

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

January 14, 2013

PLEDGE OF ALLEGIANCE

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

ROLL CALL Directors Matheis, LaMar, Swan, Withers and President Reinhart

NOTICE

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

COMMUNICATIONS TO THE BOARD

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

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

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

CONSENT CALENDAR

Next Resolution No. 2013-1

Items 3-9

3. **MINUTES OF REGULAR BOARD MEETINGS**

Recommendation: That the minutes of the December 10, 2012 Regular Board Meeting and the December 18, 2012 Adjourned Regular Board Meeting be approved as presented.

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

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

CONSENT CALENDAR – Continued

Items 3-9

5. APPOINTMENT OF ASSISTANT TREASURER

Recommendation: That the Board appoint Cheryl Clary as an Irvine Ranch Water District Assistant Treasurer effective January 14, 2013.

6. UNIVERSITY DRIVE PIPELINES CATHODIC PROTECTION FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the University Drive Pipelines Cathodic Protection, projects 10740 (1833) and 30740 (1262); authorize the filing of a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

7. MODJESKA CANYON ROAD DOMESTIC WATER PIPELINE RELOCATION FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Modjeska Canyon Road Domestic Water Pipeline Relocation, project 11574 (1245); 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.

8. ON-CALL ENVIRONMENTAL PERMITTING PROFESSIONAL SERVICES AGREEMENT VARIANCE

Recommendation: That the Board authorize the General Manager to approve Variance No. 1 to the Professional Services Agreement with Harmsworth Associates for on-call environmental permitting and monitoring work in the amount of \$100,000.

9. 2013 SELECTION OF FEDERAL LOBBYIST

Recommendation: That the Board approve a 24-month contract with The Furman Group for \$10,000 per month plus reimbursable direct expenses not to exceed \$276,000 effective January 1, 2013.

ACTION CALENDAR

10. CUSTOMER SATISFACTION SURVEY CONSULTANT SELECTION

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement with Fairbank, Maslin, Maullin, Metz & Associates for an amount not to exceed \$90,000 to conduct a customer satisfaction survey for the District.

ACTION CALENDAR - Continued

11. SINGLE-FAMILY RESIDENTIAL DIRECT INSTALL PROGRAM
CONSULTANT SELECTION AND FUNDING AUTHORIZATION

Recommendation: That the Board authorize the General Manager to execute an agreement with Southwest Environmental for the Single-Family Residential Stealth Toilet Direct Install Program for an amount not to exceed \$265,000, and authorize an increase of \$265,000 to the FY 2012-13 Operating Budget funded from over-allocation revenues.

12. MODIFICATION OF IMPROVEMENT DISTRICTS IN HERITAGE
FIELDS

Recommendation: That the Board approve the de-annexation from Improvement Districts 105/250 and adopt a resolution ordering the detachment of specified territory from Improvement District Nos. 105 and 250.

Reso. No. 2013-

OTHER BUSINESS

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

13. A. General Manager's Report

B. Directors' Comments

OTHER BUSINESS - Continued

13. C. CLOSED SESSION WITH LEGAL COUNSEL RELATIVE TO: TO PUBLIC EMPLOYEE APPOINTMENT/EMPLOYMENT/PERFORMANCE EVALUATION (Government Code Section 54957). Title: Staff position title changes.

D. OPEN SESSION:

- 1) Reporting of any Action(s) as determined in Closed Session:
- 2) Addition of positions to FY 2012-13 operating budget, approve changes to the Salary Grade Schedule effective upon adoption, and adopt the following resolution by title:

RESOLUTION NO. 2013-

RESOLUTION OF THE BOARD OF DIRECTORS
OF THE IRVINE RANCH WATER DISTRICT RESCINDING
RESOLUTION NO. 2012-48 AND ESTABLISHING
A REVISED SCHEDULE OF POSITIONS AND SALARY
RATE RANGES

E. 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.

January 14, 2013
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 December 10, 2012 Regular Board meeting and the December 18, 2012 Adjourned Regular Board meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE DECEMBER 10, 2012 REGULAR BOARD MEETING AND THE DECEMBER 18, 2012 ADJOURNED REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – Minutes – December 10, 2012

Exhibit "B" – Minutes – December 18, 2012

EXHIBIT "A"

MINUTES OF REGULAR MEETING – DECEMBER 10, 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 December 10, 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, Executive Director of Finance Clary, Treasurer Jacobson, Executive Director of Operations Pedersen, Executive Director of Engineering Burton, Executive Director of Water Policy Heiertz, Legal Counsel Arneson, Director of Human Resources Wells, Director of Water Resources Weghorst, Director of Wastewater Operations Posey, Director of Administrative Services Mossbarger, Secretary Bonkowski, Mr. Malcolm Cortez, Mr. Tom Roberts, Mr. Joe Constantino, Assistant Director of Conservation Sanchez, Mr. Christopher Smithson, Mr. Jim Reed, Mr. John Jaegar and other members of the public and staff.

WRITTEN COMMUNICATION: None.

ORAL COMMUNICATION:

1) 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 C-8, C-9, 10, 11, 12, 15, 16, 17 and 18 will operate in accordance with the District's annual pumping plan. Wells 1, 2, 3, 4, 5, 6, 7, 13 and 14 will be off. This was confirmed by Mr. Cook, General Manager of the District.

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

With respect to the Groundwater Emergency Service Plan, IRWD has an agreement in place with various south Orange County water agencies, MWDOC and OCWD, to produce additional groundwater for use within IRWD and transfer imported water from IRWD to south Orange

County in case of emergencies. IRWD has approved the operating agreement with certain south Orange County water agencies to fund the interconnection facilities needed to affect the emergency transfer of water. MWDOC and OCWD have also both approved the operating agreement. This was confirmed by Mr. Cook.

2) Mr. John Jaeger, Board member of the Colony Club Homeowners Association, thanked staff for performing work on three meters within the association and asked for additional work to be performed. General Manager Cook said that staff will review the request and provide Mr. Jaeger with a response.

PRESENTATION

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

General Manager Cook presented to Mr. A.T. Kilani with a resolution commending 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. 2012-53

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

NATIONAL PURCHASING INSTITUTE ACHIEVEMENT OF EXCELLENCE IN PROCUREMENT AWARD

Director of Administrative Services Mossbarger presented 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

Director LaMar asked that Item No. 7, a resolution for the Executive Director of the Nature Reserve of Orange County be moved to the Action Calendar. There being no objections, this item was moved to the Action Calendar. On MOTION by LaMar, seconded and unanimously carried, CONSENT CALENDAR ITEMS 5, 6, AND 8 THROUGH 17 WERE APPROVED AS FOLLOWS:

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.

CONSENT CALENDAR (CONTINUED)

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.

8. APPOINTMENT OF DISTRICT DIRECTORS IN LIEU OF ELECTION

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

RESOLUTION NO. 2012-55

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

9. FY 2011-12 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Recommendation: Receive and file.

10. 2013 IRWD INVESTMENT POLICY

Recommendation: That the Board adopt the following resolution by title 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.

RESOLUTION NO. 2012-56

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

CONSENT CALENDAR (CONTINUED)

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.

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.

CONSENT CALENDAR (CONTINUED)

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).

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

RESOLUTION COMMENDING LYNDINE MCAFEE

Director LaMar said that he would like to include additional language to the resolution. There being no objections, on MOTION by LaMar, seconded and unanimously carried, THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE WITH ADDITIONAL LANGUAGE TO BE INCLUDED:

RESOLUTION NO. 2012-54

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

WELL 110 REHABILITATION CONSTRUCTION AWARD

General Manager Cook reported that in March 2011, staff conducted a video survey of the well that showed biological growth throughout the well, with significant clogging of the deeper screens. Mr. Cook said that 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.

Director of Engineering Burton said that 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. Mr. Burton said that the bid opening was held on November 28, 2012 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.

On MOTION by LaMar, seconded and unanimously carried, THE BOARD APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$260,000 FOR PROJECT 11657 (3774), AND AUTHORIZED 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.

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

Executive Director of Finance reported that 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.

Ms. Clary said that 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. The approved development plan includes nearly 4,900 dwelling units and 254 commercial acres.

Ms. Clary said that 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 the facilities' share of existing balances,

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.

Director Swan said that this item was reviewed and approved by the Finance and Personnel Committee on December 3, 2012. On MOTION by Swan, seconded and unanimously carried, THE FOLLOWING RESOLUTION WAS ADOPTED BY TITLE:

RESOLUTION NO 2012-57

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

ANNUAL BOARD OF DIRECTORS FEES

General Manager Cook reported that 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. The current compensation for the Board of Directors is \$237 per meeting, not to exceed 10 meetings per month.

Director Swan said that this item was reviewed by the Finance and Personnel Committee on December 3, 2012 and they did not make a recommendation to the Board. Director Swan commented on the merits for increasing the Director fees this year. Other Board members said it was not a good time to accept an increase. Following discussion, on MOTION by LaMar, seconded and unanimously carried, THE BOARD DECLINED THE 5% SCHEDULED COMPENSATION INCREASE FOR CALENDAR YEAR 2013.

ELECTION OF OFFICERS

General Manager Cook acted as temporary Chair and called for nominations for President. Director LaMar nominated Director Reinhart as President. There being no other nominations, the nominations were closed. On MOTION by LaMar, seconded and carried (4-1) (LaMar, Matheis, Withers, and Reinhart voting aye, and Swan abstaining), DOUGLAS REINHART WAS ELECTED PRESIDENT. President Reinhart asked for nominations for Vice President. Director Withers nominated Director LaMar as Vice President. There being no other nominations, the nominations were closed. On MOTION by Withers, seconded and carried, (4-1) (LaMar, Matheis, Withers, and Reinhart voting aye, and Swan abstaining), STEVEN LAMAR WAS ELECTED VICE PRESIDENT. Individual Board members expressed their thanks and appreciation to Director Matheis for her service as President in 2012.

OTHER BUSINESS

GENERAL MANAGER'S REPORT

General Manager Cook reported that District's Biosolids project went before the City of Irvine's Planning Commission for approval this week and received approval by a 4-0 vote which will become effective on December 27th, the last day for the appeal period. Mr. Cook said that the Commission had reviewed the height variance and a Conditional Use Permit. He said that staff held briefings with the Commissioners, and thanked Mr. Paul Weghorst, Mr. Greg Heiertz and Ms. Beth Beeman for their efforts.

Mr. Cook said that the Municipal Water District of Orange County (MWDOC) is proposing a letter to be sent to the Grand Jury as they are still interested in looking into local water and governance. He said that MWDOC is proposing to provide the Grand Jury with various reports to assist them in this effort. Mr. Cook said that he sent a letter to MWDOC requesting an extension for the District's input on this matter.

Mr. Cook reported on a meeting held today with Mr. Steven Moore of the State Water Resources Control Board (SWRCB) along with Directors LaMar and Matheis. He said that Mr. Moore was briefed on surface water, water banking, and the water conservation rate structure.

DIRECTORS' COMMENTS

Director LaMar reported on his usual meetings, an ACWA conference, and the briefing with Mr. Moore of SWRCB. He said at the ACWA conference a session was held relative to Infragard, and asked staff to research if the District should be in the alliance of sharing with the government and private sector to protect infrastructure against threats. He further asked that staff prepare a letter to support the confirmation of the newly appointed Steve Moore for his position on the SWRCB.

Director Swan reported that he attended his usual meetings including ACWA, a meeting with Carpinteria Water District's General Manager and Board member, OWOW meetings, an elected officials meeting at MWDOC, an ACWA Board meeting, and a Newport Bay Executive Committee meeting. He said that at the elected officials meeting he said that MWDOC is in the process of reevaluating core and non-core project, and may change the Desalination project as a core project.

Director Withers commended staff on a job well done on their efforts in the Biosolids project. He said that he will be attending the City of Irvine's Swearing-In Ceremony tomorrow along with Directors LaMar and Matheis. He said that he will also be attending a LAFCO meeting on Wednesday and an OCSD administration meeting this week.

Director Matheis reported on her attendance at an ACWA conference and said she will also be attending a Swearing In ceremony at the City of Irvine today, and tomorrow she will be attending a Colorado River Water Users Association conference in Las Vegas. She noted that OCWD will be holding a groundbreaking ceremony tomorrow for the Fletcher Basin in Orange. She further thanked the Board and staff for supporting her this year as President of the District.

Director Reinhart thanked staff for the great job with the tour last week with Rosedale Rio-Bravo. He reported on his attendance at ACWA, and a South County meeting with General Manager Cook.

Director LaMar also complimented staff on their efforts on the District's Comprehensive Annual Financial Report.

ADJOURNMENT

There being no further discussion, President LaMar adjourned the meeting at 6:10 p.m.

APPROVED and SIGNED this 14th day of January, 2013.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone

EXHIBIT "B"

MINUTES OF ADJOURNED REGULAR MEETING – DECEMBER 18, 2012

The adjourned regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 11:00 a.m. by President Matheis on December 18, 2012 in the District's Sand Canyon Community Room, 15500 Sand Canyon Avenue, Irvine, California.

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

Directors Absent: None.

Also Present: General Manager Cook, Executive Director of Operations Pedersen, Executive Director of Finance Clary, Executive Director of Engineering and Planning Burton, Executive Director of Water Policy Heiertz, Acting Director of Finance/Treasurer Jacobson, Director of Public Affairs Beeman, Director of Administrative Services Mossbarger, Secretary Bonkowski, Legal Counsel Arneson, Director of Water Resources Weghorst, Mr. Mike Hoolihan, Mr. Eric Akiyoshi, and Mr. Ray Bennett

WRITTEN COMMUNICATION: None.

ORAL COMMUNICATION: None.

REVIEW AGENDA AND DESIRED OUTCOMES

General Manager Cook reviewed the agenda and desired outcomes.

2013 GOALS AND OBJECTIVES

General Manager Cook reported that staff has provided for the Board's review and discussion IRWD's Mission, Vision and Values, IRWD's Strategic Objectives (reflecting minor changes made in January 2012), and the proposed *IRWD* Goals and Objectives for 2013. Mr. Cook said that these goals and objectives provide staff with guidance for setting priorities and allocating resources throughout the year. He said that as was established last year, in early December a meeting was held that included approximately 30 employees, including the Executive Management Team, Department Directors, and sub-department Managers who assisted in developing draft Goals and Objectives for 2013.

Under the IRWD's Mission, Vision and Values statements, a Value was added for Water Reuse. Under the Strategic Objectives, minor edits were made. Following comments and suggestions, several changes were included under the Goal and Objectives for 2013.

SYPHON RESERVOIR FEASIBILITY STUDY UPDATE

Director Withers left the Board meeting at 12:15 p.m.

Using a PowerPoint presentation, Mr. Eric Akiyoshi presented a project progress update and sizing analysis and cost sensitivity analysis on the Syphon Reservoir. He reviewed the expansion goals including: 1) converting an existing irrigation reservoir to a contemporary recycled water storage reservoir, increasing usable storage capacity from 450 acre-feet to 4,500 acre feet; 2) improving local water supply reliability by reducing the need to purchase imported water from the Delta and the Colorado River; and 3) promoting additional recycling of wastewater while reducing effluent discharges to the ocean. He then reviewed the project background including major milestones, expansion overview, constructability analysis, overview and methodology, seasonal storage requirements, cost curved development, sizing alternatives, benefits of the reservoir, considerations for strategic analysis, and next steps. Mr. Akiyoshi responded to a few questions from the Board.

JACKSON RANCH SOLAR PROJECT UPDATE

Using a PowerPoint presentation, Director of Water Resources Weghorst updated the Board on the Request for Qualification process that was implemented for the proposed Jackson Ranch Solar Project and what was learned during the process.

Mr. Weghorst said that in 2010, IRWD purchased 883.26 acres of agricultural land known as the Jackson Ranch within the Dudley Ridge Water District (DRWD). The Jackson Ranch has associated rights to use 1,748 acre-feet (AF) of State Water Project Table A water that is allocated to the land in accordance with the DRWD's Rules and Regulations. The District will be conveying the water supplies to the Strand Ranch Integrated Banking Project on an unbalanced exchange basis. Through a lease with the prior owner, a portion of the Jackson Ranch has continued to be farmed and irrigated with water allocated to the property.

Mr. Weghorst said that the Board has directed staff to investigate the feasibility of developing a solar power generating facility on fallow land at the Jackson Ranch. He reviewed the items that were discussed at the Technology Ad Hoc Committee which included a site evaluation, an interconnection study, an environmental assessment, draft prospectus, and participation options.

Mr. Weghorst also said that in September 2012, staff issued a Request for Qualifications (RFQ) seeking potential partners to develop a utility scale (20 to 100 MW) solar generating facility at the Jackson Ranch. As a result of the RFQ process, statements were received from Solar City and Gehrlicher Solar. Both companies indicated that the proposed Jackson Ranch Solar Project is in a good location near the California Independent System Operator (CAISO) electrical transmission grid with the potential for competitive interconnection costs. It was also identified that the site has relatively good solar generating potential inside of PG&E's territory and no significant environmental concerns were apparent. Both firms demonstrated extensive experience in their qualification statements. In addition to having qualified staff and proven financial partners, both companies expressed an interest in presenting a Letter of Interest to develop a project. He then reviewed each developer's experience, project team and their recommended conceptual approach to the proposed Jackson Ranch Solar Project, and lessons learned from this process. Based on what was learned in the RFQ process, Mr. Weghorst said that IRWD should consider developing a smaller 3 MW project under the soon to be released ReMAT Program. Such an approach would significantly reduce IRWD's risk, time and cost of development. He then reviewed the ReMAT program and staff recommendations for

development of this smaller 3 MW PV project. Mr. Weghorst then responded to questions from the Board.

