3,000 | 0 | 3,000 | 3,000 | 9/06 | 6/14 |
| Contingency - 10.00% Subtotal | \$216,000 | \$32,100 | \$248,100 | (\$70,000) | \$318,100 | \$248,100 | | |
| Subtotal (Direct Costs) | \$2,376,000 | \$353,100 | \$2,729,100 | (\$770,000) | \$3,499,100 | \$2,729,100 | | |
| Estimated G/A - 180.00% of direct labor* | \$144,000 | \$50,400 | \$194,400 | \$90,000 | \$104,400 | \$194,400 | | |
| Total | \$2,520,000 | \$403,500 | \$2,923,500 | (\$680,000) | \$3,603,500 | \$2,923,500 | | |
| Direct Labor | \$80,000 | \$28,000 | \$108,000 | \$50,000 | \$58,000 | \$108,000 | | |

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

EA Originator:

Kelley Lew

11/27/12

Department Director:

Kevin L. Butler

11/27/12

Finance:

Board/General Manager:

** IRWD hereby declares that it reasonably expects those expenditures marked with two asterisks to be reimbursed with proceeds of future debt to be incurred by IRWD in a maximum principal amount of \$2,987 additional documents, if any, which are hereby incorporated project is made under Treasury Regulation Section 1.150-2.

is further described in the attached staff report and official intent to reimburse costs of the above-captioned

IRVINE RANCH WATER DISTRICT

Expenditure Authorization

Project Name: PA9 JEFFREY RD PIPELINES, 16" ZONE B AND 6" ZONE C
 EPMS Project No: 30389 EA No: 1
 Oracle Project No: 4176
 Project Manager: CORTEZ, MALCOLM
 Project Engineer: LEW, KELLY
 Request Date: November 26, 2012

ID Split: Miscellaneous

Improvement District (ID) Allocations

| ID No. | Allocation % | Source of Funds |
|--------------|---------------|------------------------|
| 250 | 100.0 | BONDS YET TO BE SOLD** |
| Total | 100.0% | |

Summary of Direct Cost Authorizations

| | |
|---------------------------------------|------------------|
| Previously Approved EA Requests: | \$0 |
| This Request: | \$777,700 |
| Total EA Requests: | \$777,700 |
| Previously Approved Budget: | \$0 |
| Budget Adjustment Requested this EA: | \$777,700 |
| Updated Budget: | \$777,700 |
| Budget Remaining After This EA | \$0 |

Comments:

| Phase | This EA Request | Previous EA Requests | EA Requests to Date | This Budget Request | Previous Budget | Updated Budget | Start | Finish |
|--|------------------|----------------------|---------------------|---------------------|-----------------|------------------|-------|--------|
| ENGINEERING DESIGN - IRWD | 15,000 | 0 | 15,000 | 15,000 | 0 | 15,000 | 7/12 | 12/12 |
| ENGINEERING DESIGN - OUTSIDE | 110,000 | 0 | 110,000 | 110,000 | 0 | 110,000 | 7/12 | 12/12 |
| DESIGN STAFF FIELD SUPPORT | 5,000 | 0 | 5,000 | 5,000 | 0 | 5,000 | 7/12 | 12/12 |
| ENGINEERING - CA&I IRWD | 20,000 | 0 | 20,000 | 20,000 | 0 | 20,000 | 1/13 | 6/14 |
| ENGINEERING - CA&I OUTSIDE | 30,000 | 0 | 30,000 | 30,000 | 0 | 30,000 | 1/13 | 6/14 |
| CONSTRUCTION FIELD SUPPORT | 5,000 | 0 | 5,000 | 5,000 | 0 | 5,000 | 1/13 | 6/14 |
| CONSTRUCTION | 520,000 | 0 | 520,000 | 520,000 | 0 | 520,000 | 1/13 | 6/14 |
| LEGAL | 2,000 | 0 | 2,000 | 2,000 | 0 | 2,000 | 7/12 | 6/14 |
| Contingency - 10.00% Subtotal | \$70,700 | \$0 | \$70,700 | \$70,700 | \$0 | \$70,700 | | |
| Subtotal (Direct Costs) | \$777,700 | \$0 | \$777,700 | \$777,700 | \$0 | \$777,700 | | |
| Estimated G/A - 180.00% of direct labor* | \$81,000 | \$0 | \$81,000 | \$81,000 | \$0 | \$81,000 | | |
| Total | \$858,700 | \$0 | \$858,700 | \$858,700 | \$0 | \$858,700 | | |
| Direct Labor | \$45,000 | \$0 | \$45,000 | \$45,000 | \$0 | \$45,000 | | |

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

EA Originator:

Kelly Lew 11/27/12

Department Director:

Ramon L. Burch 11/27/12

Finance:

Board/General Manager:

** IRWD hereby declares that it reasonably expects those expenditures marked with two asterisks to be reimbursed with proceeds of future debt to be incurred by IRWD in a maximum principal amount of \$_____ which is further described in the attached staff report and additional documents, if any, which are hereby incorporated by reference into this authorization. No official intent to reimburse costs of the above-captioned project is made under Treasury Regulation Section 1.15

IRVINE RANCH WATER DISTRICT

Expenditure Authorization

Project Name: PA 9B RW AND ILP SYPHON LATERAL, PHASE 2

EPMS Project No: 30384 EA No: 1

Oracle Project No: 3942

Project Manager: CORTEZ, MALCOLM

Project Engineer: LEW, KELLY

Request Date: November 27, 2012

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

Improvement District (ID) Allocations

| ID No. | Allocation % | Source of Funds |
|--------------|---------------|------------------------|
| 211 | 2.1 | CAPITAL FUND |
| 212 | 13.2 | BONDS YET TO BE SOLD** |
| 213 | 4.8 | BONDS YET TO BE SOLD** |
| 215 | .7 | CAPITAL FUND |
| 221 | 13.2 | BONDS YET TO BE SOLD** |
| 230 | 9.6 | BONDS YET TO BE SOLD** |
| 235 | 7.9 | PREVIOUSLY SOLD BONDS |
| 240 | 7.7 | BONDS YET TO BE SOLD** |
| 250 | 31.7 | BONDS YET TO BE SOLD** |
| 261 | 9.1 | BONDS YET TO BE SOLD** |
| Total | 100.0% | |

Summary of Direct Cost Authorizations

| | |
|---------------------------------------|------------------|
| Previously Approved EA Requests: | \$0 |
| This Request: | \$486,200 |
| Total EA Requests: | \$486,200 |
| Previously Approved Budget: | \$0 |
| Budget Adjustment Requested this EA: | \$486,200 |
| Updated Budget: | \$486,200 |
| Budget Remaining After This EA | \$0 |

Comments:

| Phase | This EA Request | Previous EA Requests | EA Requests to Date | This Budget Request | Previous Budget | Updated Budget | Start | Finish |
|--|------------------|----------------------|---------------------|---------------------|-----------------|------------------|-------|--------|
| ENGINEERING DESIGN - IRWD | 20,000 | 0 | 20,000 | 20,000 | 0 | 20,000 | 7/12 | 7/12 |
| ENGINEERING DESIGN - OUTSIDE | 60,000 | 0 | 60,000 | 60,000 | 0 | 60,000 | 7/12 | 7/12 |
| DESIGN STAFF FIELD SUPPORT | 5,000 | 0 | 5,000 | 5,000 | 0 | 5,000 | 7/12 | 7/12 |
| ENGINEERING - CA&I IRWD | 20,000 | 0 | 20,000 | 20,000 | 0 | 20,000 | 10/12 | 7/13 |
| ENGINEERING - CA&I OUTSIDE | 30,000 | 0 | 30,000 | 30,000 | 0 | 30,000 | 10/12 | 7/13 |
| CONSTRUCTION FIELD SUPPORT | 5,000 | 0 | 5,000 | 5,000 | 0 | 5,000 | 10/12 | 7/13 |
| CONSTRUCTION | 300,000 | 0 | 300,000 | 300,000 | 0 | 300,000 | 10/12 | 7/13 |
| LEGAL | 2,000 | 0 | 2,000 | 2,000 | 0 | 2,000 | 7/12 | 7/13 |
| Contingency - 10.00% Subtotal | \$44,200 | \$0 | \$44,200 | \$44,200 | \$0 | \$44,200 | | |
| Subtotal (Direct Costs) | \$486,200 | \$0 | \$486,200 | \$486,200 | \$0 | \$486,200 | | |
| Estimated G/A - 180.00% of direct labor* | \$90,000 | \$0 | \$90,000 | \$90,000 | \$0 | \$90,000 | | |
| Total | \$576,200 | \$0 | \$576,200 | \$576,200 | \$0 | \$576,200 | | |
| Direct Labor | \$50,000 | \$0 | \$50,000 | \$50,000 | \$0 | \$50,000 | | |

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

EA Originator:

Kelly Lew

11/27/12

Department Director:

Kevin L. Burt

11/27/12

Finance:

Board/General Manager:

** IRWD hereby declares that it reasonably expects those expenditures marked with two asterisks to be reimbursed with proceeds of future debt to be incurred by IRWD in a maximum principal amount of \$588,000 additional documents, if any, which are hereby incorporated into this project is made under Treasury Regulation Section 1.150-2.

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further described in the attached staff report and fiscal intent to reimburse costs of the above-captioned

IRVINE RANCH WATER DISTRICT

Expenditure Authorization

Project Name: PA 9B SEWER IMPROVEMENTS
EPMS Project No: 21125 **EA No:** 1
Oracle Project No: 3844
Project Manager: CORTEZ, MALCOLM
Project Engineer: LEW, KELLY
Request Date: July 6, 2012

ID Split: Miscellaneous

Improvement District (ID) Allocations

ID No. **Allocation %** **Source of Funds**

| | | |
|--------------|---------------|------------------------|
| 250 | 100.0 | BONDS YET TO BE SOLD** |
| Total | 100.0% | |

Summary of Direct Cost Authorizations

| | |
|---------------------------------------|------------------|
| Previously Approved EA Requests: | \$0 |
| This Request: | \$238,700 |
| Total EA Requests: | \$238,700 |
| Previously Approved Budget: | \$238,700 |
| Budget Adjustment Requested this EA: | \$0 |
| Updated Budget: | \$238,700 |
| Budget Remaining After This EA | \$0 |

Comments:

| Phase | This EA Request | Previous EA Requests | EA Requests to Date | This Budget Request | Previous Budget | Updated Budget | Start | Finish |
|--|------------------|----------------------|---------------------|---------------------|------------------|------------------|-------|--------|
| ENGINEERING DESIGN - IRWD | 10,000 | 0 | 10,000 | 0 | 10,000 | 10,000 | 1/12 | 4/12 |
| ENGINEERING DESIGN - OUTSIDE | 15,000 | 0 | 15,000 | 0 | 15,000 | 15,000 | 1/12 | 4/12 |
| ENGINEERING - CA&I IRWD | 10,000 | 0 | 10,000 | 0 | 10,000 | 10,000 | 6/12 | 6/13 |
| ENGINEERING - CA&I OUTSIDE | 15,000 | 0 | 15,000 | 0 | 15,000 | 15,000 | 6/12 | 6/13 |
| CONSTRUCTION FIELD SUPPORT | 5,000 | 0 | 5,000 | 0 | 5,000 | 5,000 | 6/12 | 6/13 |
| CONSTRUCTION | 160,000 | 0 | 160,000 | 0 | 160,000 | 160,000 | 6/12 | 6/13 |
| LEGAL | 2,000 | 0 | 2,000 | 0 | 2,000 | 2,000 | 1/12 | 6/13 |
| Contingency - 10.00% Subtotal | \$21,700 | \$0 | \$21,700 | \$0 | \$21,700 | \$21,700 | | |
| Subtotal (Direct Costs) | \$238,700 | \$0 | \$238,700 | \$0 | \$238,700 | \$238,700 | | |
| Estimated G/A - 180.00% of direct labor* | \$45,000 | \$0 | \$45,000 | \$0 | \$45,000 | \$45,000 | | |
| Total | \$283,700 | \$0 | \$283,700 | \$0 | \$283,700 | \$283,700 | | |
| Direct Labor | \$25,000 | \$0 | \$25,000 | \$0 | \$25,000 | \$25,000 | | |

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

EA Originator: Kelly Lew 11/20/12

Department Director: Ron L Burton 11/21/12

Finance: _____

Board/General Manager: _____

** IRWD hereby declares that it reasonably expects those expenditures marked with two asterisks to be reimbursed with proceeds of future debt to be incurred by IRWD in a maximum principal amount of \$290,000, as further described in the attached staff report and additional documents, if any, which are hereby incorporated by reference. It is the official intent to reimburse costs of the above-captioned project is made under Treasury Regulation Section 1.150-2.

OS
December 10, 2012 /M RKM
Prepared by: J. Moeder/R. Mori
Submitted by: K. Burton (K.B.)
Approved by: Paul Cook /P.C.

CONSENT CALENDAR

LAKE FOREST WELL NO. 2 WELL EQUIPPING AND DISINFECTION
FINAL ACCEPTANCE

SUMMARY:

Construction of the Lake Forest Well No. 2 Well Equipping and Disinfection Project is complete. The Contractor, Gateway Pacific Contractors, has completed the required work and all punch list items. The project has received final inspection and acceptance of construction is recommended.

