

AGENDA

IRVINE RANCH WATER DISTRICT BOARD OF DIRECTORS REGULAR MEETING

October 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 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.

PRESENTATION

3. POSTER CONTEST WINNER

A presentation will be made to a local student whose water awareness poster was selected for honors in 2013 by the Metropolitan Water District of Southern California. This evening, IRWD will present the student with his framed artwork.

CONSENT CALENDAR

Resolution No. 2013-37

Items 4-9

4. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the September 23, 2013 Regular Board meeting be approved as presented.

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

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

6. 2013 STATE LEGISLATIVE UPDATE

Recommendation: That the Board authorize staff to continue to work with IRWD's industry and association partners on AB 1330 (Pérez) to seek removal of Section 15 from the bill.

7. SAN JOAQUIN MARSH OUTLET VALVE REPLACEMENT PROJECT FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the San Joaquin Marsh Outlet Valve Replacement, project 10835 (1853); authorize the General Manager to file a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

8. PARTICIPATION IN MUNICIPAL WATER DISTRICT OF ORANGE COUNTY TURF REMOVAL PROGRAM

Recommendation: That the Board authorize an increase to the Operating Budget of \$150,000 from over-allocation funds for FY 2013-14 to provide funding for the Member Agency-funded MWDOC Turf Removal program.

9. FIRST AMENDMENT TO AGREEMENT FOR PARTICIPATION IN SPECIFIED MUNICIPAL WATER DISTRICT OF ORANGE COUNTY REBATE PROGRAMS

Recommendation: That the Board authorize the General Manager to execute the First Amendment to the District's agreement with the Municipal Water District of Orange County, subject to non-substantive changes, for participation and co-funding by Irvine Ranch Water District in specified Municipal Water District of Orange County Rebate Programs, for cost-effective tactical incentive water use efficiency measures.

ACTION CALENDAR

10. RESOLUTION OF INTENT TO ANNEX AREAS TO PROVIDE FOR THE CONSOLIDATION OF IMPROVEMENT DISTRICTS INTO DEVELOPED IDS 125/225

Recommendation: That the Board adopt a resolution declaring its intention to detach specific territory from and/or to annex specific territory to each of Improvement Districts Nos. 102, 105, 106, 121, 130, 140, 161, 182, 184, 186, 2(202), 206, 221, 230, 235, 250, 261, 282, 284, and 286.

Reso. No. 2013-

11. RECYCLED WATER USE SITE INSPECTION AND TESTING

Recommendation: That the Board authorize the General Manager to execute a Professional Services Agreement with Real Green Inc. in an amount not to exceed \$500,000 over a 12-month period to provide field inspectors to assist staff with performing inspection and testing of recycled water use sites.

12. ORANGE COUNTY WATER DISTRICT ANNEXATION AGREEMENT

Recommendation: That the Board adopt the "Final Program/Project Environmental Impact Report Orange County Water District Annexation Request by the City of Anaheim, Irvine Ranch Water District, and Yorba Linda Water District" as a responsible agency under CEQA and direct staff to file a Notice of Determination, and authorize the President and General Manager to execute the "Annexation Agreement between Orange County Water District and Irvine Ranch Water District regarding annexation to Orange County Water District".

OTHER BUSINESS

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

OTHER BUSINESS - Continued

13. A. General Manager's Report

B. Directors' Comments

C. Adjourn. President Reinhart will adjourn the meeting to Friday, October 18, 2013 at 11:30 a.m. in the Multi-purpose Room to hold a Strategic Planning Workshop.

* * * * *

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.

October 14, 2013
Prepared and
Submitted by: L. Bonkowski
Approved by: P. Cook

JB

/s/ P. Cook

CONSENT CALENDAR

MINUTES OF REGULAR BOARD MEETING

SUMMARY:

Provided are the minutes of the September 23, 2013 Regular Board Meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE SEPTEMBER 23, 2013 REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – Minutes – September 23, 2013

EXHIBIT "A"

MINUTES OF REGULAR MEETING – SEPTEMBER 23, 2013

The regular meeting of the Board of Directors of the Irvine Ranch Water District (IRWD) was called to order at 5:00 p.m. by President Reinhart on September 23, 2013 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Swan, Matheis, LaMar and Reinhart

Directors Absent: Withers

Also Present: General Manager Cook, Executive Director of Finance Clary, Executive Director of Engineering Burton, Executive Director of Operations Sheilds, Executive Director of Water Policy Heiertz, Director of Water Resources Weghorst, Director of Human Resources Roney, Legal Counsel Arneson, Secretary Bonkowski, Mr. Malcolm Cortez, Mr. Alex Aguilar, Ms. Shannon Reed, Mr. Joe McGehee, Mr. Dave Ferguson, Mr. Ian Swift, Mr. Steve Malloy, Ms. Gretchen Maswadeh, Mr. Mike Bray, Ms. Christine Compton, Mr. Mike Hoolihan, Ms. Debbie Kanoff, Mr. Jim Reed, Mr. Bruce Newell, Mr. Jim Cathcart, Mr. Dean Kirk, Mr. Sat Tamaribuchi, and other members of the public and staff.

WRITTEN COMMUNICATION: None.

ORAL COMMUNICATION

Mrs. Joan Irvine Smith's assistant addressed the Board of Directors with respect to the Dyer Road wellfield. She said it was her understanding that currently wells 1, 4, 5, 6, 7, C-8, C-9, 10, 12, 13, 14, 15, 17 and 18 will operate in accordance with the District's annual pumping plan. Wells 2, 3, 11 and 16 will be off. This was confirmed by Mr. Cook, General Manager of the District.

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

With respect to the Groundwater Emergency Service Plan, IRWD has an agreement in place with various south Orange County water agencies, MWDOC and OCWD, to produce additional

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

ITEMS RECEIVED TOO LATE TO BE AGENDIZED - None.

WORKSHOPS

BAKER WATER TREATMENT PLANT UPDATE

Using a PowerPoint presentation, Mr. Rich Mori provided an overview of the Baker Water Treatment Plant. He reviewed the project objectives, capacity subscriptions by agency, multi-agency collaboration by Project Committee members, the advanced treatment process, project site photos and facility sketch, cost evolution summary, cost of water projections, ongoing activities, construction management team, and project schedule. Following discussion relative to potential intrusion of mussels and other larvae into the treatment facility, Director Swan asked that a contingency plan be implemented to treat the Quagga Mussel problem and other larvae transported from the Santiago pipeline.

LONG-TERM FINANCING PLAN CONSOLIDATION OF IMPROVEMENT DISTRICTS – PLAN OF WORKS

Using a PowerPoint presentation, Mr. Christopher Smithson reviewed the Long-Term Capital Funding Plan. He said that the master improvement district (ID) consolidation district establishes an end-game for the development model; one developed water and sewer ID, five development water and sewer IDs, and a sound nexus between benefit and funding. Mr. Smithson reviewed the objectives of the Plan of Works (POW) which updates the 1978 document and identifies water and sewer infrastructure needed to meet future demands and who benefits from proposed facilities, allocates the cost of funding new facilities, and provides the basis for voter authorization to issue general obligation bonds. He then reviewed the benefits of the consolidation and reviewed the next steps of the process, including an October Board meeting to declare the intent to annex and detach parcels as well as with two Public Hearings in late October and early November.

Director Swan said that the District has been working with modeling for approximately nine years and believes this approach reflects an equitable transaction. Director LaMar commended staff for all of their efforts and was also appreciative of the land developers for their participation in the working group effort.

CONSENT CALENDAR

In response to Director Swan's comment for staff to revisit No. 7, Strategic Measures Dashboard, with the Board, Mr. Cook said that staff is in the process of agendaizing it at a future Strategic Planning Workshop. There being no further comments, on MOTION by LaMar, seconded and unanimously carried, CONSENT CALENDAR ITEMS 5 THROUGH 12 WERE APPROVED AS PRESENTED.

5. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the September 9, 2013 Regular Board meeting be approved as presented.

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

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

7. STRATEGIC MEASURES DASHBOARD

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

8. AUGUST 2013 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report, the Monthly Interest Rate Swap Summary for August 2013, and Disclosure Report of Reimbursements to Board members and staff; approve the August 2013 Summary of Payroll ACH payments in the total amount of \$1,457,706 and approve the August 2013 accounts payable Disbursement Summary of warrants 341266 through 342225, Workers' Compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$13,773,716.

9. MICHELSON WATER RECYCLING PLANT ELECTRICAL VAULT MH-E6B REPLACEMENT FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Michelson Water Recycling Plant Electrical Vault Replacement MH-E6B, project 20214 (1599); authorize the General Manager to file a Notice of Completion; and authorize the release of the retention 35 days after the date of recording the Notice of Completion.

CONSENT CALENDAR (CONTINUED)

10. QUITCLAIM OF REAL PROPERTY, IRVINE COMMUNITY DEVELOPMENT COMPANY, LLC, WATER AND SEWER PIPELINE EASEMENTS PER TRACT NO. 17004 AND INST. 2008000276110, O.R., ORCHARD HILLS

Recommendation: That the Board adopt the following resolution approving the Quitclaim Deed to Irvine Community Development Company, LLC.

RESOLUTION NO. 2013 - 34

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

11. QUITCLAIM OF REAL PROPERTY, IRVINE COMMUNITY DEVELOPMENT COMPANY, LLC, WATER AND SEWER PIPELINE EASEMENTS PER TRACT NO. 17420, CYPRUS VILLAGE

Recommendation: That the Board adopt the following resolution by title approving the Quitclaim Deed to Irvine Community Development Company, LLC.

RESOLUTION NO. 2013 - 35

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

12. QUITCLAIM OF REAL PROPERTY, SHEA BAKER RANCH ASSOCIATES, LLC, WATER AND SEWER PIPELINE EASEMENT PER INST. 93-0527509, O.R., BAKER RANCH

Recommendation: That the Board adopt the following resolution by title approving the Quitclaim Deed to Shea/Baker Ranch Associates, LLC.

RESOLUTION NO. 2013 - 36

RESOLUTION OF THE BOARD OF DIRECTORS
OF IRVINE RANCH WATER DISTRICT
APPROVING EXECUTION OF THE QUITCLAIM DEED TO
SHEA/BAKER RANCH ASSOCIATES, LLC

ACTION CALENDAR

2014 MEDICAL INSURANCE COVERAGE RENEWAL

General Manager Cook reported that CalPERS Health Benefits Services has notified participating agencies of premiums for the 2014 contract year which are outlined in the exhibit provided.

Director Swan said considerable discussion was held by the Finance and Personnel Committee on September 3, 2013 and that staff is currently in negotiations with the IRWD employee association. He said he recommends approving this item subject to any necessary adjustments. On MOTION by Swan, seconded and unanimously carried, SUBJECT TO ANY ADJUSTMENTS FOLLOWING NEGOTIATIONS WITH THE EMPLOYEE ASSOCIATION AND CONSULTANT, THE BOARD AUTHORIZED THE CONTINUANCE OF THE DISTRICT'S HEALTH CARE COVERAGE WITH CALPERS FOR CALENDAR YEAR 2014 WITH CHANGES IN EMPLOYEE AND DISTRICT CONTRIBUTION LEVELS AS RECOMMENDED IN TABLE A.

DYER ROAD WELLFIELD WELL NO. 2 REHABILITATION CONSTRUCTION AWARD

General Manager Cook reported that Well No. 2 has not required rehabilitation at any point during its 34-year life and that last year staff conducted a video survey of the well which revealed that the upper and lower sets of perforations were moderately plugged with biological and chemical iron oxide scale. About 36 feet of sediment at the bottom of the well was also observed. The bid opening was held September 5 with bids received from Best Drilling & Pump, Inc. and South West Pump & Drilling, Inc. with Best Drilling & Pump, Inc. as the apparent low bidder with a bid amount of \$249,545.

Following discussion relative to future rehabilitation work on wells, on MOTION by LaMar, seconded and unanimously carried, THE BOARD AUTHORIZED A BUDGET INCREASE IN THE AMOUNT OF \$70,600, FROM \$706,000 TO \$776,600, FOR PROJECT 11693 (4326); APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$344,500 FOR PROJECT 11693 (4326); AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH BEST DRILLING & PUMP, INC. IN THE AMOUNT OF \$249,545 FOR THE REHABILITATION OF DYER ROAD WELLFIELD WELL NO. 2, PROJECT 11693 (4326).

SAN JOAQUIN MARSH CAMPUS MOLD REMEDIATION EXPENDITURE AUTHORIZATION

Executive Director of Engineering Burton reported that in November 2012, the Board authorized the remediation of the caretaker's residence only, and staff was instructed to report back to the Board with the proposed next steps for the remediation of the remainder of the campus. Mr. Burton said that mold remediation of the caretaker's residence was completed in May 2013 by Certified Bio Services (Certified), at a cost of approximately \$65,000, which included converting the building's crawl space to a conditioned space with the installation of a vapor barrier, dehumidifier, extraction fan and a sump pump; removing the mold on the subfloor wood structural members using an abrasive process; sealing subfloor openings to the interior with a

urethane spray; and cleaning of all interior surfaces and personal items. Upon completion of the remediation, Guaranteed performed post-remediation inspection of the completed work and recommended that additional cleaning be performed on a small area of interior wall, with a caveat that the stud area behind the wall may also need to be remediated. Staff had an inspection performed by a second company, Health Science Associates, to confirm the levels of mold. However, since there are no established state or federal standards for mold levels, the results from both companies could not be compared directly. He said that staff ultimately instructed Certified to complete the additional work as recommended. Secondary mold testing results from both inspection companies showed that the mold levels were reduced to below EMRI indexes. At that point, staff determined that assistance was needed from an expert consultant to provide oversight project management for the remainder of the project.

Mr. Burton said that Dr. Maureen Sassoon is a recognized consultant with experience in conducting mold assessments and managing remediation projects for public agencies, and responding to employee or tenant issues and concerns. He said that based on her knowledge of mold remediation guidelines and her independent status, staff intends to enter into a Professional Services Agreement with Dr. Sassoon in the amount of \$20,000 to provide oversight project management, review and provide direction of the recommended remediation, and provide post-remediation occupancy approval.

Mr. Burton said that the remaining buildings to be remediated are the Marsh House, Sea and Sage offices, Sea and Sage Audubon, the Duck Club and restroom facility. He said that staff recommends a phased remediation for each building. Phase 1 will include any needed structural repair, crawl space mold removal, and under-floor urethane seal. Phase 2 will include building interior cleaning activities and Phase 3 will convert the crawl space to a conditioned space using the Clean Space encapsulation system including a vapor barrier, dehumidifier, extraction fan and sump pump.

He said that the estimated costs to remediate the remaining buildings if all three repair phases are required are as follows: Marsh House \$59,800, Sea and Sage offices \$59,000, Sea and Sage Audubon House \$50,000, the Duck Club and restroom facility \$54,500. The total aggregate cost of the remainder of the Campus is \$223,300.

Director Reinhart said that this item was reviewed by the Engineering and Operations Committee on September 10, 2013, and said he had reservations about the mold issue if it is considered a long-term problem as well as a health concern for visitors who spend very limited time in these facilities. He then made a motion to approve the item which was seconded by Director Matheis. Prior to taking a Board vote on this item, Director Swan said he believed hiring a consultant was the right choice and recommended approval of an Expenditure Authorization for \$50,000 at this time for determining mold risk factors and a plan for any necessary mold remediation. He said he specifically would like to know the type of mold, analyze the irrigation system around the buildings to determine if replanting the area with California native plants would be beneficial reducing water usage around the buildings, and determine any structural risks as well as long-term risks. Director Swan said he would like to offer a substitute motion to the pending motion to approve an Expenditure Authorization for \$50,000 and that staff bring back results to the Board. On MOTION by Swan, seconded by Matheis, and unanimously carried, THE BOARD

APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$50,000 FOR THE SAN JOAQUIN MARSH BUILDING CAMPUS MOLD REMEDIATION, PROJECT 11665 (4130) AND DIRECTED STAFF TO PROVIDE A FOLLOW-UP REPORT FROM DR. SASSON TO THE BOARD.

MICHELSON WATER RECYCLING PLANT PHASE 2 EXPANSION AND FLOOD PROTECTION IMPROVEMENTS VARIANCES

Executive Director of Engineering Burton reported that the quarterly report stated the project has two remaining critical paths: (1) construction of the roadways within MWRP and on Riparian View; and (2) testing and start-up of the membrane bioreactors (MBR). The estimated completion of the roadways is December 2, 2013. The estimated completion of the MBR is February 18, 2014. The current contractual completion date is October 31, 2013. Because the new completion date is projected to extend beyond October 31, 2013, variances for HDR and Delta are required.