PRESERVATION OF CASH RESERVES AND FUTURE 1% TAX REVENUES – UPDATE

Both Executive Director of Finance Clary and Treasurer Jacobson provided updates on strategies identified to protect the District’s cash reserves, including previously-approved debt reduction actions and other opportunities available. Additionally, staff provided an update on potential future impacts to 1% tax revenues and legislative steps required to make any changes to the current allocation process. Following discussion of various options if the State were to initiate steps to borrow or take special district reserves, Director Swan recommended that additional contributions be sent to CalPERS to reduce the District’s unfunded liability. An up to \$5 million contribution was previously approved, with the amount and timing to be determined by the Finance and Personnel Committee, and it was the consensus that the timing and amount delegation was no longer necessary and the contribution should proceed before the end of December. Following discussion, on MOTION by Swan, seconded by LaMar and carried (Withers absent), **IT WAS DETERMINED THAT THERE IS A NEED TO TAKE IMMEDIATE ACTION TO REDUCE THE IRVINE RANCH WATER DISTRICT’S UNFUNDED LIABILITY WITH CALPERS, AND THIS MATTER WAS ADDED TO THE AGENDA.**

UNFUNDED LIABILITY WITH CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM

On MOTION by Swan, seconded and carried (Withers absent), **THE BOARD AUTHORIZED A LUMP SUM PAYMENT FOR EMPLOYER CONTRIBUTIONS TO THE CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM IN THE AMOUNT OF \$2.5 MILLION TO REDUCE THE IRVINE RANCH WATER DISTRICT’S ACTUARIALLY-DETERMINED UNFUNDED LIABILITY.**

ADJOURNMENT

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

APPROVED and SIGNED this 14th day of January, 2013.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone

January 14, 2013

Prepared and

Submitted by: L. Bonkowski

Approved by: P. Cook

CONSENT CALENDAR

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

SUMMARY:

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

Events/Meetings

Steve LaMar

December 10, 2012	Tour with SWRCB's Steve Moore
December 12, 2012	City of Irvine's Swearing-in Ceremony for three Council Members
January 3, 2013	Integrated Watershed Management Working Group, Sacramento
January 9, 2013	Supervisor Bill Campbell's Retirement Reception
January 17, 2013	ACWA's Integrated Watershed Management Working Group, Sacramento
January 29, 2013	ACWA's Integrated Watershed Management Working Group, Sacramento
February 12, 2013	ACWA's Integrated Watershed Management Working Group, Sacramento
February 22, 2013	ACWA's Integrated Watershed Management Working Group, Sacramento
March 6, 2013	ACWA's Integrated Watershed Management Working Group, Sacramento
January 17, 2013	ACWA's Integrated Watershed Management Working Group, Sacramento
January 18, 2013	CCEEB'S Water Quality Task Force Meeting
January 23, 2013	MWDOC Water Policy Forum, Costa Mesa
January 31, 2013	ACWA's Federal Affairs Committee, Sacramento
January 31, 2013	Orange County Business Council's Annual Dinner, Costa Mesa
February 20-22, 2013	Urban Water Institute's Spring Conference, Palm Springs

Mary Aileen Matheis

November 15, 2012	Concordia University Seminar – 2012 Orange County Annual Report
December 10, 2012	Tour with SWRCB's Steve Moore
December 11, 2012	OCWD's Fletcher Basin Groundbreaking Event
February 20-22, 2013	Urban Water Institute's Spring Conference, Palm Springs
March 14 and 15, 2013	ACWA's Region 3 Joint Program, Auburn

Doug Reinhart

December 18, 2012	Presentation to outgoing El Toro Water District Board member John Dudley
January 10, 2013	Monthly Discussion of District Activities with Paul Cook
January 23, 2013	MWDOC Water Policy Forum, Costa Mesa
February 20-22, 2013	Urban Water Institute's Spring Conference
March 5 - 7, 2013	WateReuse Board Meeting, Washington, DC

Events/Meetings (continued)

Peer Swan

January 23, 2013	ACWA's California Water Task Force Meeting
January 23-24, 2013	ACWA's Board Workshop/Meeting
January 29, 2013	ACWA's Integrated Watershed Management Working Group, Sacramento
February 12, 2013	ACWA's Integrated Watershed Management Working Group, Sacramento
February 22, 2013	ACWA's Integrated Watershed Management Working Group, Sacramento
March 6, 2013	ACWA's Integrated Watershed Management Working Group, Sacramento
February 20, 2013	Urban Water Institute's Spring Conference, Palm Springs
May 15 -17, 2013	Water Education Foundation's Flood Management Tour, Sacramento

John Withers

December 20, 2012	Election 2012: Important Political Takeaways for Orange County Leaders
December 11, 2012	City of Irvine's Swearing-in Ceremony for three Council members
January 7, 2013 -	County of Orange's Swearing-In Ceremony
January 9, 2013	Supervisor Bill Campbell's Retirement Reception
January 23, 2013	MWDOC Water Policy Forum, Costa Mesa
January 31, 2013	Orange County Business Council's Annual Dinner, Costa Mesa
February 20 - 22, 2013	Urban Water Institute's Spring Conference, Palm Springs

RECOMMENDATION:

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

LIST OF EXHIBITS:

None.

January 14, 2013

Prepared by: Leslie Bonkowski

Submitted by: Rob Jacobson

Approved by: Paul Cook



CONSENT CALENDAR

APPOINTMENT OF ASSISTANT TREASURER

SUMMARY:

Staff recommends that the Board appoint Ms. Cheryl Clary, Executive Director of Finance and Administration, as Assistant Treasurer of the District to provide sufficient coverage for investment purposes when the Treasurer is unavailable.

BACKGROUND:

Annually, the Board authorizes the Treasurer and Assistant Treasurer to invest District funds in accordance with the Board-approved investment policy. In 2008, the Board appointed Ms. Debby Cherney, Executive Director of Finance and Administration, and Ms. Tanja Fournier as Assistant Treasurers to provide sufficient coverage for investment purposes when the Treasurer is unavailable. As a result of Ms. Cherney's resignation in August of 2012, staff recommends that Ms. Cheryl Clary be appointed Assistant Treasurer.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDED MOTION:

THAT THE BOARD APPOINT CHERYL CLARY AS AN IRVINE RANCH WATER DISTRICT ASSISTANT TREASURER EFFECTIVE JANUARY 14, 2013.

LIST OF EXHIBITS:

None.

AS
January 14, 2013
Prepared by: J. Smyth/M. Cortez
Submitted by: K. Burton
Approved by: Paul Cook

CONSENT CALENDAR

UNIVERSITY DRIVE PIPELINES CATHODIC PROTECTION
FINAL ACCEPTANCE

SUMMARY:

Construction of the University Drive Pipelines Cathodic Protection Project is complete. The Contractor, Paulus Engineering, has completed the required work and all punch list items. The project has received a final inspection and acceptance of construction is recommended.

BACKGROUND:

Paulus Engineering, Inc. was awarded the construction contract for the University Drive Pipelines Cathodic Protection Project to install seven cathodic protection rectifiers, four insulating flanges, and nine test stations to protect domestic and recycled water metallic pipelines in University Drive from corrosion. Construction is complete and the project is ready for final acceptance by the Board.

Project Title:	University Drive Pipelines Cathodic Protection
Project No.:	10740(1833), 30740(1262)
Design Engineer:	HDR/Schiff
Construction Management by:	IRWD Staff
Contractor:	Paulus Engineering
Original Contract Cost:	\$1,218,954
Final Contract Cost:	\$1,297,052
Original Contract Days:	240
Substantial Completion Days:	309
Final Contract Days:	309
Total Budget:	\$1,816,100
Total Project Cost (Est.):	\$1,768,312

Final Change Order Approved On: December 28, 2012

FISCAL IMPACTS:

Projects 10740 (1833) and 30740 (1262) are included in the FY 2012-13 Capital Budget. The existing budgets and Expenditure Authorizations are sufficient to fund the final payment for the project.

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. A Notice of Exemption for the project was filed with the County of Orange on March 14, 2011.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD ACCEPT CONSTRUCTION OF THE UNIVERSITY DRIVE PIPELINES CATHODIC PROTECTION, PROJECTS 10740 (1833) AND 30740 (1262); AUTHORIZE THE 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.

January 14, 2013

Prepared by: T. Bonkowski/M. Cortez

Submitted by: K. Burton

Approved by: Paul Cook

CONSENT CALENDAR

MODJESKA CANYON ROAD DOMESTIC WATER PIPELINE RELOCATION FINAL ACCEPTANCE

SUMMARY:

Construction of the Modjeska Canyon Road Domestic Water Pipeline Relocation Project is complete. The Contractor, GCI Construction, Inc., has completed the required work and all punch list items. The project has received final inspection and acceptance of construction is recommended.

BACKGROUND:

GCI Construction, Inc. was awarded the construction contract for the Modjeska Canyon Road Domestic Water Pipeline Relocation Project to install an 8-inch domestic water pipeline in Modjeska Canyon Road, five water services, a fire hydrant, an air vacuum assembly, as well as valve and pavement improvements. The pipeline relocation was required due to the existing alignment's conflict with the County of Orange's new reinforced concrete storm box drain within Modjeska Canyon Road. The Project is located in the unincorporated area of Orange County on Modjeska Canyon Road, south of Olive Grove Lane. Construction is complete and the project is ready for final acceptance by the Board.

Project Title:	Modjeska Canyon Road Domestic Water Pipeline Relocation
Project No.:	11574 (1245)
Design Engineer:	MBF Consulting, Inc.
Contractor:	GCI Construction, Inc.
Original Contract Cost:	\$196,903.00
Final Contract Cost:	\$213,153.55
Original Contract Days:	40
Final Contract Days:	68
Total Budget:	\$276,500

Total Project Cost (Est.): \$234,000

Final Change Order Approved On: December 12, 2012

FISCAL IMPACTS:

Project 11574 (1245) is included in the FY 2012-13 Capital Budget. The existing budget and Expenditure Authorization are sufficient to fund the final payment for the project.

ENVIRONMENTAL COMPLIANCE:

This activity is exempt from the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15302(c) which provides exemption for projects requiring the replacement or reconstruction of existing facilities where the new structure will be located on the same site as the structure being replaced and will have substantially the same purpose and capacity as the structure to be replaced.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD ACCEPT CONSTRUCTION OF THE MODJESKA CANYON ROAD DOMESTIC WATER PIPELINE RELOCATION, PROJECT 11574 (1245); 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.

January 14, 2013

Prepared by: J. Corey

Submitted by: P. Weghorst/G. Heiertz

Approved by: P. Cook

CONSENT CALENDAR

ON-CALL ENVIRONMENTAL PERMITTING PROFESSIONAL SERVICES AGREEMENT VARIANCE

SUMMARY:

A variance to an on-call Professional Services Agreement for environmental permitting and monitoring services is required to fulfill requirements through 2013. Staff requests the Board authorize the General Manager to approve Variance No. 1 to the on-call Professional Services Agreement with Harmsworth Associates in the amount of \$100,000.

BACKGROUND:

In June 2011, the Board approved the execution of a Professional Services Agreement with Harmsworth Associates for on-call environmental permitting and monitoring services. The Agreement was executed to allow Harmsworth to perform up to \$100,000 of professional services. The majority of the tasks performed to date by Harmsworth include biological surveys, regulatory agency permit applications preparation, habitat restoration services and monitoring and jurisdictional delineations for various projects. This work has led to the use of nearly \$100,000 in services within a period of 1.5 years. Staff has been very pleased with the quality of work performed by Harmsworth and Associates.

Staff does not expect to issue a Request for Proposal for new on-call environmental permitting and monitoring services until the end of 2013. To fulfill requirements through 2013, staff requests Variance No. 1 to the existing on-call Professional Services Agreement with Harmsworth Associates. A copy of Variance No. 1 for \$100,000 is attached as Exhibit "A". A copy of the scope of work is attached as Exhibit "B".

FISCAL IMPACTS:

A new budget and Expenditure Authorization is not necessary to approve the requested variance. Task orders to Harmsworth Associates for environmental permitting and monitoring services through the end of 2013 will be issued for specific projects with existing budgets and Expenditure Authorizations.

ENVIRONMENTAL COMPLIANCE:

Future projects may be subject to CEQA and in conformance with the California Code of Regulations Title 14, Chapter 3, Section 15004, the appropriate environmental document will be prepared when "meaningful information" becomes available.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications meeting on January 9, 2013.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO APPROVE VARIANCE NO. 1 TO THE PROFESSIONAL SERVICES AGREEMENT WITH HARMSWORTH ASSOCIATES FOR ON-CALL ENVIRONMENTAL PERMITTING AND MONITORING WORK IN THE AMOUNT OF \$100,000.

LIST OF EXHIBITS:

- Exhibit "A" – Variance No. 1 with Harmsworth Associates for additional on-call permitting and monitoring services
- Exhibit "B" – Scope of Work

EXHIBIT "A"

IRVINE RANCH WATER DISTRICT PROFESSIONAL SERVICES VARIANCE

Purpose. This procedure shall be used to identify, estimate, and report variances to the scope of work in professional services agreements between IRWD and a consulting engineer or other type of consultant. A variance may be initiated by either IRWD's Project Manager or by the Engineer/Consultant.

Variance. The Variance shall be used to identify all changes to the original scope of work, budget, and schedule for any study, design, or construction phases services.

Engineer/Consultant Initiates Variance. If a Variance is initiated by the Engineer/Consultant, the Engineer/Consultant shall prepare the Variance including the Description of Variance, the Engineering & Management Cost Impact, the Schedule Impact, and the Required Approval Determination sections. The Engineer/Consultant shall then sign the Variance and submit it to the IRWD Project Manager for action.

IRWD Initiates Variance. If a Variance is initiated by IRWD's Project Manager, the IRWD Project Manager shall complete the Description of Variance and fill-in the Total Original Contract amount and Previous Variances amount (if any). The Variance shall then be given to the Engineer/Consultant to complete the Cost Impact, the Schedule Impact, and the Required Approval Determination sections. The Engineer/Consultant shall then sign the Variance and submit it to the IRWD Project Manager for action.

Variance Processing. Once a Variance is signed and submitted by the Engineer/Consultant, the IRWD Project Manager shall:

1. Enter the Variance's details onto a Variance Register for the project,
2. Review, sign, and date the Variance, and
3. Obtain appropriate approvals.

Notice to Proceed. Work covered by a Variance may proceed upon signing by the department Director. A copy of the Variance, signed by the Director, shall be the Engineer's/Consultant's Notice to Proceed with the required work.

Contractual Authorization. Work covered by a Variance which has been signed by the Director may require final approval from the General Manager, Committee, or Board based upon the requirements of the Procurement Policy. These approvals may be obtained after the Engineer/Consultant has been given a copy of the Variance signed by the Director (the Engineer's/Consultant's Notice to Proceed). The IRWD Project Manager shall promptly thereafter prepare a memo to the General Manager, Committee and/or Board agenda items(s) for approvals as required. Once the Variance is properly approved, it modifies the existing Engineer's/Consultant's agreement.

Financial Authorization. An approved Variance may require any of the following:

1. A Capital Budget increase,
2. A new Expenditure Authorization,
3. An extension to an existing Purchase Order, and/or
4. A new Purchase Order.

It is the IRWD Project Manager's responsibility to process the necessary paperwork to grant the required financial authorization.

IRVINE RANCH WATER DISTRICT PROFESSIONAL SERVICES VARIANCE

Project Title: On-Call Environmental Professional Services Agreement File No.:

Date: January 28, 2013 Variance No.: 1

Project No.: Specific project numbers as projects are identified.

Purchase Order No.: 503376

Originator: IRWD ENGINEER/CONSULTANT Other (Explain) _____

Description of Variance (*attach any back-up material*):

Projected environmental permitting and monitoring needs through 2013.

Engineering & Management Cost Impact:

Classification	Manhours	Billing Rate	Labor \$	Direct Costs	Subcon. \$	Total \$
Monitoring – Specific Project numbers as projects are identified						\$100,000.00
Total \$						\$100,000.00
=						

Schedule Impact:

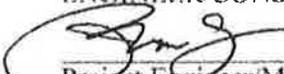
Task No.	Task Description	Original Schedule	Schedule Variance	New Schedule
	Permitting w/ regulatory agencies; Biological surveys/monitoring; Mitigation Monitoring/reporting; NCCP/NCP			For services through 2013

Required Approval Determination:

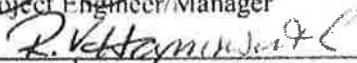
Total Original Contract	\$ <u>100,000.00</u>	<input type="checkbox"/> General Manager: Single Variance less than or equal to \$30,000.
Previous Variances	\$ <u>0</u>	<input type="checkbox"/> Committee: Single Variance greater than \$30,000, and less than or equal to \$60,000.
This Variance	\$ <u>100,000.00</u>	
Total Sum of Variances	\$ <u>100,000.00</u>	<input checked="" type="checkbox"/> Board: Single Variance greater than \$60,000.
New Contract Amount	\$ <u>200,000.00</u>	
Percentage of Total Variances to Original Contract	<u>100 %</u>	<input type="checkbox"/> Board: Cumulative total of Variances greater than \$60,000, or 30% of the original contract, whichever is higher.

ENGINEER/CONSULTANT: Harnsworth Associates

IRVINE RANCH WATER DISTRICT


Project Engineer/Manager _____ Date 12/19/12

Department Director _____ Date _____


Engineer's/Consultant's Management _____ Date 12/19/12

General Manager/Comm./Board _____ Date _____


President

IRVINE RANCH WATER DISTRICT

PROFESSIONAL SERVICES VARIANCE REGISTER

Project Title: On-call Environmental Permitting Professional Services Agreement

Project No.: Specific project numbers as projects are identified

Project Manager: Jo Ann Corey

Variance No.	Description	Dates		Variance Amount
		Initiated	Approved	
1	Projected environmental permitting and monitoring needs through 2013.	1/28/13		\$100,000

EXHIBIT B

December 18, 2012

Irvine Ranch Water District
Attn: Ms. JoAnn Corey
Project Manager
15,600 Sand Canyon Ave.
Irvine, CA 92619

Dear Ms. Corey: **Re: Addendum to General Environmental Services – Permitting
Purchase order No. 503376**

Harmsworth Associates is currently under contract to IRWD to provide general environmental services and offers to extend the contract under the general terms and conditions of the contract at the proposed rates attached.

Neither Harmsworth Associates nor its personnel have a conflict of interest prohibited by law. The firm has the required insurance and has named IRWD as an additional insured on its certificates of insurance. The IRWD contract is acceptable to Harmsworth Associates.

Thank you for the opportunity to submit the attached Scope of Work.

Yours truly
Harmsworth Associates

Rodney V. Harmsworth

Rodney V. Harmsworth Ph.D.
President

HARMSWORTH ASSOCIATES

**ADDENDUM
FOR
GENERAL ENVIRONMENTAL SERVICES - PERMITTING**

SCOPE OF WORK

Harmsworth Associates will provide the following on-call services:

Task 1: Land Use Planning

Harmsworth Associates will assist IRWD with planning its capital projects and maintenance activities by providing advice on the nexus of environmental issues with planning activities to minimize the environmental consequences and cost of its planned actions.