BACKGROUND:

Gateway Pacific Contractors equipped the new stainless steel well with a 300 gallon per minute pump, installed a sodium hypochlorite chemical feed system, installed a new motor control center and programmable logic controller, and constructed the associated discharge piping and instrumentation. One contract change order was executed to install larger conduits for Southern California Edison (SCE) and extend the contract duration to allow SCE to provide power to the site. Construction is complete and the project is ready for final acceptance by the Board.

| | |
|-----------------------------|--|
| Project Title: | Lake Forest Well No. 2 Well Equipping and Disinfection |
| Project No.: | 11461 (1498) |
| Design Engineer: | Kennedy/Jenks Consultants |
| Construction Management by: | IRWD Staff |
| Contractor: | Gateway Pacific Contractors |
| Original Contract Cost: | \$582,686.00 |
| Final Contract Cost: | \$583,544.35 |
| Original Contract Days: | 240 |
| Final Contract Days: | 294 |
| Total Budget: | \$2,394,200 |
| Total Project Cost (Est.): | \$1,865,400 |

FISCAL IMPACTS:

Project 11461 (1498) was included in the FY 2012-13 Capital Budget. The existing budget and Expenditure Authorization were sufficient to complete the project.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

ENVIRONMENTAL COMPLIANCE:

This project is subject to the California Environmental Quality Act (CEQA). In conformance with the California Code of Regulations Title 14, Chapter 3, Section 15004, a Notice of Exemption was filed at the County Recorder's Office on March 4, 2010.

RECOMMENDATION:

THAT THE BOARD ACCEPT CONSTRUCTION OF LAKE FOREST WELL NO. 2 WELL EQUIPPING AND DISINFECTION, PROJECT 11461 (1498); AUTHORIZE THE GENERAL MANAGER TO FILE A NOTICE OF COMPLETION; AND AUTHORIZE THE RELEASE OF RETENTION 35 DAYS AFTER FILING OF THE NOTICE OF COMPLETION.

LIST OF EXHIBITS:

None.

DS
December 10, 2012 JM
Prepared by: J. Moeder / R. Mori
Submitted by: K. Burton KB
Approved by: Paul Cook / CW

ACTION CALENDAR

WELL 110 REHABILITATION CONSTRUCTION AWARD

SUMMARY:

Well 110 was constructed by IRWD in 2003 and is in need of rehabilitation to maintain production capacity and to improve reliability. Bids were received from three contractors for the rehabilitation of Well 110. Staff recommends that the Board:

- Approve an Expenditure Authorization in the amount of \$260,000 for Project 11657; and
- Authorize the General Manager to execute a construction contract with South West Pump & Drilling, Inc. in the amount of \$179,600 for the rehabilitation of Well 110.

BACKGROUND:

Well 110 is located on an undeveloped lot next to the Jeffrey Park & Ride at the southern end of Walnut as shown in Exhibit "A". Well 110 is a major contributor of feed water to the Irvine Desalter Project Potable Treatment Plant (IDP-PTP). In March 2011, staff conducted a downhole video survey of the well that showed biological growth throughout the well, with significant clogging of the deeper screens. While the well has not yet experienced significant declines in production capacity, a well rehabilitation program was prepared to address the biological growth issues and to ensure that the production capacity is maintained at a level that supports maximum production at IDP-PTP. With the recently constructed Well 107 fully operational and delivering feed water to IDP-PTP, the rehabilitation of this well can occur with minimal disruptions to the operation of IDP-PTP.

Construction Award:

The project was advertised October 29, 2012 to a select list of seven contractors including Bakersfield Well & Pump Co., Best Drilling & Pump, Inc., Boart Longyear, Layne Christensen Company, Hydro Resources, South West Pump & Drilling, Inc., and Rottman Drilling Co. The bid opening was held on November 28 with bids received from Bakersfield Well & Pump Co., Best Drilling & Pump, Inc., and South West Pump & Drilling, Inc. South West Pump & Drilling, Inc. is the apparent low bidder with a bid amount of \$179,600. The engineer's estimate, prepared by Thomas Harder & Company, was \$216,000. The Bid Summary is attached as Exhibit "B".

FISCAL IMPACTS:

Project 11657 (3774) is included in the FY 2012-13 Capital Budget. Staff requests an Expenditure Authorization to fund the construction and construction phase services as shown in the table below and in Exhibit "C". Thomas Harder & Company is already under contract to perform hydrogeologic construction phase services in the amount of \$36,519.

| Project No. | Current Budget | Addition <Reduction> | Total Budget | Existing EA | This EA Request | Total EA Request |
|--------------|----------------|----------------------|--------------|-------------|-----------------|------------------|
| 11657 (3774) | \$260,000 | \$0 | \$260,000 | \$0 | \$260,000 | \$260,000 |

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD APPROVE AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$260,000 FOR PROJECT 11657 (3774), AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH SOUTH WEST PUMP & DRILLING, INC. IN THE AMOUNT OF \$179,600 FOR THE REHABILITATION OF WELL 110.

LIST OF EXHIBITS:

- Exhibit "A" – Project Location
- Exhibit "B" – Bid Summary
- Exhibit "C" – Expenditure Authorization



Exhibit "A" - Well 110 Location

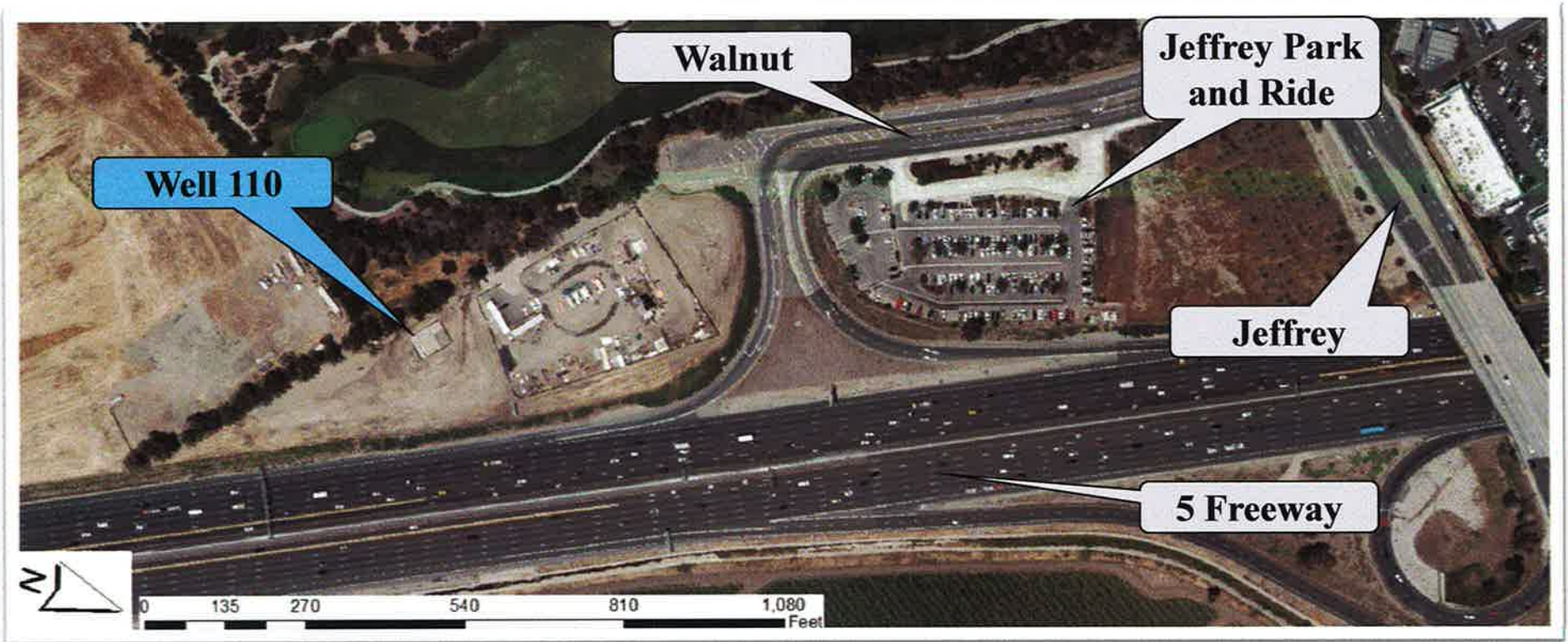


EXHIBIT "B"

Bid Opening: November 28, 2012 @ 2:00 P.M.

Irvine Ranch Water District Bid Summary For
Well 110 Rehabilitation
PR 11443 (1458)

Entered By: J.K. Irey

| Item No. | Description | | | Engineer's Estimate | | 1 South West Pump & Drilling, Inc. Coachella, CA | | 2 Bakersfield Well & Pump Bakersfield, CA | | 3 Best Drilling and Pump Colton, CA | |
|-----------------------------|--|-----|------|---------------------|--------------|--|--------------|---|--------------|---|--------------|
| | | Qty | Unit | Unit Price | Total Amount | Unit Price | Total Amount | Unit Price | Total Amount | Unit Price | Total Amount |
| | | | | | | | | | | | |
| 1 | Disconnect, remove and temporarily store offsite the permanent submersible pump, pump column, electrical cables, and all other associated appurtenances. | 1 | LS | \$5,000.00 | \$5,000.00 | \$8,240.00 | \$8,240.00 | \$4,300.00 | \$4,300.00 | \$8,520.00 | \$8,520.00 |
| 2 | Conduct a color "dual cam" video survey of the well. | 1 | LS | \$1,500.00 | \$1,500.00 | \$1,200.00 | \$1,200.00 | \$1,200.00 | \$1,200.00 | \$1,324.00 | \$1,324.00 |
| 3 | Collect and analyze sidewall samples from three depth specific intervals as directed by the HYDROGEOLOGIST. | 1 | LS | \$1,500.00 | \$1,500.00 | \$1,250.00 | \$1,250.00 | \$3,500.00 | \$3,500.00 | \$1,542.00 | \$1,542.00 |
| 4 | Conduct casing thickness inspection measurement. | 1 | LS | \$2,250.00 | \$2,250.00 | \$3,050.00 | \$3,050.00 | \$6,100.00 | \$6,100.00 | \$6,077.00 | \$6,077.00 |
| 5 | Mobilize and demobilize all equipment, materials, and personnel necessary for the work, as specified. | 1 | LS | \$40,000.00 | \$40,000.00 | \$8,500.00 | \$8,500.00 | \$46,200.00 | \$46,200.00 | \$15,000.00 | \$15,000.00 |
| 6 | Provide two, 20,000-gallon temporary water storage tanks and discharge piping including compliance with the discharge requirements. | 1 | LS | \$15,000.00 | \$15,000.00 | \$9,400.00 | \$9,400.00 | \$10,000.00 | \$10,000.00 | \$10,000.00 | \$10,000.00 |
| 7 | Brush well casing and louvered well screen using weighted nylon or polypropylene brush, including removal of accumulated materials by bailing. | 16 | HR | \$300.00 | \$4,800.00 | \$330.00 | \$5,280.00 | \$350.00 | \$5,600.00 | \$470.00 | \$7,520.00 |
| 8 | Initially redevelop screened intervals by airlifting and swabbing including removal of accumulated materials from sump. | 60 | LS | \$350.00 | \$21,000.00 | \$320.00 | \$19,200.00 | \$400.00 | \$24,000.00 | \$518.00 | \$31,080.00 |
| 9 | Perform color "dual cam" verification video survey of well. | 1 | LS | \$1,500.00 | \$1,500.00 | \$1,200.00 | \$1,200.00 | \$1,200.00 | \$1,200.00 | \$1,324.00 | \$1,324.00 |
| 10 | Install and remove development/test pumping equipment (deep well lineshaft turbine test pump) with pump intake at approximately 300 ft. | 1 | LS | \$10,000.00 | \$10,000.00 | \$17,500.00 | \$17,500.00 | \$10,000.00 | \$10,000.00 | \$19,500.00 | \$19,500.00 |
| 11 | Provide redevelopment by pumping and surging with deep well lineshaft turbine test pump. | 60 | HR | \$250.00 | \$15,000.00 | \$275.00 | \$16,500.00 | \$250.00 | \$15,000.00 | \$365.00 | \$21,900.00 |
| 12 | Provide step-drawdown pumping test. | 8 | HR | \$250.00 | \$2,000.00 | \$275.00 | \$2,200.00 | \$250.00 | \$2,000.00 | \$365.00 | \$2,920.00 |
| 13 | Provide 24-hr constant rate pumping test. | 24 | HR | \$250.00 | \$6,000.00 | \$275.00 | \$6,600.00 | \$250.00 | \$6,000.00 | \$365.00 | \$8,760.00 |
| 14 | Perform final color "dual cam" video survey of well to document post-rehabilitation condition of well. | 1 | LS | \$1,500.00 | \$1,500.00 | \$1,200.00 | \$1,200.00 | \$1,200.00 | \$1,200.00 | \$1,324.00 | \$1,324.00 |
| 15 | Perform final disinfection by adjusting pH and chlorinating to 100 mg/L. | 1 | LS | \$1,500.00 | \$1,500.00 | \$3,500.00 | \$3,500.00 | \$1,800.00 | \$1,800.00 | \$6,000.00 | \$6,000.00 |
| 16 | Reinstall permanent submersible pump, original pump column, and associated appurtenances. | 1 | LS | \$6,000.00 | \$6,000.00 | \$9,200.00 | \$9,200.00 | \$4,700.00 | \$4,700.00 | \$9,020.00 | \$9,020.00 |
| 17 | Standby time as directed by the DISTRICT for the price per hour of: | 40 | HR | \$300.00 | \$12,000.00 | \$110.00 | \$4,400.00 | \$250.00 | \$10,000.00 | \$355.00 | \$14,200.00 |
| Subtotal - Base Bid: | | | | | \$146,550.00 | | \$118,420.00 | | \$152,800.00 | | \$166,011.00 |

