

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

**July 9, 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.

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**COMMUNICATIONS TO THE BOARD**

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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.

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**PRESENTATION**

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3.    PUBLIC RELATIONS SOCIETY OF AMERICA AWARDS  
  
     Mr. Doug Fleischli, Advocacy Chair of the Orange County Public Relations Society of America, will present the awards to Irvine Ranch Water District honoring Orange County public relations organizations and professions for outstanding campaigns and achievements.

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**CONSENT CALENDAR**

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**Next Resolution No. 2012-32**

**Items 4 to 7**

4.    MINUTES OF BOARD MEETINGS

     Recommendation: That the minutes of the June 22, 2012 Adjourned Regular Board Meeting and the June 25, 2012 Regular Board Meeting be approved as presented.

**CONSENT CALENDAR – Continued**

**Items 4 - 7**

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

Recommendation: That the Board adopt a resolution approving execution of the Quitclaim Deed to ICDC LLC.

Res. No. 2012-

6. QUITCLAIM OF REAL PROPERTY – LBA IV-PPI, LLC

Recommendation: That the Board adopt a resolution approving execution of the Quitclaim Deed to LBA IV PPI, LLC.

Res. No. 2012-

7. ORANGE PARK ACRES CHAPMAN AVENUE ON-SITE PIPING RELOCATION PROJECT – FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Orange Park Acres Chapman Avenue on-site piping, project 11408 (1279); authorize filing of a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the notice of completion.

**ACTION CALENDAR**

8. LUMP SUM PAYMENT OPTION FOR EMPLOYER CONTRIBUTIONS FOR FY 2012-13 AND MAKING BUDGETED ADDITIONAL CONTRIBUTIONS TO THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM – CHERNEY

Recommendation: That the Board approve a lump sum payment for employer contributions to the California Public Employees Retirement System (CalPERS) by making a one-time contribution of \$4,257,316 for the District's FY 2012-13 employer contribution and making an additional quarterly contribution of \$570,246 each quarter to reduce the District's actuarially-determined unfunded pension liability.

9. MAIN STREET DIVERSION STRUCTURE GRATING MODIFICATIONS – CONSTRUCTION AWARD

Recommendation: That the Board consent to relieve Schuler Engineering of its bid subject to payment of the cost difference between its bid amount and the amount for which the District obtains the work; and authorize the General Manager to execute a contract with S.S. Mechanical in the amount of \$118,497 for the Main Street Diversion Structure Grating Modification project, Project 20957.

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**ACTION CALENDAR**

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10. FISCAL YEAR 2012-13 GENERAL COUNSEL SERVICES FOR BOWIE, ARNESON, WILES AND GIANNONE – SAVEDRA/COOK

Recommendation: That the Board approve of and authorize the General Manager to execute the Engagement Agreement with Bowie, Arneson, Wiles, and Giannone effective July 1, 2012 for general counsel services in the amount not to exceed \$615,000, subject to the not to exceed amounts within such total amount as provided in separate detail.

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**OTHER BUSINESS**

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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.

11. A. General Manager's Report

B. Directors' Comments

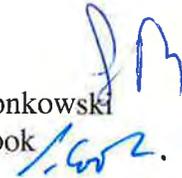
C. Adjourn

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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.

July 9, 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 June 22, 2012 Adjourned Regular Board meeting and the June 25, 2012 Regular Board Meeting and for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE JUNE 22, 2012 ADJOURNED REGULAR BOARD MEETING AND THE JUNE 25, 2012 REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – June 22, 2012 Adjourned Regular Board Meeting  
Exhibit "B" – June 25, 2012 Adjourned Regular Board Meeting

MINUTES OF ADJOURNED REGULAR MEETING – JUNE 22, 2012

The adjourned regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 6:10 a.m. by President Matheis on June 22, 2012 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: LaMar, Matheis, and Swan.

Directors Absent: Withers and Reinhart.

Also Present: General Manager Cook, Executive Director of Operations Pedersen, Executive Director of Water Resources Heiertz, Director of Water Resources Weghorst, Treasurer/Assistant Director of Finance Jacobson, Assistant Director of Water Policy Sanchez, Government Relations Manager McLaughlin, and Public Affairs Specialist Cheryl Kelly.

COMMUNICATIONS TO THE BOARD – None.

ITEMS RECEIVED TOO LATE TO BE AGENDIZED: None.

RECESS AND RECONVENE

President Matheis recessed the meeting at 6:20 a.m. and reconvened the meeting to board the bus to Kern County. Upon arrival at the Rosedale-Rio Bravo Water Storage District (RRBWSD) located at 849 Allen Road, Bakersfield, the meeting was recessed, and was reconvened in RRBWSD's offices with Directors LaMar, Matheis and Swan present along with staff.

TOUR OF IRWD'S WATER BANKING PROJECTS IN KERN COUNTY

Rosedale-Rio Bravo Water Storage District Presentations

General Manager Eric Averett of RRBWSD provided a brief presentation of its service area and programs. Board President Roy Piercucci, Secretary Richard Enns, and Vice President Royce Fast were also present from RRBWSD along with attendees from Buena Vista Water Storage District (BVWSD) including President Terry Chicca, Director John Cauzza, Interim Engineer-Manager Dave Hampton, and former Engineer-Manager Dan Bartel.

Mr. Paul Weghorst provided a presentation overview of today's water banking facilities inspection tour. He distributed copies of a handout containing topics to be reviewed during the tour. He then reviewed the water banking reliability benefits to IRWD, RRBWSD and BVWSD. He said for IRWD, it establishes contingency storage for emergencies; for RRBWSD, augments its existing banking supply program with additional recharge and recovery capabilities; and for BVWSD, it provided the ability to store and recover high flow Kern River water under its "Water Management Program". He noted the two agreements which are in place: 1) IRWD/Rosedale banking and Exchange Agreement which provides for shared use of the Strand Ranch facilities, establishes Rosedale as the operator, with IRWD as the owner; and 2) IRWD/BVWSD Water Exchange Agreement which provides for IRWD to participate in the

BVWSD Water Manager Program – Water Exchange projects which exchanges water on a 2-for-1 basis. He said that construction is complete on all recharge facilities including the two Cross Valley Canal turnouts; the two water supply channels to the north and south recharge basins; a 502-acre recharge basin area, and one siphon under the Pioneer Canal. He further reviewed the groundwater recovery facilities, the cross valley canal expansion, the recharge basins on the Stockdale West Ranch, and the Stockdale integrated banking project.

RECESS AND RECONVENE

President Matheis recessed the meeting at 10:30 a.m. The meeting was reconvened at 10:45 a.m. with Directors LaMar, Matheis and Swan present along with IRWD staff and attendees from RRBWSD and BVWSD to re-board the bus for the inspection of the Strand and Stockdale West banking project facilities and properties located at the intersection of Cross Valley Canal and Enos Lane outside of Bakersfield.

Strand and Stockdale West Banking Project

Mr. Jeffrey Mathiowetz of William Lyles and Mr. Curtis Skaggs of Dee Jasper & Associates lead the tour of the project facilities. Mr. Weghorst also provided supporting information for the tour. The group then proceeded to a local restaurant for lunch.

RECESS AND RECONVENE

President Matheis recessed the meeting following a lunch break at 2:35 p.m. and reconvened to re-board the bus and depart to Irvine. Upon arrival at IRWD, the meeting was recessed and was reconvened at 7:15 p.m. at IRWD's Board room with Directors LaMar, Matheis and Swan present.

ADJOURNMENT

President Matheis adjourned the meeting at 7:20 p.m.

APPROVED and SIGNED this 9th day of July, 2012.

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President, IRVINE RANCH WATER DISTRICT

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Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

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Legal Counsel - Bowie, Arneson, Wiles & Giannone

## MINUTES OF REGULAR MEETING –JUNE 25, 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 Vice President Withers on June 25, 2012 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: Matheis.

Also Present: General Manager Cook, Executive Director of Finance Cherney, Assistant Director of Finance/Treasurer Rob Jacobson, Executive Director of Operations Pedersen, Executive Director of Water Policy Heiertz, Secretary Bonkowski, Legal Counsel Arneson, Director of Water Resources Weghorst, Acting Executive Director of Engineering and Planning Malloy, Assistant Director of Water Policy Sanchez, Assistant Controller Smithson, Mr. Jim Reed, Ms. Shannon Reed, Ms. Kirsten McLaughlin, Ms. Gretchen Maswadeh, Mr. Dan Miller, Mr. Dean Kirk, Mr. Sat Tamaribuchi, Mr. Brian Star, Mr. Peter Herzog, and other members of the public and staff.

WRITTEN COMMUNICATION: None.

ORAL COMMUNICATION:

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

With respect to the Orange County Basin Groundwater Conjunctive Use Program being coordinated by Municipal Water District of Orange County (MWDOC) and Orange County Water District (OCWD), a Notice of Completion was approved by the OCWD Board of Directors on March 19, 2008. Metropolitan Water District has given notice to OCWD to extract 22,000 acre feet in fiscal year 2009-10. The extraction is being performed by agencies that constructed conjunctive use wells under this program. IRWD is not a participant. This was confirmed by Mr. Cook.

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

analysis of the annexation requests. The MOU was approved by the OCWD Board on July 21, 2010. This was confirmed by Mr. Cook.

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

ITEMS RECEIVED TOO LATE TO BE AGENDIZED: None.

## PUBLIC HEARING

### PROPOSED CHANGES TO THE SCHEDULE OF RATES AND CHARGES EFFECTIVE JULY 1, 2012

General Manager Cook reported that pursuant to the requirements of Proposition 218, a Public Hearing on the rates and charges is required. Following the Public Hearing, staff recommends that the Board adopt the proposed changes to the Schedule of Rates and Charges required to fund operating expenses.

Vice President Withers declared this to be the time and place for a hearing on the proposed changes to the rates and charges. He asked the Secretary how the hearing was noticed.

Secretary Bonkowski reported that the hearing was noticed by an independent processing firm, PSB Integrated Mark, by mail. She then presented the affidavit of mailing to be received and filed.