Task 2: Regulatory Agency Consultation, Permit Application and Procurement

Harmsworth Associates will assist IRWD with the preparation of permit applications to the resource/wildlife regulatory agencies including:

- *United States Army Corps of Engineers*
- *Bureau of Land Management*
- *United States Forest Service*
- *California Department of Water Resources*
- *California Regional Water Quality Control Board*
- *California Department of Fish and Game*
- *California Coastal Commission*
- *South Coast Air Quality Management District*

Harmsworth Associates will provide services to monitor or implement compliance and reporting. Compliance may require monitoring contractor removal of exotic plants, restoration and revegetation monitoring then complete the annual or periodic reporting requirements in permits. Consultant shall provide certification of compliance with permit conditions for IRWD and agency approval. Harmsworth Associates shall develop a schedule of all permit requirements for existing and new permits and their status. Consultant shall bring any violations of permit conditions to the attention of the District.

Task 3: Wetland Delineation

Harmsworth Associates will provide wetland delineation services to IRWD in compliance with the regulatory definitions in force.

HARMSWORTH ASSOCIATES

Task 4: Biological Survey, Monitoring, Assessment

Harmsworth Associates will undertake biological surveys, assessments and monitor preconstruction and construction areas as required for the District's projects.

Task 5: Threatened and Endangered Species Regulation, Monitoring and Reporting

Harmsworth Associates shall assist IRWD in the review of regulatory issues associated with endangered species to ascertain the significance of such regulation on IRWD's projects, operations, and planning activities. The firm will provide assistance with specific policy formulation on endangered species covered under the:

- *Federal Endangered Species Act*
- *State Endangered Species Acts*
- *Natural Community Conservation Plan Act*
- *The NROC's policies and IRWD's rights on "take" in the reserve*
- *Migratory Bird Treaty Act*

Task 6: Mitigation Monitoring and Reporting

Harmsworth Associates will assist IRWD in mitigation monitoring planning, 404, 1602, and 401 permit conditions compliance. Harmsworth Associates shall provide services to monitor or implement compliance and reporting. Compliance may require monitoring contractor removal of exotic plants, restoration and revegetation monitoring then complete the annual or periodic reporting requirements in permits. Consultant shall provide certification of compliance with permit conditions for IRWD and agency approval. Harmsworth Associates shall develop a schedule of all permit requirements for existing and new permits and their status. Consultant shall bring any violations of permit conditions to the attention of the District.

Task 7: Water Quality Stormwater Monitoring and Reporting

Harmsworth Associates will provide water quality and sediment quality monitoring for compliance with USACE, RWQCB, and CDFG permit conditions. Also, Harmsworth Associates will provide compliance monitoring with the General Orange County Stormwater Permit.

Task 8: Natural Treatment System

Harmsworth Associates will provide assistance in monitoring water quality, fauna and the growth and types of vegetation in the basins. In addition the firm will provide advice on the management of the basins to optimize the removal of sediments and pollutants.

Task 9: Natural Community Conservation Plan/Habitat Conservation Plan (NCCP/HCP)

Harmsworth Associates will provide assistance to IRWD in the planning of its projects that are related to the NCCP/HCP plan. Three main elements, the ESA 10a permit, the Implementing Agreement and the Mitigation Monitoring Program are of importance to IRWD. We will provide assistance for Section 10 relating to the construction minimization methods that must be followed.

Task 10: Project Coordination

Harmsworth Associates will coordinate with other consultants and agencies as necessary and will provide project management or act as a subordinate as directed by IRWD.

Task 11: Staff Rates

**CONSULTING FEE SCHEDULE
JULY 1, 2009 TO JUNE 30, 2010**

Labor Category	Hourly Rates
Principal	\$ 140.00
Vice-principal	\$ 125.00
Sr. Biologist	\$ 100.00
Project Biologist	\$ 80.00

EXPENSES

Mileage \$ 0.50 /mile

Other direct costs at cost plus 12%

January 14, 2013

Prepared and

Submitted by: G. Heiertz

Approved by: Paul Cook

CONSENT CALENDAR

2013 SELECTION OF FEDERAL LOBBYIST

SUMMARY:

The District's current contract with The Furman Group, which expired on December 31, 2012, was for a 24-month period, paid on a monthly basis of \$10,000, plus reimbursable expenses. Staff recommends that the Board authorize the execution of a new Professional Services Agreement with The Furman Group for the period January 1, 2013 through December 31, 2014 for advocacy of federal funding for selected District projects and initiatives. The new agreement would reflect the current retainer of \$120,000 per year (\$10,000 per month) plus reimbursable direct expenses not to exceed \$276,000. The Furman Group's proposal for 2013 and 2014 is attached as Exhibit "A".

BACKGROUND:

The Furman Group proposes to continue its work to secure an authorization in the Water Resources Development Act (WRDA) for the Syphon Reservoir Recycled Water Storage Project. Its strategy and scope of work are summarized below:

- Ensure that Syphon Reservoir continues to be included on the Environment and Public Works Committee list of projects in the WRDA, and
- Obtain an authorization of the Syphon Reservoir Recycled Water Storage Project through the Army Corps of Engineers Section 219, Environmental Infrastructure Program.

In the coming months, The Furman Group will be working closely with Senator Feinstein and Representatives Campbell, Rohrabacher and Sanchez, and their staffs, to ensure that the Syphon Reservoir Project is one of their top priorities for the WRDA. The Furman Group will coordinate closely with these offices to make sure that the request submitted by Senator Feinstein in 2010 will remain a priority for her in the 113th Congress. The Furman Group will be working to ensure that the professional staff members of the Senate Environment and Public Works Committee and the House Transportation and Infrastructure Committee are both committed to the Project. Additionally, The Furman Group will also be working with the Army Corps of Engineers at the Area, Regional and Headquarters levels to facilitate the authorization of the Syphon Reservoir Recycled Water Storage Project and its inclusion in future Presidential budgets.

The current contract with The Furman Group, which expired on December 31, 2012, was for a 24-month period, paid on a monthly basis of \$10,000, plus reimbursable expenses. Staff recommends the Board authorize execution of a new Professional Services Agreement for a 24-month period with The Furman Group for \$10,000 per month plus direct reimbursable expenses not to exceed \$276,000 effective January 1, 2013.

FISCAL IMPACTS:

The cost of this contract will be included in the Syphon Reservoir capital project.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications on January 9, 2013.

RECOMMENDATION:

THAT THE BOARD APPROVE A 24-MONTH CONTRACT WITH THE FURMAN GROUP FOR \$10,000 PER MONTH PLUS REIMBURSABLE DIRECT EXPENSES NOT TO EXCEED \$276,000 EFFECTIVE JANUARY 1, 2013.

LIST OF EXHIBITS:

Exhibit "A" – Proposal for Professional Services from The Furman Group



December 14, 2012

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

Dear Paul:

I am writing to propose an extension of our existing consulting Memorandum of Agreement ("MOA") with the Irvine Ranch Water District ("IRWD") for an additional two years to continue our work in seeking federal authorization for the Syphon Reservoir Recycled Water Storage Project through the Water Resources Development Act ("WRDA").

BACKGROUND

Several years ago, The Furman Group developed legislation that authorized the Bureau of Reclamation to participate up to \$20 million in the design, planning, and construction of projects to naturally treat impaired surface water, reclaim and reuse impaired groundwater and provide brine disposal within the San Diego Creek Watershed. In May of 2004 this legislation was enacted into law and in February of 2009 the final appropriations were awarded through the American Recovery and Reinvestment Act.

Since that time, we have focused on authorizing the Syphon Reservoir Recycled Water Storage Project through the Army Corps of Engineers Section 219, Environmental Infrastructure program. In May of 2010 the Senate began accepting Member project requests for the reauthorization of WRDA, and after a rather lengthy selection process by which over 2000 project requests were reviewed and vetted by Senator Feinstein and her staff, the Senator chose the Syphon Reservoir Project as one of only thirty five projects to submit for consideration to the Environment and Public Works Committee ("EPW"). Although a WRDA bill has yet to be formally introduced in the current Congress, EPW Chairwoman Boxer has circulated a draft proposal of the bill. Since that time both the House and Senate Committees have informed us that they do not plan to take further action on WRDA in the 112th Congress, but rather introduce companion measures in each chamber in early 2013.

2013 STRATEGY AND SCOPE OF WORK

Our main goal in 2013 will be to continue to work to secure an authorization in the Water Resources Development Act for the Syphon Reservoir Recycled Water Storage Project. In the coming months, we will be working closely with Senator Feinstein, Representatives Campbell, Rohrabacher and Sanchez and their staffs to ensure that the Irvine project is one of their top priorities for inclusion in the upcoming WRDA discussion. We will coordinate closely with their offices to make sure that the request that has been submitted to both the Environment and Public Works Committee in the Senate and the Transportation and Infrastructure Committee in the House remains a priority in the 113th Congress. At the same time, we will be working to ensure that the professional staffs of the House and Senate authorizing Committees are both committed to the project, and this will require at least one visit by IRWD Board members and senior staff to Washington, D.C. in early 2013.

In addition to our work with Congress, we will be working with the Army Corp of Engineers at the Area, Regional, and Headquarters levels to facilitate the authorization of the Syphon Reservoir Recycled Water Storage Project, and its inclusion in future Presidential budgets.

TERM, FEES AND EXPENSES

The Furman Group's standard policy is to enter into representational contracts with its clients for the duration of an entire Congress. As you are aware, The Furman Group's annual retainers are based, in part, upon the time that we estimate the representation will require on the part of our professionals, the difficulty of the projects in comparison to other projects, and such intangibles as the amount of political capital that will be necessary for the firm to expend to accomplish the client's goals. As a result, we are proposing to extend our agreement for the period January 1, 2013 through December 31, 2014 at the current retainer of \$120,000 per year plus out-of-pocket expenses directly attributable to our representation of IRWD.

CONCLUSION

Once again, thank you for providing us with the opportunity to present you with this proposal. We look forward to continuing our work on behalf of the Irvine Ranch Water District.

Sincerely,



HAROLD W. FURMAN II

January 14, 2013

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Submitted by: B. Beeman/G. Heiertz

Approved by: Paul Cook

ACTION CALENDAR

CUSTOMER SATISFACTION SURVEY CONSULTANT SELECTION

SUMMARY:

Staff is proposing to conduct an assessment of IRWD customers and their level of satisfaction with services and programs offered by the District. The survey will include a review of customer service and water conservation programs, online website services, social media interaction, traditional outreach, and the District's education and tour programs. The results of the customer satisfaction survey will guide staff in future development of these programs and services. Staff recommends that the Board authorize the General Manager to execute a Professional Services Agreement with Fairbank, Maslin, Maullin Metz & Associates (FM3) in the amount not to exceed \$90,000 for a Customer Satisfaction Survey.

BACKGROUND:

The most recent IRWD customer satisfaction survey was conducted in 2009 by Probolsky Research. The general focus of this limited survey was to determine whether or not IRWD customers would use online services and to determine how IRWD customers obtain information. As a result of this survey results, the District developed and implemented a wide variety of new tools, programs and customer outreach practices including online customer self-help tools, social media programs, videos, and a new website. Customers can now quickly locate information on their bill, make bill payments online, find information on other customer services and resources for water conservation programs, educational tours and programs. Staff is proposing that a new, more comprehensive, customer service survey be conducted to determine the satisfaction level of IRWD customers with current services and programs and to provide insight for development of new programs. This survey will serve as a baseline for future services.

Consultant Selection:

Staff issued a Request for Proposal (RFP) in October 2012 for comprehensive customer satisfaction survey. Five firms responded to the RFP and the three firms were selected for interviews based on their responsiveness to the RFP, proposed costs, ability to meet IRWD's needs, presentations, references, and industry experience. A comparison of the firms' proposals is included as Exhibit "A".

The interviewed firms all have considerable local government survey experience, so the selection process focused on factors that set the firms apart from each other. The proposed costs varied depending upon the recommended survey sample size, survey duration and the number of questions. Of the three firms interviewed, FM3 provided the most in-depth and thorough presentation of their proposal and included very specific recommendations on a preferred survey size, sample and the associated costs. Overall, staff concluded that FM3 was the best value for the cost, reaching more customers than proposed by the other firms. In addition to the standard survey design and results measurement offered by other firms, FM3 suggested a unique survey

structure that not only measures participants' level of satisfaction, but also questioned the participants' level of importance for a particular program. FM3 also recommended that the survey of IRWD business customers be done exclusively via the more personal telephone contact method whereas the other firms recommended a blended online/personal contact method. FM3 will utilize their firm resources to conduct the focus group portion of the survey whereas the other firms utilize outside contractors. FM3 has provided public opinion research since 1981 and performs more than 300 surveys and 160 focus groups a year. FM3 is well versed in water industry issues and regularly conducts statewide polling for the Association of California Water Agencies. They also have vast local government survey experience. Staff is recommending a not-to-exceed contract of \$90,000 with FM3, as costs may vary slightly depending upon the type of customer database utilized for the survey. FM3's proposal is included as Exhibit "B".

FISCAL IMPACTS:

Funding for this program is included in the FY 2012-13 Operating Budget.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications on January 9, 2013.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH FAIRBANK, MASLIN, MAULLIN, METZ & ASSOCIATES FOR AN AMOUNT NOT TO EXCEED \$90,000 TO CONDUCT A CUSTOMER SATISFACTION SURVEY FOR THE DISTRICT.

LIST OF EXHIBITS:

Exhibit "A" – Survey Firms' Comparison Matrix

Exhibit "B" – Fairbank, Maslin, Maullin, Metz & Associates Proposal

EXHIBIT "A"

IRWD Customer Survey RFP Finalists ~ Comparative Evaluation

	PROBOLSKY	FM3	REA AND PARKER
COST	<ul style="list-style-type: none"> Overall Project: \$90,000 Hourly Rate: \$165-220 	<ul style="list-style-type: none"> Overall Project: \$84,154 Hourly Rate: \$75-200 	<ul style="list-style-type: none"> Overall Project: \$58,000 Hourly rate: \$225
PROPOSED	<ul style="list-style-type: none"> 400-resident survey 400-business survey Two focus groups 	<ul style="list-style-type: none"> 800-resident survey 400-business survey Two focus groups 	<ul style="list-style-type: none"> 600-resident survey 400-business survey Two focus groups
TEAM/ EXPERIENCE	<ul style="list-style-type: none"> Has previous working experience with IRWD Will provide follow-up action items for IRWD to implement Can provide relevant data on sub-groups Flexible Extensive water agency experience Flexible Offers suggestions, but takes direction from IRWD To conduct business survey online 	<ul style="list-style-type: none"> Expansive staff resources Dynamic, cutting edge, committed Strong presentation Utilizes Satisfaction/Importance Matrix to rate answers Strong emphasis on follow-up Impressive academic background Thinking→ Analysis→ Interpretation Can provide details for subgroups throughout District Service area To conduct business survey with individual phone calls 	<ul style="list-style-type: none"> Extensive water district experience Not as interested in following up with action items after survey results interested in presenting survey results rather than showing IRWD how to improve Suggested to do focus groups after survey, rather than before Creativity lacking Weak presentation
LOCATION	<ul style="list-style-type: none"> Irvine 	<ul style="list-style-type: none"> Santa Monica 	<ul style="list-style-type: none"> San Diego
REFERENCES	<ul style="list-style-type: none"> Solid references 	<ul style="list-style-type: none"> Stellar, outstanding references 	<ul style="list-style-type: none"> Did not call references

EXHIBIT "B"



A Proposal to Conduct a
Customer Satisfaction and
Opinion Research Project for the
Irvine Ranch Water District

Submitted By
Fairbank, Maslin, Maullin, Metz & Associates

October 17, 2012

Contacts:

Richard Maullin Ph.D.

President/Partner

Richard Bernard Ph.D.

Senior Vice President

921-2872

Fairbank, Maslin, Maullin, Metz & Associates - FM3

Public Opinion Research & Strategy

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TABLE OF CONTENTS

	<u>PAGE</u>
EXECUTIVE SUMMARY (SCOPE)	2
A. FIRM BACKGROUND (TEAM)	3
1. GENERAL EXPERIENCE	3
2. RELEVANT EXPERIENCE	4
3. THE FM3 TEAM: KEY PERSONNEL AND BIOS	10
B. SCOPE OF WORK AND METHODOLOGY (SURVEY/FOCUS GROUP CONCEPT)	16
1. FOCUS GROUP RESEARCH	16
2. RESIDENTIAL CUSTOMER SURVEY	17
3. BUSINESS CUSTOMER SURVEY	19
4. QUESTION AREAS FOR RESEARCH	20
C. SCHEDULE AND TASK LIST	21
1. SUMMARY OF THE RESEARCH PROCESS	21
2. DELIVERABLES	23
3. PROPOSED RESEARCH TIMELINE	23
D. BUDGET	26
1. BUDGET SUMMARY	26
2. BUDGET DETAILS	28
E. DESIGN EXAMPLES/REFERENCES	31
F. JOINT VENTURE	33
G. CONFLICT OF INTEREST	33
H. INSURANCE	33
I. CONTRACT	33
APPENDIX A: FM3 Research Example: Rancho Santa Margarita Voter Satisfaction Survey Report	
APPENDIX B: FM3 Research Example: 2012 City of Fremont Community Survey PowerPoint Presentation	

EXECUTIVE SUMMARY (SCOPE)

Fairbank, Maslin, Maullin, Metz & Associates (FM3) is pleased to submit this proposal to conduct public opinion research on behalf of the Irvine Ranch Water District (IRWD or “the District”). We believe our experience conducting resident and customer satisfaction surveys for cities, agencies, and service providers as well as our research experience in Irvine and its surrounding cities makes us particularly qualified to assist you in reaching your objectives.

FM3 understands the research objectives are to better understand customer satisfaction with IRWD’s programs and services and to determine how to better serve both residential and business IRWD customers. This research would include, but would not be limited to, assessments of the following:

- ✓ The website, including its usability, and awareness and satisfaction with online services and information provided. This would include evaluating opinions of the online bill payment system, customer service information, water conservation resources, and other services available online.
- ✓ Phone or in-person customer service experiences.
- ✓ Education and outreach efforts (such as social media, tours, the newsletter, and educational outreach).
- ✓ Areas for improvement or where additional services are needed.

To fulfill these objectives, FM3 recommends qualitative and quantitative research:

- Two focus groups among residential customers to (1) hear in their own words how they feel about the service provided by IRWD and (2) test opinions of the IRWD website. The participants will be provided with laptop computers to evaluate in real time how they use the website and their opinions of it.
- A 15-minute telephone-based survey of 800 randomly selected residential customers District-wide (which will quantify select focus group findings).
- A 12-minute telephone-based survey of 400 randomly selected business customers District-wide.