| Item No. | Description | | | Engineer's Estimate | | 1 South West Pump & Drilling, Inc. Coachella, CA | | 2 Bakersfield Well & Pump Bakersfield, CA | | 3 Best Drilling and Pump Colton, CA | |
|--|--|-----|------|---------------------|--------------|--|-------------|---|-----------------------------|---|-------------|
| | | Qty | Unit | Unit | Total | Unit | Total | Unit | Total | Unit | Total |
| | | | | Price | Amount | Price | Amount | Price | Amount | Price | Amount |
| Alternate Bid Items: | | | | | | | | | | | |
| A-1 | Mix and inject chlorine/surfactant/dispersant mixture into well through dual swab tool, mix thoroughly throughout water column as specified, adjust pH and chlorine levels as necessary per specifications, mix thoroughly. | 1 | LS | \$30,000.00 | \$30,000.00 | | | | | | |
| A-2 | Swab well casing and louvered well screen using the dual swab tool including removal of accumulated materials by bailing. | 24 | HR | \$350.00 | \$8,400.00 | \$7,500.00 | \$7,500.00 | \$16,500.00 | \$16,500.00 | \$15,299.00 | \$15,299.00 |
| A-3 | Provide additional 20,000-gallon temporary water storage tanks as needed for neutralizing during removal of acid including additional effluent monitoring and sampling in compliance with IRWD's NPDES discharge requirements. | 1 | LS | \$10,000.00 | \$10,000.00 | \$320.00 | \$7,680.00 | \$350.00 | \$8,400.00 | \$518.00 | \$12,432.00 |
| A-4 | Mix and inject acid/surfactant/dispersant mixture into well through dual swab tool, mix thoroughly throughout water column as specified, adjust pH and chlorine levels as necessary per specifications, mix thoroughly. | 1 | LS | \$15,000.00 | \$15,000.00 | \$4,700.00 | \$4,700.00 | \$6,500.00 | \$6,500.00 | \$5,000.00 | \$5,000.00 |
| A-5 | Swab well casing and louvered well screen using dual swab tool, including removal of accumulated materials by bailing. | 18 | HR | \$350.00 | \$6,300.00 | \$35,000.00 | \$35,000.00 | \$45,500.00 | \$45,500.00 | \$60,216.00 | \$60,216.00 |
| Subtotal - Alternate Bid Items: | | | | | \$69,700.00 | \$61,180.00 | | \$83,200.00 | | \$102,271.00 | |
| Subtotal - Base Bid Items 1 thru 17: | | | | | \$146,550.00 | \$118,420.00 | | \$152,800.00 | | \$166,011.00 | |
| Adjustment (+ or -) | | | | | \$0.00 | \$0.00 | | \$0.00 | | \$0.00 | |
| Total Amount of Bid: | | | | | \$216,250.00 | \$179,600.00 | | \$236,000.00 | | \$268,282.00 | |
| Item Delivery Dates: | | | | | | Item Delivery Dates: | | | Item Delivery Dates: | | |
| Chlorine: 12 days | | | | | | Well Cleaning Chemicals: 7 days | | | Acid: 10 days | | |
| Acid: 15 days | | | | | | | | | | | |
| Manufacturers: | | | | | | Manufacturers: | | | Manufacturers: | | |
| A-1 Chlorine: Wel-chlor - Cotey | | | | | | Nu-Well Chemicals; Johnson Screens | | | Acid: Cotey Chemicals | | |
| A-4 Acid: Liquid Descaler - Cotey | | | | | | | | | Nu-Well Products: John son | | |
| Subcontractors: | | | | | | Subcontractors: | | | Subcontractors: | | |
| Pacific Survey's: Video Survey & Side Wall Samples | | | | | | Pacific Surveys 5% | | | Pacific Surveys: 3% | | |

EXHIBIT "C"

IRVINE RANCH WATER DIST

Expenditure Authorization

Project Name: WELL MAINTENANCE AND REHABILITATION

EPMS Project No: 11657 **EA No:** 1

Oracle Project No: 3774

Project Manager: PEDERSEN, DAVID

Project Engineer: FIKE, CHRISTOPHER

Request Date: November 30, 2012

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

Improvement District (ID) Allocations

| ID No. | Allocation % | Source of Funds |
|--------------|---------------|----------------------------|
| 112 | 1.0 | BONDS YET TO BE SOLD** |
| 113 | 1.2 | BONDS YET TO BE SOLD** |
| 115 | 1.7 | CAPITAL FUND |
| 121 | 3.5 | BONDS YET TO BE SOLD** |
| 130 | 2.7 | BONDS YET TO BE SOLD** |
| 135 | 4.4 | PREVIOUSLY SOLD BONDS |
| 140 | .9 | BONDS YET TO BE SOLD** |
| 150 | 7.1 | BONDS YET TO BE SOLD** |
| 153 | .8 | BONDS YET TO BE SOLD** |
| 154 | .3 | BONDS YET TO BE SOLD** |
| 161 | 1.8 | BONDS YET TO BE SOLD** |
| 182 | .7 | BONDS YET TO BE SOLD** |
| 184 | .6 | BONDS YET TO BE SOLD** |
| 186 | .2 | BONDS YET TO BE SOLD** |
| 188 | .2 | BONDS YET TO BE SOLD** |
| 199 | 72.9 | CAPITAL FUND ENHANCEMENT** |
| Total | 100.0% | |

Summary of Direct Cost Authorizations

| | |
|---|-----------|
| Previously Approved EA Requests: | \$0 |
| This Request: | \$260,000 |
| Total EA Requests: | \$260,000 |
| Previously Approved Budget: | \$260,000 |
| Budget Adjustment Requested this EA: | \$0 |
| Updated Budget: | \$260,000 |
| Budget Remaining After This EA | \$0 |

Comments:

| Phase | This EA Request | Previous EA Requests | EA Requests to Date | This Budget Request | Previous Budget | Updated Budget | Start | Finish |
|--|------------------|----------------------|---------------------|---------------------|------------------|------------------|-------|--------|
| ENGINEERING DESIGN - IRWD | 0 | 0 | 0 | (10,000) | 10,000 | 0 | 7/12 | 6/14 |
| ENGINEERING DESIGN - OUTSIDE | 0 | 0 | 0 | (25,000) | 25,000 | 0 | 7/12 | 6/14 |
| DESIGN STAFF FIELD SUPPORT | 0 | 0 | 0 | 0 | 0 | 0 | 7/12 | 6/14 |
| ENGINEERING - CA&I IRWD | 10,000 | 0 | 10,000 | 10,000 | 0 | 10,000 | 7/12 | 6/14 |
| ENGINEERING - CA&I OUTSIDE | 40,000 | 0 | 40,000 | 40,000 | 0 | 40,000 | 7/12 | 6/14 |
| CONSTRUCTION FIELD SUPPORT | 0 | 0 | 0 | 0 | 0 | 0 | 7/12 | 6/14 |
| CONSTRUCTION | 210,000 | 0 | 210,000 | (15,000) | 225,000 | 210,000 | 7/12 | 6/14 |
| LEGAL | 0 | 0 | 0 | 0 | 0 | 0 | 7/12 | 6/14 |
| Contingency - % Subtotal | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | | |
| Subtotal (Direct Costs) | \$260,000 | \$0 | \$260,000 | \$0 | \$260,000 | \$260,000 | | |
| Estimated G/A - 180.00% of direct labor* | \$18,000 | \$0 | \$18,000 | \$0 | \$18,000 | \$18,000 | | |
| Total | \$278,000 | \$0 | \$278,000 | \$0 | \$278,000 | \$278,000 | | |
| Direct Labor | \$10,000 | \$0 | \$10,000 | \$0 | \$10,000 | \$10,000 | | |

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

EA Originator: _____

Department Director: _____

Finance: _____

Board/General Manager: _____

** IRWD hereby declares that it reasonably expects those expenditures marked with two asterisks to be reimbursed with proceeds of future debt to be incurred by IRWD in a maximum principal amount of \$284,000. The above-captioned project is further described in the attached staff report and additional documents, if any, which are hereby incorporated by reference. This declaration of official intent to reimburse costs of the above-captioned project is made under Treasury Regulation Section 1.150-2.

December 10, 2012

Prepared by: Christopher Smithson *CS*

Submitted by: Cheryl Clary *CC*

Approved by: Paul Cook *P. Cook*

ACTION CALENDAR

SETTING CONNECTION FEES IN IMPROVEMENT DISTRICTS 112/212 AND 135/235

SUMMARY:

Development of the areas within Improvement Districts (IDs) 112/212 (covering approximately the area of the former El Toro Marine Base) and IDs 135/235 (covering the former Los Alisos Water District) is anticipated in the near future. For the anticipated development in IDs 112/212, connection fees need to be established. For IDs 135/235, connection fees need to be increased in order to fund their anticipated capital improvements.

Staff recommends the Board approve establishing connection fees for IDs 112/212, increasing connection fees in IDs 135/235, accepting the proposed changes to connection fees in these areas for inclusion in the District's Rates and Charges provided in Exhibit "B" and adopt a resolution accepting changes to the Rates and Charges included as Exhibit "A".

BACKGROUND:

Establishing Connection Fees in IDs 112/212:

IRWD is split into IDs, most of which have established connection fees. Development occurring within the District that does not fall within an ID with established connection fees is subject to the fees identified for IDs 110/210. The connection fees in ID 110/210 are typically higher than other IDs because funding for new capital comes from connection fees alone and does not share the capital cost with tax revenue as there is no remaining bonding authority available. Costs are shared equally between the developer and property tax revenue when bonding authority is available.

Several years ago, bonding authority was voted in for IDs 112/212 by the developer for this area: Lennar / FivePoint Communities. Establishing separate connection fees for IDs 112/212 will provide a 50/50 sharing of costs between the developer through connection fees and the owner through property taxes.

The start of development in this area is planned for Fiscal Year 2013. Steps that have been taken to establish a connection fee include:

- Working with the local developers, FivePoint Communities and the Great Park Corporation, to establish a Plans of Works for the water, sewer, and recycled systems;
- Generating a buy-in to existing facilities from the demands identified in the Sub-Area Master Plan (SAMP);
- Including the IDs in regional allocations for future capital; and
- Voting in bonding authority for the potable water, sewer, and recycled water systems.

The approved development plan includes nearly 4,900 dwelling units and 254 commercial acres. Staff recommends establishing residential and commercial connection fees for IDs 112/212 as follows based on the 50/50 sharing of costs:

| Customer Type | Water | Sewer | Total |
|--|---------|----------|----------|
| Proposed Residential Connection Fee (per Unit) | \$1,400 | \$3,920 | \$5,320 |
| Proposed Commercial Connection Fee (per Acre) | \$5,600 | \$15,680 | \$21,280 |

Each year, connection fees and property taxes will be reviewed and updated based on remaining dwelling units and commercial acreage.

Increasing Connection Fees in the IDs 135/235:

New land development projects in the City of Lake Forest were outlined as part of the Opportunity Study Area (OSA) effort. Some development projects are now underway, with other projects anticipated in the near future. IDs 135/235 currently have a combined water and sewer connection fee of \$5,572. This basis for setting this rate, which follows IRWD's connection fee setting practice from many years prior to the consolidation of IRWD and the former Los Alisos Water District, centers on some sharing of costs between the homeowner and the developer through bonding authority. Because the bonding authority for IDs 135/235 has been fully utilized, any new development can only be funded from connection fees unless new bonding authority is obtained.

With no available bonding authority at this time, the current connection fee in 135/235 is insufficient to fund the projected future capital requirements. Until alternatives for providing bonding authority are obtained, the connection fees must be adjusted to fund the entire capital cost. Based on staff's calculations and allocation of capital for local and regional facilities along with along with the facilities' share of existing balances, the proposed revisions to connection fees are as follows:

| Description | Water | Sewer | Total |
|--|-------------|--------------|--------------|
| All-in Costs for OSA Developments | \$7,526,500 | \$13,417,000 | \$20,943,500 |
| Projected Number of Dwelling Units (DUs) | 3,200 DUs | 3,200 DUs | 3,200 DUs |
| Proposed Residential Connection Fee per Unit | \$2,350 | \$4,200 | \$6,550 |
| Current Connection Fee in 135/235 | \$3,270 | \$2,302 | \$5,572 |
| Proposed Change in 135/235 Connection Fee | (\$920) | \$1,898 | \$978 |

As show in the table, staff is proposing new connection fees totaling \$6,550 per unit for water and sewer combined. This represents a total increase of \$978 per unit when compared with the current combined connection fee. Staff intends to continue working with the developers in the OSA to provide alternative solutions for obtaining bonding authority.

FISCAL IMPACTS:

The fiscal impacts of changes will be determined by the connection fees established by the Board.