Mr. Burton said that HDR has been providing construction phase services since the beginning of the project and is requesting additional authorization mainly due to (1) the re-design of the roadways within MWRP and Riparian View; and (2) staffing needs related to testing and start-up of the MBR and related facilities. Variance No. 5 is in the amount of \$770,800. HDR will optimize its staffing so that, if there is down time between testing and start-up, its staff is assigned duties outside of Phase 2.

Mr. Burton said that Delta has been providing SCADA programming and start-up phase services since the start of the project. Delta will provide staff with the remaining testing and start-up requirements. These services include any changes to SCADA programming and troubleshooting programming bugs as they arise. Delta's budget allows for the SCADA programmers to be available to the project as requested by staff, but also allows the flexibility for Delta to assign their programmers to outside projects should there be down time between testing and start-up activities. Variance No. 7 is in the amount of \$247,073.

Director Swan asked to provide a report showing the original contract along with major reasons for these charges when submitting future variances. On MOTION by Reinhart, seconded and unanimously carried, THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 5 IN THE AMOUNT OF \$770,800 WITH HDR ENGINEERING, INC. FOR SUPPLEMENTAL CONSTRUCTION PHASE SERVICES FOR TESTING, START-UP, AND ROAD DESIGN FOR THE MWRP PHASE 2 EXPANSION, PROJECTS 20214 (1599) AND 30214 (1706), AND FLOOD PROTECTION IMPROVEMENTS, PROJECTS 20542 (1150) AND 30542 (1118); AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE VARIANCE NO. 7 IN THE AMOUNT OF \$247,073 WITH DELTA SYSTEMS ENGINEERING FOR SUPPLEMENTAL PHASE SERVICES ASSOCIATED WITH TESTING, START-UP, AND TROUBLESHOOTING FOR THE MWRP PHASE 2 EXPANSION, PROJECTS 20214 (1599) AND 30214 (1706).

PORTOLA ZONE 9 AND MANNING BOOSTER PUMP STATION GENERATOR PROJECT
CONSTRUCTION AWARD

This project will install permanent electrical generators at the Portola Zone 9 and Manning Booster Pump Stations. Both generator installations will include the construction of retaining and screen walls, reinforced concrete generator pads, and all required electrical work. Work at the Manning site will also include the construction of approximately 50 linear feet of 3-inch CML&C steel drain line and two motor operated valves to automate the discharge of off specification water from the Manning Treatment Plant. The project was advertised on July 16, 2013 to a select list of 13 contractors. The bid opening was held September 4, 2013 with Paulus is the apparent low bidder with a bid amount of \$518,353.

On MOTION by Swan, seconded and unanimously carried, THE BOARD AUTHORIZED AN INCREASE TO THE FY 2013-14 CAPITAL BUDGET IN THE AMOUNT OF \$154,000, FROM \$293,700 TO \$447,700, FOR THE PORTOLA ZONE 9 BOOSTER PUMP STATION GENERATOR PROJECT; AUTHORIZE AN INCREASE TO THE FY 2013-14 CAPITAL BUDGET IN THE AMOUNT OF \$5,500, FROM \$311,300 TO \$316,800, FOR THE MANNING BOOSTER PUMP STATION GENERATOR PROJECT; APPROVED EXPENDITURE AUTHORIZATIONS IN THE AMOUNTS OF \$379,500 AND \$316,800 FOR PROJECTS 11667 (4146) AND 11675 (4277) AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH PAULUS ENGINEERING, INC. IN THE AMOUNT OF \$518,353 FOR THE PORTOLA ZONE 9 AND MANNING BOOSTER PUMP STATION GENERATOR, PROJECTS 11667 (4146) AND 11675 (4277).

INITIAL DISINFECTION FACILITY CHLORINE INJECTION LINE REPLACEMENT
CONSTRUCTION AWARD

General Manager Cook reported that the Initial Disinfection Facility (IDF) Chlorine Injection Line Replacement Project will construct a new chlorine injection manhole, modify an existing 16-inch steel water main to deliver water from Wells No. 10 and 16 to the IDF, construct a new 4-inch Hastelloy C276 chlorine injection line, and construct 900 linear feet of 24-inch steel water main to convey the chlorinated water downstream from the IDF. The project was advertised on August 15, 2013 to a select list of 21 contractors. The bid opening was held September 11, 2013 with GCI as the apparent low bidder with a bid amount of \$1,073,250. On MOTION by LaMar, seconded and unanimously carried, THE BOARD AUTHORIZED AN INCREASE TO THE FY 2013-14 CAPITAL BUDGET IN THE AMOUNT OF \$303,500, FROM \$1,117,300 TO \$1,420,800 FOR PROJECT 11669 (4285); APPROVED AN EXPENDITURE AUTHORIZATION IN THE AMOUNT OF \$1,185,500 FOR PROJECT 11669 (4285); AND AUTHORIZED THE GENERAL MANAGER TO EXECUTE A CONSTRUCTION CONTRACT WITH GCI CONSTRUCTION, INC. IN THE AMOUNT OF \$1,073,250 FOR THE INITIAL DISINFECTION FACILITY CHLORINE INJECTION LINE REPLACEMENT, PROJECT 11669 (4285).

GENERAL MANAGER'S REPORT

General Manager Cook reported that last week the Poseidon working group met and discussed a proposal to support the project with a letter to the Coastal Commission. Mr. Cook said that since the Board had not taken a "support" position on the Poseidon Project, the District did not sign the letter.

Mr. Cook reported on last week's OCWA's pipe tapping contest held at IRWD's Rattlesnake Park. He said that District entered two teams with one team receiving the third place award. He thanked staff for their efforts.

DIRECTORS' COMMENTS

Director Matheis reported on her and General Manager Cook's attendance at the rededication of the Rawlings reservoir last week where the City of Tustin had doubled the capacity of its reservoir.

She reported on her attendance at the September 21 Shadetree Partnership monthly nursery event which she said was very successful with 104 volunteers. She noted the groups who attended, the work effort performed, and expressed additional thanks to Mr. Tom Bonkowski, Ms. Leslie Bonkowski, and Mr. Dave Asman for their efforts to make Shadetree a successful non-profit organization.

Director Swan reported on his attendance at the OCWD Water Issues Committee meeting relative to the annexation, an ACC-OC realignment meeting, a Clean Tech conference on Monday, a WACO Planning meeting, and an ACWA interview in Sacramento for the Vice President open seat. He said that he is planning to attend an ACWA Watershed meeting tomorrow in Sacramento, and an ACWA Board meeting this Thursday and Friday in Oakland.

Director LaMar reported on his attendance at a MWDOC Board meeting, an NROC Quarterly Board meeting and a Strategic Planning meeting, both held on the same day.

Director Reinhart reported on his attendance at several Baker Treatment Plant presentations at various agencies, a meeting he and General Manager Cook held with EOCWD to resolve various matters, a National WaterReuse Board meeting where he said he was termed out for his seat on its Board, and several SOCWA meetings to look for an interim General Manager.

Consultant Jim Reed reported on several meetings he attended on the District's behalf including WACO, OCWA, a City of Lake Forest Board meeting and a financial economic coalition meeting.

CLOSED SESSION

President Reinhart said that two sessions would be held as follows: 1) Conference with legal counsel relative to existing litigation - Government Code Section 54956.9(d)(1) – Successor Agency to the Tustin Community Redevelopment Agency, et al vs. Ana Matosantos in her capacity as Director of State of California Department of Finance, et al., and 2)

Conference with legal counsel relative to anticipated litigation - Government Code Section 54956.9(d)(2) - significant exposure to litigation (one potential case).

ADJOURNMENT

President Reinhart adjourned the meeting.

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

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone

October 14, 2013
Prepared and
Submitted by: N. Savedra
Approved by: P. Cook 

CONSENT CALENDAR

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

SUMMARY:

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

Events/Meetings

Steven LaMar

- 10/3-4/13 CalDesal Annual Conference, San Diego, CA
- 10/08/13 Dept. of Water Resources & NWRI Drought Response Workshop
- 10/10/13 ACC-OC City Leader Event at IRWD's San Joaquin Marsh
- 10/25/13 MWD's 50th Anniversary-Diemer Water Treatment Plant & Ozone Dedication

Douglas Reinhart

- 10/3-4/13 CalDesal Annual Conference, San Diego, CA
- 10/10/13 ACC-OC City Leader Event at IRWD's San Joaquin Marsh
- 10/16/13 Monthly meeting w/General Manager Paul Cook re: District activities
- 11/7-8/13 WateReuse Direct Potable Reuse Specialty Conference, Newport Beach, CA

Peer Swan

- 09/16/13 CleanTech Orange County Conference, Irvine, CA
- 10/10/13 ACC-OC City Leader Event at IRWD's San Joaquin Marsh
- 10/17/13 ACWA Region 10 Program, Irvine, CA
- 10/24-25/13 ACWA Regional Water Forum & American River Tour, Sacramento, CA

John Withers

- 10/04/14 City of Irvine XPO Opening Event – Solar Decathlon 2013
- 10/10/13 ACC-OC City Leader Event at IRWD's San Joaquin Marsh
- 10/17/13 ACWA Region 10 Program, Irvine, CA
- 10/25/13 MWD's 50th Anniversary-Diemer Water Treatment Plant & Ozone Dedication

RECOMMENDATION:

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

LIST OF EXHIBITS:

None.

October 14, 2013

Prepared by: C. Compton

Submitted by: G. Heiertz

Approved by: Paul Cook 

CONSENT CALENDAR

2013 STATE LEGISLATIVE UPDATE

SUMMARY:

This report provides an update on the final legislative actions on state legislation of interest to IRWD during the 2013 State legislative session and IRWD State legislative priorities. An updated copy of the 2013 State Legislative Matrix is attached as Exhibit "A".

Staff recommends the Board approve the following action:

- AB 1330 (Pérez): *Authorize staff to continue to work with IRWD's industry and association partners to seek the removal of Section 15 from the bill.*

BACKGROUND:

September 13, 2013, was the last day of the 2013 legislative session and the last day for the Legislature to act on regular session bills before the Interim Recess. The Governor has until October 13 to sign or veto legislation passed by the Legislature during the first year of the 2013-14 legislative session. The State Legislature will reconvene from the Interim Recess on January 6, 2014, unless a special session is called. Legislators will have until the end of January to act upon two-year bills from the 2013 session.

State Budget Update:

August State Revenue Numbers Released:

Given the political implications that State revenues and the State's fiscal outlook can have on local government, staff continues to monitor the State's revenue and budget situation. On September 10, 2013, State Controller John Chiang released his monthly report on the State's finances. He announced that the State took in \$6.91 billion in revenue during the month of August. This amount was 0.4 percent lower than the revenue assumption contained in the State budget. According to Controller Chiang's report, the shortfall was due to lower than projected personal income tax and sales tax revenues, which came in 2.3 and 1.5 percent lower than estimates. The State ended the month of July with a General Fund cash deficit of \$12.4 billion, which was covered with internal borrowing from other funds. The deficit amount is lower than the August 2012 deficit of \$21.4 billion.

IRWD 2013 Legislative Priorities:

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

AB 803 (Gomez, D-Los Angeles), the Water Recycling Act of 2013, was passed by the Legislature and sent to the Governor on September 16, 2013. As enrolled, the bill aligns the

Health and Safety Code and the Water Code requirements for reporting recycled water spills; authorizes compliance with effluent limitations and any other permit or waste discharge requirements for the release or discharge of recycled water determined to be suitable for direct potable reuse or surface water augmentation into a conveyance facility to be determined at the point where the recycled water enters the conveyance facility but prior to commingling with any raw water; and provides that hose bibs are approved for use at cemeteries supplied with disinfected tertiary treated recycled water. IRWD actively supported this bill throughout the 2013 legislative year, and has sent a letter to the Governor requesting his signature on the bill.

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

AB 1200 (Levine, D-San Rafael), which would create a voluntary pilot project for the purpose of investigating the potential water quality impacts associated with maximizing the use of recycled water in agricultural irrigation impoundments in the San Francisco Bay Regional Water Quality Board, was passed by the Legislature but vetoed by the Governor on October 7, 2013. IRWD had taken a “SUPPORT” position on this bill, and had sent a letter to the Governor requesting his signature on the bill.

SB 322 (Hueso) – Water Recycling:

SB 322 (Hueso, D-San Diego), which would require the Department of Public Health (DPH) to administer an expert panel to evaluate Direct Potable Reuse (DPR) no later than February 15, 2014, and evaluate the feasibility of developing uniform water recycling criteria for DPR, was passed by the Legislature and presented to the Governor on September 20, 2013. IRWD has a “SUPPORT” position on this bill, and has sent a letter to the Governor requesting his signature on the bill.

Updates on Other 2013 Legislation of Interest to IRWD:

ACA 8 and SCA 11:

The two measures, ACA 8 (Blumenfield, D-Van Nuys) and SCA 11 (Hancock, D-Oakland), which deal with voter-approval thresholds on bonds and special taxes did not move forward this year. ACA 8, which would place a constitutional amendment on the next statewide ballot allowing California voters to decide whether local communities may approve special district and local government bond funding with a fifty-five percent voter approval instead of the current two-thirds required, remained in the Senate Governance and Finance Committee at the end of session. SCA 11, which would place a proposition on the next statewide ballot amending the California Constitution to permit the imposition, extension, or increase of a local government special tax upon the approval of fifty-five percent of the voters instead of the current two-thirds required, remained in the Senate Appropriations Committee. Both bills have become two-year bills which is consistent with Senate President pro Tem Darrell Steinberg’s early summer warning that the full Senate would not take up either measure for consideration until early next year.

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

AB 145 (Perea, D-Fresno/Rendon, D-Lakewood), which would move responsibility for the State’s drinking water programs from the DPH to the State Water Resources Control Board (SWRCB), was held on the Senate Appropriations Suspense File and became a two-year bill. In response to AB 145 being held, Assemblymember Perea amended AB 1393 on September 6, 2013, to move only the Safe Drinking Water State Revolving Fund to the SWRCB. While it was understood that Senate leadership supported AB 1393 moving forward as an alternative to AB 145, Assemblymember Perea ultimately decided not to move the bill forward this year after supporters of AB 145 raised concerns that AB 1393’s passage would make it more difficult to move the entire Drinking Water Program next year. It is anticipated that the Drinking Water Program reorganization will move forward in 2014. The Brown Administration has indicated its continued interest in moving the entire program to the SWRCB and has a variety of procedural options available for completing the reorganization.

AB 792 (Mullin) – Local Government: open meetings:

AB 792 (Mullin, D-San Mateo), sponsored by the California Special Districts Association (CSDA), originally addressed the electronic posting of agendas and a local government’s compliance with the Brown Act. On June 25, 2013, the bill was gutted and amended to deal with utility user taxes on gas and electricity distribution generation systems. Before the June amendments, IRWD took a “SUPPORT” position on the bill. AB 792, as amended to relate to utility user taxes, was passed by the Legislature and signed by the Governor. Assemblymember Mullin has committed to working with CSDA on the electronic posting of agendas and a local government’s compliance with the Brown Act next year if a bill is needed. CSDA is hopeful that a bill will not be required.

CEQA Reform & SB 731 (Steinberg):

The CEQA reform legislation some expected to be enacted during the 2013 legislative session did not materialize this year. Of the nearly 30 CEQA-related bills introduced during the 2013 session, only a handful was passed by the Legislature. The vehicle most prominent in the CEQA reform discussion was SB 731, authored by Senate President pro Tem Darrell Steinberg (D-Sacramento).

SB 731 was amended several times during the end of session. Despite these amendments, many stakeholders remained opposed to the bill because it did not include many of the CEQA reform provisions sought by those directly impacted by the CEQA process. Additionally many stakeholders believed that a number of provisions in SB 731 increased the burden of the CEQA process and created more opportunities for CEQA litigation. Senator Steinberg decided to make SB 731 a two-year bill and instead moved forward with a different CEQA-related bill this year – SB 743. SB 743, which related to CEQA and an arena in downtown Sacramento for the Sacramento Kings, was passed by the Legislature and signed by the Governor on September 27, 2013. On September 12, SB 743 was amended to include some CEQA reform measures related to infill development and levels of significance related to transportation impacts.

As discussed with the Water Resources Policy and Communications Committee, staff worked during the 2013 session and will continue to work with IRWD's industry and association partners to make the provisions of SB 731 workable for the District.

Several other CEQA bills were also of interest to IRWD during the 2013 session. Their status at the end of session is summarized below.