On MOTION by Swan, seconded and unanimously carried, **THE AFFIDAVIT OF MAILING BY AN INDEPENDENT PROCESSING FIRM AS PRESENTED BY THE SECRETARY WAS RECEIVED AND FILED.**

Vice President Withers asked Legal Counsel to describe the nature of the proceedings.

Legal Counsel Arneson said that the public hearing is held, pursuant to Proposition 218 and Article XIID of the Constitution of the State of California, for all persons interested to be heard, to present objections or protests, including any written comments submitted, concerning the increase in property-related rates and charges and any proposed new property-related rates and charges.

Vice President Withers requested a staff report from Executive Director of Finance Cherney on the proposed rates and charges, and inquired whether there had been any written communications.

Using a PowerPoint presentation, Executive Director of Finance Cherney reviewed the schedule for the budget and rate adoption. Ms. Cherney said that for the noticing procedure, that on

May 8, 2012, 87,038 notices were mailed including separate notices for the Irvine rate area for residential, commercial, and landscape customers; for the Los Alisos rate area for residential, commercial, and landscape customers; and the Orange Park Acres rate area. She said that as of today, there is a total of 11 responses received, of which the last response had been placed before each Board member. She said that the protests represented 0.01% of the 87,038 notices sent, and under Proposition 218, more than 50% of the IRWD customers would have had to protest in order to prevent the Board from adopting the proposed rates and charges.

Using charts, she reviewed the proposed rate adjustments and made a comparison from the current to proposed charges in the various rate areas for water, sewer/recycled service for the three rate areas. She then reviewed a typical residential customer's rates from the current rate to the proposed rate for FY 12-13 for the three separate rate areas.

Vice President Withers inquired whether there was anyone present who wished to address the Board regarding the proposed changes to the rates and charges. There was none.

Vice President Withers inquired whether there are any comments or questions from members of the Board of Directors. In response to Director Swan's inquiry, Mr. Christopher Smithson said that the current revenue shortfall, based on current rates, projected expenses, and other assumptions, would be \$970,000 for the treated system, and \$1.2 M for the sewer system.

Director Swan said he will be voting to oppose tonight's rate increase, even though it is a nominal increase. He said he believed that a good portion, about one-half, would have been offset if the other Board members had supported the discontinuation or limitation of the 3% employer deferred compensation matching contribution in the recent evaluation of retirement study alternatives. He said his concern is that given the sizeable amount of compensation percentages the District will be paying for retirement for all of the employees for the next 20 years, the 3% the District is placing on top of this contribution is excessive, and therefore he cannot vote in favor of this rate increase.

On MOTION by Reinhart, seconded by LaMar, and carried (3-1) (Withers, Reinhart, and LaMar voting aye, and Swan voting no), **THE HEARING WAS CLOSED AND THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:**

**RESOLUTION NO. 2012 - 26**

**RESOLUTION OF THE BOARD OF DIRECTORS OF IRVINE  
RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA  
ADOPTING CHANGES TO THE SCHEDULE OF RATES AND CHARGES AS  
SET FORTH IN EXHIBIT "B" TO THE RULES AND  
REGULATIONS OF IRVINE RANCH WATER DISTRICT  
FOR WATER, SEWER AND RECLAIMED WATER SERVICE**

CONSENT CALENDAR

On MOTION by LaMar, seconded and unanimously carried, CONSENT CALENDAR ITEMS 4 THROUGH 13 WERE APPROVED AS FOLLOWS:

4. MINUTES OF REGULAR BOARD MEETINGS

Recommendation: That the minutes of the June 11, 2012 Regular Board Meeting be approved as presented.

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

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

6. RESOLUTION OF COMMENDATION FOR IRAJ TAHERI

Recommendation: That the Board adopt the following resolution by title commending Iraj Taheri for his dedicated and loyal service to the District.

RESOLUTION NO. 2012-27

RESOLUTION OF THE BOARD OF DIRECTORS  
OF IRVINE RANCH WATER DISTRICT COMMENDING  
IRAJ TAHERI FOR HIS DEDICATED AND LOYAL  
SERVICE TO THE DISTRICT

7. JOINT RESOLUTION COMMENDING JOHN J. SCHATZ FOR 18 YEARS AS GENERAL MANAGER FOR THE SANTA MARGARITA WATER DISTRICT

Recommendation: That the Board adopt the following resolution by title commending John J. Schatz for 18 years as General Manager for the Santa Margarita Water District.

RESOLUTION NO. 2012-28

JOINT RESOLUTION COMMENDING  
JOHN J. SCHATZ FOR 18 YEARS AS GENERAL MANAGER  
FOR THE SANTA MARGARITA WATER DISTRICT

CONSENT CALENDAR (CONTINUED)

8. MAY 2012 FINANCIAL REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate Swap Summary for May 2012; approve the May 2012 Summary of Payroll ACH Payments in the total amount of \$1,365,196.29, and approve the May 2012 Accounts Payable Disbursement Summary of Warrants Nos. 329643 through 330490, Workers' Compensation Distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$20,113,174.92.

9. DISTRICT STRATEGIC MEASURES DASHBOARD

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

10. WASTEWATER OPERATIONS FISCAL YEAR 2012-13 EXPENDITURE AUTHORIZATIONS

Recommendation: That the Board approve Expenditure Authorizations for project 11513 (1625) for \$275,000; project 21513 (1251) for \$165,000; project 31513 (1364) for \$220,000; project 20957 (1221) for \$275,000; project 20910 (1149) for \$222,200; project 21004 (1265) for \$110,000 and project 21037 (1318) for \$70,400.

11. EXPENDITURE AUTHORIZATIONS FOR FISCAL YEAR 2012-13

Recommendation: That the Board approve Expenditure Authorizations for FY 2012-13 for \$71,500 for project 1767, Engineering Planning Study Reserve; \$1,673,000 for project 1541, OCSD CORF; \$1,150,000 for project 1393, OCSD Solids Handling; \$250,000 for project 3731, Recycled Conversions On-site; \$145,800 for project 3732, Recycled Conversions Off-site; and \$77,000 for project 3778, Health Department Fees.

12. PROPOSITION 50 GRANT APPLICATION FOR WELL 115 REPLACEMENT PROJECT

Recommendation: That the Board authorize a grant application for Well 115 Replacement Project for funding up to \$1.9 million and agree to grant application requirements including a matching fund requirement of at least 50%, and adopt the following resolution by title authorizing submission of an application for Proposition 50 funding, and authorize the General Manager to sign and file an application with the State of California.

CONSENT CALENDAR (CONTINUED)

RESOLUTION NO. 2012-29

RESOLUTION OF THE BOARD OF DIRECTORS  
OF IRVINE RANCH WATER DISTRICT AUTHORIZING  
SUBMISSION OF AN APPLICATION FOR PROPOSITION 50  
FUNDING AND AUTHORIZING THE GENERAL MANAGER  
TO SIGN AND FILE AN APPLICATION WITH THE  
STATE OF CALIFORNIA

13. MWRP BIOSOLIDS HANDLING AND ENERGY RECOVERY FACILITIES  
VARIANCE NO. 11

Recommendation: That the Board approve Variance No. 11 in the amount of \$120,760 with Black & Veatch for the Michelson Water Recycling Plant biosolids Handling and Energy Recovery Facility, project 20847 (1617).

ACTION CALENDAR

SETTING CONNECTION FEES AND PROPERTY TAX RATES FOR FY 2012-13

Using a PowerPoint presentation, Executive Director of Finance Cherney reviewed the schedule including Committee meetings, and a stakeholders workshop, and noted that July 23, 2012 is the last day to adopt property taxes for submission to the County Assessor's office.

Ms. Cherney said over the course of the last few years, staff has identified several issues of emerging significance as the District approaches build-out. In addition, the Irvine Company (TIC) has raised issues regarding the sustainability and fundamental fairness in the capital funding objectives and the application thereof. In the last two years, the Building Industry Association of Orange County (BIA), Five Point Communities and the NAIOP Commercial Real Estate Development Association (NAIOP) have joined the discussion, expressing similar concerns. She said that staff and the working group have identified and added a number of discussion topics and additional work that need to be completed including whether: 1) the 50/50 policy is sustainable as ultimate development approaches and whether a re-measurement or shift in methodology is appropriate; 2) non-bond funded improvement districts, such as IDs 101/210, should be included in the regional capital split and pay a fair share of regional capital costs, and if so, exploring alternate mechanisms for those payments whether through property taxes or a user rate surcharge; 3) issues relating to the proper allocation of the growth in the new capital program as it relates to the addition of various water and wastewater projects; and 4) issues relating to projections of water and wastewater demand for purpose of regional capital allocations and/or total costs. Ms. Cherney said that the stakeholders' group consisting of IRWD staff and its consultant, Mr. Dave Ferguson, the Irvine Company, Five Point Communities, the NAIOP, and BIA have met monthly. She said that the group's feedback about the process has been consistently positive, and that individuals wished to address the Board this evening.

Ms. Cherney reviewed several charts, including FY 2011-12 scenarios based on actionable criteria, identified alternatives, impact base by Improvement District, residential connection fees proposed for IRWD compared to June 30, 2011, and commercial connection fees proposed compared to June 30, 2010.

Mr. Peter Herzog of NAIOP (commercial real estate) noted the complexity of these issues and said its organization would agree with a 5% increase for commercial/industrial properties. Mr. Bryan Star of BIA thanked staff and Board for including them in the stakeholder's process and is grateful for its relationship with the District. He said that his organization would request going back to a 3.5% increase as opposed to staff's recommendation. Vice President Withers asked the audience if there were any others who wished to speak relative to this item. There were none.