While we recommend the above mentioned methodology, to account for budgetary constraints, our proposal also provides cost estimates for the surveys with different sample sizes and lengths that will still provide meaningful, actionable results.

The remainder of this proposal presents our general and relevant experience (including references), introduces our research team, and provides our recommended research methodology (and alternative options). We conclude with a timeline, list of deliverables and proposed budget.

A. FIRM BACKGROUND (TEAM)

1. General Experience

Fairbank, Maslin, Maullin, Metz & Associates (FM3) has specialized in public policy-oriented opinion research since the company was first organized in 1981. With permanent offices in Santa Monica; Oakland; and Madison, Wisconsin, the firm conducts research for public agencies, political campaigns, businesses, and non-profit organizations across all fifty states and in other countries. FM3 has conducted literally thousands of focus groups and surveys throughout its more than three-decade history.

FM3 is especially experienced in conducting research for government jurisdictions and agencies to support the planning, development, marketing, implementation, and evaluation of public services and public policy programs.

FM3 offers a full range of opinion research and communications strategy consulting services, including all research services supporting the development and implementation of advertising and public outreach campaigns for public-sector agencies. FM3 opinion research and marketing services include the following:

- Random-digit-dial (RDD), online, and listed sample public opinion telephone surveys in English and Spanish or other languages
- Focus groups in English, Spanish or other languages
- Public opinion mail surveys in English, Spanish or other languages
- In-depth executive interviews
- Product testing and consumer market research
- Advertising testing using Audience Response System “Perception Analyzer” technology
- Communications strategy consulting

FM3 plans and executes all phases of focus group and survey research projects from beginning to end. FM3 designs the research instrument, specifies the sampling or recruitment plan, manages the data gathering process, and analyzes and interprets the data.

On an annual basis, the company conducts as many as 160 focus groups and 300 surveys. FM3 has on-staff Spanish language capability that it applies to all research projects involving populations with significant Spanish-speaking segments.

FM3's principal business is to provide timely public opinion analysis to assist policymakers in making decisions. To achieve these goals, FM3's 21-person staff is multi-talented and works as a team to assure the prompt completion of quality opinion analysis. In addition, FM3's data collection and sampling sub-contractors are closely supervised and pre-qualified by FM3 to render immediate, high-quality service. FM3 prides itself on delivering personal service to its clients, who are assured ongoing contact with the firm's principals and senior personnel.

More detailed information about FM3 and its clients may be found on the firm's website, www.fm3research.com.

2. *Relevant Experience*

FM3 would bring diverse and extensive experience to the Irvine Ranch Water District Customer Satisfaction research project, including vast experience with customer satisfaction research—both residential and commercial, expansive research on water-related issues, and internet and technology testing, as well as an abundance of experience conducting research in Orange County and among diverse communities.

- **Customer Satisfaction Research Experience: (Residential)** For more than three decades, FM3 has conducted customer satisfaction research for local governments including, but not limited to the cities of **Bellflower, Capitola, Carson, Citrus Heights, Concord, Coronado, Del Mar, Dublin, El Monte, Fairfield, Folsom, Fremont, Hawaiian Gardens, Hemet, Hercules, La Habra, Lakewood, Larkspur, Livermore, Milpitas, Moreno Valley, Oakland, Palo Alto, Pasadena, Rancho Cordova, Rancho Santa Margarita, Redondo Beach, Sacramento, San José, San Luis Obispo, San Ramon, Santa Monica, Saratoga, Sunnyvale, and Torrance**. These surveys have explored the full range of resident concerns with local issues, as well as their satisfaction with the quality and efficiency of municipal services.

FM3 has also focused its research efforts on specific city-provided services. Such examples can be found in research conducted on behalf of the cities of **La Cañada Flintridge** (waste hauling), **Livermore** (Police Department), **Rancho Palos Verdes** (Parks and Recreation Department), as well as for Waste Management's waste hauling services in the **City of Manhattan Beach** and for AT&T in evaluating cable service in the **City of Bellflower**. Similar research was conducted among Playa Vista (a Los Angeles development community) residents in 2008 on behalf of **Time Warner**.

As part of these customer satisfaction surveys, FM3 routinely employs an importance and satisfaction matrix that is used by city officials to examine whether resources and efforts are meeting customers' and residents' expectations. This matrix uses a seven-point scale to measure the relative importance that customers and residents place on various services, as well as their level of satisfaction with these services. This matrix has been used by these cities to determine whether the quality of city services have improved and what these cities can do to continue enhancing residents' quality of life. For example, the research recently conducted for the **City of Rancho Santa Margarita** explored customer satisfaction with 18 specific city services and compared them to their levels of perceived importance (see example of matrix table in **Appendix A, pages 21-24**).

In addition to providing municipalities with baseline data on public perceptions regarding general and specific city services, in a number of cases this research has been used to inform strategic planning and performance measurement programs. Most notably, the results of FM3's community surveys and employee surveys for the **City of San José** have provided critical benchmarks for the City's "Investing in Results" performance measurement program.

(Commercial) We understand that the Irvine Ranch Water District Project would also involve research among commercial clients to understand how to best serve customers. Each quarter, FM3 conducts survey research for **Southern California Edison** in the service territory to assess customer satisfaction. FM3 also recently conducted focus groups with small businesses owners for **Southern California Edison** to test potential energy-saving programs to reduce consumption; these focus groups were partially conducted in **Orange, California**.

Further, FM3 has direct experience conducting research among business owners to assess attitudes toward the local business climate, employee retention and workforce development issues and the impact of public policies on business decision making. As specific examples, FM3 conducted research projects in the cities of **Torrance** and **Bellflower** that explored impediments to business and employment retention.

We have also conducted research among business owners exploring a variety of other issues ranging from perceptions of recent federal healthcare reform legislation to satisfaction with government business development programs.

In addition, the **Ports of Long Beach, Los Angeles, San Diego, and Oakland** have engaged FM3 to conduct research among port tenants to find how best to serve tenants and solidify relations.

- **Water Experience:** FM3 has a long history of involvement in public outreach and education efforts related to waste reduction and management, hazardous waste disposal, recycling, and water and wastewater, as well as a range of other environmental issues. This work has included research and message development about policy initiatives and action taken on behalf of water agencies. It has also supported public education and outreach efforts with the goal of promoting behavioral change to reduce pollution and increase conservation and recycling activities. Further, it has helped jurisdictions pass ballot measures to secure funding for capital improvements to water infrastructure and maintenance of this infrastructure.

Much of this research has focused on water utilities and water supply-related issues on topics related to public attitudes toward water rates, support for water infrastructure improvements and mechanisms to fund them, and understanding of impacts of climate change. Our firm also has extensive experience assessing attitudes toward water supply diversification including recycled water, desalination and greater use of local groundwater.

FM3 has conducted research or is in the process of conducting stormwater and/or water supply-related issue research for the **Association of California Water Agencies (ACWA)** to create a public education campaign regarding the challenges facing the state's water delivery system and its ability to meet California's future water needs. This particular research included focus groups, survey research, and television advertising testing. In addition, our firm has conducted water-related research for the cities of **Beverly Hills, Calabasas, and Santa Monica**; the **City of Los Angeles Department of Water and Power** and the **Los Angeles County Department of Public Works - Waterworks District and Flood Control District**; the counties of **Alameda, Santa Barbara and Ventura**; and the **Nature Conservancy, Puget Sound Partnership, San Bernardino Municipal Water District, San Francisco Public Utilities Commission, Santa Clara Valley Water District, South Bay Water Recycling, Vegas Valley Water District, and the Victor Valley Wastewater Reclamation Authority**.

Some of the firm's most current and relevant work has included the following:

- ✓ **Los Angeles County Clean Water, Clean Beaches Measure, Los Angeles County.** Starting in 2007 and continuing to the present, FM3 has conducted seven property owner and voter surveys and 18 focus groups on behalf of the **Los Angeles County Flood Control District** for a Proposition 218 property owner water quality fee ballot measure. Further, FM3 conducted a focus group among 12 city managers in Los Angeles County to assess their understanding of storm drain and stormwater issues and their interest in a possible vote-by-mail initiative. If placed on the ballot by County Supervisors and passed by a simple majority of voters, this initiative would provide up to \$270 million a year for the Flood Control District, the nine Los Angeles County Water Area Groups (WAGs) and 85 cities, to address such water quality and supply issues as the following:
 - Protecting local sources of drinking water from contamination
 - Preventing toxic chemicals and trash from entering the Los Angeles River, San Gabriel River, other rivers, bays, coastal waters, and local beaches
 - Increasing natural filtration and replenishment of local ground water
 - Increasing drinking water supplies
 - Recycling stormwater to irrigate thousands of neighborhood parks, ball fields and other public lands

FM3's efforts have helped test and develop educational materials to present to government and elected officials, opinion leaders, and the general public. The firm has also worked on research to help craft ballot language and messages for the proposed initiative. Further, FM3 has provided strategic advice and presented on behalf of the Flood Control District in front of County supervisors and staff, environmental groups, and city officials.

- ✓ **City of San Bernardino Municipal Water Department Issue Survey, City of San Bernardino.** In 2010, FM3 worked on behalf of the **City of San Bernardino's Municipal Water Department** to assess San Bernardino residents' knowledge of their water supply sources, awareness of the long-term drought, and support for a plan for the Department to provide a safe and reliable water supply for residents in the area. The research tested a two phase plan that included the recycling of treated wastewater to be used for such activities as watering parks and for various industrial uses. It also tested a plan to treat wastewater and release it back into the local groundwater basin, in a similar process to that used by the **Orange County Water District**, to increase the areas' groundwater and drinking water supply. If and when this plan is successfully completed, it will allow the area to significantly reduce its dependence on outside sources of clean water.

- ✓ **Antelope Valley-Acton Water Issue Survey.** In 2010, FM3 conducted a survey to assess public preferences for drinking water disinfection treatment methods and techniques on behalf of the **Los Angeles County Department of Public Works, Waterworks Division** (including Chloramines and Granular Activated Carbon -- GAC) in the Antelope Valley and Acton area. Additionally, the survey examined customer awareness of and satisfaction with the water service they receive. The results were used to help the Waterworks Division decide on the method they will choose, as well as to help the organization communicate the final decision with their customers.

- ✓ **Santa Clara Valley Water District.** Since 2008, FM3 conducted four telephone surveys on behalf of the **Santa Clara Valley Water District**. The first survey examined how residents rate the service they receive from the District, their awareness of the water supply challenges facing the region, and knowledge of and participation in the water conservation efforts introduced by the District. The second survey identified the most effective ways to communicate about water conservation programs and other District initiatives. In 2010, FM3 research assessed Santa Clara County residents' perceptions of and attitudes towards government roles and responsibilities to ensure an adequate water supply for District residents. In 2011 and 2012 FM3 conducted focus groups and telephone surveys to test the viability of a District measure that would support safe and reliable water for now and the future. Among the specific measure items tested for voter support included improving water systems and pipelines to increase the amount of water that can be stored underground and expanding the use of recycled water.

- ✓ **Metropolitan Water District of Southern California.** In the mid 1990s, FM3 conducted telephone surveys for the MWD of a cross section of retail residential customers whose tap water originated with the MWD. These surveys tested perceptions of taste, smell and cleanliness, as well as the perceived safety and cleanliness of local tap water. MWD also engaged FM3 to test the effectiveness of a consumer education program that relied on a physical model of a typical MWD-supplied local water system.

- ✓ In 2007, FM3 provided survey and focus group research to the **Zone 7 Water Agency in Alameda County** focused on identifying public attitudes toward the Agency's Stream Management Master Plan, including financing proposals and communications plans.
- **Internet and Technology Testing Experience:** FM3 encourages their clients, whenever possible, to use the focus group experience to have participants react to messages, images and technology in real time. Specifically, **FM3 has successfully used focus group opportunities to test participants' reactions to websites.** Depending on the circumstance, FM3 has (1) projected website images on a screen and asked individuals to react to what they have seen; (2) provided screen shots in hard copy form of particular websites to determine what images and text individuals liked and disliked and (3) brought computers into the focus group room and had individuals react in real time to the images, text, and options provided online, as well as the ease of use. In all cases, the exercises provided valuable insight into potential users' experience with the site and its features and what aspects of the website needed to be revised. The actionable recommendations resulting from the focus groups have lead clients to revise their respective web pages to address participants concerns.

Most recently, FM3 conducted a series of research projects on behalf of **Los Angeles County Metropolitan Transportation Authority's (METRO) Trip Planner service.** The primary goal of these groups was to identify what users and non-users liked and disliked about the trip planner and to establish which features Metro customers would like to see in future versions of the service. During the sessions, participants used the Trip Planner on individual laptops. Participants identified their perceptions of the current system's usability and functionality, design and layout, as well as its perceived weaknesses. The research identified key challenges for METRO to address in order to improve its trip planner service based on the findings from this research, including greater language accessibility, improved smartphone app functionality, and better search engine versatility.

As an example of our online research, in 2008, FM3 conducted an Internet/Mail survey of **Time Warner Cable** customers living in the Playa Vista residential community in Los Angeles. The research tested residents' overall satisfaction with their cable television service and awareness that they received a special discount for cable television because they are Playa Vista residents. To prevent a skewing of survey results and ensure all Playa Vista residents were given equal opportunity to participate, FM3 supplemented the online version of the survey by mailing the survey to residents.

Additionally, FM3 has conducted in-person online research for such clients as **The Dr. Susan Love Research Foundation's Army of Women Program, Energy Upgrade California in Los Angeles County, First 5 Fresno County, and Los Angeles County Flood Control District.**

- **Orange County Experience:** FM3 is based in Southern California, and we consider communities in Orange County to be part of our “home base.” FM3 regularly conducts research for cities, school districts, and non-profit and for-profit organizations in Orange County. Most recently, FM3 has conducted survey research on behalf of the **Coast Community College District** to test the viability of a \$698 million bond measure on the upcoming November election ballot. Previously in 2002, FM3 helped the District pass Measure E, a \$370 million bond measure.

FM3 has also conducted research for specific cities in Orange County, both within the IRWD service area and outside of it. In 2003, FM3 worked with the City of Santa Ana in their efforts to decide whether to put a parcel tax measure on their City ballot. Other Orange County cities for which FM3 has conducted research include **Buena Park, Dana Point, Garden Grove, Huntington Beach, La Habra, Rancho Santa Margarita, San Juan Capistrano, Westminster, and Yorba Linda**. FM3’s experience in Orange County also include the following:

- ✓ **School Districts:** FM3 research has successfully helped Orange County school districts secure more than \$1.5 billion through voter approved bond measures. Our firm has helped secure funds in communities such as **Capistrano USD (Measure A; \$65 million), Placentia-Yorba Linda USD (Measure Y; \$102 million), Saddleback Valley USD (Measure B; \$180 million), and Santa Ana USD (Measure C; \$145 million)**. FM3 has also been successful in helping pass funding measures for **Coast Community College District (Measure C; \$370 million), Huntington Beach UHSD (Measure C; \$238 million), Rancho Santiago Community College District (Measure E; \$337 million), and Westminster ESD (Measure O; \$130)**. FM3 is currently working with **Ocean View Elementary School District** in Huntington Beach, whose board is considering placing a bond measure on an upcoming ballot.
- ✓ **Non-profit/Public agencies:** FM3 has conducted opinion research with County voters on behalf of the **Orange County Transportation Authority (OCTA)** dating back to 2002. At that time, FM3 conducted a series of four focus groups on behalf of OCTA regarding the organization’s Long Range Plan. Specifically, the focus groups dealt with such issues as the severity of traffic and overall transportation problems in Orange County, methods of mitigating and improving these problems, and specific approaches developed by the OCTA Long Range Planning process to sustain and improve mobility in the County. FM3 has also worked closely with the **Ocean Conservancy, the Resources Law Group, the Sierra Club, and the Southern California Automobile Club of America** to examine Orange County residents’ views on air quality, park preservation, ocean restoration, and forestry protection.
- ✓ **For-profit:** FM3 has worked for a variety of for-profit firms based in Orange County over the last several years. FM3 conducted extensive survey and focus group research on behalf of a coalition of local businesses, including the **Walt Disney Company**, to maintain the special zoning of the **Anaheim Resort District** for tourism related businesses. FM3 has also conducted three Anaheim voter surveys on behalf of the **Walt Disney Company** on labor-related issues. Further, FM3 has conducted research in the **City of Anaheim** on behalf of **Southern California Edison** regarding its sponsorship of

Angels Stadium. Additionally, the firm conducted a voter survey on development-related issues in the City of Irvine on behalf of Lennar Homes.

The firm's extensive work conducting surveys and focus group research among Orange County residents and voters provides a solid foundation from which FM3 could work with IRWD in designing an effective research plan.

- Experience in Diverse Communities:** FM3 has wide-ranging experience conducting research among California's diverse communities. For decades, FM3 has explored a range of issues in research among Latinos, Asians, and other minority groups, from health care to immigration to civil rights to resource conservation. We regularly conduct research in multiple languages throughout California as well as across California's diverse metropolitan areas (including the LA region, the Bay Area, and Fresno County) which include high proportions of Latino and Asian residents, as well as among Californians from various socioeconomic backgrounds including lower- and upper-income residents as well as single versus multiple family households. Our extensive experience conducting research among California's diverse population has left us acutely aware of many of the challenges specific to conducting this type of research and would help us inform our research in the Irvine Ranch Water District.

3. The FM3 Team: Key Personnel and Bios

Below we present the FM3 leadership team for this project (Table 1) and key subcontractors (Table 2). The Project Supervisor for this research will be FM3 Partner Richard Maullin. The day-to-day contact will be the Project Manager, Senior Vice President Richard Bernard. The leadership team for this project consists of the following:

Table 1: Team Members

Key Responsibilities	Team Member
Project Supervisor	Richard Maullin, President/Partner
Project Manager (day to day contact)	Richard Bernard, Senior Vice President
Researchers	Sharon Pinkerton, Senior Consultant
	Nicole Willcoxon, Researcher
Administration (logistics, operations, fielding)	Elyse Guerrero, Director of Operations

Subcontractors joining the team include the following:

Table 2: Subcontractors

Key Responsibilities	Team Member
Telephone interviewing	Mike McGuire, McGuire Research Inc., President
Focus group recruiting and facility	Kami Celano, Field Work L.A. in Orange County, President

Biographies for key staff members follow:

Richard Maullin – President/Partner

As one of the founding partners (1981) of Fairbank, Maslin, Maullin, Metz & Associates (FM3), Richard Maullin has provided opinion research and consulting services to a wide variety of national and international clients, including companies and non-profit organizations involved in the fields of energy production and distribution, environmental protection, water supply, construction services, real estate, telecommunications, entertainment and consumer products.