- AB 52 (Gatto) – Native Americans: CEQA: AB 52 (Gatto, D-Los Angeles) would mandate consultation with Native American Tribes at various stages of CEQA review, prescribe CEQA processes related to the treatment of tribal cultural resources, and define mitigation measures which shall be considered by a lead agency if tribal cultural resources will be impacted by a project. At the end of session, AB 52 remained in the Senate Environmental Quality Committee and became a two-year bill. As discussed with the Water Resources Policy and Communications Committee, staff worked during the 2013 session and will continue to work with IRWD's industry and association partners to make the provisions of AB 52 workable for the District.
- AB 543 (Campos) – CEQA: translation: AB 543 (Campos, D-San Jose), which would require a lead agency to translate certain CEQA notices when a project is proposed that will impact a community comprised of a substantial number of non-English-speaking people, was referred to Senate Environmental Quality. The bill was set for hearing on July 3, 2013, but the hearing was canceled at the author's request. The author made AB 543 a two-year bill, and so it did not move forward this year. IRWD currently has an "OPPOSE" position on this bill.
- AB 823 (Eggman) – California Farmland Protection Act: AB 823 (Eggman, D-Stockton), which would enact the California Farmland Protection Act, become a two-year bill. The bill was double referred to the Assembly Natural Resources Committee and the Assembly Agriculture Committee. It was not heard in the Assembly Agriculture Committee before the policy committee deadline of May 3, 2013, and became a two-year bill. As a result, the bill did not move forward this year. IRWD currently has an "OPPOSE" position on this bill.

"Clean Water for Californians" Legislative Package:

On February 20, 2013, Assemblymember Luis Alejo (D-Salinas), along with several of his legislative colleagues, introduced the "Clean Water for Californians" Legislative Package – a legislative package of nine bills intended to address drinking water issues in California. The purpose of the package was to provide relief for communities that rely on contaminated groundwater sources for drinking water. An update on the bills included in the "Clean Water for Californians" legislative package is provided below.

- AB 1 (Alejo): Appropriates \$2 million to the SWRCB to address safe drinking water and wastewater needs of disadvantaged communities in the Salinas Valley. AB 1 was held on the Assembly Appropriations Suspense File and did not move forward this year. It has now become a two-year bill.

- *AB 21 (Alejo/Pérez):* AB 21 creates the Safe Drinking Water Small Community Emergency Grant Fund to address contaminated water in small communities. It would authorize DPH to assess an annual charge in connection with loans (in lieu of interest) for drinking water projects funded by the Safe Drinking Water State Revolving Loan Fund. AB 21 was passed by the Legislature and presented to the Governor on September 19, 2013.
- *AB 30 (Perea):* AB 30 eliminates the 2014 sunset provision on the existing authority that the SWRCB has to charge a fee in lieu of interest on State Water Pollution Control Revolving Fund loans. AB 30 was passed by the Legislature and enrolled on September 12, 2013.
- *AB 115 (Perea):* Originally AB 115 would have permitted multiple water systems to apply for state funds as a single applicant. It was amended to allow a legal entity to apply for state funds on behalf of one or more public water systems serving disadvantaged or severely disadvantaged communities. AB 115 was passed by the Legislature and enrolled on September 18, 2013.
- *AB 118 (Alejo/ESTM Committee):* AB 118 would have authorized DPH to adopt interim regulations for implementing provisions related to the State Drinking Water State Revolving Fund. It was amended to provide that a small community water system or nontransient noncommunity water system that is owned by a public agency or a private not-for-profit water company and is serving a severely disadvantaged community is deemed to have no ability to repay a State Revolving Fund loan, and the funds those agency receive from the fund are deemed a grant instead of a loan. AB 115 was passed by the Legislature and enrolled on September 18, 2013.
- *AB 119 (Alejo/ESTM Committee):* This bill revises the criteria and procedure for certification of water treatment devices for which a health or safety claim, as defined, is made. It would require each manufacturer that offers for sale in California one of those water treatment devices to submit specified information including the manufacturer's contact information, product identification information, the specific contaminant claimed to be removed or reduced by the device, and a product information worksheet, as described, to DPH for purposes of inclusion on the department's website. AB 119 was passed by the Legislature and signed by the Governor on September 28, 2013.
- *AB 145 (Perea/Rendon):* AB 145 would move the responsibility for the state's drinking water program from DPH to the SWRCB. An update on AB 145 was provided above.
- *AB 240 (Rendon):* AB 240 requires the board of a mutual water company that operates a public water system to adopt, in an open meeting, an annual budget on or before the start of each fiscal year, to contract with a certified public accountant or public accountant to conduct an annual review of the financial records and reports of the mutual water company, and make specified documents available to an eligible person upon payment of fees covering the direct costs of duplication. AB 240 was passed by the Legislature and enrolled on September 18, 2013.

- *SB 117 (Rubio)*: As introduced, SB 117 proposed to move responsibility for the State's drinking water program from DPH to the SWRCB. With Senator Rubio's resignation from the State Senate, the bill was taken over by Senator Ben Hueso. It was amended to deal with integrative cancer treatment, and did not move forward this year.

SB 449 (Galgiani) - Local Water Supply Programs or Projects: Funding

SB 449 (Galgiani, D-Stockton), as amended in April, would have prohibited the Department of Water Resources (DWR) from funding, through loans, grants or direct expenditures, any program or project within a service area of or benefiting an urban or agricultural water supplier that receives water from, transferred through, or used in the Delta watershed unless the department determines that the water supplier is reducing its dependence on the Delta. A coalition of water agencies opposed SB 449 because it did not align with existing state policy as established in the 2009 Delta Reform Act, Urban Water Management Planning Act, and Agricultural Water Management Planning Act. As a result, the April version of the bill did not move forward.

Senator Galgiani amended SB 449 on August 16, 2013. As amended, the bill would require the DWR to conduct a statewide inventory of local regional water supply projects and post specified results of the inventory on the department's website by July 1, 2014. Following the August amendment, the bill was referred to the Senate Committee on Natural Resources and Water. It was not heard this year and has become a two-year bill.

IRWD took an "OPPOSE" position on the April version of the bill so that staff could move quickly if SB 449 was taken off the suspense file or if the concept behind SB 449 was included in another measure.

SB 556 (Corbett) – Agency: ostensible:

SB 556 (Corbett, D-San Leandro), which would have provided that a public agency that contracts for labor or services is jointly and severally liable for damages caused during or in connection with the performance of work under the contract, was amended on June 19, 2013, and throughout the 2013 session. As amended at the end of session, the bill would prohibit a person, firm, corporation, or association that contracts with a public entity to perform labor or services relating to public health or safety from displaying on a vehicle or uniform a seal, emblem, brand name, or any other term, symbol, or content that reasonably could be interpreted as implying that the labor or services are being provided by employees of the public agency, unless the vehicle or uniform conspicuously displays a disclosure indicating that the services are being provided by a contractor. The bill was ordered to the Assembly Inactive File on September 11, 2013, and has become a two-year bill. With the June 19 amendments, IRWD modified its position on the bill and changed its position from "OPPOSE" to "WATCH."

SB 658 (Correa) – Orange County Water District Act:

SB 658 (Correa), which amends the Orange County Water District Act to grant the Orange County Water District authority to recover investigative costs against the parties responsible for

causing groundwater contamination, was placed on the Senate Inactive File on May 24, 2013. The bill remains a two-year bill as Senator Correa indicated it would become in May. IRWD currently has a “SUPPORT IN CONCEPT” position on this bill.

SB 735 (Wolk) – Sacramento-San Joaquin Delta Reform Act of 2009:

SB 735 (Wolk, D-Walnut Creek), as originally drafted, would have excluded from the definition of “covered action” the approval or implementation of a project which is a part of a larger conservation plan submitted pursuant to the Federal Endangered Species Act, a natural community conservation plan submitted pursuant to the Natural Community Conservation Planning Act (NCCPA), or certain permits related to the taking, importation, exportation, or sale of endangered or threatened species issued to a city, county, special district, or joint powers authority within Contra Costa, Sacramento, San Joaquin, Solano, or Yolo County. The bill, as amended on May 24, 2013, would authorize the Department of Fish and Wildlife and local governments within the Delta to enter into a mutually agreeable memorandum of understanding, if they chose, that describes how the parties would ensure that adopted or developing multispecies conservation plans are consistent with the Delta Plan and the Delta Plan is consistent with those conservation plans, and how multispecies conservation plans and the Delta Plan will be implemented in accord with each other. At the end of the 2013 session, the bill remained in the Assembly Water, Parks and Wildlife Committee and has now become a two-year bill.

Water Bond: AB 1331 (Rendon) and SB 42 (Wolk)

Currently on the November 2014 ballot is the Safe, Clean, and Reliable Drinking Water Supply Act of 2012. That measure would authorize \$11.14 billion in general obligation bonds to fund a variety of water related programs and projects. During the 2013 session, three bills were introduced on the 2014 water bond: AB 1331 (Rendon, D- Lakewood), SB 40 (Pavely, D-Calabasas), and SB 42 (Wolk, D-Walnut Creek). SB 40, which would have simply changed the name of the 2014 water bond, did not move forward this year. AB 1331 and SB 42 were amended in August, and would substantively change the 2014 water bond. On September 11, both AB 1331 (Rendon) and SB 42 (Wolk) were amended again.

AB 1331 would repeal the Safe, Clean and Reliable Drinking Water Supply Act of 2012 – the \$11.14 billion 2014 water bond – and enact the Climate Change Response for Clean and Safe Drinking Water Act of 2014. The Climate Change Response for Clean and Safe Drinking Water Act of 2014 would authorize the issuance of a \$6.5 billion general obligation water bond upon approval by the voters in November 2014. SB 42 would repeal the Safe, Clean and Reliable Drinking Water Supply Act of 2012, and enact the Safe Drinking Water, Water Quality, and Flood Protection Act of 2014, a \$6.475 billion water bond which is higher than the previous bond value included in the bill of \$5.6 billion.

On September 23, the Senate Natural Resources and Water Committee and the Senate Environmental Quality Committee held a Joint Hearing on “Setting the Stage for a 2014 Water Bond: Where Are We and Where Do We Need to Go?” The primary purpose of the hearing was to allow the authors of AB 1331 and SB 42 to present the current Assembly and Senate water

bond proposals, and to allow the Committees to receive public comment on the two proposals. More than 40 agencies and associations provided comments.

Included in the background information provided to the Committee members was the following table comparing the current water bond with the current versions of AB 1331 and SB 42.

Proposed Water Bonds: Funding By Category			
Funding Category	2014 Bond	AB 1331	SB 42
Water Quality	\$1,175 M	\$1,000 M	\$900 M
Water Supply	2,580 M	1,500 M	1,500 M
Watersheds: Regional Concern	1,390 M	1,000 M	600 M
Watersheds: Statewide Concern	375 M	500 M	500 M
Delta	2,250 M	1,000 M	1,000 M
Storage	3,000 M	1,500 M	1,000 M
Flood	-	-	975 M
Other*	370 M	-	-
Total	\$11,140 M	\$6,500 M	\$6,475 M
*Conveyance and economic development			

Update on Other End of Session Legislation:

AB 1330 (Pérez) – Environmental Justice:

AB 1330 (Pérez, D-Coachella) would require the California Environmental Protection Agency, on or before January 1, 2015, to establish a list of environmental justice communities identifying the top 15% of communities in the state, based on census tracts, that are disproportionately impacted by environmental hazards; to prepare and submit to the Legislature a state hazardous waste reduction plan that identifies measures necessary to achieve significant reductions in hazardous waste generated and disposed of in California by 2025 to the maximum extent practicable; and to maintain an agencywide public database of complaints and enforcement cases for each board, department, and office of the agency, among other things. The bill was not passed by the Legislature this year and is now a two-year bill. It is currently on the Senate Inactive File.

On September 6, 2013, AB 1330 was significantly amended. As part of those amendments, Section 15 was added to the bill and provides that “Subject to applicable legal requirements, in awarding grants or funding, a state agency administering a funding program shall give priority to projects located in environmental justice communities.” As defined by the bill “state agency” includes a board, department, or office of the California Environmental Protection Agency; an agency, commission, department, and other subdivisions of the Natural Resources Agency; and the Strategic Growth Council. Given the large number of state agencies that must give priority to projects in environmental justice communities, it is likely IRWD would be impacted if this

provision were to remain in the bill. Staff recommends that the District continue to work with IRWD's industry and association partners to seek Section 15's removal from the bill.

A copy of AB 1330 is attached as Exhibit "B".

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed at the Water Resources Policy and Communications Committee on October 7, 2013.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE STAFF TO CONTINUE TO WORK WITH IRWD'S INDUSTRY AND ASSOCIATION PARTNERS ON AB 1330 (PÉREZ) TO SEEK REMOVAL OF SECTION 15 FROM THE BILL.

LIST OF EXHIBITS:

Exhibit "A" – 2013 IRWD Legislative Matrix

Exhibit "B" – Text of AB 1330 (Pérez)

EXHIBIT "A"
IRWD 2013 LEGISLATIVE MATRIX
Updated October 9, 2013

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
<u>AB 1</u> Alejo (D)	Water Quality: Integrated Plan: Salinas Valley		Appropriates funds for use by the Greater Monterey County Regional Water Management Group, referred to as the management group, to develop the integrated plan to address the drinking water and wastewater needs of disadvantaged communities in the Salinas Valley whose waters have been affected by waste discharges.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
<u>AB 11</u> Logue (R)	Reserve Peace Officers: Emergency Rescue Personnel		Requires specified employers to permit an employee who performs emergency duty as a volunteer firefighter, reserve peace officer, or as emergency rescue personnel to take a leave of absence for the purpose of engaging in fire, law enforcement, or emergency rescue training.	08/19/2013 - Signed by GOVERNOR.;08/19/2013 - Chaptered by Secretary of State. Chapter No. 120	
<u>AB 21</u> Alejo (D)	Safe Drinking Water Small Community Grant Fund		Authorizes the assessment of a specified annual charge in lieu of interest on loans for water projects made pursuant to the Safe Drinking Water State Revolving Fund, and the deposit of that money into the Safe Drinking Water State Small Community Emergency Grant Fund and provides a monetary limit to the fund. Authorizes the expending of the money in the fund for grants for specified water projects that serve disadvantaged and severely disadvantaged communities. Limits the amount in the fund.	10/08/2013 - Signed by GOVERNOR.;10/08/2013 - Chaptered by Secretary of State. Chapter No. 628	
<u>AB 25</u> Campos (D)	Employment: Social Media		Applies existing law that prohibits a private employer from requiring or requesting an employee or applicant for employment to disclose a username or password for the purpose of accessing personal social media, to access personal social media in the presence of the employer, or to divulge any personal social media to public employers. Provides that these provisions apply to public employers generally, including charter cities and counties.	09/13/2013 - In SENATE. Held at desk.	
<u>AB 30</u> Perea (D)	Water Quality		Amends the Porter-Cologne Water Quality Control Act to authorize the Water Resources Control Board to assess an annual charge in connection with any financial assistance under the Water Pollution Control Revolving Fund without a change unless the board makes a prescribed determination, at which time the board would replace the charge with an identical interest rate. Relates to deposits into the State Water Pollution Control Revolving Fund Small Community	10/08/2013 - Signed by GOVERNOR.;10/08/2013 - Chaptered by Secretary of State. Chapter No. 629	

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IRWD 2013 LEGISLATIVE MATRIX
Updated October 9, 2013

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			Grant Fund and expansion of grants from the fund.		
<u>AB 37</u> Perea (D)	Unemployment Insurance: Reporting: Status of Funds		Requires the Employment Development Department, when the Unemployment Fund indicates a negative balance, to include a status report on the Fund the estimated cost impact on employers from the changes in a specified federal tax credit and the estimated amount the state is expected to pay in interest on any outstanding loan to the federal government.	08/14/2013 - Re-referred to SENATE Committee on LABOR AND INDUSTRIAL RELATIONS.	
<u>AB 52</u> Gatto (D)	Native Americans: California Environmental Quality Act		Requires a lead agency to make best efforts to avoid, preserve, and protect specified Native American resources with a project that may have a significant effect on the environment, and to take specified mitigation measures if the project will have a substantial adverse change. Prohibits certain damage unless certain conditions are met. Requires consultation with tribes affiliated with the area prior to determining a negative declaration. Requires the revision of related guidelines.	09/10/2013 - In SENATE. Joint Rule 61(a)12 suspended.;09/10/2013 - In SENATE. Joint Rule 62(a) suspended.	
<u>AB 69</u> Perea (D)	Groundwater: Drinking Water: Nitrate at Risk Fund		Establishes the Nitrate at Risk Fund to be administered by the State Department of Public Health for loans, principal forgiveness loans, or grants to certain water systems operating in a high-nitrate at-risk area for specified purposes. Requires fertilizer sellers to pay a materials charge for deposit in the Fund.	08/12/2013 - From SENATE Committee on AGRICULTURE with author's amendments.;08/12/2013 - In SENATE. Read second time and amended. Re-referred to Committee on AGRICULTURE.	
<u>AB 72</u> Holden (D)	Municipal Water District: Board of Directors		Requires the directors of a municipal water district, except directors elected at a district formation election, to take office on the first Friday in December succeeding their election.	06/17/2013 - Signed by GOVERNOR.;06/17/2013 - Chaptered by Secretary of State. Chapter No. 8	
<u>AB 115</u> Perea (D)	Safe Drinking Water State Revolving Fund		Relates to the state Safe Drinking Water Act. Authorizes a legal entity to apply for grant funding on behalf of one or more public	10/08/2013 - Signed by	