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on December 3, 2012.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO 2012-___

RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE
RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA
ADOPTING CHANGES TO CONNECTION FEES AS SET FORTH IN
THE SCHEDULE OF RATES AND CHARGES IN EXHIBIT "B" TO THE
RULES AND REGULATIONS OF IRVINE RANCH WATER DISTRICT
FOR WATER, SEWER, RECYCLED WATER AND NATURAL
TREATMENT SYSTEM SERVICE

LIST OF EXHIBITS:

Exhibit "A" – Proposed Changes to the Schedule of Rates and Charges

Exhibit "B" – Resolution Adopting Changes to Rates and Charges

Exhibit "A"

***IRVINE RANCH WATER DISTRICT
SCHEDULE OF RATES AND CHARGES***



***EFFECTIVE
OCTOBER 9, 2012***

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Section

1

Water System Charges

Monthly Water Service Charge

Monthly Service Charge for residential, master metered apartments/condos, commercial/industrial, public authority, non-agricultural and recycled:

| User Description | | | | | | |
|--|------------------------|------------------|------------------|------------------|------------------|------------------|
| Irvine Ranch Rate Area | | | | | | |
| Residential detached, attached and apartments | | | | | | See chart (a) |
| Residential apartments and condominiums (master metered) | | | | | | See chart (b) |
| Commercial, Industrial, Public Authority and Landscape | | | | | | See chart (b) |
| Landscape recycled user | | | | | | See chart (b) |
| Temporary water service connections | | | | | | See chart (c) |
| Former Los Alisos Rate Area | | | | | | |
| Residential and Non-Residential customers | | | | | | See chart (d) |
| Orange Park Acres | | | | | | |
| Residential and Non-Residential customers | | | | | | See chart (e) |
| Meter Size | Flow in Gallons | Chart (a) | Chart (b) | Chart (c) | Chart (d) | Chart (e) |
| 5/8" or 3/4" Disc | 0-22 | \$9.30 | \$9.30 | \$73.65 | \$9.60 | \$17.80 |
| 5/8" Disc | 0-22 | | | | | |
| 3/4" Disc | 0-22 | | | | | |
| 1" Disc | 23-37 | \$9.30 | \$18.35 | \$82.35 | \$18.20 | \$17.80 |
| 1 1/2" Disc | 38-75 | \$21.90 | \$50.85 | \$115.10 | \$50.85 | \$17.80 |
| 2" Disc | 76-120 | \$30.00 | \$83.70 | \$147.95 | \$71.05 | \$17.80 |
| 3" Compound | 161-280 | | \$199.55 | \$263.85 | \$164.85 | \$17.80 |
| 4" Compound | 361-450 | | \$323.10 | \$438.30 | \$254.75 | \$17.80 |
| 6" Compound | 451-750 | | \$518.70 | \$582.70 | \$503.45 | |
| 8" Compound | 1001-1450 | | \$1,158.15 | \$1,056.00 | \$801.75 | |
| 10" Compound | 1451-1600 | | \$1,285.30 | \$1,349.30 | \$1,150.35 | |
| 14" Compound | 2001-3500 | | \$1,982.45 | \$1,974.85 | \$1,982.45 | |
| 2" Turbo | 120-160 | | \$112.20 | \$176.40 | \$105.10 | |
| 3" Turbo | 281-360 | | \$257.70 | \$321.65 | \$229.70 | |
| 4" Turbo | 751-1000 | | \$765.85 | \$829.70 | \$627.95 | |
| 6" Turbo | 1601-2000 | | \$1,355.55 | \$1,419.55 | \$1,249.95 | |
| 8" Turbo | 2001-3500 | | \$1,982.45 | \$2,046.30 | \$1,749.45 | |
| 10" Turbine | 3500-5500 | | \$3,085.85 | \$3,181.30 | | |
| 2" Magnetic Meter | 161-280 | | \$199.55 | \$263.85 | \$164.85 | |
| 4" Magnetic Meter | 751-1000 | | \$765.85 | \$829.70 | \$627.95 | |
| 6" Magnetic Meter | 1601-2000 | | \$1,355.55 | \$1,419.55 | \$1,249.95 | |
| 8" Magnetic Meter | 2001-3500 | | \$1,982.45 | \$2,046.30 | \$1,749.40 | |
| 6" Propeller | 1001-1450 | | \$1,158.15 | | | |
| 8" Propeller | 1451-1600 | | \$1,285.30 | | | |
| 10" Propeller | 1601-2000 | | \$1,355.55 | | | |
| 12" or 14" Propeller | 2001-3500 | | \$1,982.45 | | | |
| 16", 18", or 20" Propeller | 3501-5500 | | \$3,117.50 | | | |
| Construction Meters | | | | | \$746.65 | \$298.50 |
| 3 Main Line | | | | | \$104.45 | |
| 4 Main Line | | | | | \$209.15 | |
| 6 Main Line | | | | | \$392.05 | |
| 8 Main Line | | | | | \$470.55 | |
| 10 Main Line | | | | | \$627.10 | |

Santiago rates migrating to IRWD rates

Service Charges – Private Fire Protection Service

1. Service-Line Charge

The monthly service charge for private fire line service will be \$13.60 for each inch of diameter of service connection. This charge includes water used for fire extinguishing purposes. The fee for the former Los Alisos Water District rate area will be \$9.50 per inch of diameter of pipe with a commodity charge of \$2.05 per ccf.

2. Fire Hydrant Charge

The monthly charge for private fire hydrant service shall be \$23.70 per hydrant. This charge includes water used for fire extinguishing purposes.

3. Fire Flow Testing

The District will charge a one-time fee of \$250.00 to administer fire flow tests.

4. Former Santiago County Water District Rate Area

Monthly private fire line service will be:

| | |
|------------------------|----------------------------|
| 1 – 1 1/2" only | \$ 8.80 |
| Larger meter(s) charge | \$ 13.60 per diameter inch |

Commodity Charges: Potable Water

Irvine Ranch Rate Area

1. Commodity Charge for Residential Detached Dwelling Units

| Tier | Rate/ccf | Indoor Usage in ccf | Landscape Percent of usage |
|-------------|----------|------------------------|-------------------------------|
| Low Volume | \$0.91 | 0-4 | 0-40 |
| Base Rate | \$1.24 | 5-9 | 41-100 |
| Inefficient | \$2.76 | 10-14 | 101-150 |
| Excessive | \$4.70 | 15-19 | 151-200 |
| Wasteful | \$9.84 | 19+ | 201+ |

2. Commodity Charge for Residential Attached Dwelling Units

(Base allocation x number of dwelling units)

| Tier | Rate/ccf | Indoor Usage in ccf | Landscape Percent of usage |
|-------------|----------|------------------------|-------------------------------|
| Low Volume | \$0.91 | 0-3 | 0-40 |
| Base Rate | \$1.24 | 4-7 | 41-100 |
| Inefficient | \$2.76 | 8-10 | 101-150 |
| Excessive | \$4.70 | 11-14 | 151-200 |
| Wasteful | \$9.84 | 15+ | 201+ |

3. Commodity Charge for Apartments

(Base allocation x number of dwelling units)

| Tier | Rate/ccf | Indoor Usage in ccf | Landscape Percent of usage |
|-------------|----------|------------------------|-------------------------------|
| Low Volume | \$0.91 | 0-2 | |
| Base Rate | \$1.24 | 3-4 | |
| Inefficient | \$2.76 | 5-7 | |
| Excessive | \$4.70 | 8-9 | |
| Wasteful | \$9.84 | 10+ | |

4. Commodity Charge for Commercial, Industrial and Public Authority and Mixed Usage

| Tier | Rate/ccf | Base Index Percent of Usage |
|-------------|----------|--------------------------------|
| Base Rate | \$1.24 | 0-100 |
| Inefficient | \$2.76 | 101-110 |
| Excessive | \$4.70 | 111-120 |
| Wasteful | \$9.84 | 121+ |

Irvine Ranch Rate Area (Continued)

5. Commodity Charge for Potable Landscape Irrigation (Acre Feet per Acre Basis)

| Tier | Rate/ccf | ET Index Percent of Usage |
|-------------|----------|------------------------------|
| Low Volume | \$0.91 | 0-40 |
| Base Rate | \$1.24 | 41-100 |
| Inefficient | \$2.76 | 101-110 |
| Excessive | \$4.70 | 111-120 |
| Wasteful | \$9.84 | 121+ |

6. Charge for Non-Conforming Uses

| *Non-Conforming Use | Rate/ccf |
|---------------------|----------|
| Base Rate | \$ 4.70 |

* The non-conforming use charge shall be applied, as defined in IRWD's "Rules and Regulations", in addition to the applicable commodity charge.

Los Alisos Rate Area

7. Commodity Charge for Residential Detached Dwelling Units

| Tier | Rate/ccf | Allocation In ccf | Landscape Percent of usage |
|-------------|----------|----------------------|-------------------------------|
| Low Volume | \$1.54 | 0-4 | 0-40 |
| Base Rate | \$2.14 | 5-9 | 41-100 |
| Inefficient | \$3.16 | 10-14 | 101-150 |
| Excessive | \$4.70 | 15-19 | 151-200 |
| Wasteful | \$9.84 | 19+ | 201+ |

8. Commodity Charge for Residential Attached Dwelling Units

| Tier | Rate/ccf | Allocation In ccf | Landscape Percent of usage |
|-------------|----------|----------------------|-------------------------------|
| Low Volume | \$1.54 | 0-3 | 0-40 |
| Base Rate | \$2.14 | 4-7 | 41-100 |
| Inefficient | \$3.16 | 8-10 | 101-150 |
| Excessive | \$4.70 | 11-14 | 151-200 |
| Wasteful | \$9.84 | 15+ | 201+ |

9. Commodity Charge for Apartments

(Base allocation x number of dwelling units)

| Tier | Rate/ccf | Allocation In ccf |
|-------------|----------|----------------------|
| Low Volume | \$1.54 | 0-2 |
| Base Rate | \$2.14 | 3-4 |
| Inefficient | \$3.16 | 5-7 |
| Excessive | \$4.70 | 8-9 |
| Wasteful | \$9.84 | 10+ |

Los Alisos Rate Area (Continued)

10. Commodity Charge for Commercial, Industrial, Public Authority and Mixed Usage

| Tier | Rate/ccf | Base Index Percent of Usage |
|-------------|-----------------|--|
| Base Rate | \$2.14 | 0-100 |
| Inefficient | \$3.16 | 101-110 |
| Excessive | \$4.70 | 111-120 |
| Wasteful | \$9.84 | 121+ |

11. Commodity Charge for Potable Landscape Irrigation (Acre Feet per Acre Basis)

| Tier | Rate/ccf | ET Index Percent of Usage |
|-------------|-----------------|--------------------------------------|
| Low Volume | \$1.54 | 0-40 |
| Base Rate | \$2.14 | 41-100 |
| Inefficient | \$3.16 | 101-110 |
| Excessive | \$4.70 | 111-120 |
| Wasteful | \$9.84 | 121+ |

12. Charge for Non-Conforming Uses

| *Non-Conforming Use | Rate/ccf |
|----------------------------|-----------------|
| Base Rate | \$ 4.70 |

* The non-conforming use charge shall be applied, as defined in IRWD's "Rules and Regulations", in addition to the applicable commodity charge.

Orange Park Rate Area

13. Commodity Charge

| 3/4" Meter Size | Rate/ccf | Allocation |
|------------------------|-----------------|-------------------|
| Standard Tier I | \$1.76 | 0 – 10 ccf |
| Excess Tier II | \$2.10 | 11 – 40 ccf |
| Excess Tier III | \$2.65 | 41+ ccf |

Commodity Charges: Potable Water System - Agricultural

Water supplied under this section shall be used only for the growing or raising, in conformity with recognized practices of husbandry, for the purposes of commerce, trade, or industry, of agricultural, or floricultural products, and produced (1) for human consumption or for the market, or (2) for the feeding of fowl or livestock produced for human consumption or for the market, such products to be grown or raised on parcels of land having an area of not less than five acres utilized exclusively there for.

1. Commodity Charge:

| Tier | Rate/ccf | Base Index Percent of Usage |
|-------------|----------|--------------------------------|
| Base Rate | \$1.50 | 0-100 |
| Inefficient | \$3.36 | 101-110 |
| Excessive | \$5.71 | 111-120 |
| Wasteful | \$11.96 | 121+ |

2. Los Alisos Rate Area

| Tier | Rate/ccf | Base Index Percent of Usage |
|-------------|----------|--------------------------------|
| Base Rate | \$2.48 | 0-100 |
| Inefficient | \$4.29 | 101-110 |
| Excessive | \$7.04 | 111-120 |
| Wasteful | \$11.34 | 121+ |

Commodity Charges: Nonpotable Water System Including Agricultural

1. Commodity Charge

The commodity charge for nonpotable ILP water used for agricultural purposes (including agricultural irrigation, landscape irrigation, commercial usage, lake users and grading users of nonpotable water) shall be:

| Area | Rate/ccf | Per Acre Foot |
|----------------|----------|---------------|
| IRWD rate area | \$ 1.12 | \$ 487.90 |

Lake fillers used for landscape irrigation purpose:

| | Rate/ccf | ET Index Percent of Usage |
|-------------|----------|------------------------------|
| Low volume | \$0.82 | 0-40 |
| Base rate | \$1.11 | 41-100 |
| Inefficient | \$2.48 | 101-110 |
| Excessive | \$4.23 | 111-120 |
| Wasteful | \$8.85 | 121+ |

The commodity charge for recycled water used for agricultural purposes (including agricultural and landscape irrigation) shall be:

| Area | Rate/ccf | Per Acre Foot |
|----------------|----------|---------------|
| IRWD rate area | \$1.11 | \$ 483.50 |

2. Santiago Aqueduct Commission (SAC) Water

The commodity charge for nonpotable SAC water used for agricultural and non-agricultural (landscape irrigation, commercial and grading) purposes shall be:

| Area | Rate/ccf | Per Acre Foot |
|------------------|----------|---------------|
| Agricultural | \$1.50 | \$654.80 |
| Non-Agricultural | \$1.43 | \$622.97 |

3. Surcharge

The District reserves the right to impose, based upon relevant factors, a surcharge to the basic commodity rate for nonpotable agricultural irrigation water.