In addition to supplying public policy-oriented research and communications consulting services for FM3 private sector clients, Dr. Maullin often serves as the principal researcher on opinion research, strategic planning and communications consulting projects involving state, regional and local government. He has conducted research projects evaluating public attitudes towards energy, water and environmental protection services, programs and proposals, building and development projects, local government services such as police, fire and public works, transportation, water supply, recycling and municipal waste disposal, parks and recreation, and public education. As regards water supply and services, Dr. Maullin has conducted opinion research evaluating customer satisfaction, communications and water supply policy issues for the Santa Clara Valley Water District, the Metropolitan Water District, The Agua Caliente Indian Tribe (Coachella Valley) and the water utility company serving Medellín, Colombia (Empresas Públicas de Medellín, EPM).

Dr. Maullin has also provided voter research services and strategic advice to numerous ballot measure campaigns ranging from state-level issues such as Indian gaming, stem cell research, adoption of the Martin Luther King holiday and public utility regulation to local government and public school finance measures. In the candidate election arena, Dr. Maullin has been a successful gubernatorial campaign manager and has provided opinion research and strategic consulting to candidates for governor, mayor and other state and local elective offices.

Dr. Maullin has held high-level executive positions both in government and in the private sector. He was California Deputy Secretary of State from 1971 to 1974 and served as Chairman of the California Energy Commission from 1975 through 1979. From 1980 to 1985, Dr. Maullin was President and Chief Executive Officer of MCR Geothermal Corporation. Dr. Maullin was also a member of the Social Science Research Staff at the RAND Corporation from 1965 through 1970, specializing in Latin American politics and economics. He has taught international relations at UCLA (1968), and currently serves as Chairman of the Board of the Vilnius Yiddish Institute at the Vilnius University in Vilnius, Lithuania.

Richard Maullin was born in Los Angeles, California and received his bachelor's (with honors, 1962), master's (1964) and PhD (1972) degrees in Political Science from UCLA. Dr. Maullin is

bilingual in English and Spanish and has working knowledge of French and Portuguese. He lives in Santa Monica and may be reached at FM3's Santa Monica office at (310) 828-1183, or at Richard@FM3research.com.

Richard Bernard – Senior Vice President

Richard Bernard, Senior Vice President, joined FM3 after being on the faculty at the University of Toronto from 1999 to 2002. Dr. Bernard has written surveys, conducted focus groups and provided strategic advice for a diverse set of clients including government agencies, non-profit groups, for-profit firms, and labor unions.

Dr. Bernard has been the lead researcher on surveys of resident awareness and satisfaction with local government services, agencies and utilities. This research has included questions about the importance of and satisfaction with services, programs, one-on-one customer interactions and available communications for residents, voters, customers and businesses. Additionally, his research projects have also gauged familiarity with, awareness of, and support for organizational initiatives and policy proposals. Moreover, he has developed questionnaires to track organizational performance measures over time to ensure FM3 proposed recommendations have successfully be implemented. His focus group work in this area has provided customers, group members or other intended audiences opportunities to test websites in real time and educational materials to determine their comprehensibility, readability and the willingness of participants to actually read and act on the contents' request, if any. Such clients have included the cities of Bellflower, Lakewood, La Cañada Flintridge, Moreno Valley, Rancho Santa Margarita, Pasadena and Torrance, as well as The Los Angeles County Flood Control District (Clean Water, Clean Beaches), the Los Angeles Metropolitan Transportation Authority, The Los Angeles County Public Works Department – Waterworks Division and Metrolink.

While at the University of Toronto, Dr. Bernard taught research methods and statistics and within his research dealt frequently with issues related to cities, employment, ethnicity, and families. He has published in such journals as East Asian Pacific Migration Journal, International Migration Review and the Canadian Journal of Sociology. Prior to joining the faculty at University of Toronto, Dr. Bernard was a post-doctoral fellow at The University of Chicago where he both designed and tested quantitative and qualitative surveys related to family, work and educational issues.

Richard Bernard received an Honors B.A. at York University, a M.A. at McGill University and a Ph.D. at UCLA in Sociology. He may be reached at FM3's Santa Monica office at (310) 828-1183, or at Bernard@FM3research.com.

Sharon Pinkerton – Senior Consultant

Sharon Pinkerton has been a part of the Fairbank, Maslin, Maullin, Metz & Associates (FM3) team for nearly 20 years. She was Senior Vice President of Research at FMM&A (now FM3) before becoming the Associate Director of the Los Angeles Times Poll where she conducted public opinion research to enhance coverage of local and national elections and breaking news. Ms. Pinkerton re-joined the firm as a senior consultant in 1999, often brought in to help lead multi-faceted and complex research projects and campaigns.

Ms. Pinkerton has conducted qualitative and quantitative research and given strategic advice on behalf of candidates, ballot measures, and public policy issues in nearly every state in the nation. She has also helped pass numerous funding measures for general and specific purposes on behalf of cities, counties, and school districts throughout California and has helped build public support for many development and community enhancement projects.

Ms. Pinkerton has extensive experience conducting community satisfaction research, including research on behalf of the cities and public agencies of Bellflower, San Francisco, and San Jose and Santa Barbara. Ms. Pinkerton also has a strong background conducting research in Orange County, including research on the Irvine Great Parks project and on behalf of OCTA.

Ms. Pinkerton has also conducted focus group research where clients sought to better understand customer opinions of their websites. Ms. Pinkerton was part of the research team that evaluated the website for the Energy Upgrade California program and she designed and conducted the focus group research on behalf of the Dr. Susan Love Foundation to evaluate how its membership used the website and what improvements could be made to it to increase its usability and effectiveness and attract members to it as a resource.

Ms. Pinkerton, a Distinguished Scholar Award recipient, graduated Phi Beta Kappa and *magna cum laude* from the Honors College at UCLA with a Bachelor's Degree in Mass Communication Studies. She received a Master's Degree, as well as progress toward a Ph.D, in Political Science with an emphasis on public opinion and voting behavior from the University of California at Berkeley. Sharon Pinkerton may be reached at Sharonpinkerton@yahoo.com.

Nicole Willcoxon – Researcher

Nicole Willcoxon is a Researcher at Fairbank, Maslin, Maullin, Metz & Associates. Among her projects at FM3, Nicole has extensive experience in questionnaire design, survey implementation, and opinion analysis.

Ms. Willcoxon has a diverse set of experience conducting qualitative and quantitative opinion research on customer satisfaction for private companies, research on resident awareness and satisfaction with local government services, and on projects related to water quality and water supply. Ms. Willcoxon is currently playing a leading role in research for California's Valued Trust, to assess customer satisfaction with the company's provision of services. The research includes customer focus groups, a quantitative telephone survey, and an Internet survey. She has also conducted research in communities throughout California to assess resident satisfaction with local government services; most recently, she analyzed Rancho Santa Margarita residents' opinions about city service provisions and areas of improvement.

On water-related projects, Ms. Willcoxon has recently worked on qualitative focus group research on behalf of the Los Angeles County Flood Control District's proposed Clean Water, Clean Beaches measure. She also worked with the City of Capitola to assess satisfaction with water quality, flood control and stormwater protection measures to assess the importance of stormwater management services relative to other local government services.

Ms. Willcoxon also has extensive experience analyzing opinion across diverse populations, specializing in this area of research. At FM3, she has worked on numerous projects for cities, school districts, political candidates, and government agencies that evaluated attitudes among Latinos, Asian-Americans, and African-Americans. Recently, Ms. Willcoxon worked on a focus group project that compared the reactions of Latinos and white voters to different mail and TV communications from political candidates.

Before joining FM3, Ms. Willcoxon co-managed several research projects on minority public opinion and political participation at the Institute of Governmental Studies and the Center for Latino Policy Research. She was also a survey project manager at the Public Policy Institute of California (PPIC), where she co-authored numerous statewide surveys and reports on public attitudes toward governance, statewide initiatives, the environment, education, public health and technology that assessed opinions across California's diverse population and geographies, including Orange County. She has published research in the *Oxford Handbook of American Public Opinion and the Media* and the *California Journal of Politics and Policy*.

Ms. Willcoxon is a doctoral candidate at the University of California, Berkeley, specializing in public opinion, representation, and electoral institutions with a focus on minorities. She holds a M.A. in Political Science from the University of California, Berkeley, and graduated from the University of California, San Diego *cum laude* with a B.A. in Political Science with highest honors and a B.A. in History.

McGuire Research Services, Inc. – (Subcontractor)

If FM3 is chosen to conduct the IRWD research, McGuire Research Services Inc. (MRS) will provide telephone interviewing services. FM3 has a longstanding professional relationship with McGuire Research Services, which conducts hundreds of interviews daily. MRS thoroughly screens, trains and monitors interviewers. In addition, McGuire Research Services pre-tests questionnaires and provides feedback to FM3. After interviews are concluded, MRS validates a sample of completed calls for accuracy and quality of service. FM3 works closely with Mike McGuire, president and CEO of McGuire Research Services, and his staff, to ensure all technical aspects of the telephone interviewing process are conducted using well established data collection and telephone contact procedures. Additionally, MRS is adept at conducting interviews in Spanish and Southeast Asian languages, if IRWD chooses to exercise this option as part of the survey scope.

Contact:

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Field Work L.A in Orange County

Fieldwork has been a leader in world-class marketing research services and focus group facilities for over 30 years. Fieldwork has 17 facilities located in 12 markets coast to coast. In Orange County, Fieldwork Los Angeles has a state-of-the-art facility in the City of Irvine. It is equipped to provide the latest technology, award-winning recruiting, and welcoming hospitality for focus group participants and clients alike. Fieldwork representatives have worked successfully with FM3 staff for years to clearly understand our client's project goals, ensuring the desired recruitment and providing an atmosphere that enhances quality research.

Contact:

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B. SCOPE OF WORK AND METHODOLOGY (SURVEY/FOCUS GROUP CONCEPT)

This section of FM3's proposal provides a detailed description of our research plan and methodology. The research components we recommend include the following:

- Two focus groups among residential customers
- A 15-minute telephone-based survey of 800 randomly selected residential customers District-wide
- A 12-minute telephone-based survey of 400 randomly selected business customers District-wide

1. Focus Group Research

FM3 recommends conducting two focus groups among residential customers to initiate the research. Unlike telephone surveys, focus groups allow individuals to read information and examine images on their own and provide contextual feedback in an interactive discussion about the reasons for their responses. Furthermore, it is quite common to discover insights in focus group discussions that can sharpen design of the surveys that follow. Focus groups allow for an open-ended discussion that enhances and adds color and depth to those quantitative survey results. The marrying of the two methodological approaches will strengthen the analysis and aid in the creation of effective and actionable recommendations.

We recommend conducting one group among residential customers who have used the IRWD website and one group who has not. The groups will be mixed by gender, age, ethnicity, area of residence, income, home ownership, single and multi-family dwellers, and any other demographics or variables deemed important by IRWD. Each group will include 10 participants and will be held in the City of Irvine. FM3 can recruit participants either from IRWD's customer list if made available or through a random (essentially cold-called) or listed recruit. We anticipate no price differential or challenge in recruiting the groups either way given the small number of participants required for a focus group.

The participants will each be provided with a laptop to allow an evaluation of the website. For those who have used the website in the past, they can show us how they used it, where they ran into issues (if any), and areas where they would like to see improvements or additional information (among other areas of exploration). For those who have not used the website, the focus group will allow us to see their reaction to it, evaluate its ease of use, determine what they like and dislike about it and what changes they would like to see made, and what additional information they would like provided (again, among other areas of exploration).

While we envision spending about half the time in each group on a thorough evaluation of the website, we would use the remainder of the time to assess opinions of phone or in-person customer service, educational and outreach efforts and areas where customers feel additional services or improvements are needed. We will also explore issues that impact, or color, impressions of IRWD, including drinking water delivery, sewage collection, urban runoff treatment, and water recycling.

2. Residential Customer Survey

While focus groups are valuable in identifying areas of concern and understanding the language in which residents speak about their likes and dislikes, only random-sample surveys produce quantified results that can be generalized to the broader populations from which the samples are drawn.

FM3 recommends conducting a 15-minute, telephone-based survey among 800 randomly selected IRWD residential customers 18 years of age or older District-wide who have primary responsibility for paying their water bill. A survey of this length will allow for 50 to 60 discreet question items. The margin of error for a sample of 800 is +/- 3.5 percentage points. The margin of error for subgroups within the sample will be higher.

While we feel a survey of this length is sufficient to ask the highest priority questions of IRWD, we also provide costs in our Budget section of this proposal (Part 1: Budget Summary) for a 20-minute survey (that would allow between 75 and 80 questions).

A sample size of 800 will allow us to look at key demographic groups, such as age (18 to 49 and 50+), gender, geographic zones (the zones, determined in part by city and other boundaries, will be defined in consultation with IRWD), ethnicity (white, Asian, Latino, and total non-white), homeownership, and single and multi-family homes, as well as other variables. However, the larger the sample the more refined the subgroup analysis can become—and with a lower margin of error. Therefore, we also provide a cost for a survey of 1,000 residential customers (margin of error of +/- 3.2 percentage points). Last, we provide a cost for a sample of 500 if budget constraints are of concern (margin of error of +/- 4.4 percentage points). A sample of this size will give us a snapshot of opinions across the region, but allow more limited analysis of demographic groups.

We recommend a telephone-based survey to provide a randomized sample where the highest proportion of customers have an opportunity to be surveyed. While online surveys may allow for a larger sample size, they suffer from a stronger self-selection bias because the respondent answers an invitation to participant rather than being selected randomly. This introduces a greater bias in terms of the demographic groups with access to the online survey (in particular underrepresenting those less affluent, minority groups, and seniors), but in the underlying thinking that draws some respondents to the survey but not others. Furthermore, FM3 will have access to a lower proportion of email addresses within the customer population than we have access to phone numbers, adding to the selection bias. A telephone survey is confronted with this bias as well—based on those who choose to take part and those who do not. However, the random selection and higher proportion of customers that can be reached by telephone provide for a more representative sample with reduced bias.

Sampling Methods: FM3 based our cost estimates in the Budget section on having access to the IRWD customer database. Using this database (assuming an adequate number of accurate telephone numbers are included) will allow for the most cost-effective means of sampling the population. However, we are also able to draw the sample from other sources should the database not be made available.

In the absence of the customer database (or should it prove to not have adequate numbers) our recommendation would be to draw the sample using a Random Digit Dial (RDD) methodology which allows for the highest proportion of residential customers to be included in the sample by generating a random sample of listed and unlisted landline numbers as well as cellular phone numbers in the geographic area being surveyed.

While RDD samples include cell phone numbers, they typically under-represent cellular phone dependent households. To ensure individuals who live in cell phone-only households are adequately represented in the final results, FM3 recommends including an oversample of cell phones using voter lists and other cellular phone lists. Since more minorities and younger households are known to have cell-phone only households, FM3 expects these groups to have greater representation in the cell-phone oversample.

When using an RDD sample, FM3 pays close attention to the final demographic results to ensure that all major demographic groups, (including ethnicity/race) and geographic characteristics mirror all customers ages 18 years of age or older in the District. If provided with a demographic breakdown by the District, we will be able to ensure the RDD sample is representative of that population. FM3 can also determine the demographic breakdown of the District using census and voter information of the region.

RDD surveys are more expensive to conduct and, therefore, we also have the ability to conduct the survey using voter lists and other lists of non-voters should there be budgetary concerns. In the Budget section of our proposal, we provide the overall cost differential from the customer database sampling for using an RDD or listed survey sample.

Interviewing One Member of Each Household: FM3's sample vendors have the technology to remove duplicate numbers that may exist in the samples in order to reduce the possibility of calling more than one person at the same telephone number. Furthermore, FM3 will request first to speak to the adult member of the household who is responsible for paying their IRWD bill to make sure we speak to the household member who interacts with IRWD. If this household member is not available, FM3 will ask to speak to another adult member of the household. We have found that this approach flags households that have been called previously and the respondents typically inform us if someone in their household has already taken the survey.

Spanish and Other Language Translation: FM3 has the capability to translate and provide the survey in Spanish, Mandarin, Vietnamese, and other languages at the request of IRWD. We recommend translating the survey and providing it in Spanish to ensure a representative sample and for credibility with potential stakeholders who IRWD may choose to share the results. We are happy to discuss translating the survey into other languages, such as Mandarin and Vietnamese. However, given the high rate of English proficiency in particular among the Chinese population (the largest Asian population in the District), we do not believe it is necessary to translate and provide the survey in languages other than Spanish and incur the additional costs associated with doing so. Reflecting the RFP follow up question response that stated not to allocate for different languages (Question 3), the detailed cost break down in the Budget section does not include Spanish or other language translation. However, we provide costs for Spanish in our cost summary tables.

3. Business Customer Survey

FM3 recommends conducting a 12-minute, telephone-based survey among 400 randomly selected IRWD business customers District-wide. A survey of this length will allow for 35 to 45 discreet question items. The margin of error for a sample of 400 is +/- 5.0 percentage points. The margin of error for subgroups within the sample will be higher.

FM3's preference would be to use the IRWD customer database to draw this sample, and our costs in the Budget section of this proposal are based on having access to this database with adequate phone numbers. However, we also have experience conducting business surveys using listed samples and provide additional costs for this approach as well.

We will randomize the list of business customers, closely watching the distribution by geography and business size, if available. FM3 anticipates most of the business customers will be small businesses, but will be sure to include at least 10 medium and 10 large businesses in the sample. The definition of "medium" and "large" will be determined with IRWD. The survey will include demographic questions and evaluation based on the characteristics of the organization (rather than the individual with the residential survey), such as number of employees, type of business, years in business in the area, and business location, as well as gender, title of the business respondent, and if the respondent lives in the District or not.

FM3 would conduct interviewing in the same manner as the residential survey except that the majority of calls would be made directly to local businesses during workday hours. FM3's experience is that many of the interviews will be scheduled on the first call to a convenient time for the business respondent.

4. Question Areas for Research

The content of each survey and the focus groups will be varied based on its audience (business and residential) and modality (survey or focus group). However, we present some subject and question areas below that could be explored in the appropriate research component. Some questions will be intentionally asked among both the business and residential communities to evaluate differences in their experiences, needs, and perceptions.