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			water systems serving disadvantaged or severely disadvantaged communities if specified requirements are met, including having a signed agreement with each public water system for which it is applying for funding. Provides for transferring the statutory and regulatory authority for the California Safe Drinking Water Act from the Department of Public Health.	GOVERNOR.;10/08/2013 - Chaptered by Secretary of State. Chapter No. 630	
AB 118 Env Safety & Toxic Material Cmt	Safe Drinking Water State Revolving Fund		Limits loans and grants from the Safe Drinking Water State Revolving Fund for planning and preliminary engineering studies, project design, and construction costs to those incurred by community and not-for-profit public water systems. Specifies that certain water systems have no ability to repay a loan. Authorizes a loan applicant to receive up to the full cost of a project in the form of a loan, subject to specified conditions.	10/08/2013 - Signed by GOVERNOR.;10/08/2013 - Chaptered by Secretary of State. Chapter No. 631	
AB 122 Rendon (D)	Energy Assessment: Nonresidential Buildings: Financing		Enacts the Nonresidential Building Energy Retrofit Financing Act. Requires the Energy Resources Conservation and Development Commission to establish a program to develop a request for proposal for a third-party administrator and to develop and operate the program to provide financial assistance, through authorizing the issuance of, revenue bonds, to owners of eligible nonresidential buildings for implementing energy property improvement. Requires a public report on program efficacy.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Not heard.	
AB 142 Water, Parks and Wildlife Cmt	Water Resources: Infrastructure		Requires the Department of Water Resources to initiate and complete a comprehensive study of state and local water supply infrastructure needs and to provide a report to the Legislature that summarizes those findings.	05/06/2013 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.	
AB 145 Perea (D)	State Water Resources Control Board: Drinking Water		Transfers to the State Water Resources Control Board the various duties and responsibilities imposed on the State Department of Public Health by the State Safe Drinking Water Act and the Safe Drinking Water State Revolving Fund Law of 1997. Requires the State Environmental Protection Agency to prepare a project initiation document for the transfer of the state drinking water	08/30/2013 - In SENATE Committee on APPROPRIATIONS: Held in committee.	

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Updated October 9, 2013

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			program from the State Department of Public Health to a Division of Drinking Water Quality.		
<u>AB 153</u> Bonilla (D)	Global Warming Solutions Act of 2006: Offsets		Amends the Global Warming Solutions Act of 2006. Requires the State Air Resources Board to adopt a specified process for the review and consideration of new offset protocols for reducing greenhouse gases and, commencing in 2014 and continuing thereafter, use that process to review and consider new offset protocols. Requires the board to adopt guidelines and incentives that prioritize the approval of specified offset protocols. Requires the board to submit a specified annual report to the Legislature.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
<u>AB 183</u> Dickinson (D)	Delta Protection Commission: Executive Director		Amends the Johnson-Baker-Andal-Boatwright Delta Protection Act of 1992. Requires the Executive Director of the Delta Commission to determine a discretionary project located in the primary zone to be consistent with the resource management plan provided that the project satisfies specified criteria. Authorizes appeals to specified decisions.	02/15/2013 - To ASSEMBLY Committees on WATER, PARKS AND WILDLIFE and NATURAL RESOURCES.	
<u>AB 194</u> Campos (D)	Open Meetings: Protections for Public Criticism		Makes it a misdemeanor for a member of a legislative body, while acting as a chairperson of a legislative body of a local agency, to prohibit public criticism protected under the Ralph M. Brown Act. Authorizes a district attorney to commence an action for the purpose of obtaining a judicial determination that an action taken by a legislative body of a local agency in violation of the protection for public criticism is null and void.	02/07/2013 - To ASSEMBLY Committee on LOCAL GOVERNMENT.	
<u>AB 218</u> Dickinson (D)	Employment Applications: Criminal History		Prohibits a state or local agency from asking an applicant for employment to disclose information regarding a criminal conviction until the agency has determined the applicant meets the minimum employment qualifications for the position. Includes specified findings and declarations of the Legislature in support of this policy.	09/26/2013 - *****To GOVERNOR.	
<u>AB 229</u> Perez J (D)	Infrastructure and Revitalization Financing Districts		Authorizes the creation by a city, county, city and county, and joint powers authority, of an infrastructure and revitalization financing district and the issuance of debt with voter approval. Authorizes the creation of a district and the issuance of debt. Authorizes a district to	09/11/2013 - In ASSEMBLY. From Unfinished Business. To Inactive File.	

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IRWD 2013 LEGISLATIVE MATRIX
Updated October 9, 2013

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			finance projects in redevelopment project areas and former redevelopment project areas and former military bases.		
AB 243 Dickinson (D)	Local Government: Infrastructure Financing Districts		Authorizes the creation of an infrastructure and revitalization financing district and the issuance of debt with voter approval. Authorizes a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases if special conditions are met. Authorizes a district to fund various projects, including watershed land used for the collection and treatment of water for urban uses, flood management, open space, habitat restoration and development purposes.	09/11/2013 - In ASSEMBLY. To Inactive File.	
AB 294 Holden (D)	Local-State Joint Investment Partnership Program		Establishes a pilot program whereby certain local government entities, upon the approval and oversight of the Infrastructure and Economic Development Bank, are authorized to reallocate their annual payments of property tax revenue directed to the Educational Revenue Augmentation Fund to instead finance certain kinds of public works that further state policy. Requires each entity operating a project under the program and the bank to submit reports on program results.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
AB 295 Water, Parks and Wildlife Cmt	Water: Water Supply: Infrastructure		Requires the State Water Resources Control Board and the Drinking Water and Environmental Management Division of the State Department of Public Health to initiate and complete a comprehensive study relating to the need for state funding for water projects and to provide a report to the Legislature summarizing those findings.	05/06/2013 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.	
AB 371 Salas (D)	Sewage Sludge: Kern County		Authorizes the Kern County Board of Supervisors, upon a majority vote, to regulate or prohibit by ordinance, in a manner more stringent than state or federal law and in a nondiscriminatory manner, the land application of sewage sludge in unincorporated areas in the jurisdiction of the county. Relates to applications for waste discharge.	05/16/2013 - In ASSEMBLY. To Inactive File.	
AB 378 Hueso (D)	Resources: Delta Research		Requires a person conducting Delta research whose research is funded, in whole or in part, by the state, to take specified actions with regard to the sharing of the primary data, samples, physical	03/07/2013 - To ASSEMBLY Committees on	

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			collections, and other supporting materials created or gathered in the course of that research. Authorizes the Delta Independent Science Board to adopt guidelines to provide adjustments to, and, where essential, exceptions from, these requirements.	ACCOUNTABILITY AND ADMINISTRATIVE REVIEW and WATER, PARKS AND WILDLIFE.	
AB 380 Dickinson (D)	California Environmental Quality Act: Notice		Amends the California Environmental Quality Act. Requires that notices regarding environmental impact reports filed by lead agencies need to be filed with the Office of Planning and Research and the county clerk and posted by the clerk for public review. Provides notice requirements for projects that are determined to be exempted from the Act.	06/13/2013 - To SENATE Committee on ENVIRONMENTAL QUALITY.	
AB 410 Jones-Sawyer (D)	Public Employee Health Benefits: Enrollment		Permits an annuitant who reinstates from retirement under the Public Employees' Retirement System for employment by the state or a contracting agency and who subsequently retires again on or after a specified date to enroll in a health benefit plan under the Public Employees' Medical and Hospital Care Act for which they are eligible as an annuitant of the employer from which they retired, upon specified conditions. Requires the person's retirement to occur within a specified time period after separation.	10/04/2013 - Signed by GOVERNOR.;10/04/2013 - Chaptered by Secretary of State. Chapter No. 525	
AB 416 Gordon (D)	Local Emission Reduction Program		Creates the Local Emission Reduction Program and requires money to be available from the general fund for providing grants and other financial assistance to develop and implement greenhouse gas emissions reduction projects in the state, giving consideration to the ability of a project to create local job training and job creation benefits and achieve greenhouse gas emissions reduction. Provides the public entities that will be required to administer the program.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
AB 426 Salas (D)	Water Transfers: Water Rights Decrees		Amends existing law that provides that any water right determined under a court decree issued after a specified date, is transferable. Eliminates the requirement that a court decree be issued after a specified date.	10/08/2013 - Signed by GOVERNOR.;10/08/2013 - Chaptered by Secretary of State. Chapter No. 634	

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

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			people comprises at minimum percentage of the population within the lead agency's jurisdiction and the proposed project is to be located at or near an area where the group of non-English-speaking people comprises that same percentage of residents of the area.	QUALITY.	
<u>AB 551</u> Ting (D)	Local Government: Urban Agriculture Incentive Zones		Enacts the Urban Agriculture Incentive Zones Act. Authorizes, under specified conditions, a city, county, or city and county and a landowner to enter into a contract to enforceably restrict the use of vacant, unimproved or otherwise blighted lands for small-scale production of agricultural crops and animal husbandry. Requires the county assessor to consider, when valuing real property for property taxation purposes, property that is enforceably restricted by a contract entered into pursuant to the Act.	09/28/2013 - Chapered by Secretary of State. Chapter No. 406	
<u>AB 607</u> Perea (D)	Worker's Compensation: Dependent Children		Amends existing law that establishes a workers' compensation system. Eliminates the requirement that, in order to conclusively presume that children under 18, or certain adult children, are wholly dependent for support on the deceased employee-parent, there not be a surviving totally dependent parent.	09/03/2013 - *****To GOVERNOR.	
<u>AB 613</u> Hueso (D)	Water Reclamation		Makes technical, nonsubstantive changes to a provision of the Water Recycling Law that provides that a person recycling water or using recycled water in violation of specific provisions is guilty of a misdemeanor.	02/20/2013 - INTRODUCED.	
<u>AB 621</u> Wagner (R)	Local Government: Bonds		Relates to local government bonds and investment firms. Prohibits a local agency from entering into a financial advisory, legal advisory, underwriting, or similar relationship with an individual or firm that provides or will provide bond campaign services to the bond campaign. Defines certain terms for those purposes.	07/03/2013 - In SENATE Committee on GOVERNANCE AND FINANCE: Heard, remains in Committee.	
<u>AB 662</u> Atkins (D)	Local Government: Redevelopment: Successor Agencies		Deletes a prohibition on the inclusion of redevelopment project areas in infrastructure financing districts. Authorizes the district to finance a project that is located in, or overlaps with, a redevelopment project area or former project area. Relates to procedures governing the contracting requirements and the commitment of new tax funds for new redevelopment agencies. Relates to the disposition of excess tax	09/26/2013 - *****To GOVERNOR.	

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			funds to local agencies and school entities. Relates to administrative costs.		
<u>AB 683</u> Mullin (D)	Local Government: Fines and Penalties: Assessments		Authorizes a city, county, city and county, or special district to, after notice and public hearing, specially assess any fines or penalties not paid after demand by the city, county, city and county or district against real property owned by the person owing those fines or penalties, where the fines or penalties are related to ordinance violation on the real property upon which the fines or penalties would be specially assessed, and the ordinance violations constitute a threat to public health and safety.	10/05/2013 - Vetoed by GOVERNOR.	
<u>AB 687</u> Hernandez R (D)	Electricity		Requires the Public Utilities Commission, when authorizing additional direct transactions for retail nonresidential end-use customers, to provide the highest priority to acquire electric services from other providers to entities treating and remediating groundwater that is identified as contaminated on a site listed as a Superfund site in a disadvantaged or severely disadvantaged community or a public drinking water system of such communities. Requires the treatment and remediation using certain moneys.	08/30/2013 - In SENATE Committee on APPROPRIATIONS; Held in committee.	
<u>AB 690</u> Campos (D)	Jobs and Education Financing Districts		Revises and recasts the provisions governing infrastructure financing districts. Provides for the creation of jobs and education financing districts without voter approval. Makes various conforming changes. Authorizes a public financing authority to enter into joint powers agreements with affected taxing entities with regard to nontaxing authority or powers only. Authorizes a district to implement hazardous cleanup under the Polanco Redevelopment Act.	09/11/2013 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;09/11/2013 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.	
<u>AB 743</u>	Local Government		Amends Cortese-Knox-Hertzberg Local Government Reorganization	08/26/2013 - Signed	

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Logue (R)	Reorganization		Act of 2000. Provides that the authority to initiate, conduct and complete specified changes in organization or reorganizations does not apply to any territory that became surrounded or substantially surrounded by a city to which the annexation is proposed, except for islands that were created as a result of boundary adjustments between two counties.	by GOVERNOR.;08/26/2013 - Chaptered by Secretary of State. Chapter No. 138	
AB 756 Melendez (R)	Environmental Quality Act: Court Review: Public Works		Applies the provisions of the California Environmental Quality Act and the Jobs and Economic Improvement Through Environmental Leadership Act of 2011 to a public works project, defined to mean an infrastructure project carried out by the city, county, special district, or state government or contracted out to a private entity by the special district or local or state government.	04/11/2013 - From ASSEMBLY Committee on JUDICIARY with author's amendments.;04/11/2013 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on JUDICIARY.	
AB 766 Gaines B (R)	Attorney General: Investigations		Prohibits the Attorney General from offering a promise of use or transactional immunity during the course of an investigation into the misuse of public funds, unless specified findings are made. Requires the Attorney General to submit a written copy of the findings to a presiding judge.	04/16/2013 - In ASSEMBLY Committee on PUBLIC SAFETY; Not heard.	
AB 792 Mullin (D)	Utility User Tax: Exemption: Distributed Generation	Support	Exempts from any utility user tax imposed by a local jurisdiction, the consumption of electricity generated by a clean energy resource for the use of a single customer or customer's tenants.	10/04/2013 - Signed by GOVERNOR.;10/04/2013 - Chaptered by Secretary of State. Chapter No. 534	
AB 794 Gorell (R)	Environmental Quality: Use of Landfill & Organic Waste		Exempts from the requirements of the California Environmental Quality Act a project that takes landfill materials or organic waste and converts then into renewable green energy if the lead agency finds that the project will result in a net reduction in greenhouse gas	03/04/2013 - To ASSEMBLY Committee on NATURAL	

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			emissions or support sustainable agriculture. Exempts from the requirements of the act a project that uses biological processes to convert organic waste streams into nonchemical soil fertility products.	RESOURCES.	
AB 801 Brown (D)	Junk Dealers and Recyclers: Nonferrous Materials		Requires junk dealers and recyclers to obtain specified information before providing payment for nonferrous materials marked with an indicia of ownership. Requires that this information be retained as part of the written record of purchases.	03/04/2013 - To ASSEMBLY Committee on BUSINESS, PROFESSIONS & CONSUMER PROTECTION.	
AB 803 Gomez (D)	Water Recycling Act of 2013	Support	Creates the Water Recycling Act of 2013. Authorizes compliance with effluent limitations and any other permit or waste discharge requirements for the release or discharge of advanced treated purified water that meets certain conditions. Requires certain notification prior to any discharge being allowed. Requires a cemetery supplied with disinfected tertiary recycled treated water that installs a hose bib in a public access area to post visible signage and labeling indicating that the water is nonpotable.	10/08/2013 - Signed by GOVERNOR.;10/08/2013 - Chaptered by Secretary of State. Chapter No. 635	
AB 811 Lowenthal B (D)	Excavations: Regional Notification Center System		Amends existing law that requires any person planning to conduct an excavation to contact a regional notification center prior to excavation. Requires statewide information provided by operators and excavators regarding facility events to be compiled and made available in an annual report by regional notification centers and posted on the Internet Web sites of those regional notification centers.	09/06/2013 - Signed by GOVERNOR.;09/06/2013 - Chaptered by Secretary of State. Chapter No. 250	
AB 823 Eggman (D)	Environment: State Farmland Protection Act	Oppose	Enacts the Farmland Protection Act. Requires that a lead agency reviewing a development project require that all feasible mitigation of the identified significant environmental impacts associated with the conversion of agricultural lands be completed by the project applicant and to consider the permanent protection or replacement of such land as feasible mitigation for identified significant effects on the land caused by the project.	04/29/2013 - From ASSEMBLY Committee on NATURAL RESOURCES: Do pass to Committee on AGRICULTURE.	