4. Seasonal Pricing Policy

The District may from time to time, at the discretion of the General Manager, implement a seasonal pricing structure that offers available supplies of untreated water at a discounted rate. The seasonal rate will be established by the Board of Directors.

Commodity Charges: Nonpotable (Untreated) Water System- Non-Agricultural Landscape Irrigation

1. Commodity Charge

The commodity charge for nonpotable ILP water used for landscape irrigation (acre foot per acre basis) based on evapotranspiration (ET) for each microclimate:

| Tier | Rate/ccf | ET Index Percent of Usage |
|-------------|----------|------------------------------|
| Low Volume | \$0.82 | 0-40 |
| Base Rate | \$1.11 | 41-100 |
| Inefficient | \$2.48 | 101-110 |
| Excessive | \$4.23 | 111-120 |
| Wasteful | \$8.85 | 121+ |

Commodity Charges: Recycled Water System Non-Agricultural Landscape Irrigation

1. Commodity Charge

Commodity charge for nonpotable recycled water used for landscape irrigation (acre foot per acre basis) based on evapotranspiration (ET) for each microclimate:

| Tier | Rate/ccf | ET Index Percent of Usage |
|-------------|----------|------------------------------|
| Low Volume | \$0.82 | 0-40 |
| Base Rate | \$1.11 | 41-100 |
| Inefficient | \$2.48 | 101-110 |
| Excessive | \$4.23 | 111-120 |
| Wasteful | \$8.85 | 121+ |

2. Recycled Loan Customers

The commodity charge for recycled loan customers (acre foot basis):

| Tier | Rate/ccf | ET Index Percent of Usage |
|-------------|----------|------------------------------|
| Low Volume | \$0.91 | 0-40 |
| Base Rate | \$1.24 | 41-100 |
| Inefficient | \$2.76 | 101-110 |
| Excessive | \$4.70 | 111-120 |
| Wasteful | \$9.84 | 121+ |

Commodity Charges: Recycled Water System - Commercial/Industrial

1. Commodity Charge for Commercial and Industrial

| Tier | Rate/ccf | Base Index Percent of Usage |
|-------------|----------|--------------------------------|
| Base Rate | \$0.76 | 0-100 |
| Inefficient | \$1.67 | 101-110 |
| Excessive | \$2.82 | 111-120 |
| Wasteful | \$5.91 | 121+ |

2. Commodity Charge for Commercial and Industrial Loan Customers

| Tier | Rate/ccf | Base Index Percent of Usage |
|-------------|----------|--------------------------------|
| Base Rate | \$1.24 | 0-100 |
| Inefficient | \$2.76 | 101-110 |
| Excessive | \$4.70 | 111-120 |
| Wasteful | \$9.84 | 121+ |

Allocations and Variances

1. Base Allocations for Commodity Charges

Monthly allocation includes fixed component for indoor usage and variable component based on evapotranspiration (ET) rate for landscape irrigation.

| Account Type | Base Allocation Number of Residents | Landscape Area (LA) | Base Allocation Indoor | Base Allocation Outdoor | Total Allocation |
|---------------------------------------|-------------------------------------|--|--|--|---|
| Residential Detached | 4 | 1300 sq. ft (0.03 acres) | # Residents x 55 gpd | ET x Kc x 1.40 x LA | (Indoor + Outdoor) x # days in bill service period |
| Residential Attached* | 3 | 435 sq. ft | # Residents x 55 gpd | ET x Kc x 1.40 x LA | (Indoor + Outdoor) x # days in bill service period |
| Apartments* | 2 | N/A | # Residents x 55 gpd | | Indoor x # days in bill service period |
| Irrigation | | Site specific based on irrigated acreage | N/A | ET x Kc x 1.40 x LA | Outdoor x # days in bill service period |
| Commercial, Industrial, Institutional | | | Site specific, based on productivity, employees, water use efficiency practices etc. | Site specific, based on irrigation needs | Site specific, adjusted for # days in bill service period |

*For master-metered apartments and condominiums, the base allocation is multiplied by the number of dwelling units.

gpd = gallons per day

CCF = 100 cubic feet. 1 CCF = 1 billing unit = 748 gallons

ET (evapotranspiration) – from IRWD weather stations located in coastal, central or foothill zones

Kc (crop co-efficient) – relative amount of water warm-season turf needs at various times of the year

1.40 irrigation system efficiency – extra water to make up for inefficiencies in the irrigation system

LA = landscape acreage. Assumes that 100% of the landscape is warm-season turf-grass

2. Variances from Ascending Tiered Rate Allocations

Water allocations are based on the number of residents, landscape square footage and actual daily weather and evapotranspiration (ET) data for each of three microclimates within the District rate area. Variances are available for larger than normal landscaped areas, more people living in the home or special medical needs.

Procedure

See IRWD Rules and Regulations, Section 12.6

3. Grounds for Variance

Proof acceptable to the District will be required for each ground(s) of variance.

a. Number of people residing in a residential dwelling unit.

Each additional person increases the base by 1.8 ccf/month (indoor usage factor x 0.8)

b. Landscape

Increased allocations shall be given for residential lot size beyond the standard base allocation lot size. It is the obligation of the customer to provide to the District acceptable documentation of the actual landscape area served.

c. Medical Needs

- Approval is contingent upon medical documentation.
- Increased allocation will be determined on a case by case basis and based on the type of medical need.

d. Licensed Care Facilities (in a residential dwelling unit)

- A current license from appropriate regulatory agency will be required.
- A licensed 24-hour care facility will be allocated increases based on the additional people per dwelling unit formula at 1.8 ccf per month per additional person.
- A licensed day care facility (not 24-hour) will be granted one ccf per additional person, or one third of the allotment (rounded to the next highest ccf) of the licensed 24-hour care facility.
- Additional allocation for medical reasons will be determined on a case by case basis.

e. Fire Control Zones

- Increased allocations will be determined by the District based upon relevant factors such as area, slope, planting material, etc.

f. Commercial/Industrial/Public Authority

- Increases to the base allocation will be determined on a case by case basis. Relevant factors will include expansion of productive capacity, existing conservation practices that can be shown to have reduced water usage, severe economic hardship, etc.

g. New Account Establishment Variance

Landscape Accounts - will be placed on conservation base rate for the first six months.

Commercial and Industrial Accounts - will be placed on conservation base rate for the first six months.

4. Limitations

a. An approved variance will become effective on the date the request for variance is submitted to the District, but must be submitted within thirty (30) days of receipt of the bill.

b. Approvals are valid for a period specified by the District (one year or less), and must be resubmitted on or before the expiration date to remain in effect.

5. Effect of Increased Allocations

a. Residential:

Approved variances will extend each tier of the residential structure, excluding the low volume tier, by the number of increased ccf's.

b. Non-Residential:

Approved variances will extend each tier of the non-residential structure by a given percentage (or other method) determined on a case by case basis.

Pumping Surcharges

1. Potable Water Pumping Surcharges

A surcharge will be added to the commodity rate of those users who reside at higher elevations and cause the District to incur additional pumping costs to supply their water. The surcharge is based upon prevailing energy costs.

| Zone Name | Surcharge/ccf |
|-------------------|---------------|
| Zone 4 | \$0.17 |
| Coast Zone 4 | \$0.16 |
| Zone 6 | \$0.18 |
| Zone 6A | \$0.25 |
| Coast Zone 6 | \$0.29 |
| Zone 7 | \$0.42 |
| Zone 8 | \$0.28 |
| Zone 9 | \$0.32 |
| Los Alisos Zone 3 | \$0.18 |

2. Recycled Water Pumping Surcharges

A surcharge will be added to the commodity rate of those users who reside at higher elevations and cause the District to incur additional pumping costs to supply their water. The surcharge is based upon prevailing energy costs.

| Zone Name | Surcharge/ccf |
|----------------------------|---------------|
| Zone D | \$0.16 |
| Zone D (Quail Hill Zone B) | \$0.16 |
| Zone G | \$0.29 |
| Zone H | \$0.42 |

5. Replacement Costs for Residential Customers Who Destroy District Property

| Item | Cost |
|--------------|-----------|
| 5/8" meter | \$ 37.00 |
| 3/4" meter | \$ 57.00 |
| 1" meter | \$ 82.00 |
| 1 1/2" meter | \$ 171.00 |
| 2" meter | \$ 246.00 |

New Account Fees for Water Service

This section is applicable to all requests for new or transferred service.

1. Charges

A fee of \$15.00 shall be collected to establish a new account for water and sewer service, or to transfer an existing account to a new location.

2. Residential Deposit

For residential customers, a deposit of \$50.00 may be required until a one year payment history is established.

3. Non-Residential Deposit

A deposit of \$100.00 is required until a one year payment history is established.

Delinquency and Service Restoration Charges

All bills and charges for water, sewer and recycled water service shall be due and payable upon presentation and shall become delinquent twenty-five (25) days thereafter.

1. Delinquency Charges

If payment is not made within twenty-five (25) days after presentation, a late charge will be levied upon the unpaid balance as follows:

For residential and non-residential accounts with an unpaid balance of \$10 or more, a one-time charge of 10% of the unpaid balance plus 1.5% interest will be assessed, and each month thereafter the unpaid balance will be subject to an interest charge of 1.5%.

2. Restoration Charges

When service is discontinued because of delinquency in payment of a water, sewer, or recycled water bill, the service shall not be restored until all charges, including a restoration charge, have been paid.

- (a) **Restoration Charge During Normal Working Hours:** The restoration charge applicable for work requested to be performed during normal working hours of the District will be \$70.00.
- (b) **Restoration Charge After Normal Working Hours:** The restoration charge applicable for work requested to be performed after normal working hours of the District will be \$95.00.

3. Non-Sufficient Funds Checks

A \$20.00 service fee will be charged for each check returned from the bank for non-sufficient funds.

Special Contract Billing

1. Residential Domestic Water Sold to Trabuco Canyon Water District

- (a) Commodity Charge: The base residential commodity rate shall be \$ 1.90 per hundred cubic feet.
- (b) Pumping Surcharge: A pumping surcharge of \$0.32 per hundred cubic feet shall be added to the base residential commodity rate.
- (c) Monthly Service Charge: The monthly service charge shall be \$ 5.51 per residential customer.

Section 2

Wastewater System Charges

Monthly Wastewater Service Charges

| Residential | |
|--|--|
| <p>(a) Single Family Dwelling Units</p> <p><u>AVERAGE MONTHLY WATER USE</u></p> <p>Over 1000 cubic feet (10 ccf)</p> | <p><u>SERVICE CHARGE PER MONTH</u></p> <ul style="list-style-type: none"> 100% rate = \$ 17.20 per unit |
| <p>501-1000 cubic feet (5.01-10.0 ccf)</p> | <ul style="list-style-type: none"> 90% rate = \$ 15.50 per unit |
| <p>0-500 cubic feet (0-5.0 ccf)</p> | <ul style="list-style-type: none"> 75% rate = \$ 12.90 per unit |
| <p>(1) Monthly service charge based upon actual water meter readings during the twelve month period ending December 31. (2) To qualify for the reduced rates a customer must have usage history for a full calendar year.</p> | |
| <p>(b) Multiple Family Dwelling Units</p> <p>(1) No credit will be granted for vacancies resulting from the normal turnover of occupants in an existing multiple dwelling unit. The price structure contained herein includes considerations of average vacancy rates. (2) A newly constructed multiple dwelling unit may be billed at the non-residential metered rate, with appropriate allowance for landscape irrigation, until the structure is substantially occupied.</p> | <p><u>SERVICE CHARGE PER MONTH</u></p> <ul style="list-style-type: none"> \$ 12.90 per unit |
| <p>(c) Single or Multiple Family Dwelling Units</p> <p>(1) Portola Hills (2) A portion of Newport Coast</p> | <p><u>SERVICE CHARGE PER MONTH</u></p> <ul style="list-style-type: none"> \$17.20 per unit \$6.25 per unit |
| NON-RESIDENTIAL – CLASS II | |
| <p>Quantity charges are based on the supposition that 90 percent (90%) of non-residential water consumption returns to the sewer. Because of landscape irrigation or consumptive usage, some non-residential users may discharge substantially less of their metered water into the wastewater system. Those users may, upon request to the District, be permitted to have the amount of water being discharged into the sewer determined by means acceptable to the District.</p> | |
| <p>(a) Shall apply to all commercial, industrial and institutional users whose consumption is equal to or less than an average of 10 ccf per month.</p> <p>(1) To qualify for this rate, a customer usage history based upon actual water meter readings is not greater than 120 ccf in a full calendar year.</p> | <p><u>SERVICE AND QUANTITY CHARGE PER MONTH</u></p> <ul style="list-style-type: none"> Service charge - \$ 17.20 Quantity charge - \$ 2.00/ccf |
| <p>(b) Shall apply to all commercial, industrial and institutional users whose consumption is in excess of 10 ccf per month.</p> | <p><u>SERVICE /QUANTITY/COMMODITY CHARGE PER MONTH</u></p> <ul style="list-style-type: none"> Service charge - \$17.20 + 2.00 = 19.20 Quantity charge - \$2.00/ccf Commodity charge - \$0.095/ccf <p style="text-align: right;">} = \$2.095/ccf</p> |
| <p>(c) Portola Hills customers</p> | <p><u>SERVICE AND QUANTITY CHARGE PER MONTH</u></p> <ul style="list-style-type: none"> Service charge - \$ 17.20 Quantity charge - \$ 2.00/ccf |

Non-Residential Class I Wastewater

This section shall be applicable to non-residential and Class I customers who discharge extra-strength wastewater into the wastewater system, or discharge or have the potential to discharge constituents subject to federal or state standards and local discharge limitations.