Director Swan reported that this item was reviewed by the Finance and Personnel Committee on June 5, 2012 and the Committee also received updates periodically from staff during the fiscal year. Mr. Swan said that currently, the District is collecting about 60% of the connections fees needed to maintain the 50/50 policy. He said that if the District collects enough to maintain the 50/50 split percentage along with CPI, this would be in the best interest for the District and consistent with past practices. He said that staff is currently reviewing existing capital definition, and is examining additional revenue sources to assist in paying for these fees, and that the District has made progress in this effort. He described last year's matrix, and noted that it was the assumption at that time that the connection fees would go up by 10% in this fiscal year. He said with all of these assumptions, the average increase would be between \$5,000 and \$6,000; and today the average is approximately \$3,800, and therefore is \$1,200 underfunded. He said that in order to narrow the deficit, the District would need to increase the connection fees over 10%. He further said that at the June 5, 2012 Finance Committee meeting, there was not a consensus; therefore he will be making a substitute motion recommending a 10% increase. Director LaMar said that it was very significant that discussions on this matter have been held during the year with staff and the stakeholders relative to fundamental changes on setting these fees. He said that he wants a fair and equitable approach to connection fees but more work is needed, so at this time he would support a 5% increase in connection fees. He further said he would like the stakeholders to understand and be on notice that as a result they most likely will be required to pay higher fees at a future date. Director LaMar made a motion, seconded by Reinhart to increase the connection fees by 5%. Director Swan made a substitute motion to approve a 10% increase in connection fees. He said that his concern is that an additional increase is needed at this time, and he does not want to come to a point where property taxes will have to cover the deficit. Director Swan's motion failed for a lack of a second. Director Reinhart said he did not concur with Director Swan's motion, and would support a 5% increase now, but is prepared to support a plan to get to a higher amount quickly when the process has resolved the issues. Following additional discussion, LaMar's MOTION carried (3-1) (Withers, Reinhart, and LaMar voting aye, and Swan voting no), **THE BOARD APPROVED A 5% INCREASE IN CONNECTION FEES AND ADOPTED THE FOLLOWING RESOLUTIONS BY TITLE:**

RESOLUTION NO 2012-30

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

RESOLUTION NO 2012-31

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

WATER QUALITY AND WATER OPERATIONS' FISCAL YEAR 2012/13 EXPENDITURE  
AUTHORIZATIONS

On MOTION by Reinhart, seconded and unanimously carried, THE BOARD APPROVED EXPENDITURE AUTHORIZATIONS FOR PROJECT 11638 (3721) FOR \$107,300, PROJECT 30375 (3730) FOR \$93,500, PROJECT 10389 (1195) FOR \$405,700; PROJECT 11493 (1496) FOR \$293,700; PROJECT 11489 (1486) FOR \$650,100; PROJECT 31489 (1304) FOR \$206,800; PROJECT 21088 (1627) FOR \$200,200; PROJECT 11488 (1674) FOR \$203,500; PROJECT 11486 (1656) FOR \$170,500; PROJECT 31486 (1268) FOR \$170,500; PROJECT 11487 (1667) FOR \$91,700, PROJECT 31487 (1276) FOR \$120,500 AND PROJECT 11485 (1646) FOR \$135,300.

MICHELSON WATER RECYCLING PLANT PHASE 2 EXPANSION – CONSTRUCTION  
MANAGEMENT AND INSPECTION SERVICES – VARIANCE NO. 3

Acting Executive Director of Engineering and Planning Malloy reported that construction of the Michelson Water Recycling Plant (MWRP) Phase 2 Expansion and Flood Protection Improvements project was awarded to Filanc in July 2009 in the amount of \$87,479,450 to expand the recycled water production capacity of MWRP to 28 million gallons per day and protect MWRP from flooding of San Diego Creek. Mr. Malloy said that ARCADIS-US/Malcolm Pirnie have been providing construction management and inspection services for this project since September 2009 which includes: 1) reviewing and negotiating change orders with the contractor; 2) preparing change requests and change orders for approval; 3) reviewing and negotiating progress payments; 4) reviewing project financials; 5) preparing internal and external communications; 6) preparing the biweekly, monthly, and quarterly reports; 7) coordinating work between the MWRP construction management team, IRWD staff, contractors, outside consultants, and agencies; 8) reviewing the project schedule; 9) maintaining the document control system; 10) performing other tasks, such as maintaining the project's correction (punch) list and spare parts list; and 11) inspection services. He said that the original

contract with ARCADIS-US/Malcolm Pirnie contained funding authorization through February 2012. Through work reallocation and Variance No. 2, there is sufficient authorization through July 2012. The anticipated construction completion date is January 15, 2013. Variance No. 3 with ARCADIS-US/Malcolm Pirnie in the amount of \$317,569 is for additional construction management and inspection services for the remainder of the Phase 2 Expansion through February 2013. Variance No. 3 would cover project close-out and reflects a less-than-full-time labor effort for construction management and inspection services since construction activities are anticipated to be reduced in the latter portion of the project.

On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 3 IN THE AMOUNT OF \$317,569 WITH ARCADIS-US/MALCOLM PIRNIE FOR ADDITIONAL CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES FOR THE MICHELSON WATER RECYCLING PLANT PHASE 2 EXPANSION AND FLOOD PROTECTION IMPROVEMENTS, PROJECTS 20214 (1599) AND 30214 (1706).

SANTIAGO CANYON AREA BOOSTER PUMP STATIONS PERMANENT GENERATORS – EXPENDITURE AUTHORIZATION AND CONSTRUCTION AWARD

The Santiago Canyon Area BPS Permanent Generators Project will construct permanent emergency diesel generators at five Booster Pump Stations (BPS) located in the Santiago Canyon area. The project will also construct block walls around the Shaw BPS, Read BPS, Williams BPS, and Manning BPS to help deflect radiant heat from wildfires to protect the equipment. The project will also upgrade the Motor Control Centers (MCC) at the Shaw BPS and Read BPS and install a new SCADA radio antenna at the Shaw BPS to improve radio communications in Silverado Canyon.

General Manager Cook reported that the bid opening occurred, and six contractors submitted construction bids on May 9, 2012. The apparent low bidder was F.T. Ziebarth Company (Ziebarth) with a low bid of \$1,167,700. Mr. Cook said that on May 9, 2012, Ziebarth requested withdrawal of its bid. He said that the California Public Contracts Code gives a bidder the right to be relieved of its bid by consent of the awarding body if the bidder establishes that a mistake was made completing the bid form that was not the result of carelessness in inspecting the work site or reading the plans and specifications, or error in judgment, that the mistake materially altered the intended bid, and that the bidder notified the agency within five working days (weekends and state holidays excluded) of the bid opening. Staff believes Ziebarth's clerical error in bid items 1 and 2 of the bid proposal represents a mistake and not an error in judgment or interpretation. IRWD Legal Counsel reviewed the bids and Ziebarth's request to withdraw its bid.

Mr. Cook said that the apparent low bidder became Pacific Hydrotech Corporation (Pacific Hydrotech) with a bid amount of \$1,314,500. Pacific Hydrotech has recently completed construction projects for IRWD including the BPS Roof Replacements Project and the RMS at 9 Domestic Water Reservoirs Project which were completed on-time and within the project budgets.

Psomas submitted Variance No. 4 in the amount of \$33,368 to provide additional engineering services during construction, construction survey, assistance to review the Air Quality Management District (AQMD) permit applications for the new generators, and additional assistance during the construction bid period.

On MOTION by Reinhart, seconded and unanimously carried, THE BOARD APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$1,306,700 FOR PROJECT 11476 (1570); APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$101,800 FOR PROJECT 11480 (1602); APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$96,300 FOR PROJECT 11481 (1612); CONSENTED TO RELIEVE F.T. ZIEBARTH COMPANY OF ITS BID DUE TO MISTAKE; AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH PACIFIC HYDROTECH IN THE AMOUNT OF \$1,314,500; AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 4 WITH PSOMAS FOR THE SANTIAGO CANYON AREA BOOSTER PUMP STATIONS EMERGENCY GENERATORS PROJECT.

#### MULTI-FAMILY DWELLING AND COMMERCIAL PLUMBING FIXTURE RETROFIT PROGRAM CONSULTANT SELECTION

Executive Director of Water Resources Heiertz reported that this project will use the services of a contractor to install cost-effective, high efficiency plumbing fixtures for eligible multi-family and commercial customers. Mr. Heiertz reported that a Request for Proposal was issued in May 2012 to 10 firms to administer and implement the plumbing fixture installation program. He said that proposals were received from four firms: AmGreen Solutions, Southwest Environmental, EcoGreen and Bottom Line Utility Solutions. He said that staff evaluated the proposals and recommends the selection of Bottom Line based on its project understanding, approach, experience, schedule and fixed unit cost fees. The combined projects are expected to result in 1,000 retrofits of multi-family fixtures and approximately 150 commercial fixtures at a cost not to exceed \$400,000. IRWD will only pay for completed retrofits based on the fixed unit cost schedule. The retrofits are estimated to save approximately 300 acre-feet over the 10-year life of the devices, which is cost-effective to IRWD based on the associated avoided water and wastewater cost of approximately \$660,000.

On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE AN AGREEMENT WITH BOTTOM LINE UTILITY SOLUTIONS TO PERFORM PLUMBING FIXTURE INSTALLATION SERVICES FOR ELIGIBLE MULTI-FAMILY AND COMMERCIAL CUSTOMERS UNDER THE MULTI-FAMILY DWELLING AND COMMERCIAL PLUMBING FIXTURE RETROFIT PROGRAM IN AN AMOUNT NOT TO EXCEED \$400,000.

#### GENERAL MANAGER'S REPORT

General Manager Cook reported that that Mr. Dan Ferons was recently appointed General Manager of Santa Margarita Water District.

## DIRECTORS' COMMENTS

Mr. Jim Reed, consultant for the District, noted that he attended County of Orange and City of Lake Forest's ribbon cutting ceremony, for the Alton Parkway extension project.

Director LaMar also noted his attendance at the Alton Parkway event. He further said that he enjoyed last Friday's Board meeting where he and other Directors and staff toured the District's Strand Ranch and Stockdale West Ranch water banking projects along with Board members of Rosedale-Rio Bravo Water Storage District and Buena Vista Water Storage District.

Director Reinhart reported on his attendance at a MWDOC Board meeting and noted MNWD's modeling on various types of connections. He said that he would like to adjourn the Board meeting this evening in memory of Mr. Jess Senecal, a long-standing Chairman of ACWA'S Legal Affairs Committee.