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<u>AB 841</u> Torres (D)	Junk Dealers and Recyclers: Nonferrous Materials		Amends existing law that prohibits a junk dealer or a recycler from providing payment for nonferrous material unless the payment is made by cash or check, and the check is mailed or the cash or check is provided no later than three days after the date of the sale, and other requirements are met. Allows the payment for nonferrous materials only by check mailed to the seller's address.	10/03/2013 - Vetoed by GOVERNOR.	
<u>AB 850</u> Nazarian (D)	Public Capital Facilities: Water Quality		Authorizes specified joint powers authorities, upon application of a local agency that owns and operates a publicly owned utility, to issue rate reduction bonds for a utility project. Provides the bonds are secured by utility project property. Authorizes a utility project charge to finance such bonds. Requires a bond review for issue qualification. Requires application fees for bond review cost reimbursement. Requires the Pollution Control Financing Authority to establish procedures for expedited review.	10/08/2013 - Signed by GOVERNOR.;10/08/ 2013 - Chapered by Secretary of State. Chapter No. 636	
<u>AB 892</u> Daly (D)	Parcel Taxes		Requires the State Board of Equalization to annually report specified information relating to the imposition of locally assessed parcel taxes including the type and rate of a parcel tax and the number of parcels subject to or exempt from the parcel tax.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
<u>AB 953</u> Ammiano (D)	California Environmental Quality Act		Amends the California Environmental Quality Act, which defines environment and significant effect on the environment for certain purposes. Revises those definitions. Requires a lead agency to include in an environmental assessment report, a detailed statement on any effects that may result in the locating a proposed project near natural hazards or adverse environmental conditions.	05/31/2013 - In ASSEMBLY. To Inactive File.	
<u>AB 993</u> Linder (R)	Contractors: Arbitration		Amends the Contractors' State License Law. Provides a party that submits a dispute with contractor to arbitration waives any right to recover attorney's fees or to challenge the arbitrator's award attorney's fees in a related civil action. Relates to the setting of the time, date, and location for a arbitration related hearing. Requires good cause to exclude any person from a hearing. Revises requirements regarding the recording of the hearing. Authorizes the reopening of a hearing prior to any award.	06/17/2013 - From SENATE Committee on BUSINESS, PROFESSIONS & ECON. DEVELOPMENT: Do pass to Committee on	

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				JUDICIARY.	
<u>AB 1035</u> Muratsuchi (D)	Local Agencies: Financial Reports		Raises the amount forfeited for failure to submit financial reports to all local agencies. Doubles fines if the agency fails to submit the report to the Controller for 2 consecutive years. Triples the fines if the agency fails to submit the report to the Controller for 3 or more consecutive years. Requires the Controller to conduct an independent audit report of an agency that issues conduit revenue bonds. Specifies the agency that has a forfeiture or payment still must file the report.	06/11/2013 - In SENATE Committee on GOVERNANCE AND FINANCE: Not heard.	
<u>AB 1043</u> Chau (D)	Drinking Water, Quality, Flood, River Protection		Amends the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006. Eliminates the requirement to develop and adopt regulations and requires a grantee of certain initiative bond act funds to take specific actions to recover the costs of cleanup and to utilize those funds for certain groundwater contamination cleanup projects.	06/25/2013 - In SENATE Committee on NATURAL RESOURCES AND WATER: Not heard.	
<u>AB 1080</u> Alejo (D)	Community Revitalization & Investment Authorities		Authorizes certain public entities of a community revitalization and investment area to form a community revitalization plan within a community revitalization and investment authority to carry out the Community Redevelopment Law in a specified manner. Requires the authority to adopt a community revitalization plan for a community revitalization and investment area and authorizes the authority to include in that plan a provision for the receipt of tax increment funds.	08/30/2013 - In SENATE Committee on APPROPRIATIONS: Held in committee.	
<u>AB 1090</u> Fong (D)	Public Officers: Conflicts of Interest: Contracts		Provides that a person who violates the prohibition against being financially interested in a contract, or who causes another person to violate the prohibition, is subject to administrative and civil fines. Establishes certain interests that are not subject. Authorizes the Fair Political Practices Commission to enforce these violations by bringing an administrative or civil action against a person who is subject to the prohibition, upon specified authorization. Relates to requests for advice.	10/08/2013 - Signed by GOVERNOR.;10/08/2013 - Chaptered by Secretary of State. Chapter No. 650	
<u>AB 1131</u> Skinner (D)	Firearms		Extends the prohibitory period for possession of a firearm or deadly weapon for a person who communicates to a licensed	09/23/2013 - *****To	

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			psychotherapist a serious threat of physical violence against a reasonably identifiable victim or victims. Allows a person to petition the court to allow them to possess a firearm under specified provisions of existing law. Relates to procedures for the return of a confiscated firearm for individual detained for examination and mentally ill individuals. Relates to required reporting.	GOVERNOR.	
<u>AB 1140</u> Daly (D)	Public Works: Prevailing Wages		States that if the Director of Industrial Relations determines, within a semiannual period, that there is a change in any prevailing rate of per diem wages in a locality, that determination applies to any public works. Authorizes any contractor, awarding body, or representative affected by a change in rates to file with the director a verified petition to review the determination of that rate. Requires the initiation of an investigation or hearing to make a final determination.	09/03/2013 - *****To GOVERNOR.	
<u>AB 1149</u> Campos (D)	Identity Theft: Local Agencies		Relates to disclosure of any breach of an agency security to any resident whose unencrypted personal information was acquired by an unauthorized person. Expands disclosure requirements to apply to a breach of computerized data that is owned or licensed by a local agency.	09/27/2013 - Signed by GOVERNOR.;09/27/2013 - Chaptered by Secretary of State. Chapter No. 395	
<u>AB 1181</u> Gray (D)	Public Employee Organizations: Members: Paid Leave		Requires the local public agency to give reasonable time off, without loss of compensation or other benefits, to employee representatives when they are testifying or appearing as the designated representative of the employee organization in proceedings before the Public Employment Relations Board concerning a charge filed by the organization against the public agency or by an agency against the organization, or when they are testifying or representing the organization in personnel or merit matters.	09/09/2013 - Chaptered by Secretary of State. Chapter No. 305	
<u>AB 1200</u> Levine (D)	Recycled Water: Agricultural Irrigation Impoundments	Support	Permits the San Francisco Bay Regional Water Quality Board to authorize a voluntary pilot project for the purposes of investigating potential water quality impacts associated with maximizing the supplementation of agricultural irrigation impoundments with disinfected tertiary treated recycled water, if the board finds the	10/07/2013 - Vetoed by GOVERNOR.	

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			project satisfies specified criteria. Requires the project to include a stakeholder advisory group. Authorizes a formula development for future waste discharge requirements.		
<u>AB 1212</u> Levine (D)	Public Contracts: Bids: Equal Materials or Service		Prohibits certain bid specifications from requiring a bidder to provide submission of data substantiating a request for a substitution of an equal item prior to the bid or proposal deadline.	03/07/2013 - To ASSEMBLY Committee on ACCOUNTABILITY AND ADMINISTRATIVE REVIEW.	
<u>AB 1248</u> Cooley (D)	Controller: Internal Guidelines for Local Agencies		Requires the Controller to develop internal control guidelines applicable to a local agency to prevent and detect financial errors and fraud. Requires the Controller to post the completed guidelines on the Controller's Internet Web site and update them, as he or she deems necessary.	08/28/2013 - Signed by GOVERNOR.;08/28/2013 - Chaptered by Secretary of State. Chapter No. 190	
<u>AB 1251</u> Gorell (R)	Water Quality: Stormwater		Requires the Secretary for Environmental Protection to convene a stormwater task force to review, plan, and coordinate stormwater-related activity to maximize regulatory effectiveness in reducing water pollution. Requires the task force to submit a statewide stormwater management plan to the Legislature. Requires the task force to consider specified issues in developing the plan.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
<u>AB 1331</u> Rendon (D)	Climate Change Response for Clean and Safe Water		Repeals the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, Enacts the Climate Change Response for Clean and Safe Drinking Water Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in a specified amount pursuant to the State General Obligation Bond Law to finance a climate change response for a clean and safe drinking water program.	09/11/2013 - In SENATE. Senate Rule 29.3(b) suspended.;09/11/2013 - From SENATE Committee on NATURAL RESOURCES AND WATER with author's amendments.;09/11/2	

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				013 - In SENATE. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.	
<u>AB 1349</u> Gatto (D)	CalConserve Water Use Efficiency Revolving Fund		Establishes the CalConserve Water Use Efficiency Revolving Fund for the purpose of water use efficiency projects. Requires moneys in the fund to be used for purposes that include, but are not limited to, at-or-below market interest rate loans.	05/24/2013 - In ASSEMBLY Committee on APPROPRIATIONS; Held in committee.	
<u>AB 1365</u> Perez J (D)	State and Local Agency Reports: Legislative Counsel		Requires the Legislative Council to make a list of agency reports available to the public by posting it on an Internet Web site. Authorizes state and local agencies to file certain reports with the Counsel electronically, with a hyperlink for report access. Removes the requirement to remove obsolete reports from the list of reports and that the list be provided to each member of the Legislature. Requires providing a hyperlink to each member whereby the list or report could be accessed.	08/28/2013 - Signed by GOVERNOR.;08/28/2013 - Chaptered by Secretary of State. Chapter No. 192	
<u>ACA 1</u> Donnelly (R)	Administrative Regulations: Legislative Approval		Requires an administrative agency to submit all regulations to the Legislature for approval. Authorizes the Legislature, by means of a concurrent resolution, to approve a regulation adopted by an administrative agency of the state.	05/01/2013 - In ASSEMBLY Committee on ACCOUNTABILIT Y AND ADMINISTRATIVE REVIEW: Failed passage.	
<u>ACA 8</u> Blumenfield (D)	Local Government Financing: Voter Approval		Proposes an amendment to the Constitution to create an additional exception to the 1% limit for an ad valorem tax rate imposed by a city, county, city and county, or special district, to service bonded indebtedness incurred to fund specified public improvements and facilities, or buildings used primarily to provide sheriff, police, or	06/27/2013 - To SENATE Committees on GOVERNANCE AND FINANCE and	

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			fire protection services, that is approved by 55% of the voters of the city, county, city and county, or special district.	ELECTIONS AND CONSTITUTIONAL AMENDMENTS.	
SB 1 Steinberg (D)	Sustainable Communities Investment Authority		Authorizes certain public entities of a Sustainable Communities Investment Area to form a Sustainable Communities Investment Authority to carry out the Community Redevelopment Law. Provides for tax increment funding receipt under certain economic development and planning criteria. Establishes prequalification requirements for receipt of funding. Requires monitoring and enforcement of prevailing wage requirements within the area. Excludes certain types of farmland.	09/12/2013 - In SENATE. To Inactive File.	
SB 13 Beall (D)	Public Employees' Retirement Benefits		Corrects an erroneous cross-reference in the Public Employees' Pension Reform Act of 2013 regarding the Judges' Retirement System I and II defined benefit formula adoption. Amends the act regarding employer defined benefit formulas to new safety members. Relates to contribution rates for defined pension plans. Repeals provisions regarding disability retirements. Relates to state miscellaneous or industrial members service credit. Relates to public employee bargaining rights.	10/04/2013 - Signed by GOVERNOR.;10/04/2013 - Chaptered by Secretary of State. Chapter No. 528	
SB 14 Gaines T (R)	Bear Lake Reservoir: Recreational Use		Relates to existing law which prohibits recreational use in which there is bodily contact with water in a reservoir in which water is stored for domestic use. Exempts from this prohibition any participant in the Bear Lake Reservoir, and establishes standards in this regard, including water treatment, monitoring, and reporting requirements. Subjects the Lake Alpine Water Company to suspension or revocation of any permit issued. Deems a violation would be subject to fines, penalties, or enforcement actions.	08/27/2013 - Signed by GOVERNOR.;08/27/2013 - Chaptered by Secretary of State. Chapter No. 172	
SB 24 Walters (R)	Public Employees' Retirement: Benefit Plans		Authorizes a local agency public employer or public retirement system that offers a defined benefit pension plan to offer a benefit formula with a lower benefit factor at normal retirement age and that results in a lower normal cost than the benefit formulas that are currently required, for purposes of addressing a fiscal necessity.	01/10/2013 - To SENATE Committee on PUBLIC EMPLOYMENT AND RETIREMENT.	

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SB 33 Wolk (D)	Infrastructure Financing Districts: Voter Approval		Revises provisions governing infrastructure financing districts. Eliminates the requirement of voter approval for creation of the district and for bond issuance, and authorizes the legislative body to create the district subject to specified procedures. Authorizes the creation of such district subject to specified procedures. Authorizes a district to finance specified actions and project. Prohibits financing until a certain requirement is met. Prohibits assistance to a vehicle dealer or big box retailer.	09/11/2013 - In ASSEMBLY. To Inactive File.	
SB 39 De Leon (D)	Local Agencies: Public Officers: Claims and Liability		Requires the forfeiture of a contractual, common law, constitutional, or statutory claim against a local public agency employer to retirement or pension rights or benefits by a local public officer who exercised discretionary authority and who was convicted of a felony for conduct arising out of, or in the performance of, his or her official duties.	09/20/2013 - *****To GOVERNOR.	
SB 40 Pavley (D)	Safe, Clean, and Reliable Drinking Water Supply Act		Changes the name of the Safe, Clean, and Reliable Drinking Water Supply Act of 2012 to the Safe, Clean, and Reliable Drinking Water Supply Act of 2014. Declares the intent of the Legislature to amend the act for the purpose of reducing and potentially refocusing the bond.	01/31/2013 - Re-referred to SENATE Committees on NATURAL RESOURCES AND WATER and RULES.	
SB 42 Wolk (D)	Safe Drinking Water, Water Quality, Flood Protection		Enacts the Safe Drinking Water, Water Quality, and Flood Protection Act of 2014, which, if adopted by the voters, would authorize the issuance of bonds in a specified amount pursuant to the State General Obligation Bond Law to finance a safe drinking water, water quality, and flood protection program.	09/11/2013 - In SENATE. Senate Rule 29.3(b) suspended.;09/11/2013 - From SENATE Committee on NATURAL RESOURCES AND WATER with author's amendments.;09/11/2013 - In SENATE.	

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
				Read second time and amended. Re-referred to Committee on NATURAL RESOURCES AND WATER.	
SB 64 Corbett (D)	Global Warming Solutions: Clean Technology Investment		Creates the Clean Technology Investment Account within the Greenhouse Gas Reduction Fund. Requires appropriations of moneys in the fund or other funds to the account in the Budget Act. Makes such funds available for grants to nonprofit public benefit corporations and regional technology alliances to design and implement program that accelerate the development, demonstration, and deployment of technologies that would reduce greenhouse gas emissions and foster job creation in the state.	06/24/2013 - Re-referred to ASSEMBLY Committee on NATURAL RESOURCES.	
SB 123 Corbett (D)	Environmental and Land-Use Court		Requires the Judicial Council to direct the creation of an environmental and land-use division within the Superior Courts selected by the Council to process civil proceedings brought pursuant to the California Environmental Quality Act or in specified subject areas, including air quality, biological resources, climate change, hazards and hazardous materials, land use planning, and water quality. Increases the fees for environmental license plates with revenue for the environmental and land use court.	05/23/2013 - In SENATE Committee on APPROPRIATIONS: Held in committee.	
SB 124 Corbett (D)	Public Contracts: Bid Preferences: Clean Energy		Authorizes a public agency including the Trustees of the California State University to award a contract based on the fact that a clean energy device, technology, or system was manufactured in the state if the contract is for an energy service contract determined to be in the best interests of the agency. Requires those entities to accept bids or proposals for such contract to provide a 5% preference to a bidder that certifies that everything regarding the device or technology was manufactured in the state.	08/30/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
SB 176 Galgiani (D)	Administrative Procedures		Requires the Office of Administrative Law to allow electronic submission to the Office by a state agency of notices required to be published and information required to be submitted pursuant to	08/30/2013 - In ASSEMBLY Committee on	

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			specified provisions of existing law. Expands the public discussion required described in existing law to require a state agency proposing to adopt regulations, prior to publication of a notice of proposed adoption, amendment, or repeal, to involve parties that would be subject to the regulations in such discussions.	APPROPRIATIONS: To Suspense File.;08/30/2013 - In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.	
SB 182 Governance and Finance Cmt	Validations		Enacts the Second State Validating Act of 2013, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.	09/06/2013 - Signed by GOVERNOR.;09/06/ 2013 - Chaptered by Secretary of State. Chapter No. 207	
SB 183 Governance and Finance Cmt	Validations		Enacts the Third State Validating Act of 2013, which would validate the organization, boundaries, acts, proceedings, and bonds of the state and counties, cities, and specified districts, agencies, and entities.	09/06/2013 - Signed by GOVERNOR.;09/06/ 2013 - Chaptered by Secretary of State. Chapter No. 209	
SB 184 Governance and Finance Cmt	Local Government: Omnibus Bill		Relates to the procedures governing the offering of subdivided lands for sale or lease, the definition of family member and domestic partner under the Public Cemetery District Law, the provisions of law regarding the abuse of public office or position to include bribery of a Member of the Legislature, subdivision map provisions, facsimile signatures and the county recorder, historical property use contracts recording, the Baldwin Hill Conservancy, and the Ventura County Resource Conservation District.	09/06/2013 - Signed by GOVERNOR.;09/06/ 2013 - Chaptered by Secretary of State. Chapter No. 210	
SB 193 Monning (D)	Hazard Evaluation System and Information Service		Relates to the repository of data on toxic materials and harmful physical agents in places of employment. Requires chemical manufacturers, formulators, suppliers, distributors, importers, and their agents to provide Hazard Evaluation System and Information Service the names and addresses of their customers who have purchased specified chemicals or commercial products containing	08/06/2013 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.	