While the content of the focus group discussions and surveys will be determined in consultation with IRWD, some questions or discussion areas could include the following:

- Evaluation of their city/region as a place to live or do business, including the job being done in providing local services, to assess the context in which IRWD is operating (quality of life and business climate)
- How would they rate IRWD overall and for specific services?
- What is their perception of their drinking water quality, water recycling, sewage collection, and urban runoff treatment (impressions that will influence overall reviews of IRWD)?
- What is their level of concern about the availability of water, stormwater/sewage pollution, or other issues that could impact overall impressions of IRWD?
- Have they had contact by phone or in person with IRWD staff and how would they rate their experience?
- Have they attempted to use the website for paying their bills? Why or why not? If yes, what was their experience?
- Do they feel the website and other resources provide them with tips they need for water conservation or preventing pollution?
- What would they want to see on the website to make it more effective for them or inspire them to use it?
- What is their opinion of the website's overall look, usability, and content?
- How easy is their bill to understand? How would they evaluate the resources provided by IRWD to help understand the bill (online and otherwise)?
- How helpful do they consider IRWD telephone and in-person customer service?
- Do they feel IRWD provides them with the resources and the information they need to improve water conservation?
- How well do they feel IRWD addresses their concerns with service delivery, including drinking water, water recycling, sewage collection, and urban runoff treatment services?
- What questions have they had for IRWD that they do not feel are adequately addressed online or through other information channels?
- Do they use social media and how? Are they familiar with IRWD's social media program?
- Are they aware of IRWD's educational outreach efforts and, if so, what are their impressions of it?
- How do they use the Internet (to determine reliability on it for residential or business needs)?
- What sources do they use to get information about their community?
- Demographic questions for the residential customer and about the business organizations.

The surveys will also include questions that are designed to be tracked over time to measure IRWD's response to identified concerns from the benchmark survey. These questions will allow IRWD to determine if ratings and reviews in specific areas are improving as a result of their efforts or are diminishing as a result of unforeseen events.

C. SCHEDULE AND TASK LIST

1. Summary of the Research Process

The research development process will begin with an initial kickoff meeting (in-person or via teleconference) between FM3 and the IRWD team. The meeting will provide a comprehensive discussion of the research plan, review the timeline, make adjustments as requested by the IRWD team and review and consider draft survey and focus group questions and areas of exploration. FM3 will be available for meetings with IRWD throughout the project, including to discuss draft research instruments, and make final presentations of results.

After the initial meeting, FM3 will review past and relevant research and other documents and begin drafting the research instruments (screeners, questionnaires and moderator guides) based on the timeline proposed or a revised timeline preferred by IRWD. We will keep in close phone and email contact with IRWD to follow up on issues discussed during the kickoff meeting and for review of each instrument.

Survey questionnaires and focus group discussion guide design: Based on the final approved timeline, FM3 will draft the residential and business customer questionnaires and moderator guides, maintaining close phone and e-mail contact with IRWD to follow up on issues discussed during the kickoff or follow-up meetings. A first draft will be presented to IRWD for review and comments. After collecting comments and suggestions, FM3 will revise and refine each research instrument. It is common to go through several iterations of a questionnaire and focus group moderator guide to ensure it is the best possible instrument for your needs. Before any research begins, FM3 will obtain approval from IRWD on the final version of each research instrument.

Pre-testing of the surveys: Once approved for fielding, the residential and business customer questionnaires will be pre-tested with a sufficient number of respondents to assure ease of administration and flow. Such testing will also verify the length of each questionnaire and the survey questions' clarity and comprehensibility. The results of the pre-test will be reviewed with the client in order to determine if any adjustments need to be made before interviewing proceeds.

Survey interviewing: FM3 will subcontract telephone interviewing services to McGuire Research Services, Inc. (MRS), a telephone interviewing facility with which we have collaborated on hundreds of research projects. MRS' facilities have well-established procedures to supervise the interviewing process and to verify that interviews are conducted according to specifications. Among these procedures are the monitoring of actual interviews by on-site supervisors, identification of each interview by interviewer, and the use of a regularly-employed staff of professional, full-time interviewers. There is an established protocol for callbacks of busy or "not-at-home" numbers designed specifically to maintain the randomness of interviewee selection. The firm routinely conducts surveys in Spanish and the other languages.

FM3 is happy to review its procedures with IRWD to ensure satisfaction with all technical aspects of the sample selection and interviewing process.

Survey data analysis: Survey response data will be analyzed by FM3's Data Processing and Analysis Department staff using Survey System and SAS software, both well-documented and widely-used data analysis software packages. As needed, FM3 may augment Survey System and SAS with its own custom-designed statistical analysis program to report the tabulation and cross-tabulation of data. The Data Processing and Analysis Department staff employs a data checking and editing system to eliminate errors and document the handling of data received from the interviewers. FM3 will address any non-response bias by weighting the data in terms of gender, age, ethnicity and District zones using the most recent demographic data compiled.

Within two days after interviewing has been completed, FM3 will deliver a hard copy and e-mail of the aggregate "topline" results of the survey results to IRWD. These results will present the overall percentage of respondents that chose each answer to each of the survey's questions.

Within a few days, FM3 will provide a comprehensive set of cross-tabulated results. The cross-tabulated results will include a table for each question or demographic variable in the survey, with a series of nearly 200 or more columns indicating how various subgroups of the population responded to that question. The cross-tabulated results will make it possible to detect differences in responses to each survey question among different subsets of each sample population. Among the residential sample, this would include, but not limited to, gender, age, race/ethnicity, geographic zones, home type (single family, multi-family), and home ownership. Among business customers, this could include business types, number of employees/size of business, geographic zones, years in operation in the District, and gender of the respondent.

Finally, FM3's custom-designed data processing software package can convert the raw electronic data to Excel or other formats, so that the actual results of the survey can be transmitted electronically. A CD copy can be sent to IRWD staff at the conclusion of the study as well. All data entry and tabulation is performed on IBM-compatibles.

Conducting the focus groups: For the focus group research, FM3 will work with Field Work L.A. in Orange County to recruit and hold the focus groups. Screeners (used to qualify participants) and moderator guides (used to guide the discussion) will be submitted to IRWD for review. Once the groups have completed, FM3 will provide a written transcript of each group and a DVD version.

2. *Deliverables*

Upon conclusion of the research project, IRWD will have received from FM3 all of the documents listed below. All documents can be provided in hard copy or electronic form (or both), depending on the preference of IRWD staff.

Quantitative Research

- ✓ *Final survey questionnaires*
- ✓ *Topline results for both surveys* (the survey questionnaire filled in with the percentages choosing each response code)
- ✓ *Full cross-tabulated results* (responses to every question in each survey, broken down by dozens of demographic, geographic, and attitudinal subgroups of the population), presenting separately for each survey
- ✓ *Raw data from the surveys in the format preferred* (if requested)

Qualitative Research

- ✓ *Participant screener questionnaires*
- ✓ *Copies of all materials tested in the groups*
- ✓ *Draft and final moderator guides*
- ✓ *DVD copies of focus group discussions*
- ✓ *Focus group transcripts*

Results

- ✓ *Written comprehensive presentation of key findings from all research, including conclusions and actionable recommendations*
- ✓ *PowerPoint presentation highlighting important survey results when all research has been completed.*
- ✓ *In person presentation of results to IRWD staff and/or Board of Directors* (as needed)

After FM3's reports and presentations have been completed, FM3 will remain available to answer follow-up questions from IRWD staff and other members of the project team. FM3 views the responses to the research as an on-going data resource. If the need arises, FM3 can do further analysis to provide answers to follow-up questions that may be posed by IRWD staff or consultants hired by IRWD. FM3 often provides feedback and recommendations on draft communications language as they are being rolled out.

3. *Proposed Research Timeline*

One of the strengths of our firm is our ability to complete a course of research quickly and efficiently. The following timeline outlines submission of draft instruments, fielding and completion of each component of the research, and delivery of the comprehensive report and presentation. We provide our timeline on a weekly schedule, but are happy to provide you with a more detailed timeline if you prefer.

We recognize that the notice to proceed is anticipated to be given on December 4, 2012. As a result, if we were to assume Week 1 starts on Tuesday, December 4, then Weeks 3, 4 and 5 are all weeks most heavily impacted by holidays. Therefore, while this timeline suggests the research to be conducted during weeks 4 and 5, we would recommend conducting the surveys after the New Year. If this December 4 start date holds, we would move up the focus groups to be conducted early in the week of December 17 to complete them before people focus their attention on the upcoming holidays. We are very accustomed to making adjustments around holidays that keep the research moving forward without any impact on the quality or accuracy of the results. FM3 can also compress or expand the timeline per IRWD's needs.

Last, our timeline includes presenting one comprehensive report of all findings. However, if IRWD prefers, FM3 can prepare separate reports for the residential customer (focus groups and survey) and business (survey) research or for all three parts of the research (residential survey, business survey, and residential focus groups). Each individual research report will be provided within two weeks of completion of that research component (if not sooner) per the requirement of the RFP.

Week 1

- Authorization to proceed; kick-off meeting
- IRWD provides additional background information
- Review/finalize research plan and research methodology
- FM3 develops focus group participant recruitment criteria
- FM3 begins drafting business customer survey

Week 2

- FM3 presents first draft of business customer survey
- FM3 begins recruitment of focus group participants
- FM3 develops and presents first draft of focus group discussion guide to IRWD

Week 3

- FM3 revises business survey questionnaire based on IRWD input
- Finalize and pre-test business survey
- Complete recruitment focus group participants
- Revise and finalize focus group discussion guide based on IRWD input

Week 4

- Conduct business survey (This project can be moved to Week 5 – and all subsequent work on this project adjusted—if Week 4 includes 12/24)
- Begin drafting residential customer survey
- Conduct focus group sessions (move to Week 3 if this is the week of the 24th)
- FM3 provides post-focus group debriefing to IRWD (move to Week 3 if this is the week of the 24th)

Week 5

- Complete business survey
- Provide business survey topline results to IRWD and brief IRWD on overall findings
- Provide business survey cross-tabulations to IRWD
- Revise and finalize residential customer survey based on IRWD input

Week 6

- Finalize and pre-test residential customer survey
- Conduct residential customer survey

Week 7

- Complete residential customer survey
- Provide residential customer survey topline results to IRWD and brief IRWD on overall findings
- Provide residential customer survey cross-tabulations to IRWD

Week 8

- Begin developing draft of comprehensive report of key research findings
- Develop PowerPoint presentation of research findings

Week 9

- Present final comprehensive report and executive summary of key research findings, with actionable recommendations and executive summary
- Submit final PowerPoint presentation of research findings and make in-person presentation

D. BUDGET

1. Budget Summary

The following tables summarize the cost for each component of the research. Of course, there are many alternative research plans we could pursue. Our team is committed to working with IRWD to modify these initial recommendations to develop a research plan that will fit both your budget and your research needs.

Survey Costs: Quantitative (survey) costs include drafting the survey questionnaires; acquiring and randomizing the samples; Spanish translation (residential survey only), programming and pre-testing the questionnaires; interviewing; coding open-ended questionnaires (assumes a maximum of two open-ended questions, if desired); data tabulation, cross-tabulation and other statistical analysis, and reporting the results.

Table 3 illustrates the costs using the IRWD customer database. Tables 4 and 5 show the costs if an RDD or purchased voter list were chosen.

**Table 3: Residential Customer Survey Cost Options
 (Using IRWD Customer Database)**

Survey Length	Survey Sample Size		
	500	800	1000
15 minutes	\$26,038	\$34,468	\$40,087
20 minutes	\$29,314	\$39,633	\$46,513

**Table 4: Residential Customer Survey Cost Options
 (Using RDD Sample)**

Survey Length	Survey Sample Size		
	500	800	1000
15 minutes	\$26,809	\$36,233	\$42,527
20 minutes	\$32,134	\$44,679	\$53,052

**Table 5: Residential Customer Survey Cost Options
 (Using Purchased Listed Sample)**

Survey Length	Survey Sample Size		
	500	800	1000
15 minutes	\$25,087	\$34,089	\$40,427
20 minutes	\$28,993	\$40,263	\$48,113

The cost to translate and conduct the residential survey into Spanish would be approximately \$1,700 to \$2,250 depending on the sample size and length (regardless of whether a listed or RDD sample was used).

Table 6 shows the costs for the Business Customer Survey at 15 minutes and 20 minutes in length using the IRWD database. Table 7 shows the costs using a purchased list.

**Table 6: Business Customer Survey Cost Options
 (Using IRWD Customer Database)**

Survey n=400	Cost
15 minutes	\$31,313
20 minutes	\$33,926

**Table 7: Business Customer Survey Cost Options
 (Using Purchased Listed Sample)**

Survey n=400	Cost
15 minutes	\$33,926
20 minutes	\$36,446

Focus Group Costs: Qualitative (focus group) costs include arranging all logistics for the time, date, and location of the groups; developing recruitment screeners and moderator discussion guidelines; recruiting participants; paying each participant a cash incentive; providing meals for participants and observers; moderating groups; providing laptops for use by each participant, providing two DVDs of each group; making available a transcript of each group; and reporting the findings. The price also includes an IT specialist in the room to ensure the computers run smoothly. Table 8 shows the cost for the focus group research.

Table 8: Focus Group Research Costs¹

Focus Groups	Cost
Two focus groups, with laptops for each participant	\$18,083.00

Costs do not include travel, which will be billed at cost, if incurred.

¹ Price assumes both groups conducted on one night.

Table 9 present FM3’s lowest bid, incorporating the lowest cost methodologies provided above, is \$74,774.

Table 9: FM3 Lowest Overall Project Bid

Research Methodology	Costs
A 15-minute telephone survey of 500 residential customers using a listed sample purchased from a voter and/or sample vendor	\$25,087
A 12-minute telephone survey of 400 business customers using a list of customers provided by the client	\$31,313
Two focus groups with residential customers	\$18,083
Anticipated travel	\$ 291
Lowest Bid Total	\$74,774

2. Budget Details

The tables on the following pages present the costs of the research in the detail required by the RFP for FM3’s recommended research methodology. FM3 would be happy to provide detailed cost breakdowns for other combinations of research proposed, if desired by the client.

Business Survey			
Staffing Direct Labor	Hours	Rate	Total Cost
FM3 Partner/Supervisor	5	200	\$ 1,000
FM3 Senior Vice President Proj Mngr	37.5	175	\$ 6,562.50
Director of Operations	2	125	\$ 250
Researcher	5	135	\$ 675
Senior Data Analyst	15	135	\$ 2,025
Senior Consultant	21	135	\$ 2,835
Graphics Manager	14	110	\$ 1,540
Office Clerical	1	75	\$ 75
TOTAL	100.5		\$14,962.50

Direct Cost			
Samples			\$ 1,000
Telephone Interviewing			\$15,350

OVERALL PROJECT COST \$31,313

Residential Survey			
Staffing Direct Labor	Hours	Rate	Total Cost
FM3 Partner/Supervisor	5	200	\$ 1,000
FM3 Senior Vice President Proj Mngr	38.5	175	\$ 6,738
Director of Operations	2	125	\$ 250
Researcher	5	135	\$ 675
Senior Data Analyst	17	135	\$ 2,295
Senior Consultant	21	135	\$ 2,835
Graphics Manager	16	110	\$ 1,760
Office Clerical	1	75	\$ 75
TOTAL	105.5		\$15,628

Direct Cost			
Samples			\$ 1,000
Telephone Interviewing			\$17,840

OVERALL PROJECT COST \$ 34,468

Residential Focus Groups			
Staffing Direct Labor	Hours	Rate	Total Cost
FM3 Partner (Supervisor)	2	200	\$ 400
FM3 Senior VP (Project Manager)	24	175	\$ 4,200
Director of Operations	1	125	\$ 125
Senior Researcher/Consultant	12	135	\$ 1,620
Researcher	4	135	\$540
IT Technical	4	135	\$540
TOTAL	47		\$ 7,425

Direct Cost			
Facility Cost			\$ 8,450
Transcription			\$ 600
Video Duplication			\$ 108
Computer Rental			\$ 1,500

OVERALL PROJECT COST \$18,083.00

SUMMARY			
Staffing Direct Labor	Hour	Rate	Total Cost
FM3 Partner/Supervisor	12	200	\$ 2,400
FM3 Senior Vice President Proj Mngr	100	175	\$17,500
Director of Operations	5	125	\$ 625
Researcher	14	135	\$ 1,890
Senior Data Analyst	32	135	\$ 4,320
Senior Consultant	54	135	\$ 7,290
Graphics Manager	30	110	\$ 3,300
IT Technical	4	135	\$ 540
Office Clerical	2	75	\$ 150
TOTAL	253		\$ 38,015

Direct Cost	
Samples	\$ 2,000
Telephone Interviewing	\$33,190
Facility Cost	\$ 8,450
Transcription	\$ 600
Video Duplication	\$ 108
Computer Rental	\$ 1,500
TOTAL	\$45,848

GRAND TOTAL FOR 3 PROJECTS	\$ 83,863
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Travel			
Travel (Mileage) - Focus groups	200m	0.555	\$ 111
Travel (Mileage) - Client Meetings	324m	0.555	\$ 180
TOTAL MILEAGE			\$ 291

GRAND TOTAL PLUS TRAVEL (MILEAGE)	\$ 84,154
--	------------------

E. DESIGN EXAMPLES/REFERENCES

The project management process for both the **Rancho Santa Margarita Voter Satisfaction Survey** (Spring/Summer, 2012) and the **2012 City of Fremont Community Survey** (Spring, 2012) were similar and illustrates FM3's general approach to survey research with government-related satisfaction surveys. The surveys assessed residents'/voters' views about living in each city, concerns about local problems, perceptions of city government and ratings of services.

In the case of the Rancho Santa Margarita survey, FM3 also examined respondents' interactions with city employees and their level of satisfaction with those interactions on a series of service dimensions (namely: courtesy, professionalism, willingness to help, knowledge, timeliness and competency). Additionally, the survey also examined the sources of information their residents use to learn about their community. These results provide the city a list of multiple information sources to reach their residents/customers. This survey was conducted between June 21st and July 2nd, 2012 among 405 city voters with a margin of error of plus or minus 4.9 percent (See **Appendix A**).

With respect to the City of Fremont survey, residents were also asked their perceptions about the need for additional funds for services and support levels for a local tax measure to fund city services. FM3 conducted the City of Fremont community survey from April 26th to May 3rd, 2012 among 602 Fremont residents, with a margin of error of plus or minus 4.0 percent. Interviews were conducted in English, Spanish, Mandarin, Pashto, and Dari (See **Appendix B**).