1. Discharge Limits

The limits in this table are local limits. Customers subject to federal categorical pretreatment standards may be required to meet more stringent limits.

| Constituent | Concentration Limit in mg/L |
|--|-----------------------------|
| Arsenic | 2.00 |
| Cadmium | 1.00 |
| Chromium | 2.00 |
| Copper | 3.00 |
| Lead | 2.00 |
| Mercury | 0.03 |
| Nickel | 10.00 |
| Silver | 5.00 |
| Zinc | 10.00 |
| Cyanide (Total) | 5.00 |
| Cyanide (Amenable) | 1.00 |
| Polychlorinated Biphenyls | 0.01 |
| Pesticides | 0.01 |
| Total Toxic Organics | 0.58 |
| Sulfide (Total) | 5.00 |
| Sulfide (Dissolved) | 0.50 |
| Oil and grease of mineral or petroleum origin | 100.00 |

2. Appeals to the Board of Directors

Appeal fee - \$500

3. Charges and Fees

Basic Service and Quality Charge

The Class I charge for use shall be computed by the following formula:

$$\text{Charge for use} = VR_v + BR_b + SR_s$$

Where V = Total volume of flow in hundred cubic feet.

B = Total discharge of biochemical oxygen demand (BOD) in pounds.

S = Total discharge of suspended solids (SS) in pounds

Rv = \$ 1.140 per hundred cubic feet

Rb = \$ 0.318 per pound of BOD

Rs = \$ 0.277 per pound of SS

4. Fees for Noncompliance with Permit Conditions

a. Minor Violation

Condition where the limitation is less than the violation and the violation is less than the technical review criterion.

Fee per violation - \$350

b. Significant Noncompliance or Significant Violation

Condition where the violation is greater than the technical review criterion or qualifies under the definition of significant noncompliance.

Fee per violation - \$550

c. Batch Dump or Slug Load

Fee per violation - \$550

d. Probation Orders

Enforcement Compliance Schedule Agreements and subsequent two year probation, and Regulatory Compliance Schedule Agreements.

Fee per violation - \$550

e. Fees for Restaurant Grease Trap Service Calls

Fee for service call within 12 month period - \$1,000

Fee for all other service calls within 12 month period - \$2,000

Section

3**Developer Services****Water Connection Fees****Residential**

| | IMPROVEMENT DISTRICT | 0-5.8 DUUs/acre | 5.9-10.8 DUUs/acre | 10.9-25.8 DUUs/acre | 25.9-40.0 DUUs/acre |
|---|-------------------------|--------------------|-----------------------|------------------------|------------------------|
| Connection Fees Per Dwelling Unit | 101* | \$3,338 | \$2,945 | \$2,494 | \$2,106 |
| | 112 | \$1,400 | \$1,400 | \$1,400 | \$1,400 |
| | 113 | \$2,415 | \$2,415 | \$2,415 | \$2,415 |
| | 102 (120), 121 | \$1,154 | \$1,154 | \$1,154 | \$1,154 |
| | 103 (130) | \$1,741 | \$1,741 | \$1,741 | \$1,741 |
| Total acreage for any given development shall be gross acres excluding private parks. | 140 | \$2,072 | \$2,072 | \$2,072 | \$2,072 |
| | 105 (150) | \$1,741 | \$1,741 | \$1,741 | \$1,741 |
| | 106 (160), 161 | \$1,741 | \$1,741 | \$1,741 | \$1,741 |
| | 184 | \$1,530 | \$1,350 | \$1,143 | \$965 |
| | 186 | \$9,555 | \$9,555 | \$9,555 | \$9,555 |
| | LC/LCS PA | \$2,164 | \$2,164 | \$2,164 | \$2,164 |
| | Lambert Ranch | \$2,826 | \$2,826 | \$2,826 | \$2,826 |
| | Los Alisos 135 | \$3,270,350 | \$3,270,350 | \$2,350,270 | \$2,350,270 |
| | All others* | | | | |

Commercial, Industrial and Public Authority – Office Building

| | IMPROVEMENT DISTRICT | Commercial | Industrial | Public Authority |
|--------------------------------|-------------------------|------------|------------|------------------|
| Connection Fees Per Gross Acre | 101* | \$18,520 | \$28,207 | \$18,520 |
| | 112 | \$5,600 | \$5,600 | \$5,600 |
| | 113 | \$17,644 | \$0 | \$8,822 |
| | 102 (120), 121 | \$5,774 | \$5,865 | \$5,774 |
| | 103 (130) | \$3,528 | \$3,528 | \$3,528 |
| | 140 | \$10,645 | \$0 | \$10,645 |
| | 105 (150) | \$9,149 | \$12,986 | \$9,149 |
| | 106 (160), 161 | \$9,149 | \$12,986 | \$9,149 |
| | 186 | \$19,476 | \$19,476 | \$19,476 |
| | 188 | \$30,390 | \$30,390 | \$30,390 |
| | Los Alisos 135 | \$10,984 | \$10,984 | \$10,984 |
| | All others* | | | |

Parks, Churches and Commercial Recreational Facilities

| | IMPROVEMENT DISTRICT | Indoor Water Use | Outdoor ⁽¹⁾ Water Use |
|---------------------------------------|-------------------------|---------------------|-------------------------------------|
| Connection Fees Per Fixture Unit | 101* | \$58.00 | \$204.11 |
| | 102 (120), 121 | 9.57 | 33.81 |
| (1) As calculated per UPC as revised. | 103 (130) | 6.96 | 20.90 |
| | 140 | 40.16 | 141.30 |
| | 105 (150) | 29.31 | 102.71 |
| | 106 (160), 161 | 30.43 | 106.65 |
| | 186 | 63.18 | 221.92 |
| | 188 | 151.89 | 534.39 |
| | All others* | | |

*Connection fees will be set by the Board of Directors upon request for initial service for each such improvement district.

Schools (Public and Private)

| | | | | IMPROVEMENT DISTRICT | Primary & Intermediate | Secondary | Primary Intermediate & Secondary |
|-----------------------------------|---------|-------|--|-------------------------|---------------------------|------------|--|
| Connection Fees Per | | | | 101* | \$4,570.65 | \$6,129.90 | \$196.35 |
| 100 Students | Average | Daily | | 102 (120), 121 | 758.10 | 1,008.00 | 34.65 |
| | | | | 103 (130) | 465.15 | 625.80 | 22.05 |
| (²) Minimum required | | | | 140 | 3,161.55 | 4,252.50 | 136.50 |
| | | | | 105 (150) | 2,301.60 | 3,095.40 | 99.75 |
| | | | | 106 (160), 161 | 2,392.95 | 3,213.00 | 107.10 |
| | | | | 186 | 4,767.00 | 6,681.15 | 214.20 |
| | | | | 188 | 12,023.55 | 16,089.15 | 513.45 |
| | | | | All others* | | | |

*Connection fees will be set by the Board of Directors upon request for initial service for each such improvement district.

High Volume User – Commercial and Industrial

This section shall apply to all non-residential applicants in addition to standard connection fees in all improvement districts.

Connection Fee Formula Additional High Volume Water User Connection Fee =

$$\frac{[\text{Est. GPD use} - (\text{no. acres} \times \text{use factor}^*)] \times \$1,043,075/\text{cfs}}{646,320 \text{ gal/day/cfs}}$$

| *Non-Residential Water Use Factor | Land Use Category | Water Use Factors (Gal/Acre/Day) |
|--------------------------------------|-------------------|-------------------------------------|
| | Commercial | 2,000.00 |
| | Industrial | 4,000.00 |
| | UCI | Special Contact |

Definitions
Commercial: Commercial development including retail and offices
Industrial: Industrial development including manufacturing, research and development, and distributorships

Service Installations by District

1. The District may install individual domestic or fire services upon request. The cost for each service will be based on an estimate prepared by District personnel. The requestor will provide a written request accompanied by a drawing to show the location of the proposed service. The district will provide their estimate to the requestor and when the check is received from the requestor the work order will be forwarded to the District crews for installation and coordination.

Meter installation charges are as follows: (customer provides the service and the meter box)

| Meter size | Cost |
|-------------------|---|
| 5/8" x 3/4" | \$55.00* |
| 5/8" x 3/4" | \$80.00 for individual meters and bypass meters on DDCA |
| 3/4" | \$105.00 |
| 1" | \$175.00 |
| 1-1/2" | \$290.00 |
| 2" Disc | \$710.00 |
| 2" Turbo | \$710.00 |
| 3" Turbo | \$1,025.00 |
| 4" Turbo | \$1,890.00 |

*(Developer installed-Residential only)

Costs for larger meters will have to be determined at the time of request from Purchasing Dept. Cost of meter includes the strainer if not already built-in to the meter.

2. If a meter is downsized on a 2" or smaller service lateral there will be no additional charge or refund. If the meter is downsized from a 3" or larger meter, the charge will be based on the service installation charge less the salvage value of the materials recovered from the larger service.
3. If a meter is to be upsized from 5/8" X 3/4" to 1", the angle stop will need to be replaced. The cost for District forces to do this work is \$2,000.00 and will be collected along with the standard 1" meter cost.

Plan Check and Inspection Fees

Plan check and inspection fees for water systems shall be calculated as 8% of the bondable cost for the off-site, public, potable or recycled water system or a fixed fee as described below:

1. Addition of a 1" service \$200.00
2. Addition of a 2" service \$200.00
3. Addition of a 4" or larger service \$500.00
4. Addition or replacement of Fire DDCA \$300.00

A non-refundable deposit of 5% of the estimated cost of the public potable or recycled water system is required with the submittal of the first plan check to cover the costs of plan checking. The total fee is due and payable prior to final plan approval.

Non-Digital Submittal Surcharge

A surcharge fee, calculated as 2% of the bondable cost for the potable or recycled water system will be charged for any plans not submitted with a digital format. The fee is due and payable prior to final approval of the plans.

Interim Water Service Charge – New Developments

A one-time charge of \$35.10 per connection to each pad in a new tract and/or development will be made to builders and developers for unmetered water service available for that period of time after in-tract lines have been connected to the District's water system until the new customer begins metered water service.

Custom lots will be charged \$164.50 per lot due to the extended construction period.

Sewer Connection Fees

Residential

| Connection Fees Per Dwelling Unit | IMPROVEMENT DISTRICT | 0-5.8 | 5.9-10.8 | 10.9-25.8 | 25.9-40.0 |
|---|----------------------|-----------------|-----------------|-----------------|-----------------|
| | | <u>DUs/acre</u> | <u>Dus/acre</u> | <u>Dus/acre</u> | <u>Dus/acre</u> |
| | 1 (201)* | \$5,926 | \$5,274 | \$4,341 | \$3,425 |
| | 212 | 3,920 | 3,920 | 3,920 | 3,920 |
| | 213 | 4,226 | 4,226 | 4,226 | 4,226 |
| | 2 (220), 221 | 816 | 816 | 816 | 816 |
| | 2 (230) | 1,966 | 1,966 | 1,966 | 1,966 |
| Total acreage for any given development shall be gross acres excluding private Parks. | 240 | 3,270 | 3,270 | 3,270 | 3,270 |
| | 205 (250) | 1,966 | 1,966 | 1,966 | 1,966 |
| | 206 (260), 261 | 1,966 | 1,966 | 1,966 | 1,966 |
| | 256 | 24,500 | 24,500 | 24,500 | 24,500 |
| | 284 | 2,716 | 2,417 | 1,990 | 1,570 |
| | 286 | 2,642 | 2,642 | 2,642 | 2,642 |
| | LC/LCS PA | 2,493 | 2,493 | 2,493 | 2,493 |
| | Lambert Ranch | 3,320 | 3,320 | 3,320 | 3,320 |
| | Los Alisos 235 | 2,302 | 2,302 4,200 | 4,200 3,920 | 4,200 2,302 |
| | OPA1 (Ridgeline) | 4,200 | 4,200 | 4,200 | 4,200 |
| | All others* | | | | |

Commercial, Industrial and Public Authority – Office Building

| Connection Fees Per Gross Acre | IMPROVEMENT DISTRICT | Commercial | Industrial | Public Authority |
|--------------------------------|----------------------|------------|------------|------------------|
| | | | | |
| | 1 (201)* | \$33,214 | \$57,947 | \$33,214 |
| | 212 | 15,680 | 15,680 | 15,680 |
| | 213 | 25,180 | - | 12,498 |
| | 2 (220), 221 | 6,722 | 10,151 | 6,722 |
| | 2 (230) | 746 | 746 | 746 |
| | 240 | 14,931 | - | 14,931 |
| | 205 (250) | 8,962 | 14,871 | 8,962 |
| | 206 (260), 261 | 8,962 | 14,871 | 8,962 |
| | 286 | 5,494 | 5,494 | 5,494 |
| | 288 | 5,494 | 5,494 | 5,494 |
| | Los Alisos 235 | 8,411 | 8,411 | 8,411 |
| | All others* | | | |

Parks, Churches and Commercial Recreational Facilities

| Connection Fees Per Fixture Unit | IMPROVEMENT DISTRICT | Fee |
|----------------------------------|----------------------|----------|
| | | |
| | 1 (201)* | \$367.47 |
| | 2 (220), 221 | 106.00 |
| | 2 (230) | 25.50 |
| | 240 | 222.14 |
| | 205 (250) | 140.46 |
| | 206 (260), 261 | 135.61 |
| | 286 | 59.87 |
| | 288 | 59.87 |
| | All others* | |

*Connection fees will be set by the Board of Directors upon request for initial service for each such improvement district.