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			those chemicals, and certain other information upon a request from the Service. Exempts the names and address from disclosure.		
SB 322 Hueso (D)	Water Recycling	Support	Requires the State Department of Public Health to investigate the feasibility of developing uniform water recycling criteria for direct potable reuse. Requires the department to convene a panel to establish regulatory criteria for such reuse. Requires the panel to include a limnologist. Requires convening of a related advisory group, task force, or other group. Authorizes the department to contract with a public university or other research institution. Authorizes acceptance of funds from nonstate sources.	10/08/2013 - Signed by GOVERNOR.;10/08/2013 - Chaptered by Secretary of State. Chapter No. 637	
SB 367 Block (D)	Developmental Services: Regional Centers		Requires that training and support to contracted regional centers for persons with developmental disabilities include issues relating to linguistic and cultural competency. Requires each regional center to post on its Internet Web site information regarding the training and support provided. Requires an annual review of the regional center performance in providing services that are linguistically and culturally appropriate. Authorizes the board to provide the center direction with review recommendations.	09/05/2013 - *****To GOVERNOR.	
SB 390 Wright (D)	Employee Wage Withholdings: Failure to Remit		Makes it a crime for an employer to fail to remit withholdings from an employee's wages that were made pursuant to state, local, or federal law. Prescribes how recovered withholdings or court-imposed restitution, if any, are to be forwarded or paid.	09/19/2013 - *****To GOVERNOR.	
SB 395 Jackson (D)	Hazardous Waste: Wells		Amends part of the Hazardous Waste Control Law that prohibits a person from discharging hazardous waste into an injection well unless certain conditions are met and imposes other requirements upon the operator of such well and defines injection for these purposes as excluding wells regulated by the Division of Oil and Gas. Deletes the exclusion of those regulated wells from the definition of injection well. Requires testing of the waste. Specifies that oil field waste does not include hazardous waste.	05/30/2013 - In SENATE. From third reading. To Inactive File.	
SB 407 Hill (D)	Local Government: Officers and Employees: Contracts		Relates to prohibitions against automatic renewal of contracts that provide compensation increases for local agency executives. Includes within the definition of local agency executive any person	09/06/2013 - Signed by GOVERNOR.;09/06/	

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			who is a deputy or assistant chief executive officer, and any person whose position is held by an employment contract between that person and the local agency.	2013 - Chaptered by Secretary of State. Chapter No. 213	
SB 424 Emmerson (R)	Vehicles: Windshields: Obstructions		Exempts from the prohibition against placing an object that obstructs or reduces the driver's clear view in or upon a vehicle owned by a government agency if those objects or materials do not interfere with the driver's clear view of approaching traffic.	03/11/2013 - To SENATE Committee on TRANSPORTATION AND HOUSING.	
SB 425 DeSaulnier (D)	Public Works: the Public Works Peer Review Act of 2013		Allows a public agency, principally tasked with administering, planning, developing, and operating a public works project, to establish a specified peer review group. Requires the administering agency, if a peer group is established, to draft a charter, published on the agency's Internet Web site, related to the duties of the peer review group.	09/06/2013 - Signed by GOVERNOR.;09/06/2013 - Chaptered by Secretary of State. Chapter No. 252	
SB 436 Jackson (D)	Port Hueneme Beach Shoreline Protection.		Relates to Port Hueneme Beach shoreline protection. Appropriates moneys from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund to the State Coastal Conservancy for a grant to the City of Port Hueneme. requires funding be allocated for emergency measures along Hueneme Beach to prevent severe infrastructure damage to streets and property caused by beach erosion and flooding.	09/28/2013 - Chaptered by Secretary of State. Chapter No. 416	
SB 449 Galgiani (D)	Local Water Supply Programs or Projects: Funding	Oppose	Requires the Department of Water Resources to conduct a statewide inventory of local regional water supply projects and post specified results of the inventory on the Department's Internet Web site.	08/22/2013 - Re-referred to SENATE Committee on NATURAL RESOURCES AND WATER.	
SB 462 Monning (D)	Employment: Compensation		Amends existing law which requires a court in any action brought for the nonpayment of wages, fringe benefits, or health and welfare or pension fund contributions, to award reasonable attorney's fees and costs to the prevailing party. Makes the award where the prevailing party is not an employee contingent on a finding that the employee brought the court action in bad faith.	08/26/2013 - Signed by GOVERNOR.;08/26/2013 - Chaptered by Secretary of State. Chapter No. 142	

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
SB 536 Berryhill T (R)	Property-Related Services		Provides that a county shall not be obligated to provide subsidies to cure any deficiencies in funding of property-related services provided within the jurisdiction of a defined district, under any of certain specified circumstances. Provides that this prohibition would not apply if the county's governing board had agreed to subsidize the district's services before the completion of a majority protest proceeding or election.	06/17/2013 - To ASSEMBLY Committee on LOCAL GOVERNMENT.	
SB 556 Corbett (D)	Agency: Ostensible: Nongovernmental Entities		Relates to third person contracts and ostensible agencies. Prohibits a person, firm, corporation, or association that is a nongovernmental entity and contracts to perform labor or services relating to public health or safety for a public entity from displaying on a vehicle or uniform a logo that reasonably could be interpreted as implying the labor or services are being performed by employees of a public agency, unless the vehicle and uniform displays a specified disclosure.	09/11/2013 - In ASSEMBLY. To Inactive File.	
SB 617 Evans (D)	California Environmental Quality Act		Amends various provisions of the California Environmental Quality Act. Requires that notices regarding environmental impact reports filed by lead agencies need to be filed with the Office of Planning and Research and the county clerk and posted by that clerk for public review. Provides additional duties regarding notices by the Office and the clerk. Requires a statement in the report regarding the placement of the project near natural hazards or adverse environment conditions. Repeals specified exemptions.	05/30/2013 - In SENATE. From third reading. To Inactive File.	
SB 620 Wright (D)	Water Replenishment Districts		Amends the Water Replenishment District Act. Eliminates a requirement that a specified percentage of a district reserve fund be expended for water purchases. Provides that an operator of a water-producing facility is liable to a district for a specified financial penalty for failing to be registered with the district or to make specified reports. Requires a district to establish a budget advisory committee. Relates to the awarding of attorney's fees in related civil actions.	10/08/2013 - Signed by GOVERNOR.;10/08/2013 - Chaptered by Secretary of State. Chapter No. 638	
SB 628 Beall (D)	Infrastructure Financing: Transit Priority Projects		Eliminates the requirement of voter approval for the adoption of an infrastructure financing plan, the creation of an infrastructure	08/19/2013 - Withdrawn from	

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			financing district, and the issuance of bonds with respect to a transit priority project. Requires a specified percentage of the revenue for increasing, improving, and preserving the supply of lower and moderate-income housing. Requires a low-income housing replacement ordinance.	Enrollment.;08/19/2013 - Ordered Held at SENATE desk.	
SB 633 Pavley (D)	CEQA		Amends the California Environmental Quality Act. Specifies, for purposes of new information exception to the prohibition on requiring a subsequent or supplement environmental impact report, that a specified exception applies if new information was not known and could not have been known by the lead or any responsible agency at the time the report was certified as complete. Authorizes the development of guidelines to exempt projects involving minor temporary uses of land and public gatherings.	08/06/2013 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.	
SB 636 Hill (D)	Redevelopment Property Tax Trust		Modifies the provision of law relating to the allocation of remaining local property tax revenues in the Redevelopment Property Tax Trust Fund by deleting language requiring that the provision be construed in such a manner so as to not increase any allocations of excess, additional, or remaining Educational Revenue Augmentation Fund funds that would otherwise have been allocated to cities, counties, cities and counties, or special districts pursuant to existing law.	05/23/2013 - In SENATE Committee on APPROPRIATIONS: Held in committee.	
SB 658 Correa (D)	Orange County Water District Act	SupportinCo ncept	Relates to the Orange County Water District Act that requires the person causing or threatening to cause the contamination or pollution to the surface or groundwaters of the district to be liable to the district for reasonable costs actually incurred in cleaning up or containing the contamination or pollution, abating the effects of the contamination or pollution, or taking other remedial action. Makes that person also liable for costs in investigating the contamination and pollution.	05/24/2013 - In SENATE. From third reading. To Inactive File.	
SB 673 DeSaulnier (D)	Land Use: Development Project Review		Requires a city, county, or city and county, including a charter city or charter city and county, prior to approving or disapproving a proposed development project to cause a cost benefit analysis to be prepared, which would be paid for by the project applicant. Provides	05/30/2013 - In SENATE. From third reading. To Inactive File.	

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			that such analysis would include specified assessments and projections including an assessment of the effect that the construction and operation of the development would have on the ability to implement general plan goals.		
SB 731 Steinberg (D)	Environment: California Environmental Quality Act		Relates to the State Environmental Quality Act. Provides that certain impacts of a residential, mixed-use, or employment center project within a transit priority area shall not be considered significant impacts. Requires guidelines for thresholds of significance for noise and transportation impacts to be made available. Requires preparation of environmental impact reports. Extends the tolling of time for judicial actions and mitigation measures. Relates to sustainable communities planning and grants.	09/11/2013 - From ASSEMBLY Committee on LOCAL GOVERNMENT: Do pass as amended.	
SB 735 Wolk (D)	Sacramento-San Joaquin Delta Reform Act		Amends existing law that establishes the Delta Stewardship Council to create a Delta management plan. Authorizes prescribed local entities to enter into a memorandum of understanding or other written agreement with the council and the Department of Fish and Wildlife regarding multispecies conservation plans that describes how the parties would ensure that multispecies conservation plans that have been adopted or are under development are consistent with the Delta Plan.	08/13/2013 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Not heard.	
SB 749 Wolk (D)	Habitat Protection: Endangered Species		Authorizes the Department of Fish and Wildlife to lease department-managed lands for agricultural activities. Authorizes the moneys collected from those leases to support the management, maintenance, restoration and operations of such lands. Requires the Department to annually provide an opportunity for hunters to comment and make recommendations concerning hunting programs. Relates to endangered species petitions and public hearings and the transfer of water when agricultural lands are being idled.	09/27/2013 - Signed by GOVERNOR.;09/27/2013 - Chaptered by Secretary of State. Chapter No. 387	
SB 750 Wolk (D)	Building Standards: Water Meters: Multiunits		Requires a water purveyor providing water service to new multiunit residential or mixed use structures to require water measurement to each unit and to permit measurement to be by water meters or submeters. Requires submeters to comply with existing laws and regulations. Prohibits purveyor fees for submeters installed by the	08/13/2013 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE:	

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			owner. Imposes certain requirements on landlords in related to the submetered water service. Relates to separate charge notification to tenant. Authorizes damages for violations.	Failed passage.;08/13/2013 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: Reconsideration granted.	
SB 754 Evans (D)	Environmental Quality Act		Amends the California Environmental Quality Act. Authorizes a person meeting specified requirements to bring an action or proceeding to enforce the implementation of the mitigation measures specified in a reporting and monitoring program if a project applicant fails to implement those measures. Prohibits a project proponent to contract for, direct or prepare the initial study, environmental impact report or negative declaration. Prohibits the use of a prior EIR for specified purposes.	05/23/2013 - In SENATE Committee on APPROPRIATIONS: Held in committee.	
SB 757 Berryhill T (R)	Junk Dealers		Relates to junk dealers and recyclers. Permits a seller to use a passport from any country or a Matricula Consular issued by Mexico, along with another form of identification bearing an address, or an identification card issued by the United States, as identification. Specifies that the provisions governing secondhand dealers and coin dealers do not apply to junk dealers.	09/06/2013 - In ASSEMBLY. To Inactive File.	
SB 761 DeSaulnier (D)	Family Temporary Disability Insurance		Provides that it is unlawful for an employer who regularly employs 10 or more individuals, or agent of an employer to discharge or in any other manner to discriminate against an individual because he or she has applied for, used or indicated an intent to apply for or use, family temporary disability insurance benefits.	05/30/2013 - In SENATE. From third reading. To Inactive File.	
SB 770 Jackson (D)	Unemployment Compensation: Disability Benefits		Relates to family temporary disability leave. Expands the scope of the family temporary disability insurance program to include time off to care for a seriously ill grandparent, grandchild, sibling, or parent-in-law.	09/24/2013 - Signed by GOVERNOR.;09/24/2013 - Chaptered by Secretary of State. Chapter No. 350	

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
<u>SB 772</u> Emmerson (R)	Drinking Water		Requires the Department of Health, or a local health agency, to provide the address and telephone number for each public water system and state small water system to the Public Utilities Commission and to a local agency. Provides for water storage, purification and recycling. Exempts the Elsinore Valley Municipal Water District and the Eastern Municipal Water District from liability for injuries or damages arising out of the delivery of water to County Water Company of Riverside customers.	09/09/2013 - Withdrawn from SENATE Committee on GOVERNANCE AND FINANCE.;09/09/2013 - Re-referred to SENATE Committees on GOVERNANCE AND FINANCE and JUDICIARY.	
<u>SCA 10</u> Huff (R)	Legislative Procedure		Authorizes a committee to hear or act on a bill if the bill, in the form to be considered by the committee, has been in print and published on the Internet for at least 15 days. Prohibits either house of the Legislature from passing a bill until the bill, in the form to be voted on, has been made available to the public, in print and published on the Internet, for at least 72 hours preceding the vote.	01/31/2013 - To SENATE Committee on RULES.	

EXHIBIT "B"

AMENDED IN SENATE SEPTEMBER 6, 2013

AMENDED IN ASSEMBLY APRIL 9, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1330

Introduced by Assembly Member John A. Pérez

February 22, 2013

An act to amend ~~Section~~ *Sections 12812.2 and 54954.3* of the Government Code, ~~and to amend Sections 25135 and 44050 of, and to add Sections 25135.10, 25135.11, 25196.1, and 42410.1 to, the Health and Safety Code, and to amend Section 71116 of, and to add Sections 71117 and 71119 to~~ *45024.1, 45025.1, 71116.1, 71117.5, 71119, and 71119.5 to, the Public Resources Code, relating to environmental justice, and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1330, as amended, John A. Pérez. Environmental justice.

(1) Existing law requires the Secretary for Environmental Protection to convene a Working Group on Environmental Justice to assist the secretary in developing an agency wide strategy for identifying and addressing gaps in existing programs, policies, or activities of the boards, departments, and offices of the California Environmental Protection Agency that may impede the achievement of environmental justice. Existing law requires the agency to identify disadvantaged communities for investment opportunities under the California Global Warming Solutions Act of 2006.

This bill would require the agency, on or before January 1, 2015, to establish a list of environmental justice communities identifying the top 15% of communities in the state, based on census tracts, that are

disproportionately impacted by environmental hazards. The bill would require the agency to revise the list on a triennial basis.

(2) Existing law imposes administrative, civil, and criminal fines and penalties for a violation of specified environmental laws and establishes the maximum amount of fines and penalties.