Our firm worked in collaboration with both cities' staff throughout the entire project from meetings to discuss methodology, survey design, and substance to presentation and analysis of the results. The kick-off meetings provided FM3 and the cities' teams an opportunity to discuss detailed timelines and agree upon deliverables. With this understanding in hand and the all inclusive budget previously approved through the proposal process, FM3 began drafting each survey and provided a questionnaire for review and feedback from City staff. FM3 and each city's staff worked collaboratively in developing the survey and went through several iterations before finalizing the research instrument. Upon final review and approval by each city's staff, FM3 first pre-tested the survey questionnaire, translated the survey in the case of Fremont, and then commenced with telephone interviews. FM3 subsequently provided each city a full analysis and presentation of results via PowerPoint. The cities' staff reviewed initial report drafts prior to finalizing all documents. The work was completed on time and on budget.

References Information for projects discussed above:

Christine Groves
Senior Management Analyst
City of Rancho Santa Margarita
22112 El Paseo
Rancho Santa Margarita, CA 92688
949-635-1800 Ext.6308
cgroves@cityofrsm.org

Nadine Nader
Assistant to the City Manager/City Clerk
City of Fremont
3300 Capitol Ave, Bldg A
Fremont CA 94538
510.284.4063
nnader@fremont.gov

In 2008, the City of La Cañada Flintridge commissioned a trash hauling residential customer opinion survey to determine their opinions and attitudes towards the services their respective hauler provides. Unlike a majority of cities in Southern California, La Cañada Flintridge has individual contracts with two waste hauling services -- Allied Waste Industries and Athens Services. FM3 worked directly with a subcommittee of public works staff, Council members and the waste haulers' representatives to develop a survey and administer it to their customers. FM3 signed a confidentiality agreement with the City to protect the names and information of City residents. The waste haulers then provided customer lists, including names of the residents who receive the waste hauling bill, telephone numbers, addresses, the type of service they receive, day of collection, and whether the individual received a senior's rate. FM3 randomized both samples and ensured that the percentage of interviews from each list matched the distribution of the population by service provider. Once the subcommittee approved the final survey draft, FM3 conducted the interviews between September 16th to 24th, 2008. The margin of error for the full sample is plus or minus 5.7 percent. The results indicated that, in spite of the fact that about one in every four customers experienced a service and/or billing problem, the vast majority of respondents were happy with their waste hauler, and just slightly over half of all respondents preferred to continue the unique practice of having two waste haulers in the city from which to choose. The reference for the La Cañada Flintridge project is listed below.

Mark R. Alexander
City Manager
City of La Cañada Flintridge
1327 Foothill Blvd.
La Canada Flintridge, CA 91011
818-790-8800
malexander@lcf.ca.gov

The following are references from other research mentioned in The Firm Background section of this RFP (Part 2: Relevant Experience).

Antelope Valley-Acton Water Issue Survey

TJ Kim, Civil Engineer
Los Angeles County Department of Public Works, Waterworks Division
P.O. Box 1460
Alhambra, CA, 91802-1402
626-300-3327
tjkim@dpw.lacounty.gov

Los Angeles County Metropolitan Transportation Authority (Metro) Internet Trip Planner Focus Groups

Jeff Boberg
Transportation Planning Manager
Los Angeles County Metropolitan Transportation Authority (Metro)
One Gateway Plaza
Los Angeles, CA 90012
213-922-7659
Bobergj@metro.net

F. JOINT VENTURE

As mentioned when describing our FM3 team, we propose to subcontract for telephone interviewing and recruitment and holding the focus groups. Please refer to Section A, Part 3 for the FM3 team for the names and bios of subcontractors.

G. CONFLICT OF INTEREST

FM3 does not have any conflicts of interest that would prevent us from conducting this research on behalf of IRWD.

H. INSURANCE

If awarded this project, FM3 will be able to comply immediately with all insurance requirements listed in the RFP.

I. CONTRACT

FM3 does not request any modifications to the standard terms and conditions of the Professional Services Agreement provided in the RFP.

January 14, 2013 
Prepared by: S. Mays/F. Sanchez 
Submitted by: G. Heiertz 
Approved by: Paul Cook 

ACTION CALENDAR

SINGLE-FAMILY RESIDENTIAL DIRECT INSTALL PROGRAM CONSULTANT SELECTION AND FUNDING AUTHORIZATION

SUMMARY:

The Single-Family Residential Stealth Toilet Direct Install Program will use the services of a contractor to install 500 Niagara Stealth (0.8 gallons per flush) Toilets in single-family residences. The program is targeted at replacing old, inefficient toilets, showerheads, and faucet aerators with high-efficiency toilets, low flow showerheads, and low flow faucet aerators. IRWD will target customers with homes constructed pre-1994 with 3.5 gpf toilets or higher. Staff recommends that the Board authorize the General Manager to execute an agreement with Southwest Environmental for up to \$265,000 to perform the direct installation services for 500 Niagara Stealth Toilets, and that the Board authorize an increase in the amount of \$265,000 to the FY 2012-13 Operating Budget funded from over-allocation revenues.

BACKGROUND:

The direct installation program stems from the successful University of California, Irvine (UCI) student housing retrofit pilot project. Staff has 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 Residential End Use Study showed that approximately 25% of homes in IRWD service area do not have 1.6 gallon per flush toilets, indicating there is still significant water savings potential from toilet retrofits. IRWD was awarded funding in the amount of \$50 per toilet for up to 500 toilets, for a total of \$25,000 from the Metropolitan Water District of Southern California (MWD) member agency incentive program for this project.

Consultant Selection:

A Request for Proposal was issued in October 2012 to 10 firms to administer and implement the Single-Family Residential Stealth Toilet Direct Install 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 recommends the selection of Southwest Environmental based on its overall project understanding, approach, experience, schedule and fixed unit cost fees. The selected consultant will be working directly with and in the homes of IRWD's residential customers, so excellent customer service and overall program approach are critical to the success of the program. Southwest has significant experience as a firm, and its proposal demonstrated a thorough understanding of the requirements with a proposed team of individuals experienced with implementing similar projects, strong commitment and emphasis on customer service, as well as adherence to prevailing wage requirements for the project.

Action Calendar: Single-Family Residential Direct Install Program Consultant Selection and Funding Authorization

January 14, 2013

Page 2

The bid from Sustainable Solutions did not conform to published prevailing wage labor costs, based on the job title, and therefore was ranked lowest for total cost since it did not meet the stated RFP requirements. AmGreen submitted a marked-up sample contract and failed to provide a proposal with details on the program approach as requested in the RFP; therefore, it was deemed non-responsive to the requirements of the RFP. ConServ Inc.'s proposal lacked significant detail of the program approach, did not offer the same priority on customer service as Southwest, and all three references were for implementing irrigation controller installation programs, not plumbing installation programs. Bottom Line Utility Solutions' proposal and approach were not as thorough as Southwest's and was at a higher cost. The consultant selection matrix is attached as Exhibit "A".

The project is expected to result in 500 retrofits of single-family fixtures, at a cost not to exceed \$265,000. IRWD will only pay for completed retrofits based on the fixed unit cost schedule. The water savings are estimated at 16,500 gallons per year savings per 3.5 gpf toilet replaced. The total project savings for 500 retrofits equates to 380 AF over the 15-year lifetime of the toilets. The estimated cost for this project is \$265,000, depending on the mix of two or one fixture homes, with \$25,000 reimbursable from MWD. Staff estimates that the majority of the installs will be two toilets per home rather than one. IRWD's net cost is estimated at \$240,000 which is 50% of the project's lifetime total avoided cost of \$483,000. This project was not included in the FY 2012-13 Operating Budget, and was developed based on the success of the UCI project implemented earlier this year. Because the project is cost-effective for IRWD, staff recommends that the FY 2012-13 Operating Budget be increased by \$265,000 and be funded from over-allocation revenues. The full \$265,000 cost for the project must be funded by IRWD, although IRWD will receive a later reimbursement from MWD for \$25,000 of the project cost.

FISCAL IMPACTS:

The FY 2012-13 Operating Budget would be increased to add \$265,000 for the Single-Family Residential Direct Install Program to be funded from unallocated conservation revenues. \$25,000 will be reimbursed to IRWD by the MWD.

ENVIRONMENTAL COMPLIANCE:

Not required.

COMMITTEE STATUS:

The item was reviewed by the Water Resources Policy and Committee on January 9, 2013.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE AN AGREEMENT WITH SOUTHWEST ENVIRONMENTAL FOR THE SINGLE-FAMILY RESIDENTIAL STEALTH TOILET DIRECT INSTALL PROGRAM FOR AN AMOUNT NOT TO EXCEED \$265,000, AND AUTHORIZE AN INCREASE OF \$265,000 TO THE FY 2012-13 OPERATING BUDGET FUNDED FROM OVER-ALLOCATION REVENUES.

LIST OF EXHIBITS:

Exhibit "A" – Consultant Selection Matrix

EXHIBIT A

Single Family Toilet Direct Install Program Bid Summary

	Weighting	AmGreen Solutions	Sustainable Solutions	Southwest Environmental	ConServ Inc.	Bottom Line Utility Solutions
Adherence to requirements of RFP	10%	1	2	5	4	4
Depth of experience and relevance	20%	2	3	5	3	3
Proposers understanding of required services	20%	1	4	5	3	4
Approach and methodology	15%	1	4	5	3	3
Proposed timeline for completion	15%	2	4	4	4	3
Total Cost	20%	5	1	3	4	2
Overall Weighted Ranking (1 = Low, 5 = High)		2.2	2.9	4.5	3.5	3.1

Item	AmGreen Solutions	Sustainable Solutions	Southwest Environmental	ConServ Inc.	Bottom Line Utility Solutions
2 Toilet Niagara Stealth Tank and Elongated bowl 0.8gpf	\$220.00	\$290.00	\$290.00	\$315.54	\$390.60
2 Seats	\$16.00	\$18.00	\$37.00	\$18.00	\$36.16
2 Showerheads	\$10.00	\$30.00	\$11.00	\$18.00	\$19.96
2 Bathroom Faucet Aerators	\$4.00	\$5.00	\$3.50	\$1.80	\$13.26
Labor	\$92.85	\$74.00	\$134.79	\$123.80	\$111.42
Recycling of old toilets	\$10.00	\$16.00	\$18.00	\$15.80	\$10.00
Admin cost	\$100.00	\$4.00	\$50.00	\$3.33	\$8.00
Total Unit Cost Per Two Toilet Home Installation	\$452.85	\$437.00	\$544.29	\$496.27	\$589.40
1 Toilet Niagara Stealth Tank and Elongated bowl 0.8gpf	\$110.00	\$145.00	\$145.00	\$157.77	\$199.30
1 Seat	\$8.00	\$9.00	\$18.50	\$9.00	\$18.08
1 Showerhead	\$5.00	\$15.00	\$5.50	\$9.00	\$9.98
1 Bathroom Faucet Aerator	\$2.00	\$2.50	\$1.75	\$0.90	\$6.63
Labor	\$61.90	\$74.00	\$80.88	\$61.90	\$74.28
Recycling of old toilet	\$5.00	\$8.00	\$9.00	\$7.90	\$5.00
Admin cost	\$100.00	\$4.00	\$50.00	\$3.33	\$8.00
Total Unit Cost Per One Toilet Home Installation	\$291.90	\$257.50	\$310.63	\$249.80	\$321.27

Pricing includes all program administration, product installation, disposal of old fixtures, taxes and fees.

January 14, 2013

Prepared by: Christopher Smithson

Submitted by: Cheryl Clary

Approved by: Paul Cook



ACTION CALENDAR

MODIFICATION OF IMPROVEMENT DISTRICTS IN HERITAGE FIELDS

SUMMARY:

A portion of the land owned by Lennar Heritage Fields, LLC (Lennar), the developer for the Great Park neighborhoods/Heritage Fields, is included in both Improvement Districts (IDs) 112/212 and in IDs 105/250. Staff has discussed with the developer the de-annexation of this land (hereafter referred to as "Planning Area Great Park Neighborhood 2 or PA-GPN2") from either IDs 112/212 or from IDs 105/250. Lennar has requested in a letter included as Exhibit "A" to de-annex the parcel identified in Exhibit "B" from IDs 105/250 and to remain in IDs 112/212. Accordingly, staff recommends that the Board approve the de-annexation of PA-GPN2 from IDs 105/250 and adopt a resolution to accomplish these actions.

BACKGROUND:

When IRWD formed IDs 112/212, one small area in the northwest corner (Exhibit "B") had previously been attached to IDs 105/250. This resulted in the area being included in both IDs 112/212 ("the 12s") and 105/250 ("the 50s"); this land was also taxed by both the 12s and the 50s. Staff has worked with Lennar to identify the effects of choosing to keep this land in IDs 112/212 or for it to remain in IDs 105/250. The review of these alternatives considered the connection fee to be established in the 12s and a modified connection fee in the 50s that would include the 50s base connection fee plus a factor for buying into existing facilities and associated tax rates in all identified IDs. Lennar has provided the District with a letter, which is included as Exhibit "A", choosing to detach the identified parcel from the 50s and remain in the 12s.

De-annexing PA-GPN2 from IDs 105/250:

The process for de-annexing land from an improvement district is different when several landowners are involved. An area that has several owners would require a notice and hearing for the de-annexation process to be completed. In the case of a single owner, a letter that provides signed consent to the detachment is sufficient for the IRWD Board of Directors to take action. The documentation required for the de-annexation must be submitted to the County by December 1, 2012 to ensure that the property will be excluded from the new tax roll. Since this deadline was not met, staff will work with the County to adjust the additional taxes assessed on this parcel.

Lennar provided an executed letter that was prepared by the District staff and legal counsel. Based on Lennar's requested action, staff recommends this parcel be de-annexed from IDs 105/250. Lennar's letter provides the District with signed consent to the above referenced detachments, subject to the following terms and conditions:

- After the date of detachment, the property shall be relieved of liability for debt service on all currently outstanding and future bonds issued on behalf of IDs 105/250, to the extent

permitted by law. The property shall remain within IDs 112/212 and shall remain liable for debt service on all currently outstanding and future bonds issued on behalf of IDs 112/212;

- The property is or shall be within an IRWD planning area to be designated “Planning Area No. GPN2” for purposes of the payment of connection fees, and the applicable amounts will equal the connection fees for IDs 112/212 and such additional amounts as may be established by the Board of Directors and then in effect within the Planning Area, for IDs 112/212 facilities and works in existence; and
- The District shall pay the costs incurred by the District in accomplishing the detachment, including legal, engineering and administrative costs and all processing fees of the County of Orange and/or the State Board of Equalization.

Staff recommends that the Board approve the de-annexation resolution for PA-GPN2 from IDs 105/250, included as Exhibit “C”.

FISCAL IMPACTS:

Fiscal impacts of future development areas are consistent with modeling used to establish connection fees in IDs 112/212.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Finance and Personnel Committee on January 10, 2013.

RECOMMENDATION:

THAT THE BOARD APPROVE THE DE-ANNEXATION FROM IMPROVEMENT DISTRICTS 105/250 AND ADOPT A RESOLUTION BY THE FOLLOWING TITLE:

RESOLUTION NO. 2013-___

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE IRVINE RANCH WATER DISTRICT ORDERING
THE DETACHMENT OF SPECIFIED TERRITORY
FROM IMPROVEMENT DISTRICT NOS. 105 AND 250

LIST OF EXHIBITS:

Exhibit “A” – Letter from Lennar Heritage Fields, LLC

Exhibit “B” – Map of Parcel to Detach

Exhibit “C” – Draft Resolution for Detaching Area from IDs 105/250

Exhibit "A"



Heritage Fields El Toro, LLC, dba Great Park Neighborhoods

25 Enterprise, Suite 400, Aliso Viejo, CA 92656
Phone (949) 349-1000 Fax (949) 349-1075

December 20, 2012

Board of Directors
Irvine Ranch Water District
P.O. Box 57000
Irvine, California 92619-7000

Attention: Leslie Bonkowski, Secretary

Re: Detachment No. 6 from Improvement District No. 105
Detachment No. 8 from Improvement District No. 250

Dear Members of the Board:

The undersigned represents to the Irvine Ranch Water District ("IRWD") that it is the owner of the property shown in the attached legal description and map (the "Property") and does hereby give signed consent to the above-referenced detachments as outlined on such legal description and map, subject to the following terms and conditions:

(a) From and after the date of detachment, the Property shall be relieved of liability for debt service on all currently outstanding and future bonds issued on behalf of Improvement District Nos. 105 and 250, to the extent permitted by law. The Property shall remain within Improvement District Nos. 112 and 212 and shall remain liable for debt service on all currently outstanding and future bonds issued on behalf of Improvement District Nos. 112 and 212.

(b) IRWD shall pay the costs incurred by IRWD in accomplishing the detachment, including legal, engineering and administrative costs, and all processing fees of the County of Orange and/or the State Board of Equalization.

Encls.