Director Swan reported on his attendance at MWDOC and ISDOC meetings, and commented on LAFCO's intention to respond to the recent Grand Jury report relative to transparency for Orange County cities, District, Joint Power Authority and County Government. He further reported on his attendance on a District tour with the City of Anaheim's Mayor Pro Tem Harry Sidhu as well as the recent tour of District's Strand Ranch and Stockdale West Ranch water banking projects. He complimented staff on their efforts in scheduling this event together with the District's water banking partners.

Director Withers reported that he will be speaking this Thursday to the California Utility Management Executives in the Inland Empire relative to public policy and budget- related issues.

## CLOSED SESSION

Vice President Withers said that a Closed Session would be held this evening - Conference with Legal Counsel – ANTICIPATED LITIGATION – (1) significant exposure to litigation pursuant to Government Code Section 54956.9 (b) (one potential case) and (2) initiation of litigation pursuant to Government Code Section 54956.9(c) (one potential case).

## OPEN SESSION

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

## ADJOURNMENT

Vice President Withers adjourned the meeting in memory of Mr. Jess Senecal.

Approved and signed this 9<sup>TH</sup> day of July, 2012.

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President, IRVINE RANCH WATER DISTRICT

---

Assistant Secretary, IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

---

Legal Counsel - Bowie, Arneson, Wiles and Giannone

July 9, 2012  
Prepared by: R. Thatcher/M. Hoolihan  
Submitted by: K. Burton  
Approved by: Paul Cook 

CONSENT CALENDAR

QUITCLAIM OF REAL PROPERTY – IRVINE COMMUNITY  
DEVELOPMENT COMPANY LLC

SUMMARY:

Irvine Community Development Company LLC (ICDC) re-subdivided Lot 3 of Tract No. 17114, located in Portola Springs, into a multiple lot subdivision known as Tract No. 17440. Wilson Mikami Corporation, on behalf of ICDC, is requesting that the District quitclaim its interest in the existing water and sewer pipeline easements that were dedicated to the District per Tract No. 17114. Staff has reviewed the request for the quitclaim and concurs with the recommendation to quitclaim those water and sewer pipeline easements that lie within Lot 3 of Tract No. 17114. New pipeline easements for water and sewer purposes were dedicated to the District and accepted per the new Tract No. 17440. The resolution authorizing this quitclaim is attached as Exhibit “A”, the quitclaim deed is attached as Exhibit “B”, and a map showing the location of the existing easements and quitclaim area is attached as Exhibit “C”.

FISCAL IMPACT:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable. Not a project as defined under CEQA.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2012 - \_\_\_\_\_

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

LIST OF EXHIBITS:

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

# EXHIBIT "A"

RESOLUTION NO. 2012 - \_\_\_\_\_

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

WHEREAS, Wilson-Mikami Corporation, on behalf of Irvine Community Development Company LLC (ICDC), has requested that the Irvine Ranch Water District (IRWD) Board approve the quitclaim the easements for water and sewer pipeline purposes dedicated to IRWD and lying within Lot 3 on the map of Tract No. 17114, filed in Book 898, Pages 40 through 47 of Miscellaneous Maps in the Office of the County Recorder of Orange County; and

WHEREAS, ICDC has re-subdivided said Lot 3 of Tract No. 17114 into Tract No. 17440 and dedicated new easements to IRWD and the previously dedicated easements are no longer needed; and

WHEREAS, staff has reviewed and confirmed that the previously dedicated easements lying within Lot 3 of Tract No. 17114 herein referred can be quitclaimed; and

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

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

ADOPTED, SIGNED and APPROVED this 9th day of July, 2012.

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

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

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

By \_\_\_\_\_

EXHIBIT "B"

RECORDING REQUESTED BY AND WHEN RECORDED RETURN TO:

Irvine Community Development Company  
550 Newport Center Drive  
Newport Beach, CA 92660  
Attn: Hilary Shalla

ASSESSOR PARCEL NO(S):

104-652-01 & 02

(Space Above This Line For Recorder's Use)

IRWD Doc. No. E \_\_\_\_\_  
IRWD Res. No. \_\_\_\_\_

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

\_\_\_\_\_  
Signature or Declarant or Agent determining tax – Firm Name

EASEMENT QUITCLAIM DEED

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

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

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

Dated: \_\_\_\_\_, 2012

IRVINE RANCH WATER DISTRICT,  
a California Water District

By: \_\_\_\_\_  
Name: Mary Aileen Matheis  
Title: President

By: \_\_\_\_\_  
Name: Leslie Bonkowski  
Title: District Secretary

MAIL TAX STATEMENTS TO THE ABOVE ADDRESS

STATE OF CALIFORNIA    )  
  )  
COUNTY OF ORANGE    )

On \_\_\_\_\_, 2012, before me, \_\_\_\_\_, a Notary Public in and for said State, personally appeared Mary Aileen Matheis and Leslie Bonkowski, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (SEAL)  
  Notary Public in and for said State

**EXHIBIT "A"**

**QUITCLAIM OF WATER AND SEWER PIPELINE EASEMENTS  
WITHIN LOT 3, TRACT NO. 17114**

**LEGAL DESCRIPTION**

Those certain easements for water and sewer purposes dedicated thereon and lying within Lot 3 of of Tract No. 17114, in the City of Irvine, County of Orange, State of California, as shown on the map thereof filed in Book 898, Pages 40 through 47 of Miscellaneous Maps, in the Office of the County Recorder of said County.

Prepared by me or under my direction:

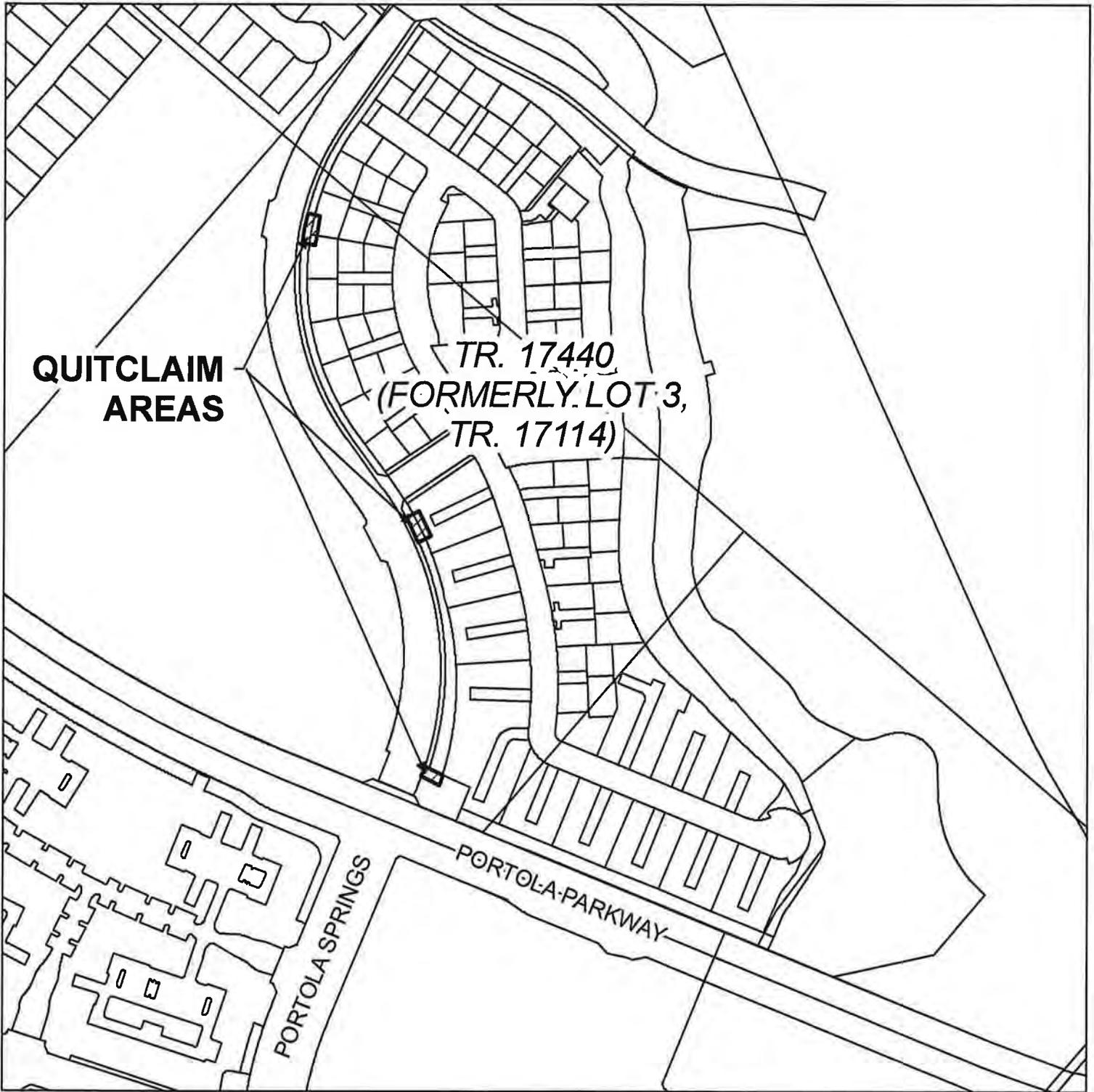
**Dated:** June 13, 2012

*Randall J. Sundberg*

Randall J. Sundberg, R.C.E. 33605  
License expires June 30, 2014



EXHIBIT "C"  
LOCATION MAP



**QUITCLAIM  
AREAS**

TR. 17440  
(FORMERLY LOT 3,  
TR. 17114)

PORTOLA SPRINGS

PORTOLA PARKWAY

**QUITCLAIM OF WATER AND SEWER PIPELINE  
EASEMENTS TO IRVINE COMMUNITY DEVELOPMENT COMPANY**



July 9, 2012  
Prepared by: R. Thatcher/M. Hoolihan  
Submitted by: K. Burton  
Approved by: Paul Cook *[Signature]*

CONSENT CALENDAR

QUITCLAIM OF REAL PROPERTY – LBA IV-PPI, LLC

SUMMARY:

LBA IV-PPI, LLC (LBA) is renovating a portion of the Park Place development which required the relocation of an existing water pipeline. The pipeline has been relocated and LBA is requesting that the District quitclaim its interest in the portion of the existing pipeline easement that is no longer needed. Staff has reviewed the request for the quitclaim and concurs with the recommendation to quitclaim that portion of the easements per Book 12058, Page 1771 and Instrument No. 20000595266 of Official Records. A new easement has been granted to the District by LBA for the relocated pipeline. The resolution authorizing this quitclaim is attached as Exhibit “A”, the Quitclaim Deed is attached as Exhibit “B”, and a map showing the location of the existing easement and quitclaim area is attached as Exhibit “C”.