This bill would require the enforcement agency with jurisdiction over those environmental laws and the courts to double the maximum amount of fines and penalties assessed if a violation occurs at a facility located in an environmental justice community that results in an increased level of emissions or discharges that exceeds the level permitted under that environmental law. The bill would require a specified amount of fines and penalties collected pursuant to this provision to be deposited into the Green Zone Trust Fund, which the bill would establish in the State Treasury. By requiring an enforcement agency to deposit a specified portion of fines and penalties it collects into the Green Zone Trust Fund, the bill would increase the level of service provided by the enforcement agency, thereby imposing a state-mandated local program. The bill would require moneys in the Green Zone Trust Fund, upon appropriation by the Legislature, to be expended by the California Environmental Protection Agency to support Green Zone Environmental Projects that are environmentally beneficial to environmental justice communities. The bill would require the agency, on or before January 1, 2015, to establish guidelines to designate Green Zone Environmental Projects.

(3) Existing law gives the responsibility and authority to a deputy to the Secretary for Environmental Protection to, in consultation with the Attorney General, establish a cross-media enforcement unit to assist a board, department office, or other agency that implements a law or regulation within the jurisdiction of the California Environmental Protection Agency.

This bill would require the secretary to ensure that the unit give priority to enforcement actions for a violation occurring in an environmental justice community.

(4) Existing law requires the Department of Toxic Substances Control to prepare, adopt, and review triennially a state hazardous management plan that serves as a comprehensive planning document for the state and as a useful source of information for the public, local government, and regional councils of government.

This bill would require the department, on or before January 1, 2016, in consultation with the Hazardous Waste Reduction Advisory

Committee, which the bill would establish, to prepare and submit to the Legislature the state hazardous waste reduction plan that identifies measures necessary to achieve significant reduction in hazardous waste generated and disposed of in California by 2025 to the maximum extent practicable. The bill would require the department, on or before January 1, 2017, and biennially thereafter, to report to the Legislature on its progress toward achieving the reduction goals in the plan.

(+)

(5) The Ralph M. Brown Act requires a local legislative body to provide an opportunity for members of the public to directly address the body concerning any item described in a notice of meeting. The act authorizes the legislative body to adopt reasonable regulations limiting the total amount of time allocated for public testimony for each individual speaker.

This bill would, if a local legislative body limits the time for public comment, prohibit the body from counting the time used by a translator to translate comments from a non-English-speaking commenter in determining whether the speaker has exceeded his or her time limit unless simultaneous translation equipment is used to allow the body to hear the translated public testimony simultaneously.

~~(2) Existing law requires the Secretary for Environmental Protection to convene a Working Group on Environmental Justice to assist the secretary in developing, by July 1, 2002, an agencywide strategy for identifying and addressing gaps in existing programs, policies, or activities of the agency's boards, departments, and offices that may impede the achievement of environmental justice.~~

~~This bill would require the secretary, with the assistance of the Cal/EPA Interagency Working Group on Environmental Justice, to periodically revise and update the agencywide strategy to identify and address any additional gaps. The bill would require the secretary to submit to the Governor and the Legislature, by July 1, 2014, a report on the revision and update of the strategy.~~

~~(3) The bill would require each board, department, and office of the California Environmental Protection Agency to maintain a publicly available database on its Internet Web site of its ongoing enforcement cases and compliance histories of its regulated entities. The bill would require the California Environmental Protection Agency to provide links to the databases on its Internet Web site.~~

(6) *Existing law requires the California Environmental Protection Agency to establish the Environmental Justice Small Grant Program*

to provide grants to eligible community groups that are involved in working to address environmental justice issues. Existing law caps the amount of a grant at \$20,000.

This bill would raise the grant cap to \$50,000.

(7) This bill would require the California Environmental Protection Agency to maintain an agencywide public database of complaints and enforcement cases for each board, department, and office of the agency.

(8) This bill would appropriate \$800,000 from the Hazardous Waste Control Account to the Department of Toxic Substances Control for the purposes of preparing the state hazardous waste reduction plan.

(9) The bill would declare that the provisions of the bill are severable.

(10) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: ~~no~~-yes. Fiscal committee: yes. State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature finds and declares all of the
2 following:

3 (1) The Legislature, in 2001, enacted Senate Bill 828 of the
4 2001–02 Regular Session (Chapter 765 of the Statutes of 2001) to
5 require the California Environmental Protection Agency to convene
6 a Working Group on Environmental Justice to assist the agency
7 in developing an agencywide strategy for identifying and
8 addressing gaps in existing programs, policies, or activities that
9 may impede the achievement of environmental justice.

10 (2) After the development of the strategy, Senate Bill 828
11 requires each board, department, and office within the agency, in
12 coordination with the Secretary for Environmental Protection and
13 the Director of the Office of Planning and Research, to review its
14 programs, policies, or activities that may impede the achievement
15 of environmental justice.

16 (3) Senate Bill 828 also requires the secretary to submit, on a
17 triennial basis beginning on January 1, 2004, a report to the

1 Governor and the Legislature, on the implementation of the above
2 requirements.

3 (4) In September of 2004, the agency submitted to the Governor
4 and the Legislature a report on actions taken to implement Senate
5 Bill 828.

6 (5) In October of 2004, the agency issued the Environmental
7 Justice Action Plan identifying opportunities for the agency and
8 its boards, departments, and offices to take the initial steps toward
9 addressing environmental justice issues.

10 (6) Since 2004, the agency has not submitted a report to the
11 Governor or the Legislature on the implementation of the
12 Environmental Justice Action Plan.

13 (7) Additionally, issues regarding environmental justice not
14 addressed by the agency may have arisen since 2004.

15 (b) It is the intent of the Legislature that the agency should
16 update the Environmental Justice Action Plan to address issues
17 regarding environmental justice that may have arisen since 2004
18 that may have impeded the achievement of environmental justice.

19 (c) It is further the intent of the Legislature to ensure increased
20 public participation from individuals in the environmental justice
21 community in the governmental decisionmaking process.

22 *SEC. 2. Section 12812.2 of the Government Code is amended*
23 *to read:*

24 12812.2. (a) One of the deputies to the Secretary for
25 Environmental Protection shall be a deputy secretary for law
26 enforcement and counsel, who, subject to the direction and
27 supervision of the secretary, shall have the responsibility and
28 authority to do all of the following:

29 (1) Develop a program to ensure that the boards, departments,
30 offices, and other agencies that implement laws or regulations
31 within the jurisdiction of the California Environmental Protection
32 Agency take consistent, effective, and coordinated compliance
33 and enforcement actions to protect public health and the
34 environment. The program shall include training and cross-training
35 of inspection and enforcement personnel of those boards,
36 departments, offices, or other agencies to ensure consistent,
37 effective, and coordinated enforcement.

38 (2) (A) In consultation with the Attorney General, establish a
39 cross-media enforcement unit to assist a board, department, office,
40 or other agency that implements a law or regulation within the

1 jurisdiction of the California Environmental Protection Agency,
 2 to investigate and prepare matters for enforcement action in order
 3 to protect public health and the environment. The unit may inspect
 4 and investigate a violation of a law or regulation within the
 5 jurisdiction of the board, department, office, or other agency,
 6 including a violation involving more than one environmental
 7 medium and a violation involving the jurisdiction of more than
 8 one board, department, office, or agency. The unit shall exercise
 9 its authority consistent with the authority granted to the head of a
 10 department pursuant to Article 2 (commencing with Section 11180)
 11 of Chapter 2 of Part 1.

12 *(B) The Secretary for Environmental Protection shall ensure*
 13 *that the unit shall give priority to enforcement actions for violations*
 14 *that have occurred in a community listed pursuant to Section*
 15 *71117.5 of the Public Resources Code.*

16 (3) Refer a violation of a law or regulation within the jurisdiction
 17 of a board, department, office, or other agency that implements a
 18 law or regulation within the jurisdiction of the California
 19 Environmental Protection Agency to the Attorney General, a
 20 district attorney, or city attorney for the filing of a civil or criminal
 21 action.

22 (4) Exercise the authority granted pursuant to paragraph (3)
 23 only after providing notice to the board, department, office, or
 24 other agency unless the secretary determines that notice would
 25 compromise an investigation or enforcement action.

26 (b) Nothing in this section shall authorize the deputy secretary
 27 for law enforcement and counsel to duplicate, overlap, compromise,
 28 or otherwise interfere with an investigation or enforcement action
 29 undertaken by a board, department, office, or other agency that
 30 implements a law or regulation subject to the jurisdiction of the
 31 California Environmental Protection Agency.

32 (c) The Environmental Protection Agency shall post on its Web
 33 site, updated no later than December 1 of each year, the status of
 34 the implementation of this section.

35 ~~SEC. 2.~~

36 SEC. 3. Section 54954.3 of the Government Code is amended
 37 to read:

38 54954.3. (a) Every agenda for regular meetings shall provide
 39 an opportunity for members of the public to directly address the
 40 legislative body on any item of interest to the public, before or

1 during the legislative body's consideration of the item, that is
2 within the subject matter jurisdiction of the legislative body,
3 provided that no action shall be taken on any item not appearing
4 on the agenda unless the action is otherwise authorized by
5 subdivision (b) of Section 54954.2. However, the agenda need not
6 provide an opportunity for members of the public to address the
7 legislative body on any item that has already been considered by
8 a committee, composed exclusively of members of the legislative
9 body, at a public meeting wherein all interested members of the
10 public were afforded the opportunity to address the committee on
11 the item, before or during the committee's consideration of the
12 item, unless the item has been substantially changed since the
13 committee heard the item, as determined by the legislative body.
14 Every notice for a special meeting shall provide an opportunity
15 for members of the public to directly address the legislative body
16 concerning any item that has been described in the notice for the
17 meeting before or during consideration of that item.

18 (b) The legislative body of a local agency may adopt reasonable
19 regulations to ensure that the intent of subdivision (a) is carried
20 out, including, but not limited to, regulations limiting the total
21 amount of time allocated for public testimony on particular issues
22 and for each individual speaker.

23 (c) (1) To ensure that a non-English speaker who uses a
24 translator receives the same opportunity to directly address the
25 legislative body of a local agency as a speaker who does not use
26 a translator, notwithstanding subdivision (b), if that body limits
27 time for public comment, the time used by a translator to translate
28 a non-English speaker's comments into English shall not count
29 toward the speaker's allotted time.

30 (2) Paragraph (1) shall not apply if the legislative body of a
31 local agency utilizes simultaneous translation equipment in a
32 manner that allows that body to hear the translated public testimony
33 simultaneously.

34 (d) The legislative body of a local agency shall not prohibit
35 public criticism of the policies, procedures, programs, or services
36 of the agency, or of the acts or omissions of the legislative body.
37 Nothing in this subdivision shall confer any privilege or protection
38 for expression beyond that otherwise provided by law.

39 ~~SEC. 3. Section 71117 is added to the Public Resources Code,~~
40 ~~to read:~~

1 ~~71117. (a) The Secretary for Environmental Protection shall,~~
 2 ~~with the assistance of the Cal/EPA Interagency Working Group~~
 3 ~~on Environmental Justice, periodically revise and update the~~
 4 ~~agencywide strategy developed pursuant to Section 71113 to~~
 5 ~~identify and address any additional gaps in existing programs,~~
 6 ~~policies, or activities that impede the achievement of environmental~~
 7 ~~justice.~~

8 ~~(b) (1) On or before July 1, 2014, the secretary shall submit to~~
 9 ~~the Governor and the Legislature a report on the implementation~~
 10 ~~of this section.~~

11 ~~(2) The report required by paragraph (1) that is submitted to the~~
 12 ~~Legislature shall be submitted pursuant to Section 9795 of the~~
 13 ~~Government Code.~~

14 ~~(3) Pursuant to Section 10231.5 of the Government Code, this~~
 15 ~~subdivision is inoperative on July 1, 2018.~~

16 ~~SEC. 4. Section 71119 is added to the Public Resources Code,~~
 17 ~~to read:~~

18 ~~71119. (a) Each board, department, and office of the California~~
 19 ~~Environmental Protection Agency shall maintain a public database~~
 20 ~~on its Internet Web site of its ongoing enforcement cases, to the~~
 21 ~~extent the information on the database would normally be available~~
 22 ~~pursuant to the California Public Records Act (Chapter 3.5~~
 23 ~~(commencing with Section 6250) of Division 7 of Title 1 of the~~
 24 ~~Government Code), and compliance histories of its regulated~~
 25 ~~entities that have committed violations focusing on information~~
 26 ~~related to how the entities rectified the violation.~~

27 ~~(b) The California Environmental Protection Agency shall~~
 28 ~~provide links to the databases on its Internet Web site.~~

29 ~~SEC. 4. Section 25135 of the Health and Safety Code is~~
 30 ~~amended to read:~~

31 ~~25135. (a) The Legislature finds and declares as follows:~~

32 ~~(1) An effective planning process involving public and private~~
 33 ~~sector participation exists at the county level for establishing new,~~
 34 ~~or expanding existing, solid waste facilities, but an equivalent~~
 35 ~~process has not been established at the local level to plan for the~~
 36 ~~management of hazardous wastes.~~

37 ~~(2) Counties are presently required to prepare solid waste~~
 38 ~~management plans for all waste disposal within each county and~~
 39 ~~for all waste originating in each county. While the department has~~
 40 ~~requested that counties include in their solid waste management~~

1 plans a hazardous waste management element, there is not presently
2 a clear mandate that they do so.

3 (3) Hazardous waste management planning at the local level
4 has been hampered because the department has not provided the
5 counties with adequate and comprehensive planning guidelines,
6 there is a lack of accurate data on hazardous waste generation,
7 handling, and disposal practices, adequate funding has not been
8 available, and local expertise in hazardous waste planning has not
9 been developed.

10 (4) The failure to plan for the safe and effective management
11 of hazardous wastes has contributed to the public's general
12 uncertainty in viewing proposals to site hazardous waste facilities
13 at various locations throughout the state. Because advance planning
14 has not taken place, local governments are not prepared to consider
15 siting proposals and the public has not received adequate answers
16 to questions concerning the need for proposed facilities.

17 (5) Safe and responsible management of hazardous wastes is
18 one of the most important environmental problems facing the state
19 at the present time. It is critical to the protection of the public health
20 and the environment, and to the economic growth of the state. If
21 environmentally sound hazardous waste facilities are not available
22 to effectively manage the hazardous wastes produced by the many
23 industries of the state, economic activity will be hampered and the
24 economy cannot prosper.

25 *(6) The Legislature has given the Department of Toxic*
26 *Substances Control responsibility for the state's hazardous waste*
27 *management system to protect public health and the environment*
28 *from toxic harm.*

29 *(7) California needs a statewide strategy to reduce the amount*
30 *of hazardous waste it generates and disposes.*

31 (b) The Legislature, therefore, declares that it is in the public
32 interest to establish an effective process for hazardous waste
33 management planning at the local level. This process is consistent
34 with the responsibility of local governments to assure that adequate
35 treatment and disposal capacity is available to manage the
36 hazardous wastes generated within their jurisdictions.

37 (c) It is the intent of the Legislature that the hazardous waste
38 management plans prepared pursuant to this article serve as the
39 primary planning document for hazardous waste management at
40 the local level; that the plans be integrated with other local land

1 use planning activities to ensure that suitable locations are available
2 for needed hazardous waste facilities; that land uses adjacent to,
3 or near, hazardous waste facilities, or proposed sites for these
4 facilities, are compatible with their operation; and that the plans
5 are prepared with the full and meaningful involvement of the
6 public, environmental groups, civic associations, generators of
7 hazardous wastes, and the hazardous waste management industry.

8 (d) It is further the intent of the Legislature, in enacting this
9 article, to define the respective responsibilities of state and local
10 governments in hazardous waste management planning; to establish
11 a comprehensive planning process in which state and local
12 government, the public, and industry jointly develop safe and
13 effective solutions for the management and disposal of hazardous
14 wastes; to ensure that local governments are assisted adequately
15 by the state in carrying out their responsibilities; and to provide
16 funding for local-level planning.

17 (e) *It is further the intent of the Legislature to create significant*
18 *disincentives for new releases of hazardous substances that can*
19 *contaminate soil, buildings, and other environmental media,*
20 *thereby preventing the generation of hazardous waste in the future.*

21 (f) *It is further the intent of the Legislature to ensure that*
22 *reducing hazardous waste disposal in hazardous waste landfills*
23 *does not result in increased health and environmental burdens to*
24 *other communities.*

25 (g) *It is further the intent of the Legislature to reduce the impact*
26 *of hazardous waste generation and disposal on individuals in*
27 *low-income communities by ensuring that individuals in these*
28 *impacted communities have a greater role in shaping governmental*
29 *priorities and decisionmaking and that environmental justice*
30 *concerns are considered during hazardous waste facility permitting*
31 *and decisionmaking.*

32 (h) *It is further the intent of the Legislature to look to the private*
33 *sector to develop new technologies and increase pollution*
34 *prevention practices to reduce hazardous waste generation.*

35 (i) *It is further the intent of the Legislature to look to the private*
36 *sector to develop new technologies and practices to remediate*
37 *sites contaminated by hazardous substances.*

38 (j) *It is further the intent of the Legislature to ensure that*
39 *California significantly reduce its generation and disposal of*
40 *hazardous waste. This is accomplished by requiring a statewide*

1 hazardous waste management plan to provide thorough analysis,
2 reduction measures, and specific guidelines to achieve these
3 reductions by 2025.