Schools (Public and Private)

| | IMPROVEMENT DISTRICT | Primary & Intermediate | Secondary |
|---------------------------------------|-------------------------|---------------------------|-----------|
| Connection Fees Per | 1 (201)* | \$17,412 | \$23,220 |
| 100 Students Average Daily Attendance | 2 (220), 221 | 4,980 | 6,634 |
| | 2 (230) | 1,957 | 2,692 |
| | 240 | 10,499 | 14,001 |
| | 205 (250) | 6,599 | 8,799 |
| | 206 (260), 261 | 6,482 | 8,643 |
| | 286 | 2,882 | 3,841 |
| | 288 | 2,882 | 3,841 |
| | All Others* | | |

*Connection fees will be set by the Board of Directors upon request for initial service for each such improvement district.

Former OCSD Irvine Business Complex – Non-Residential

| | -----Commercial/Industrial----- | | |
|---------------------------------------|---------------------------------|-----------------------|--------------------|
| | (1) Low Demand | (2) Average Demand | (3) High Demand |
| Connection Fees Per 1,000 Square Feet | \$229 | \$1,412 | \$3,347 |

- (1) Low Demand connections are the following categories of users: Nurseries, Warehouses, Parking Structures, RV Storage, Churches, Truck Terminals, RV Parks, Lumber/Construction Yards, and other discharge whose flow is similar in volume to these listed categories.
- (2) Average Demand connections other than listed in Low or High Demand categories.
- (3) High Demand connections are the following categories of users: Restaurants, Supermarkets, Car Washes, Coin Laundries, Amusement Parks, Shopping Centers with Restaurants, Food Processing Facilities, Textile Manufacturers, and other discharges whose flow is similar in volume to these listed categories.

High Volume User – Commercial and Industrial

This section shall apply to all non-residential applicants for 2" and larger meters in addition to standard connection fees in all improvement districts.

Connection Fee Formula Additional High Volume Sewer User Connection Fee =
 * Sewer GPD = 90% of water GPD [Est. GPD use * – (no. acres x use factor**)] x \$15.16/Gal. of Sewer Flow

| **Non-Residential Sewage Flow Generators (Use Factors) | Land Use Category | Average Flows |
|---|-------------------|------------------|
| | Commercial | 1,300.00 |
| | Industrial | 2,600.00 |
| | UCI | Special Contract |

Definitions Commercial: Commercial development including retail and offices
Industrial: Industrial development including manufacturing, research and development and distributorships

Sewer Installation Charges

1. A \$100 inspection fee will be charged for sewer laterals installed by the applicant, at no cost to the District, in accordance with District approved plans. The fee is to be paid prior to the approval of the plan for the sewer lateral.
2. The plan check and inspection fee for public sewer systems will be calculated as 10% of the bondable cost for the public sewer system or a fixed fee as described above. A non-refundable deposit of 5% of the estimated cost of the sewer system is required with the submittal of the first plan check. The total fee will be due and payable prior to final approval of the plans.

Non-Digital Submittal Surcharge

A surcharge fee, calculated as 2% of the bondable cost for the public sewer system will be charged for any plans not submitted with a digital format. The fee is due and payable prior to final approval of the plans.

District Closed Circuit Television Inspection Charges

Initial TV Inspection Fee

A fee of \$.60 per lineal foot as measured from the center line of manholes will be charged for all 6-inch and larger sewer lines to be inspected by a closed circuit television camera. The District will furnish the special camera equipment and manpower to fulfill this inspection requirement. This fee is to be paid along with the other connection, meter, and inspection fees prior to the District signing developer's tract utility plans.

Reinspection

Fees for Reinspection by District TV Crew After Corrective Work is Completed. Those portions of the pipeline system that have been corrected must be retelevised.

1. District fees for retelevising corrective work will be a flat set-up fee of two hundred fifty dollars (\$250.00) plus \$.60 per foot of sewer line reinspected measured centerline to centerline of manholes.
2. Payment for retelevising estimated inspection fees must be received by the District Engineering Inspection Division prior to scheduling the reinspection. Retelevising will not be done until the fees are paid.

Cancellation of District's TV Inspection

If it is determined by either the Contractor or Developer that the job site will not be ready or accessible for the television inspection on the scheduled date, as notified, the Contractor shall notify the District Inspection Division of the necessary cancellation at least 24 hours in advance of the scheduled inspection to avoid being charged a cancellation fee.

1. If the District's television crew arrives at the job site and the work is not ready or accessible, the Contractor and owner will be billed for the cancellation fee of two hundred fifty dollars (\$250.00), payable to the District prior to the date of the rescheduled television inspection.
2. A rescheduled inspection is to be made through the District's project inspection division.

Optional Developer TV Inspection

If the Contractor or Owner desires to have a portion of, or the entire job, TV inspected for his convenience, he will be charged a fee of one hundred fifty dollars (\$150.00) plus \$.60 per foot of sewer line inspected measured centerline to centerline of manholes.

Exhibit B: History of Revisions to Schedule of Rates and Charges

| DATE ADOPTED | RESOLUTION | REVISION | | EFFECTIVE DATE |
|-----------------|------------|------------------------------|--|-------------------|
| 05-23-77 | 1977-49 | Rescind 1973-48 & 1977-42 | | |
| 08-29-77 | 1977-71 | Change in Connection Charges | | 09-01-77 |
| 02-27-78 | 1978-31 | Rescind 1977-71 | Discontinue Water & Sewer Service | 03-01-78 |
| 07-10-78 | 1978-135 | Rescind 1978-31 | Increase | 07-10-78 |
| 08-28-78 | 1978-154 | Rescind 1978-135 | Increase Connection Fees | 08-28-78 |
| 01-08-79 | 1979-02 | Rescind 1978-154 | Increase Water Commodity Charges | 01-08-79 |
| 06-25-79 | 1979-25 | Rescind 1979-02 | Increase Water & Sewer Charges | 07-01-79 |
| 07-30-79 | 1979-41 | Rescind 1979-25 | Increase Connection Fees | 07-30-79 |
| 06-23-80 | 1980-28 | Rescind 1979-41 | Increase | 07-01-80 |
| 08-25-80 | 1980-49 | Rescind 1980-28 | Increase Connection Fees | 08-25-80 |
| 12-22-80 | 1980-77 | Rescind 1980-49 | Increase Wastewater System Charges | 01-01-81 |
| 06-15-81 | 1981-103 | Rescind 1980-77 | Increase | 07-13-81 |
| 07-13-81 | 1981-132 | Rescind 1981-103 | Increase Connection Fees | 07-13-81 |
| 06-28-82 | 1982-48 | Rescind 1981-132 | Increase Connection Fees & Water & Sewer Rates | 07-01-82 |
| 09-27-82 | 1982-61 | Rescind 1982-48 | Delinquency Charges | 10-01-82 |
| 11-22-82 | 1982-67 | Rescind 1981-61 | High-rise Connection Fees | 12-01-82 |
| 06-27-83 | 1983-116 | Rescind 1982-67 | Increase | 07-01-83 |
| 11-21-83 | 1983-137 | Rescind 1983-116 | Increase Dom. Water Rates & ImPLY. Mod. Sewer Rates | 01-01-84 |
| 12-12-83 | 1983-132 | Rescind 1983-131 | High-rise Connection Fees (Sewer) | 01-01-84 |
| 04-23-84 | 1984-13 | Rescind 1983-132 | Untreated & Recycled Water For Ag Use Commodity Charges Increase | 06-01-84 |
| 06-25-84 | 1984-22 | Rescind 1984-13 | Decrease Water & Sewer Charges, Increase Connection Fees | 07-01-84 |
| 09-10-84 | 1984-43 | Rescind 1984-22 | Change Delinquency Charge | 10-01-84 |
| 01-28-85 | 1985-2 | Rescind 1984-43 | Lower Sewer Rates | 02-01-85 |
| 02-25-85 | 1985-7 | Rescind 1985-2 | High Volume Connection Fee | 02-25-85 |
| 03-25-85 | 1985-31 | Rescind 1985-7 | Reduce Connection Fees I.D. 103 & 3(203) | 03-25-85 |
| 06-24-85 | 1985-37 | Rescind 1985-31 | Decrease Water & Sewer Chgs. Change Recycled Landscape Charge | 07-01-85 |
| 12-16-85 | 1985-115 | Rescind 1985-37 | Decrease Sewer Charges | 01-01-86 |
| 06-23-86 | 1986-28 | Rescind 1985-115 | Decrease Sewer Charges | 07-01-86 |
| 03-23-87 | 1987-11 | Rescind 1986-28 | High Volume Connection Fees | 04-01-87 |

Continued

| DATE ADOPTED | RESOLUTION | REVISION | EFFECTIVE DATE |
|-----------------|------------|-----------------|--|
| 06-22-87 | 1987-27 | Rescind 1987-11 | Increase R-W; Nonpotable Ag 07-01-87 |
| 08-10-87 | 1987-44 | Rescind 1987-27 | Reduce Connection Fees I.D.'s 103,3(203), 102(120)121 & 106(160)161 07-10-87 |
| 09-28-87 | 1987-49 | Rescind 1987-44 | Industrial Waste Program 10-01-87 |
| 01-25-88 | 1988-18 | Rescind 1987-49 | Add Portola Hills Sewer Serf. 02-01-88 |
| 06-27-88 | 1988-61 | Rescind 1988-18 | Add Water Pumping Surcharge |
| 08-22-88 | 1988-66 | Rescind 1988-61 | Reduce Monthly Sewer Charge 07-01-88 |
| 06-26-89 | 1989-38 | Rescind 1988-66 | Adjust Connection Fees 08-23-88 |
| | | | Reduce Monthly Sewer Charge 07-01-89 |
| | | | Reduce Recycled Landscape Increase Untreated and Recycled Ag Rates |
| 08-28-89 | 1989-58 | Rescind 1989-38 | Adjust Connection Fees 08-28-89 |
| 06-26-90 | 1990-20 | Rescind 1989-58 | Reduce Monthly Sewer Charge 07-01-90 |
| | | | Reduce Untreated and Recycled Ag Rates |
| 07-23-90 | 1990-24 | Rescind 1990-20 | Adjust Connection Fees 07-23-90 |
| 01-28-91 | 1991-05 | Rescind 1990-24 | Eliminate High Rise and Adjust Connection Fees |
| | | | Add Excessive Use Surcharge 02-01-91 |
| 04-22-91 | 1991-09 | Rescind 1991-05 | Ascending Block Rate Structure and Request for Variance 06-01-91 |
| 05-28-91 | 1991-13 | Rescind 1991-9 | Commodity Rates for Landscape Customers 06-01-91 |
| 06-10-91 | 1991-19 | Rescind 1991-13 | Commodity Rates for Ag., Untreated Landscape, Portola Hills Sewer Rates and Coastal Recycled Rates 07-01-91 |
| 07-12-91 | 1991-37 | Rescind 1991-19 | Adjust Connection Fees 07-12-91 |
| 10-28-81 | 1991-46 | Rescind 1991-37 | Increase Ag Water Rate 10-28-91 |
| 04-30-92 | 1992-12 | Rescind 1991-46 | Modify Ascending Block Rate Structure 04-30-92 |
| 06-22-92 | 1992-22 | Rescind 1991-13 | Modify Ascending Block Rate Structure 07-02-92 |
| 09-28-92 | 1992-40 | Rescind 1992-22 | Adjust Connection Fees 09-28-92 |
| 01-25-93 | 1993-3 | Rescind 1992-40 | Landscape Irrigation Rates 02-01-93 |
| 03-04-93 | 1993-8 | Rescind 1993-3 | Modify Ascending Block Rate Structure 04-01-93 |
| 06-28-93 | 1993-22 | Rescind 1993-8 | Increase Water Rate and Reduce Monthly Sewer Charge 07-01-93 |
| 07-28-93 | 1993-26 | Rescind 1993-22 | Decrease Water Rates 08-01-93 |
| 09-13-93 | 1993-29 | Rescind 1993-26 | Adjust Connection Fees 09-14-93 |