FISCAL IMPACT:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable. Not a project as defined under CEQA.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2012 - \_\_\_\_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF  
IRVINE RANCH WATER DISTRICT  
APPROVING EXECUTION OF THE QUITCLAIM DEED TO  
LBA IV-PPI, LLC

LIST OF EXHIBITS:

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

# EXHIBIT "A"

RESOLUTION NO. 2012 - \_\_\_\_\_

RESOLUTION OF THE BOARD OF DIRECTORS OF  
IRVINE RANCH WATER DISTRICT  
APPROVING EXECUTION OF THE QUITCLAIM DEED TO  
LBA IV-PPI, LLC

WHEREAS, LBA IV-PPI, LLC has requested that the Irvine Ranch Water District (IRWD) Board approve the quitclaim of portions of existing easements for water pipeline purposes granted to IRWD per Book 12058, Page 1771 and Instrument No. 20000595266, both of Official Records of Orange County; and

WHEREAS, the purpose of the quitclaim is to allow the renovation of a portion of Park Place and clear title; and

WHEREAS, relocated water facilities were installed and a new easement has been granted by the property owner; and

WHEREAS, staff has reviewed and confirmed that the portions of said easements herein referred can be quitclaimed; and

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

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

ADOPTED, SIGNED and APPROVED this 9th day of July, 2012.

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

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

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

By \_\_\_\_\_

# EXHIBIT "B"

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

LBA Realty LLC  
17901 Von Karman Ave., ste. 950  
Irvine, CA 92614  
Attn:

ASSESSOR PARCEL NO(S):

445-211-27, 37 & 43

(Space Above This Line For Recorder's Use)

IRWD Doc. No. E \_\_\_\_\_  
IRWD Res.No. \_\_\_\_\_

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

\_\_\_\_\_  
Signature or Declarant or Agent determining tax – Firm Name

## EASEMENT QUITCLAIM DEED

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

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

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

Dated: \_\_\_\_\_, 2012

IRVINE RANCH WATER DISTRICT,  
a California Water District

By: \_\_\_\_\_  
Name: Mary Aileen Matheis  
Title: President

By: \_\_\_\_\_  
Name: Leslie Bonkowski  
Title: District Secretary

MAIL TAX STATEMENTS TO THE ABOVE ADDRESS

STATE OF CALIFORNIA    )  
  )  
COUNTY OF ORANGE    )

On \_\_\_\_\_, 2012, before me, \_\_\_\_\_, a Notary Public in and for said State, personally appeared Mary Aileen Matheis and Leslie Bonkowski, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (SEAL)  
Notary Public in and for said State

**EXHIBIT "A"**  
**LEGAL DESCRIPTION**  
**QUITCLAIM OF I.R.W.D. EASEMENT**

THOSE PORTIONS OF PARCELS 1 AND 2 OF LOT LINE ADJUSTMENT NO. 308965-LL, IN THE CITY OF IRVINE, COUNTY OF ORANGE, STATE OF CALIFORNIA, PER DOCUMENT RECORDED MARCH 20, 2002 AS INSTRUMENT NO. 20020229144, OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THOSE PORTIONS OF THAT CERTAIN GRANT OF EASEMENT TO THE IRVINE RANCH WATER DISTRICT RECORDED FEBRUARY 3, 1977 IN BOOK 12058, PAGES 1771, OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING THREE (3) STRIPS OF LAND, EACH 10.00 FEET WIDE, THE CENTERLINE OF SAID STRIPS BEING DESCRIBED AS FOLLOWS:

**STRIP 1**

BEGINNING AT POINT "AA" AS DESCRIBED IN PARCEL 2 OF SAID GRANT OF EASEMENT;  
THENCE ALONG THE CENTERLINE OF SAID PARCEL 2 SOUTH 60°00'10" WEST, 201.80 FEET.

**STRIP 2**

BEGINNING AT SAID POINT "AA";  
THENCE ALONG SAID CENTERLINE OF PARCEL 2 SOUTH 29°59'50" EAST, 127.82 FEET.

**STRIP 3**

BEGINNING AT SAID POINT "AA";  
THENCE ALONG SAID CENTERLINE OF PARCEL 2 NORTH 29°59'50" WEST, 15.00 FEET.

**TOGETHER** WITH THOSE PORTIONS OF THAT CERTAIN GRANT OF EASEMENT TO THE IRVINE RANCH WATER DISTRICT RECORDED NOVEMBER 3, 2000 AS INSTRUMENT NO. 20000595266, OF OFFICIAL RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, BEING THREE (3) STRIPS OF LAND, EACH 10.00 FEET WIDE, THE CENTERLINE OF SAID STRIPS BEING DESCRIBED AS FOLLOWS

**STRIP 4**

COMMENCING AT SAID POINT "AA";  
THENCE ALONG SAID CENTERLINE OF PARCEL 2 SOUTH 60°00'10" WEST, 116.38 FEET TO THE CENTERLINE OF STRIP 2 AS DESCRIBED IN SAID GRANT OF EASEMENT, SAID POINT BEING THE **TRUE POINT OF BEGINNING**;  
THENCE LEAVING SAID CENTERLINE OF PARCEL 2 AND ALONG SAID CENTERLINE OF STRIP 2 NORTH 29°59'50" WEST, 11.47 FEET.

EXCEPTING THEREFROM THAT PORTION LYING WITHIN SAID PARCEL 2.

**STRIP 5**

COMMENCING AT SAID POINT "AA";

THENCE ALONG SAID CENTERLINE OF PARCEL 2 SOUTH 60°00'10" WEST, 201.80 FEET TO THE BEGINNING OF STRIP 1 AS DESCRIBED IN SAID GRANT OF EASEMENT, SAID POINT BEING THE **TRUE POINT OF BEGINNING**;

THENCE LEAVING SAID CENTERLINE OF PARCEL 2 AND ALONG THE CENTERLINE OF SAID STRIP 1 SOUTH 60°00'10" WEST, 5.00 FEET;

THENCE CONTINUING ALONG SAID CENTERLINE OF STRIP 1 SOUTH 68°57'35" WEST, 10.97 FEET.

**STRIP 6**

COMMENCING AT SAID POINT "AA";

THENCE ALONG SAID CENTERLINE OF PARCEL 2 SOUTH 29°59'50" EAST, 127.82 FEET TO THE BEGINNING OF STRIP 7 AS DESCRIBED IN SAID GRANT OF EASEMENT, SAID POINT BEING THE **TRUE POINT OF BEGINNING**;

THENCE LEAVING SAID CENTERLINE OF PARCEL 2 AND ALONG THE CENTERLINE OF SAID STRIP 7 SOUTH 29°59'50" EAST, 5.00 FEET;

THENCE CONTINUING ALONG SAID CENTERLINE OF STRIP 7 SOUTH 35°59'27" EAST, 23.28 FEET.

SUBJECT TO ALL COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, EASEMENTS AND RIGHTS OF WAYS OF RECORD, IF ANY.

ALL AS MORE PARTICULARLY SHOWN ON EXHIBIT "B", ATTACHED HERETO AND MADE A PART HEREOF.

THIS DOCUMENT HAS BEEN PREPARED BY ME, OR UNDER MY DIRECTION, IN CONFORMANCE WITH THE PROFESSIONAL LAND SURVEYOR'S ACT.

  
\_\_\_\_\_  
DEAN J. BOULDIN, P.L.S. 7842  
REGISTRATION EXPIRES 12/31/12

2/3/11  
\_\_\_\_\_  
DATE



QUITCLAIM OF I.R.W.D. EASEMENT

IN THE CITY OF IRVINE  
COUNTY OF ORANGE, STATE OF CALIFORNIA

PARCEL 1  
P.M. NO. 85-142  
P.M.B. 200/42-45

I.R.W.D. EASEMENT  
STRIP 7  
INST. NO. 20000595266 O.R.  
REC. NOVEMBER 3, 2000

P.O.B. - STRIPS 1, 2, & 3  
P.O.C. - STRIPS 4, 5, & 6

POINT "AA"  
PARCEL 2  
BK. 12058, PG. 1771 O.R.  
REC. FEBRUARY 3, 1977

STRIP 3

I.R.W.D. EASEMENT  
PARCEL 2  
BK. 12058, PG. 1771 O.R.  
REC. FEBRUARY 3, 1977

I.R.W.D. EASEMENT  
PARCEL 2  
BK. 12058, PG. 1771 O.R.  
REC. FEBRUARY 3, 1977

PARCEL 1  
LLA NO. 308965-LL  
INST. NO. 20020229144 O.R.

I.R.W.D. EASEMENT  
STRIP 2  
INST. NO. 20000595266 O.R.  
REC. NOVEMBER 3, 2000

LINE TABLE		
LINE	BEARING	LENGTH
L1	N 60°00'10" E	5.00'
L2	N 68°57'35" E	10.97'
L3	N 29°59'50" W	15.00'
L4	N 29°59'50" W	11.47'
L5	N 29°59'50" W	5.00'
L6	N 35°59'27" W	23.28'

T.P.O.B.  
STRIP 4

STRIP 4

STRIP 1

PARCEL 2  
LLA NO. 308965-LL  
INST. NO. 20020229144 O.R.