**HERITAGE FIELDS EL TORO, LLC,
a Delaware limited liability company**

**By: Heritage Fields El Toro Sole Member LLC,
a Delaware limited liability company
Its: Sole Member**

**By: Heritage Fields LLC,
a Delaware limited liability company
Its: Sole Member**

**By: Lennar Heritage Fields, LLC,
a California limited liability company
Its: Administrative Member**

**By: Lennar Homes of California, Inc.,
a California corporation
Its: Sole Member**

By: 

Print Name: ERIK R. HIGGINS

Print Title: VICE PRESIDENT

Date: _____

DATA TABLE

① S 49°42'24" E 627.32'	⑩ N 56°44'03" E 525.88'
② N 40°36'34" E 41.79'	⑪ S 86°28'53" E 94.96'
③ N 89°45'26" E 48.20'	⑫ S 53°35'59" E 512.75'
④ N 50°17'46" E 100.00'	⑬ S 40°59'03" E 151.31'
⑤ N 40°17'48" E 351.20'	⑭ S 49°30'34" E 690.54'
⑥ N 47°19'49" E 45.20'	⑮ S 40°34'50" W 53.16'
⑦ N 78°05'27" E 91.30'	⑯ S 49°09'47" E 20.02'
⑧ S 71°34'22" E 134.50'	⑰ S 49°21'08" E 30.00'
⑨ N 80°10'22" E 127.13'	⑱ S 40°38'43" W 530.00'

LEGEND & BOUNDARY ESTABLISHMENT

- 580-083-04 ASSESSOR'S PARCEL NO.
- DETACHMENT PARCEL BOUNDARY
- BOUNDARY OF I.D. 105 PER IRWD RES. 1974-5, O.R. 11143/1806
- BOUNDARY OF I.D. 112 PER IRWD RES. 2008-25, INST. NO. 2008000292556

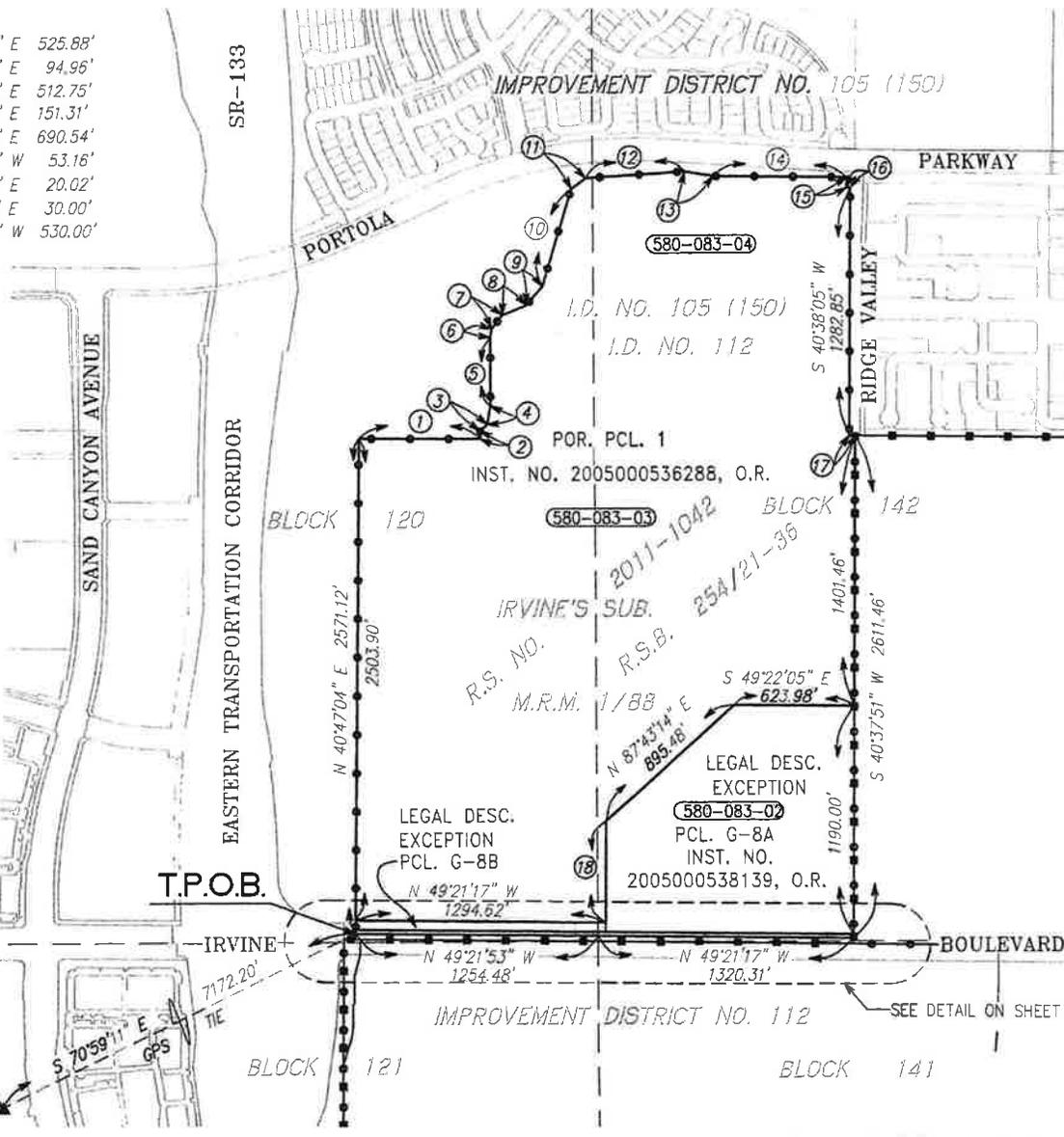
DETACHMENT AREA = 173.428 AC.±

DATUM STATEMENT

COORDINATES SHOWN HEREON ARE BASED UPON THE CALIFORNIA COORDINATE SYSTEM (CCS83), ZONE VI, 1983 NAD (1991.35 EPOCH O.C.S. ADJUSTMENT). DISTANCES SHOWN HEREON ARE GROUND DISTANCES UNLESS OTHERWISE NOTED. TO OBTAIN GRID DISTANCE, MULTIPLY GROUND DISTANCE BY 0.99996336.

P.O.C.

GPS STA. NO. 6621
N 2202359.880
E 6103517.947



SCALE: 1" = 600'

THIS PROPOSAL WAS PREPARED BY ME OR UNDER MY SUPERVISION.
Greg Borchard 11/14/12
GREGORY S. BORCHARD, DATE
L.S. 7705
MY LICENSE EXPIRES: 12/31/12



THIS PROPOSAL DOES MEET THE APPROVAL OF THE ORANGE COUNTY SURVEYOR'S OFFICE.

DATED THIS _____ DAY OF _____ 2012

KEVIN R. HILLS, L.S. 6617
COUNTY SURVEYOR
MY LICENSE EXPIRES: 12/31/13

EXHIBIT "B"

DETACHMENT NO. 6 FROM IMPROVEMENT DISTRICT NO. 105

SHEET 1 OF 2 SHEETS

BORCHARD SURVEYING AND MAPPING

815 CALLE PUENTE, SAN CLEMENTE, CA. 92672

OCTOBER 29, 2012

B-1

Exhibit "B"

DATA TABLE

① S 49°42'24" E 627.32'	⑩ N 56°44'03" E 525.88'
② N 40°36'34" E 41.79'	⑪ S 86°28'53" E 94.96'
③ N 89°45'26" E 48.20'	⑫ S 53°35'59" E 512.75'
④ N 50°17'46" E 100.00'	⑬ S 40°59'03" E 151.31'
⑤ N 40°17'48" E 351.20'	⑭ S 49°30'34" E 690.54'
⑥ N 47°19'49" E 45.20'	⑮ S 40°34'50" W 53.16'
⑦ N 78°06'27" E 91.30'	⑯ S 49°09'47" E 20.02'
⑧ S 71°34'22" E 134.50'	⑰ S 49°21'08" E 30.00'
⑨ N 80°10'22" E 127.13'	⑱ S 40°38'43" W 530.00'

LEGEND & BOUNDARY ESTABLISHMENT

- 580-083-04 ASSESSOR'S PARCEL NO.
- DETACHMENT PARCEL BOUNDARY
- BOUNDARY OF I.D. 250 PER IRWD RES. 1978-54 O.R. 12865/1797
- BOUNDARY OF I.D. 212 PER IRWD RES. 2008-26, INST. NO. 2008000292557

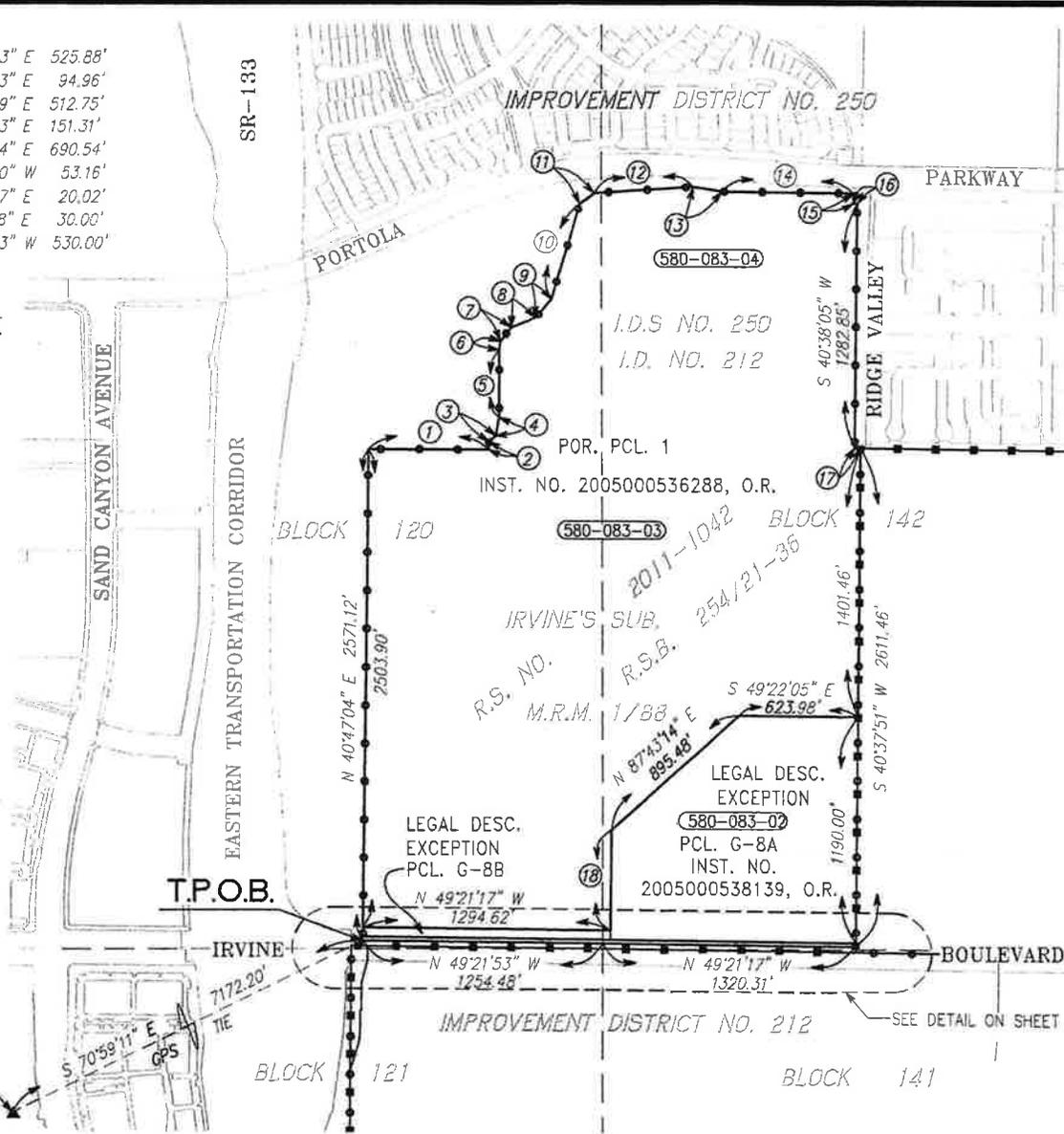
DETACHMENT AREA = 173.428 AC.±

DATUM STATEMENT

COORDINATES SHOWN HEREON ARE BASED UPON THE CALIFORNIA COORDINATE SYSTEM (CCS83), ZONE VI, 1983 NAD (1991.35 EPOCH O.C.S. ADJUSTMENT). DISTANCES SHOWN HEREON ARE GROUND DISTANCES UNLESS OTHERWISE NOTED. TO OBTAIN GRID DISTANCE, MULTIPLY GROUND DISTANCE BY 0.999996336.

B-3

P.O.C.
GPS STA. NO. 6621
N 2202359.880
E 6103517.947



SCALE: 1" = 600'

THIS PROPOSAL WAS PREPARED BY ME OR UNDER MY SUPERVISION.
Greg Borchard 11/14/12
GREGORY S. BORCHARD, DATE
L.S. 7705
MY LICENSE EXPIRES: 12/31/12



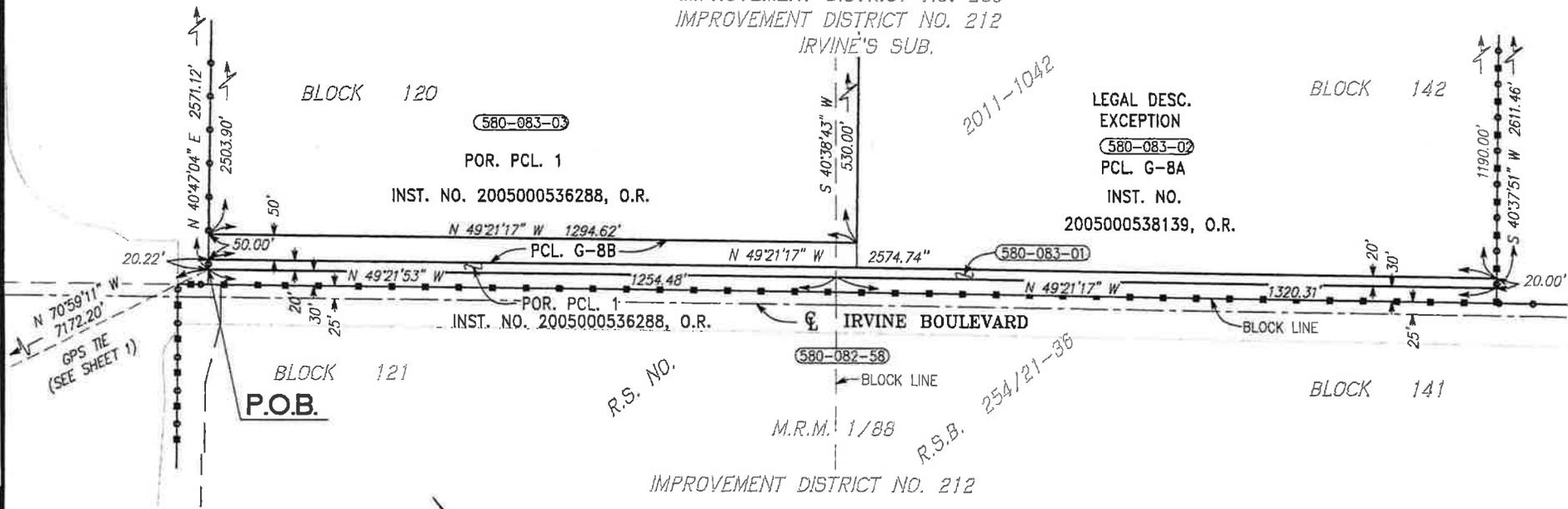
THIS PROPOSAL DOES MEET THE APPROVAL OF THE ORANGE COUNTY SURVEYOR'S OFFICE.
DATED THIS ____ DAY OF ____ 2012

KEVIN R. HILLS, L.S. 6617
COUNTY SURVEYOR
MY LICENSE EXPIRES: 12/31/13

EXHIBIT "B"
DETACHMENT NO. 8 FROM
IMPROVEMENT DISTRICT NO. 250
SHEET 1 OF 2 SHEETS
BORCHARD SURVEYING AND
MAPPING
615 CALLE PUENTE, SAN CLEMENTE, CA. 92672
OCTOBER 29, 2012

B-4

IMPROVEMENT DISTRICT NO. 250
IMPROVEMENT DISTRICT NO. 212
IRVINE'S SUB.



DETAIL

EXHIBIT "B"
 DETACHMENT NO. 8 FROM
 IMPROVEMENT DISTRICT NO. 250
 SHEET 2 OF 2 SHEETS
 BORCHARD SURVEYING AND
 MAPPING
 815 CALLE PUENTE, SAN CLEMENTE, CA. 92672
 OCTOBER 29, 2012

EXHIBIT “C”

RESOLUTION NO. 2013-___

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH WATER DISTRICT ORDERING THE DETACHMENT OF SPECIFIED TERRITORY FROM IMPROVEMENT DISTRICT NOS. 105 AND 250

WHEREAS the Irvine Ranch Water District (“IRWD”) established Improvement District No. 105 of IRWD for the purpose of acquiring and constructing works and facilities to provide water service for the benefit of the lands within such improvement district and established Improvement District No. 250 of IRWD for the purpose of acquiring and constructing works and facilities to provide wastewater service for the benefit of the lands within such improvement districts; and

WHEREAS, the land described in Exhibit “A” and depicted in Exhibit “B,” which exhibits are attached hereto and by this reference incorporated herein (collectively, the “Property”), is included within the boundaries of Improvement District Nos. 105 and 250; and

WHEREAS, the Property is also included within the boundaries of Improvement District Nos. 112 and 212; and

WHEREAS, Heritage Fields El Toro LLC, as the owner of all of the Property, has requested that the Property be detached from Improvement District Nos. 105 and 250 and desires to obtain water and wastewater services from IRWD by means of the water and sewer works and facilities of IRWD acquired and constructed through Improvement District Nos. 112 and 212; and

WHEREAS, it is the opinion of the Board of Directors of IRWD that the below-designated detachments of the Property should be ordered upon the terms and conditions set forth herein, and Heritage Fields El Toro LLC, as the owner of the Property, has consented in writing to such terms and conditions;

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

Section 1. Pursuant to Section 36446 of the Water Code, written consent to the terms and conditions of the subject detachments has been given by all owners of the Property, and such consent is attached hereto as Exhibit “A” and by this reference incorporated herein.

Section 2. The Board of Directors hereby orders the detachment of the Property, from Improvement District Nos. 105 and 250. The foregoing detachments are designated as follows:

DETACHMENT NO. 6 FROM IMPROVEMENT DISTRICT NO. 105
DETACHMENT NO. 8 FROM IMPROVEMENT DISTRICT NO. 250

Section 3. The detachments are ordered subject to the following terms and conditions:

(a) From and after the date of detachments, the Property shall be relieved of liability for debt service on all currently outstanding and future bonds issued on behalf of Improvement District Nos. 105 and 250, to the extent permitted by law. The Property shall remain within Improvement District Nos. 112 and 212 and shall remain liable for debt service on all currently outstanding and future bonds issued on behalf of Improvement District Nos. 112 and 212.

(b) IRWD shall pay the costs incurred by IRWD in accomplishing the detachment, including legal, engineering and administrative costs and all processing fees of the County of Orange and/or the State Board of Equalization.

Section 4. The levy of assessments on the Property for carrying out any purpose of Improvement District Nos. 105 and 250, including the payment of principal of and interest on any bonds or warrants of such Improvement Districts outstanding, shall be discontinued to the extent permitted by law.

Section 5. The Secretary is hereby directed to file a certified copy hereof with the Auditor of the County of Orange, the Assessor of the County of Orange and the Board of Equalization of the State of California. Each filing shall be accompanied by the statement on the Board of Equalization's form, maps or plats and any other documents as may be required by Section 54902 of the California Government Code.

ADOPTED, SIGNED AND APPROVED this ____ day of _____, 2013.

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

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

APPROVED AS TO FORM:

BOWIE, ARNESON,
WILES & GIANNONE
Legal Counsel - IRWD

By _____
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