Continued

| DATE ADOPTED | RESOLUTION | REVISION | EFFECTIVE DATE |
|-----------------|------------|-----------------|--|
| 06-13-94 | 1994-10 | Rescind 1993-29 | Increase Water Rate 07-01-94 |
| 08-08-94 | 1994-18 | Rescind 1993-10 | Adjust Connection Fees 08-08-94 |
| 08-14-95 | 1995-20 | Rescind 1994-18 | Adjust Connection Fees 08-14-95 |
| 08-28-95 | 1995-24 | Rescind 1995-20 | Adjust Pumping Surcharges 10-01-95 |
| 09-25-95 | 1995-27 | Rescind 1995-20 | Adjust Connection Fees and 09-25-95 |
| 09-25-95 | 1995-27 | Rescind 1995-24 | Adjust Pumping Surcharges 11-01-95 |
| 10-23-95 | 1995-31 | Rescind 1995-27 | Adjust Pumping Surcharges 11-01-95 |
| 11-27-95 | 1995-35 | Rescind 1995-31 | Add Monthly Sewer Service Charge - Newport Coast 12-01-95 |
| 01-08-96 | 1996-3 | Rescind 1995-35 | Adjust Connection Fees to I.D. 240 01-08-96 |
| 06-10-96 | 1996-19 | Rescind 1996-3 | Adjust Pumping Surcharges Increase Nonpotable Water Charges and Modify Ascending Block Rate Allocations 07-01-96 |
| 08-12-96 | 1996-27 | Rescind 1996-19 | Adjust Connection Fees 08-12-96 |
| 08-27-96 | 1996-28 | Rescind 1996-27 | Adjust Connection Fees to I.D.'s 140 & 240 08-27-96 |
| 09-23-96 | 1996-32 | Rescind 1996-28 | Adjust Water and Sewer Fixed Charges 09-23-96 |
| 10-14-96 | 1996-33 | Rescind 1996-32 | Adjust Sewer Service Charges for Non- Residential & Portola Hills 10-14-96 |
| 06-30-97 | 1997-17 | Rescind 1996-33 | Modify Rates and Charges and Connection Fees 06-30-97 |
| 10-01-97 | 1997-29 | Rescind 1997-17 | Modify Ascending Block Rate Structure Terminology 10-01-97 |
| 06-08-98 | 1998-21 | Rescind 1997-29 | Miscellaneous Adjustments to Schedule of Rates and Charges 07-01-98 |
| 08-24-98 | 1998-33 | Rescind 1998-21 | Adjust Connection Fees 08-24-98 |
| 06-28-99 | 1999-25 | Rescind 1998-33 | Adjustments to Schedule of Rates and Charges 07-01-99 |
| 06-26-00 | 2000-18 | Rescind 1999-25 | Adjustments to Schedule of Rates and Charges 07-01-00 |
| 07-24-00 | 2000-24 | Rescind 2000-18 | Adjustments to Schedule of Rates and Charges 07-25-00 |
| 06-25-01 | 2001-24 | Rescind 2000-24 | Adjustments to Schedule of Rates and Charges 07-01-01 |
| 06-24-02 | 2002-22 | Rescind 2001-24 | Adjustments to Schedule of Rates and Charges 07-01-02 |
| 12-09-02 | 2002-47 | Rescind 2002-22 | Adjustments to Schedule of Rates and Charges 12-09-02 |
| 03-10-03 | 2003-7 | Rescind 2002-47 | Adjustments to Schedule of Rates and Charges 03-10-03 |
| 06-23-03 | 2003-20 | Rescind 2003-7 | Adjustments to Schedule of Rates and Charges 07-01-03 |
| 09-08-03 | 2003-35 | Rescind 2003-20 | Adjustments to Schedule of Rates and Charges 09-08-03 |
| 06-28-04 | 2004-25 | Rescind 2003-35 | Adjustments to Schedule of Rates and Charges 07-01-04 |
| 07-12-04 | 2004-32 | Rescind 2004-25 | Adjustments to Schedule of Rates and Charges 07-12-04 |
| 10-11-04 | 2004-51 | Rescind 2004-32 | Adjustments to Schedule of Rates and Charges 10-11-04 |
| 06-27-05 | 2005-20 | Rescind 2004-51 | Adjustments to Schedule of Rates and Charges 07-01-05 |

| DATE ADOPTED | RESOLUTION | | REVISION | EFFECTIVE DATE |
|-----------------|------------|----------------------------|--|-------------------|
| 09-26-05 | 2005-31 | Rescind 2005-20 | Adjustments to Schedule of Rates and Charges | 10-10-05 |
| 10-10-05 | 2005-35 | Rescind 2005-31 | Adjustments to Schedule of Rates and Charges | 10-10-05 |
| 06-26-06 | 2006-20 | Rescind 2005-35 | Adjustments to Schedule of Rates and Charges | 06-27-06 |
| 07-24-06 | 2006-27 | Rescind 2006-20 | Changes to Water & Sewer Connection Fees | 07-24-06 |
| 06-25-07 | 2007-16 | Partially Modifies 2006-27 | Adjustments to Schedule of Rates and Charges | 06-26-07 |
| 07-16-07 | 2007-21 | Partially Modifies 2006-27 | Changes to Water & Sewer Connection Fees | 07-17-07 |
| 06-23-08 | 2008-36 | Rescind 2007-21 | Adjustments to Schedule of Rates and Charges | 07-01-08 |
| 07-28-08 | 2008-45 | Partially Modifies 2008-36 | Changes to Water & Sewer Connection Fees | 07-29-08 |
| 06-22-09 | 2009-20 | | Adjustments to Schedule of Rates and Charges | 06-23-09 |
| 07/27/09 | 2009-24 | Partially Modifies 2009-20 | Changes to Water & Sewer Connection Fees | 07/28/09 |
| 06/28/10 | 2010-19 | | Adjustments to Schedule of Rates and Charges | 07/01/10 |
| 07/26/10 | 2010-22 | Partially Modifies 2010-19 | Changes to Water & Sewer Connection Fees | 07/27/10 |
| 02/28/11 | 2011-3 | Partially Modifies 2010-22 | Changes to Sewer Connection Fees | 03/01/11 |
| 06/27/11 | 2011-25 | Rescind 2010-19 | Adjustments to Schedule of Rates and Charges | 07/01/11 |
| 07/25/11 | 2011-33 | Rescind 2011-25 | Changes to Water & Sewer Connection Fees | 07/26/11 |
| 06/25/12 | 2012-26 | Rescind 2011-25 | Adjustments to Schedule of Rates and Charges | 07/01/12 |
| 10/08/12 | 2012-41 | Partially Modifies 2012-26 | Changes to Water & Sewer Connection Fees | 10/09/12 |

EXHIBIT "B"

RESOLUTION NO. 2012-

**RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE
RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA
ADOPTING CHANGES TO CONNECTION FEES AS SET FORTH IN
THE SCHEDULE OF RATES AND CHARGES
IN EXHIBIT "B" TO THE RULES AND
REGULATIONS OF IRVINE RANCH WATER DISTRICT
FOR WATER, SEWER, RECYCLED WATER, AND NATURAL
TREATMENT SYSTEM SERVICE**

WHEREAS, the Irvine Ranch Water District (IRWD) is a California Water District organized and existing under the California Water District Law, and all of the lands within the boundaries of said District are located in the County of Orange, State of California; and

WHEREAS, Section 35423, 35470, and Section 35501 of the California Water Code empower the District to establish, print and distribute equitable rules and regulations and prescribe and collect rates or other charges for water and sewer service, and such authority to prescribe and collect rates or other charges for water and sewer service includes connection fees for connection and service capacity; and

WHEREAS, the Board of Directors of IRWD, by adoption of Resolution No. 2009-4 approved and adopted amended "Rules and Regulations of Irvine Ranch Water District for Water, Sewer, Recycled Water, and Natural Treatment System Service effective February 9, 2009"; and

WHEREAS, Exhibit "B" of said Rules and Regulations sets forth Rates and Charges, which Exhibit "B" may be changed from time to time by adoption of changes to any of the rates and charges or any new rates and charges as may be established and set forth therein; and

WHEREAS, Section 21080(b) (8) of the Public Resources Code provides that the establishment, modification, structuring, restructuring or approval of rates, tolls, fares, or other charges by public agencies are exempt from the requirements of the California Environmental Quality Act (CEQA) provided that certain findings are made specifying the basis for the claim of exemption; and

WHEREAS, Article XIII B of the Constitution of the State of California, limiting local agencies' appropriations of proceeds of taxes, excludes user charges or fees or regulatory fees from the definition of proceeds of taxes, as long as such fees and charges do not produce revenue exceeding the costs reasonably borne in providing the regulation, product or service, and further excludes appropriations for debt service and appropriations for qualified capital outlay projects from appropriations subject to limitation; and

WHEREAS, the Board of Directors of IRWD deems it advisable and finds that it would be in the best interest of the District to amend or establish connection fees, consistent with applicable constitutional and statutory requirements; and

WHEREAS, the proposed revisions to the connection fees, as set forth in Exhibit “A” to this resolution, do not modify or establish any property-related fees or charges subject to the notice and hearing procedures of Article XIID of the Constitution of the State of California; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of IRWD as follows:

Section 1. It is hereby found and determined that the proposed changes to the Schedule of Rates and Charges are within the purposes set forth in Section 21080(b) of the Public Resources Code including but not by way of limitation, the purposes of (1) meeting operating expenses, (2) purchasing or leasing supplies, equipment or materials, (3) meeting financial reserve needs and requirements, and (4) obtaining funds for capital projects necessary to maintain service within existing areas, and therefore, that such changes are exempt from CEQA.

Section 2. It is hereby found and determined that relative to Article XIII B of the Constitution of the State of California, the charges or fees or regulatory fees established or increased hereby do not produce revenues exceeding the costs reasonably borne in providing the regulation, product or service and/or are used for debt service or qualified capital outlay projects and accordingly do not constitute proceeds of taxes, the appropriation of which is limited under Article XIII B, and that the documentation used in making such determinations has been on file in the office of IRWD for not less than 15 days prior to the date hereof, pursuant to Section 7910 of the Government Code of the State of California. It is hereby further found and determined that relative to the requirements of Sections 66013 and 66016 of the Government Code of the State of California, the availability of such documentation also satisfies the requirement to make publicly available the data indicating the estimated cost and revenue sources to provide the service for which the fee is imposed at least 10 days prior to the meeting at which this resolution is adopted, and that the connection fees established or increased hereby do not exceed the estimated reasonable cost of providing the service for which they are imposed.

Section 3. The new and/or revised connection fees as set forth in Exhibit “A” attached to this resolution and by this reference incorporated herein are hereby adopted, and the corresponding rate(s), fee(s) or charge(s), if any, as set forth in Rules and Regulations Exhibit “B” currently in effect, are hereby superseded. Staff is directed to incorporate the hereby adopted new and/or revised connection fee(s) into Exhibit “B” to the Rules and Regulations.

Section 4. That the provisions of this Resolution shall be effective upon adoption.

Section 5. That the Secretary is hereby ordered and directed to post a certified copy of this Resolution in a public place within the Irvine Ranch Water District.

ADOPTED, SIGNED and APPROVED this 10th day of December, 2012.

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


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


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

By: _____

December 10, 2012

Prepared and

Submitted by: L. Bonkowski 

Approved by: Paul Cook 

ACTION CALENDAR

ANNUAL BOARD OF DIRECTORS FEES

SUMMARY:

Pursuant to Ordinance 1989-1, the Board's meeting compensation increases on January 1 of each year by 5%; however, the Committee annually reviews the fees to recommend to the Board to either accept or deny the increase.

BACKGROUND:

The current compensation for the Board of Directors is \$237.00 per meeting, not to exceed 10 meetings per month. Pursuant to Ordinance 1989-1, the Board's meeting compensation increases on January 1 of each year by 5%. If the Board accepts the increase, the resulting per meeting fee will be \$249 (rounded to the nearest dollar).

Provided as Exhibit "A" is a survey of the Director Fees of other local water districts.

FISCAL IMPACTS:

A 5% increase has a nominal impact on the operating budget if accepted by the Board.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on December 3, 2012.

RECOMMENDATION:

THAT THE BOARD EITHER ACCEPT OR DECLINE THE 5% SCHEDULED COMPENSATION INCREASE FOR CALENDAR YEAR 2013.

LIST OF EXHIBITS:

Exhibit "A" – Survey of Director Fees

EXHIBIT "A"

**BOARD OF DIRECTORS PER DIEM SURVEY
As of October, 2012**

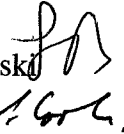
| AGENCY | PER DIEM MEETING | EFFECTIVE DATE | MAXIMUM MEETINGS PER MONTH |
|----------------------------------|-------------------------|-----------------------|-----------------------------------|
| El Toro Water District | \$198.00 | December 2007 | 10 |
| Irvine Ranch Water District | \$237.00 | January 2009 | 10 |
| Municipal Water of Orange County | \$221.62 | January 2009 | 10 |
| Orange County Water District | \$221.12 | January 2008 | 10 |
| Santa Margarita Water District | \$210.00 | February 2010 | 10 |
| South Coast Water District | \$190.00 | January 2006 | 10 |
| Moulton Niguel Water District | \$199.50 | October 2007 | 10 |

December 10, 2012

Prepared and

Submitted by: L. Bonkowski

Approved by: Paul Cook



ACTION CALENDAR

ELECTION OF OFFICERS FOR 2013

SUMMARY:

The Bylaws of the District provide that the President and Vice President shall be elected by the Board from among its members. The term of office of the President and Vice President is one year, or until the election and qualification of their successors. On December 12, 2011, Director Mary Aileen Matheis was elected to the office of President and Director John Withers was elected to the office of Vice President.

While there are no formal election procedures set forth in the Bylaws, it is suggested that the General Manager be appointed temporary Chairman to conduct the election of President. The temporary Chairman would open nominations, accept nominations which need not be seconded, accept a motion to close the nominations, and conduct the balloting by voice vote. The President would then conduct the election of the Vice President in a similar manner.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT AN ELECTION BE CONDUCTED OF THE PRESIDENT AND VICE PRESIDENT OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT.

LIST OF EXHIBITS:

None.