T.P.O.B.  
STRIP 5

STRIP 5

I.R.W.D. EASEMENT  
STRIP 1  
INST. NO. 20000595266 O.R.  
REC. NOVEMBER 3, 2000



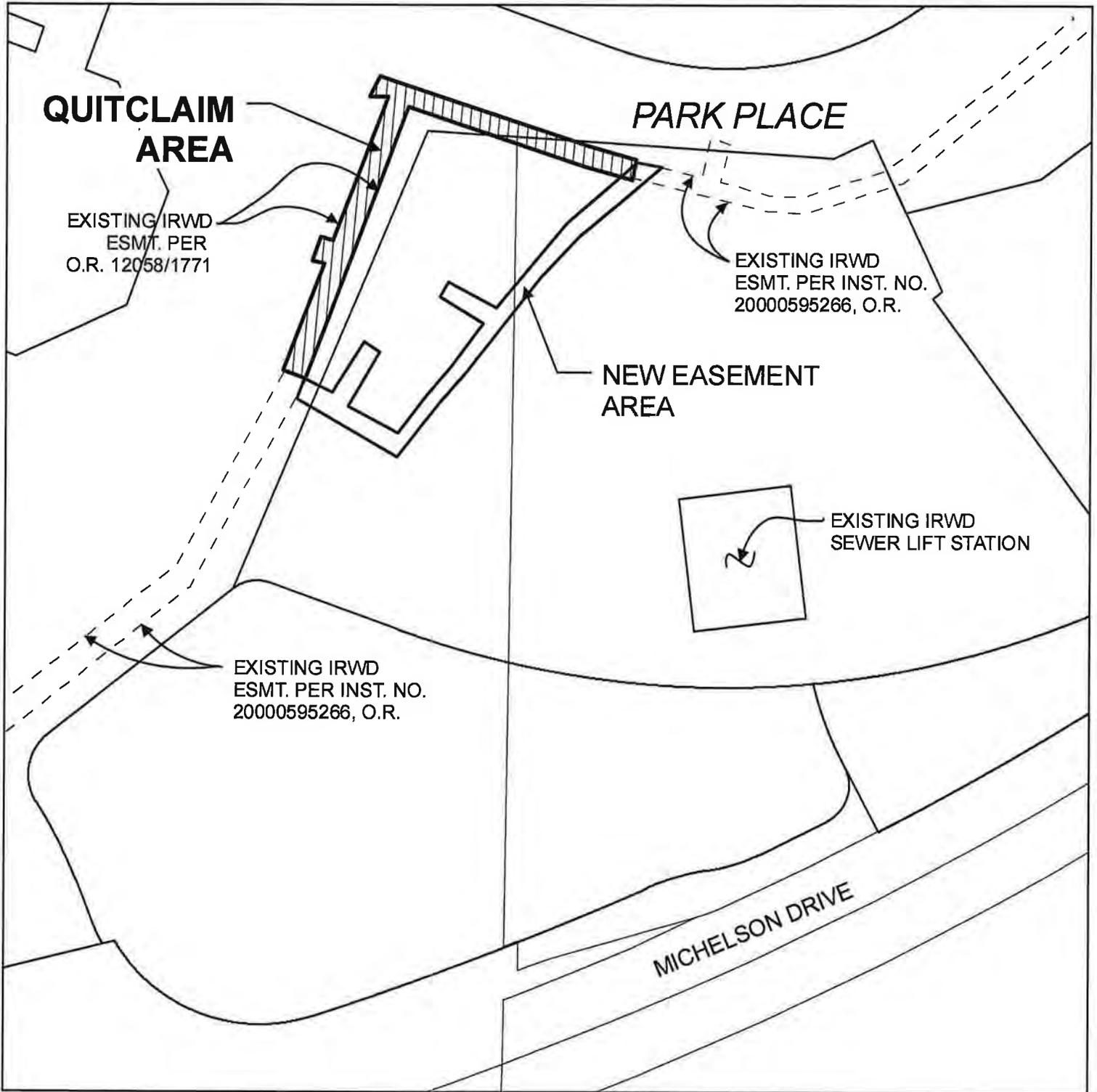
PREPARED BY ME OR UNDER MY DIRECTION:

*[Signature]* 2/3/11  
DEAN J. BOULDIN, P.L.S. 7842 DATE  
EXP. 12-31-12



SCALE: 1" = 50'

# EXHIBIT "C" LOCATION MAP



**QUITCLAIM OF POR. OF PIPELINE EASEMENT  
TO LBA IV-PPI, LLC**



dOS  
July 9, 2012  
Prepared by: T. Bonkowski/M. Cortez  
Submitted by: K. Burton *KLB*  
Approved by: Paul Cook *P. Cook*

CONSENT CALENDAR

ORANGE PARK ACRES CHAPMAN AVENUE ON-SITE PIPING  
RELOCATION PROJECT – FINAL ACCEPTANCE

SUMMARY:

The Orange Park Acres Chapman Avenue On-Site Piping Relocation Project has been constructed and completed by L&S Construction, Inc. (L&S). This project has received final inspection and acceptance of this project is recommended.

BACKGROUND:

L&S Construction, Inc. (L&S) was awarded this project’s construction contract to install 2-inch water services, meters, and private 2-inch water piping to eight homes on Chapman Avenue in the Orange Park Acres area. The residences are located on large lots, approximately 1-acre in size. The new service connections were made off of the existing 6-inch asbestos cement water line in Chapman Avenue, near Calle Grande and Orange Park Boulevard. New on-site plumbing of Schedule 80 PVC solvent welded pipe and fittings was then installed between the new water meters to a point of connection just downstream of the replaced water meters for each property. The on-site plumbing varied in length from 116 to 400 linear feet. Six of the properties had isolation valves, valve boxes and private booster pumps, which were protected in place. Other improvements constructed as part of this project included the installation of 90 linear feet of 8-inch cement mortar lined and coated steel pipe in front of 6290 East Amapola Street, and a 6- and 8-inch gate valve on Rodeo Drive.

Project Title:	Orange Park Acres Chapman Avenue On-Site Project
Project Nos.:	11408 (1279)
Design Engineer:	Dudek
Contractor:	L&S Construction, Inc.
Original Contract Cost:	\$154,751
Final Contract Cost:	\$201,141
Original Contract Days:	120

Final Contract Days: 125  
Total Budget: \$275,000  
Total Project Cost (Est.): \$223,865  
Final Change Order Approved On: June 15, 2012

FISCAL IMPACTS:

Project 11408 (1279) was included in the FY 2011-12 Capital Budget. The existing budget and Expenditure Authorizations were sufficient to complete this project.

ENVIRONMENTAL COMPLIANCE:

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

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD ACCEPT CONSTRUCTION OF THE ORANGE PARK ACRES CHAPMAN AVENUE ON-SITE PIPING, PROJECT 11408 (1279); AUTHORIZE FILING OF A NOTICE OF COMPLETION; AND AUTHORIZE THE PAYMENT OF THE RETENTION 35 DAYS AFTER THE DATE OF RECORDING THE NOTICE OF COMPLETION.

LIST OF EXHIBITS:

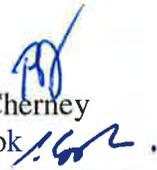
None.

July 9, 2012

Prepared and

Submitted by: Debby Cherney

Approved by: Paul Cook



## ACTION CALENDAR

### LUMP SUM PAYMENT OPTION FOR EMPLOYER CONTRIBUTIONS FOR FY 2012-13 AND MAKING BUDGETED ADDITIONAL CONTRIBUTIONS TO THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM

#### SUMMARY:

Staff requests Board approval to:

- Choose the lump sum payment option for employer contributions to the California Public Employees Retirement System (CalPERS) by making a one-time contribution of \$4,257,316 for the District's FY 2012-13 employer contributions to CalPERS; and
- Make additional contributions totaling \$2,280,984, scheduled to be funded each quarter in the amount of \$570,246 to CalPERS. This amount is equivalent to the difference between the budgeted employer contribution (including excess contributions) of \$6,538,300 and the above-referenced lump sum payment.

This is consistent with the approach developed by the Finance and Personnel Committee and the Board during both the operating budget process and the retirement benefits study. It is also consistent with the District's policy principles to strategically reduce the District's actuarially-determined unfunded liability.

#### BACKGROUND:

CalPERS employer contributions can be made in two ways: (a) a lump sum payment option made between July 1 and July 15 of the beginning of the new fiscal year; or (b) making payments based on each semi-monthly payroll total based on a payroll percentage established annually by CalPERS actuaries. In FY 2009-10, the District elected to utilize the lump sum payment option because it benefited from the assumed actuarial interest rate of 7.75%.

The District can benefit from the actuarial interest rate of 7.5% by paying its employer contribution using the lump sum method. In order to participate in the pre-payment method, the total contribution must be completed and returned to CalPERS Fiscal Services Division by July 11, 2012.

The District's approved operating budget for FY 2012-13 included \$6,538,300 for the CalPERS employer contribution rate. It anticipated using the normal payment option for the annual required contribution of approximately 16% of payroll, or approximately \$4.2 million as well as making an additional contribution of approximately 9% of payroll, or approximately \$2.3 million, to reduce the District's unfunded liability.

A letter from CalPERS establishing the amount of the lump sum prepayment option is attached as Exhibit "A".

Staff recommends making an additional contribution equivalent to the difference between the budget and the lump sum payment:

Operating Budget	\$6,538,300
Lump Sum Contribution	<u>\$4,257,316</u>
Additional Contribution for FY 2012-13	<u>\$2,280,984</u>
<i>Quarterly additional contribution</i>	<i>\$ 570,246</i>

Staff proposes to make the quarterly additional contributions of \$570,246 on September 1, 2012, December 1, 2012, March 1, 2013 and June 1, 2013. Timing of the additional contributions may be accelerated or delayed, subject to future review and recommendation of the Finance and Personnel Committee.

The additional contribution is consistent with the District's policy principles to strategically reduce the District's actuarially-determined unfunded pension liability. Since FY 2009, the District has made additional contributions in excess of its annual required contribution to CalPERS of more than \$11.6 million. The most recent valuation from CalPERS reflects an unfunded actuarial liability on an actuarial basis as of June 30, 2010 of \$34 million and on a market basis of \$59 million, which would be reduced by these quarterly additional contributions.

FISCAL IMPACTS:

The payments to the California Public Employees Retirement System are consistent with the impacts identified in setting rates for FY 2012-13.

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 July 3, 2012.

RECOMMENDATION:

THAT THE BOARD APPROVE THE LUMP SUM PAYMENT FOR EMPLOYER CONTRIBUTIONS TO THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CALPERS) BY MAKING A ONE-TIME CONTRIBUTION OF \$4,257,316 FOR THE DISTRICT'S FY 2012-13 EMPLOYER CONTRIBUTION AND MAKING AN ADDITIONAL QUARTERLY CONTRIBUTION OF \$570,246 EACH QUARTER TO REDUCE THE DISTRICT'S ACTUARIALLY-DETERMINED UNFUNDED PENSION LIABILITY.

LIST OF EXHIBITS:

Exhibit "A" – Letter from CalPERS regarding Lump Sum Prepayment

Exhibit "A"



California Public Employees' Retirement System
Actuarial Office
P.O. Box 1494
Sacramento, CA 95812-1494
TTY: (916) 795-3240
(888) 225-7377 phone • (916) 795-2744 fax
www.calpers.ca.gov

June 07, 2012
CALPERS ID: 5161985321
Employer Name: IRVINE RANCH WATER DISTRICT
Rate Plan: MISCELLANEOUS PLAN

Re: Lump Sum Payment to prepay 2012-2013 employer contribution rate

Dear Requestor:

As requested, 2012-2013 employer contribution rate information on your lump sum payment follows.

If you are aware of others interested in this information, please inform them.

The information is based on the most recent annual valuation and assumes payment is received by CalPERS before the first payroll of the new fiscal year and after June 30, 2012 and no further contractual or financing changes taking effect before June 30, 2013.

The change in your 2012-2013 employer contribution rate after you make the proposed lump sum payment, is displayed in the "Change to Total Employer Rate" line below.

Table with 3 columns: As of June 30, 2010, \$, and %. Rows include 2012-13 Employer Contributions (\$), 2012-13 Employer Payment (\$), 2012-13 Revised Employer Contribution (\$), and Change to Total Employer Contribution Rate.

\* Pay this amount (see attachment): Your pre-payment 2012-2013 Employer Contribution is from your June 30, 2010 actuarial valuation report. It has been reduced by a half year interest credit at the 7.75% actuarial assumed interest rate (resulting in an approximate 3.66% discount). To the extent your actual 2012-2013 payroll or CalPERS actual 2012-2013 net investment earnings differ from our assumptions, we anticipate the differences will be reflected in your 2015-2016 and later employer contribution rates. If your rate plan is in a risk pool, these earnings and payroll differences will be shared by all employers in that risk pool, under current practice.

To initiate this change, the enclosed Lump Sum Payment Request must be received by CalPERS before the first payroll of the new fiscal year and after June 30. A copy should be sent to us.

If you have questions, please call (888) CalPERS (225-7377).

Handwritten signature of Kerry J. Worgan

KERRY J. WORGAN, MAAA, FSA, FCIA
Senior Pension Actuary, CalPERS

# LUMP SUM PAYMENT REQUEST

Please complete and return this form to the following address:

**CalPERS  
Fiscal Services Division  
Attn: Retirement Program Accounting  
P O Box 942703  
Sacramento, CA 94229-2703**

Or fax to: 916-795-7622.

If a wire transfer is being used, it should go to the following account:

**ABA#0260-0959-3  
  
Bank of America Sacramento Main  
555 Capitol Mall, Suite 1555  
Sacramento, CA 95814  
  
For credit to State of CA, CalPERS  
Account # 01482-80005**

**Please e-mail [FCSD\\_public\\_agency\\_wires@calpers.ca.gov](mailto:FCSD_public_agency_wires@calpers.ca.gov) and your actuary on the day of the wire to ensure timely crediting to your account. Any individual wire totaling over \$5,000,000 requires a 72 hour notice.**

CALPERS ID: 5161985321  
Employer Name: IRVINE RANCH WATER DISTRICT  
Rate Plan: MISCELLANEOUS PLAN

Rate Plan ID: 617

Amount: \$ 4,257,316

Purpose:	Prepay 2012-13 employer contribution rate
Base(s) to which payment is applied:	N/A

In recognition of our payment please revise our employer contribution rate effective July 1, 2012:

Name and Title: (Please Print): \_\_\_\_\_

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

City/State/Zip: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

**E-mail Address:** \_\_\_\_\_

**Fiscal Services verification**      **Date Received** \_\_\_\_\_ **Amount Received** \_\_\_\_\_

**PERS01F0036 DMC (02-2009)**      **Reference #** \_\_\_\_\_ **Name and Date:** \_\_\_\_\_

July 9, 2012

Prepared by: H. Cho/M. Cortez

Submitted by: K. Burton

Approved by: Paul Cook 

## ACTION CALENDAR

### MAIN STREET DIVERSION STRUCTURE GRATING MODIFICATIONS CONSTRUCTION AWARD

#### SUMMARY:

The Main Street Diversion Structure Grating Modifications Project will construct new grating to replace the existing corroded grating and provide fall protection inside this structure. Staff recommends that the Board:

- Consent to relieve Schuler Engineering of its bid subject to its payment of the cost difference between its bid amount and the amount for which the District obtains the work; and
- Authorize the General Manager to execute a construction contract with S.S. Mechanical in the amount of \$118,497.

#### BACKGROUND:

The Main Street Diversion Structure is a sewer diversion structure located off Main Street in San Mateo Park in Irvine that directs sewage flows to either the Michelson Water Reclamation Plant or to the Orange County Sanitation District. A location map is attached as Exhibit "A". The diversion structure contains a 45-inch diameter inlet pipe and two outlet pipes: one 45 inches and one 48 inches in diameter. The existing fiberglass grating installed over the sewer channels has deteriorated and requires replacement. The proposed project will replace the existing fiberglass grating with stainless steel grating that will cover all of the channels and the shelves of this structure and will also provide fall protection inside this structure.

IRWD's consultant, Arcadis, designed the Main Street Diversion Structure Grating Modifications Project in April 2012, and the project went out to bid to a select bidders list of four contractors. On May 17, 2012, a bid opening was held with three contractors submitting bids. The apparent low bidder was Schuler Engineering with a low bid of \$115,200. The engineer's estimate was \$111,000. The bid summary is attached as Exhibit "B".

On May 29, 2012, Schuler requested withdrawal of its bid as shown in the attached Exhibit "C". The California Public Contracts Code provides a bidder the right to be relieved of its bid by consent of the awarding body if the bidder establishes that a mistake was made in filling out the bid that was not the result of carelessness in inspecting the work site or reading the plans and specifications, or error in judgment, that the mistake materially altered the intended bid, and that the bidder notified the agency within five working days (weekends and state holidays excluded) of the bid opening. Schuler's request was not made within the five day period, and the relief statute has been held to apply only to a mistake in the prime contractor's bid, not a mistake in a material or subcontract bid. Schuler's request was based on a mistake in a material supplier's bid rather than a mistake in its own bid. For these reasons, staff had notified Schuler that they cannot withdraw their bid without either paying for the cost difference between their low bid and

the second lowest bid or surrendering its bidder's bond. Schuler has agreed to make payment in the difference of \$3,297 between their bid and the next lowest bid from S.S. Mechanical, and therefore staff recommends that the Board relieve Schuler of its bid. Legal counsel has also reviewed this withdrawal request.

With the withdrawal of Schuler's bid, S.S. Mechanical now becomes the low bidder with a bid of \$118,497, and staff recommends that the Board award the contract to this contractor. S.S. Mechanical was recently awarded the Exterior Reservoir Ladder Improvement Project which is scheduled to be completed on time and within the project budget.

FISCAL IMPACTS:

Project 20957 (1221) is included in the FY 2012-13 Capital Budget. The existing Budget and Expenditure Authorization are sufficient to fund the construction project as shown in the table below.

Project No.	Current Budget	Addition <Reduction>	Total Budget	Existing EA	This EA Request	Total EA Request
20957 (1221)	\$250,000	\$ -0-	\$250,000	\$ 250,000	\$ -0-	\$250,000

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:

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

RECOMMENDATION:

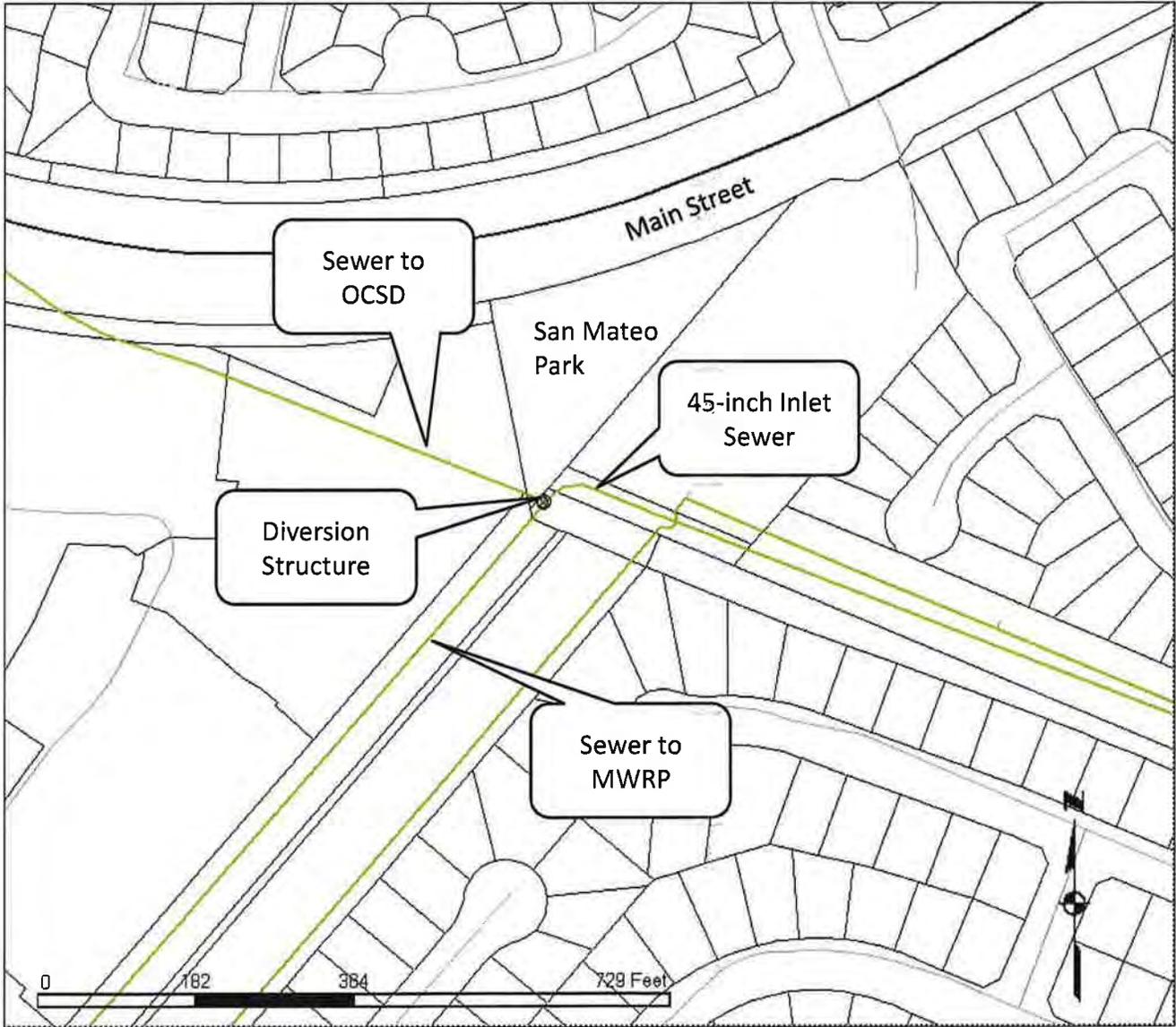
THAT THE BOARD CONSENT TO RELIEVE SCHULER ENGINEERING OF ITS BID SUBJECT TO PAYMENT OF THE COST DIFFERENCE BETWEEN ITS BID AMOUNT AND THE AMOUNT FOR WHICH THE DISTRICT OBTAINS THE WORK; AND AUTHORIZE THE GENERAL MANAGER TO EXECUTE A CONTRACT WITH S.S. MECHANICAL IN THE AMOUNT OF \$118,497 FOR THE MAIN STREET DIVERSION STRUCTURE GRATING MODIFICATIONS PROJECT, PROJECT 20957.

LIST OF EXHIBITS:

- Exhibit "A" – Location Map
- Exhibit "B" – Bid Summary
- Exhibit "C" – Schuler Engineering Letter Withdrawing Bid

# EXHIBIT "A"

## Main Street Diversion Structure



Item No.	Description	Qty	Unit	Engineer's Estimate		1		2		3	
				Unit Price	Total Amount	Schuler Engineering Corona, CA		S.S. Mechanical Corp. Huntington Beach, CA		Paulus Engineering, Inc. Anaheim, CA	
						Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
1	Remove and dispose of the existing grating at the Main St. Diversion Structure	1	LS	\$5,000.00	\$5,000.00	\$3,600.00	\$3,600.00	\$4,500.00	\$4,500.00	\$3,800.00	\$3,800.00
2	Construct the Grating Modifications for the Main St. Diversion Structure	1	LS	\$75,000.00	\$75,000.00	\$84,000.00	\$84,000.00	\$85,997.00	\$85,997.00	\$105,700.00	\$105,700.00
3	Preparation, Submittal, and Approval of Safety Plan and Meeting and Maintaining Confined Space Requirements	1	LS	\$5,000.00	\$5,000.00	\$4,600.00	\$4,600.00	\$8,000.00	\$8,000.00	\$3,500.00	\$3,500.00
4	Replace the vault lid at the Main St. Diversion Structure	1	LS	\$20,000.00	\$20,000.00	\$13,000.00	\$13,000.00	\$14,000.00	\$14,000.00	\$12,000.00	\$12,000.00
5	Record Drawings	1	LS	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00	\$1,000.00
6	Mobilization, Bonds, and Insurance	1	LS	\$5,000.00	\$5,000.00	\$9,000.00	\$9,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00
	Subtotal				\$111,000.00		\$115,200.00		\$118,497.00		\$131,000.00
	Adjustment (+ or -)				\$0.00		\$0.00		\$0.00		\$0.00
	<b>TOTAL AMOUNT OF BID</b>				<b>\$111,000.00</b>		<b>\$115,200.00</b>		<b>\$118,497.00</b>		<b>\$131,000.00</b>
							<b>Item Delivery Dates:</b>		<b>Item Delivery Dates:</b>		<b>Item Delivery Dates:</b>
							316 Stainless Steel Grating: 65 days		316 Stainless Steel Grating: 84 days		316 Stainless Steel Grating: 70
							<b>Manufacturers:</b>		<b>Manufacturers:</b>		<b>Manufacturers:</b>
							316 Stainless Steel Grating: Hoertig Pacific		316 Stainless Steel Grating: Grating Pacific		316 Stainless Steel Grating: Gra Pacific
							Hatch: Thompson Manuf.				
							<b>Subcontractors:</b>		<b>Subcontractors:</b>		<b>Subcontractors:</b>
							None Listed		None Listed		None Listed

EXHIBIT "B"

---

**From:** "Bruce Schuler" <bruce@schulerengineering.com>  
**To:** "Harry Cho" <CHO@irwd.com>  
**Date:** 5/29/2012 1:26 PM  
**Subject:** Main Street Grating

---

Harry,

I just got back from a week off and had a phone call from the misc. metal supplier, Hoertig, that I used on the Main Street grating project. He apparently did not include any cost in his bid for the stainless steel grating. His price to us at the time of bid was 27796 supposedly for all of the misc metal, grating, and pickling. He has since found the error and has told us his price is 72,253 with the grating included. This change is very large and makes our bid much higher than what we submitted. We asked ourselves and this supplier if using FRP would make a difference and it would appear that we could do the work for our original price with this substitution but in all truth this is not the material that you asked for. We therefore request that you withdraw our bid and award the project to SS Mechanical

We can supply all of our bid documents and documentation at your request.

Thanks You,

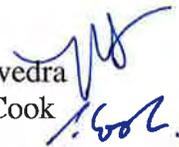
Bruce Schuler

July 9, 2012

Prepared and

Submitted by: N. Savedra

Approved by: Paul Cook



## ACTION CALENDAR

### FISCAL YEAR 2012-13 GENERAL COUNSEL SERVICES FOR BOWIE, ARNESON, WILES, AND GIANNONE

#### SUMMARY:

Bowie, Arneson, Wiles & Giannone (BAWG) has provided a proposed letter of engagement for the purpose of providing legal services to the District effective July 1, 2012. BAWG's services shall not exceed \$615,000, of which \$415,000 are for general legal services and \$200,000 for J127 matter, for the District's fiscal year (FY) 2012-13 without additional authorization from the District.

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

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

#### FISCAL IMPACTS:

BAWG's services shall not exceed a total of \$615,000 for FY 2012-13 without additional authorization from the District.

#### 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 July 3, 2012.

#### RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE ENGAGEMENT AGREEMENT WITH BOWIE, ARNESON, WILES, AND GIANNONE EFFECTIVE JULY 1, 2012 FOR GENERAL COUNSEL SERVICES IN THE AMOUNT NOT TO EXCEED \$615,000, SUBJECT TO THE NOT TO EXCEED AMOUNTS WITHIN SUCH TOTAL AMOUNT AS PROVIDED IN SEPARATE DETAIL.

#### LIST OF EXHIBITS:

Exhibit "A" – Terms of Legal Services Agreement from Bowie, Arneson, Wiles, and Giannone.  
ns-General Counsel Services for FY 2012/13

EXHIBIT "A"

BOWIE, ARNESON, WILES & GIANNONE

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS  
ATTORNEYS AT LAW

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

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

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

REF. OUR FILE

8001 A 20

\*A PROFESSIONAL CORPORATION

June 26, 2012

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

Dear Paul:

This letter sets forth our firm's engagement to provide general counsel services to Irvine Ranch Water District. Our services shall not exceed the following for the District's fiscal year 2012-13 without additional authorization from the District: (i) \$200,000 for the billing matter J 127; (ii) \$415,000.00 for other than the billing matter J 127. As described in the attached Terms of Legal Services Agreement, billing for miscellaneous general legal services will be on a fixed-fee basis, and all other services will be billed on an hourly basis.

Our firm's hourly rates are based upon a number of factors, including the level of experience of the attorneys. The 2012-13 hourly rates (effective July 1, 2012 but in no event before our next invoicing period commencing after this letter) will be as follows:

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

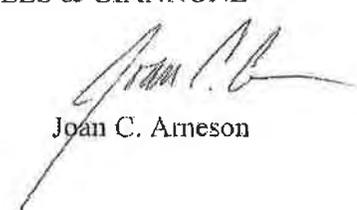
This letter, together with the attached Terms of Legal Services Agreement, sets forth the terms of our engagement.

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

Very truly yours,

BOWIE, ARNESON,  
WILES & GIANNONE

By

  
Joan C. Arneson

JCA:  
Encl.  
38688

**BOWIE, ARNESON, WILES & GIANNONE**

Mr. Paul Cook  
June 26, 2012  
Page 2

Approval of Engagement

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

Date: \_\_\_\_\_, 2012

IRVINE RANCH WATER DISTRICT

By: \_\_\_\_\_

# BOWIE, ARNESON, WILES & GIANNONE

## TERMS OF LEGAL SERVICES AGREEMENT

### I. Legal Services Provided

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

### II. Fees

#### A. Fixed Fee for Miscellaneous General Legal Services

The Miscellaneous General Legal Services ("General Services") provided by Bowie, Arneson, Wiles & Giannone to Irvine Ranch Water District will be charged on a fixed fee basis. The fixed fee for General Services will be paid on the basis of \$55,000.00 for the services billed during the 2012-13 District fiscal year. One-twelfth of said amount will be billed as a monthly installment at the same time as each monthly statement prepared and sent for our hourly-basis services. Proration of the monthly amount will be made as necessary to adjust for any partial billing periods used to match our June and July cycles to the District fiscal year.

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

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

#### B. Scope of Services Included in Fixed Fee

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

#### C. Services Excluded from the Fixed Fee

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

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

## **BOWIE, ARNESON, WILES & GIANNONE**

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

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

### **III. Expenses**

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

### **IV. District's Obligations**

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

### **V. Termination of Representation**

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

### **VII. Miscellaneous**

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

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

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