4 SEC. 5. Section 25135.10 is added to the Health and Safety
5 Code, to read:

6 25135.10. (a) For the purposes of this section, “generation”
7 means the act or process of generating hazardous waste, but does
8 not include the removal of contaminated soil or water.

9 (b) (1) On or before January 1, 2016, the department, in
10 consultation with the advisory committee established pursuant to
11 Section 25135.11, shall prepare and submit, in compliance with
12 Section 9795 of the Government Code, to the Legislature the state
13 hazardous waste reduction plan that identifies measures necessary
14 to achieve significant reduction in hazardous waste generated and
15 disposed of in California by 2025 to the maximum extent
16 practicable. The hazardous waste reduction plan prepared
17 pursuant to this section shall serve as a comprehensive planning
18 document to ensure that the best practices are implemented to
19 reduce hazardous waste generation and disposal.

20 (2) In preparing the plan, the department shall take into
21 consideration methods that can serve to reduce the generation of
22 hazardous waste, including pollution prevention, hazardous waste
23 disposal practices in the state, and the impacts of hazardous waste
24 disposal in or near low-income communities.

25 (3) In developing the plan, the department shall hold public
26 meetings to discuss elements that could be included in the plan.

27 (c) The plan shall include, but need not be limited to, all of the
28 following elements:

29 (1) A description of preferred hazardous waste management
30 practices, programs, incentives, requirements, prohibitions, or
31 other measures necessary to reduce hazardous waste generation
32 and disposal. At a minimum, the description shall include steps
33 for all of the following:

34 (A) Reducing the generation of hazardous wastes to the
35 maximum extent feasible.

36 (B) Reducing the use of hazardous materials and increasing the
37 use of less hazardous or nonhazardous alternatives.

38 (C) Reducing the disposal of hazardous waste that may pose a
39 significant threat to human health or the environment to the
40 maximum extent practicable.

- 1 (D) Reducing the risk of exposure to communities threatened
2 by releases of hazardous substances and hazardous wastes.
- 3 (E) Reducing the risk of exposure to communities near sites
4 contaminated by hazardous waste substances and hazardous waste.
- 5 (2) Identification of the hazardous waste streams produced in
6 the state.
- 7 (3) A recommendation for a baseline of statewide hazardous
8 waste disposal and a baseline for hazardous waste generation in
9 the state from which the identified reductions are to be measured.
- 10 (4) An evaluation of hazardous waste generated and disposed
11 of in California and an evaluation of the feasibility of implementing
12 waste reduction options.
- 13 (5) A list of those waste reduction measures that have been
14 determined to be technically feasible, an assessment of the potential
15 for the amount of waste reduction that might be achieved if
16 implemented, and an evaluation of factors that could influence the
17 achievement of those reductions.
- 18 (6) Identification of statutory and regulatory changes to
19 permitting of hazardous waste facilities that would reduce the
20 health and environmental burden on communities adjacent to
21 hazardous waste landfills.
- 22 (7) A target for the reduction of hazardous waste generation
23 and disposal by 2025 and a set of recommendations for achieving
24 those reductions.
- 25 (8) An implementation schedule for carrying out the
26 recommendations. The schedule shall include the following:
- 27 (A) Any changes in departmental policies or procedures that
28 do not require statutory or regulatory changes to implement, and
29 a proposed timetable for their adoption. The schedule shall project
30 the adoption of departmental policies or procedures no later than
31 January 1, 2017.
- 32 (B) Any regulations within the department's statutory authority
33 that would need to be adopted in order to carry out the
34 recommendations in the plan, and a proposed timetable for their
35 adoption.
- 36 (C) Any statutory changes that would need to be enacted in
37 order to carry out the recommendations in the plan.
- 38 (d) The plan shall avoid proposals that would do either of the
39 following:

1 (1) Weaken the health and environmental protections to
2 surrounding communities from the remediation of sites
3 contaminated by hazardous substances or lead to reduced cleanups
4 of contaminated sites.

5 (2) Attempt to accomplish hazardous waste disposal reductions
6 through shipping the waste out of state.

7 (3) Rely on strategies that produce disproportionate impacts
8 on low-income communities and communities of color.

9 (e) The department shall release and post on the department's
10 Internet Web site a draft of the hazardous waste reduction plan
11 for public review and comment. The comment period shall be no
12 less than 60 days, and the department shall hold at least one public
13 hearing that includes the advisory committee on the draft plan
14 during the public comment period.

15 (f) The requirement for submitting a report imposed under
16 paragraph (1) of subdivision (c) is inoperative on January 1, 2020,
17 pursuant to Section 10231.5 of the Government Code.

18 (g) Notwithstanding Section 10321.5 of the Government Code,
19 on or before January 1, 2017, and every two years thereafter, the
20 department shall report to the Legislature, in compliance with
21 Section 9795 of the Government Code, on its progress toward
22 achieving the reduction goals in the state hazardous waste
23 reduction plan. The report shall include all of the efforts the
24 department has made to achieve these goals, as well as identify
25 those recommendations in the plan that were not implemented,
26 and an explanation as to why the recommendations were not
27 implemented. If the goals are not on track to be met, the report
28 shall also include recommendations for additional steps that would
29 be necessary to meet the reduction goals specified in the plan.

30 SEC. 6. Section 25135.11 is added to the Health and Safety
31 Code, to read:

32 25135.11. (a) The Hazardous Waste Reduction Advisory
33 Committee is hereby created. The advisory committee shall consist
34 of seven members, as follows:

35 (1) Two members appointed by the Speaker of the Assembly.

36 (2) Two members appointed by the Senate Committee on Rules.

37 (3) One member appointed by the Governor.

38 (4) One member appointed by the Secretary of the California
39 Environmental Protection Agency.

- 1 (5) One member appointed by the President of the University
2 of California.
- 3 (b) The members shall include:
- 4 (1) At least one representative from an environmental justice
5 organization that works in one of the communities listed pursuant
6 to Section 71117.5 of the Public Resources Code.
- 7 (2) One representative from an environmental justice
8 organization, a public health organization, or an academic school
9 of public health that works in one of the communities listed
10 pursuant to Section 71117.5 of the Public Resources Code.
- 11 (3) Two academic experts in hazardous waste reduction.
- 12 (4) One representative of an organized labor group that works
13 in hazardous waste facilities.
- 14 (5) One academic expert in public health and environmental
15 hazards posed by toxic substances.
- 16 (6) One expert in regulation and enforcement related to
17 hazardous waste law.
- 18 (7) The director or designated appointee from the director's
19 executive team serving as an ex officio member.
- 20 (c) Beginning March 1, 2014, the advisory committee shall meet
21 at least three times each year to solicit public input with the goal
22 of assisting the department in its preparation of a state hazardous
23 waste reduction plan pursuant to Section 25135.10. In advising
24 the department, the advisory committee, at a minimum, shall do
25 both of the following:
- 26 (1) Recommend statutory, regulatory, policy, and permitting
27 changes that would reduce the generation and the quantity of
28 hazardous waste in the state, encourage the use of nonhazardous
29 alternatives, and fulfill all the goals and requirements of the plan
30 developed pursuant to Section 25135.10.
- 31 (2) Recommend regulatory steps for enhancing enforcement of
32 toxic laws and regulations to create significant disincentives for
33 contaminating soil, buildings, and other environmental media with
34 hazardous materials that are used and stored.
- 35 (d) The department shall assist and support the advisory
36 committee in holding public meetings to discuss the hazardous
37 waste reduction plan, including soliciting input on ways to reduce
38 the generation and disposal of hazardous waste, and participation
39 at each meeting of the advisory committee by the appropriate

1 member of the director's executive team for each of the agenda
2 items to be discussed at the meeting.

3 SEC. 7. Section 25196.1 is added to the Health and Safety
4 Code, to read:

5 25196.1. (a) Notwithstanding any provision of this article
6 establishing the maximum amount of administrative, civil, or
7 criminal fines or penalties, for a violation that occurs in a facility
8 located in a community listed pursuant to Section 71117.5 of the
9 Public Resources Code and that results in an increased level of
10 emissions or discharges that exceeds a level permitted by this
11 chapter, the department, unified program agency, or the court
12 shall double the maximum amount of fines or penalties assessed
13 for the violation.

14 (b) Fifty percent of the fines or penalties collected pursuant to
15 this section that are deposited into the Toxic Substances Control
16 Account pursuant to Section 25192 shall be expended, upon
17 appropriation by the Legislature, by the department for
18 environmentally beneficial projects, as defined in Section 71116.1
19 of the Public Resources Code, authorized pursuant to Section
20 25173.6 that are located within a community listed pursuant to
21 Section 71117.5 of the Public Resources Code.

22 SEC. 8. Section 42410.1 is added to the Health and Safety
23 Code, to read:

24 42410.1. (a) Notwithstanding any other provision of this article
25 establishing the maximum amount of administrative, civil, or
26 criminal fines or penalties, for a violation that occurs in a facility
27 located in a community listed pursuant to Section 71117.5 of the
28 Public Resources Code and that results in an increased level of
29 emission or discharges that exceeds the level permitted pursuant
30 to this division, the state board, district, or the court shall double
31 the maximum amount of fines or penalties assessed for the
32 violation.

33 (b) Fifty percent of the fines or penalties collected pursuant to
34 this section shall be deposited into the Green Zone Trust Fund
35 established pursuant to Section 71116.1 of the Public Resources
36 Code.

37 SEC. 9. Section 45024.1 is added to the Public Resources Code,
38 to read:

39 45024.1. (a) Notwithstanding any provision of this article
40 establishing the maximum amount of a civil fine or penalty for a

1 violation occurring in a facility located in a community listed
2 pursuant to Section 71117.5 that results in an increased level of
3 emissions or discharges that exceeds the level permitted by this
4 division, the department, local enforcement agency, or the court
5 shall double the maximum amount of the fines or penalties assessed
6 for the violation.

7 (b) Fifty percent of the fines or penalties collected pursuant to
8 this section shall be deposited into the Green Zone Trust Fund
9 established pursuant to Section 71116.1.

10 SEC. 10. Section 45025.1 is added to the Public Resources
11 Code, to read:

12 45025.1. (a) Notwithstanding paragraph (1) of subdivision
13 (a) of Section 45025, for a violation occurring in a facility located
14 in a community listed pursuant to Section 71117.5 that results in
15 an increased level of emissions or discharges that exceeds the level
16 permitted by this division, the court shall double the maximum
17 amount of criminal fines or penalties assessed for the violation.

18 (b) Fifty percent of the fines or penalties collected pursuant to
19 this section shall be deposited into the Green Zone Trust Fund
20 established pursuant to Section 71116.1.

21 SEC. 11. Section 71116 of the Public Resources Code is
22 amended to read:

23 71116. (a) The Environmental Justice Small Grant Program
24 is hereby established under the jurisdiction of the California
25 Environmental Protection Agency. The California Environmental
26 Protection Agency shall adopt regulations for the implementation
27 of this section. These regulations shall include, but need not be
28 limited to, all of the following:

29 (1) Specific criteria and procedures for the implementation of
30 the program.

31 (2) A requirement that each grant recipient submit a written
32 report to the agency documenting its expenditures of the grant
33 funds and the results of the funded project.

34 (3) Provisions promoting the equitable distribution of grant
35 funds in a variety of areas throughout the state, with the goal of
36 making grants available to organizations that will attempt to
37 address environmental justice issues.

38 (b) The purpose of the program is to provide grants to eligible
39 community groups, including, but not limited to, community-based,
40 grassroots nonprofit organizations that are located in areas

1 adversely affected by environmental pollution and hazards and
2 that are involved in work to address environmental justice issues.

3 (c) (1) Both of the following are eligible to receive moneys
4 from the fund.

5 (A) A nonprofit entity.

6 (B) A federally recognized tribal government.

7 (2) For the purposes of this section, “nonprofit entity” means
8 any corporation, trust, association, cooperative, or other
9 organization that meets all of the following criteria:

10 (A) Is operated primarily for scientific, educational, service,
11 charitable, or other similar purposes in the public interest.

12 (B) Is not organized primarily for profit.

13 (C) Uses its net proceeds to maintain, improve, or expand, or
14 any combination thereof, its operations.

15 (D) Is a tax-exempt organization under Section ~~501(e)(3)~~
16 *501(c)(3)* of the federal Internal Revenue Code, or is able to
17 provide evidence to the agency that the state recognizes the
18 organization as a nonprofit entity.

19 (3) For the purposes of this section, “nonprofit entity”
20 specifically excludes an organization that is a tax-exempt
21 organization under Section ~~501(e)(4)~~ *501(c)(4)* of the federal
22 Internal Revenue Code.

23 (d) Individuals may not receive grant moneys from the fund.

24 (e) Grant recipients shall use the grant award to fund only the
25 project described in the recipient’s application. Recipients shall
26 not use the grant funding to shift moneys from existing or proposed
27 projects to activities for which grant funding is prohibited under
28 subdivision (g).

29 (f) Grants shall be awarded on a competitive basis for projects
30 that are based in communities with the most significant exposure
31 to pollution. Grants shall be limited to any of the following
32 purposes and no other:

33 (1) Resolve environmental problems through distribution of
34 information.

35 (2) Identify improvements in communication and coordination
36 among agencies and stakeholders in order to address the most
37 significant exposure to pollution.

38 (3) Expand the understanding of a community about the
39 environmental issues that affect their community.

- 1 (4) Develop guidance on the relative significance of various
2 environmental risks.
- 3 (5) Promote community involvement in the decisionmaking
4 process that affects the environment of the community.
- 5 (6) Present environmental data for the purposes of enhancing
6 community understanding of environmental information systems
7 and environmental information.
- 8 (g) (1) The agency shall not award grants for, and grant funding
9 shall not be used for, any of the following:
- 10 (A) Other state grant programs.
- 11 (B) Lobbying or advocacy activities relating to any federal,
12 state, regional, or local legislative, quasi-legislative, adjudicatory,
13 or quasi-judicial proceeding involving development or adoption
14 of statutes, guidelines, rules, regulations, plans or any other
15 governmental proposal, or involving decisions concerning siting,
16 permitting, licensing, or any other governmental action.
- 17 (C) Litigation, administrative challenges, enforcement action,
18 or any type of adjudicatory proceeding.
- 19 (D) Funding of a lawsuit against any governmental entity.
- 20 (E) Funding of a lawsuit against a business or a project owned
21 by a business.
- 22 (F) Matching state or federal funding.
- 23 (G) Performance of any technical assessment for purposes of
24 opposing or contradicting a technical assessment prepared by a
25 public agency.
- 26 (2) An organization's use of funds from a grant awarded under
27 this section to educate a community regarding an environmental
28 justice issue or a governmental process does not preclude that
29 organization from subsequent lobbying or advocacy concerning
30 that same issue or governmental process, as long as the lobbying
31 or advocacy is not funded by a grant awarded under this section.
- 32 (h) The agency shall review, evaluate, and select grant recipients,
33 and screen grant applications to ensure that they meet the
34 requirements of this section.
- 35 (i) The maximum amount of a grant provided pursuant to this
36 section may not exceed ~~twenty thousand dollars (\$20,000)~~. *fifty*
37 *thousand dollars (\$50,000)*.
- 38 (j) For the purposes of this section, "environmental justice" has
39 the same meaning as defined in Section 65040.12 of the
40 Government Code.

1 (k) This section shall be implemented only during fiscal years
2 for which an appropriation is provided for the purposes of this
3 section in the annual Budget Act or in another statute.

4 *SEC. 12. Section 71116.1 is added to the Public Resources*
5 *Code, to read:*

6 *71116.1. (a) The Green Zone Trust Fund is hereby established*
7 *in the State Treasury and, upon appropriation by the Legislature,*
8 *shall be expended by the California Environmental Protection*
9 *Agency for the purposes to support projects that are*
10 *environmentally beneficial to environmental justice communities.*

11 *(b) On or before January 1, 2015, the California Environmental*
12 *Protection Agency shall adopt guidelines for the implementation*
13 *of this section on or before January 1, 2015. The guidelines shall*
14 *do all of the following:*

15 *(1) Establish criteria and procedures for designating Green*
16 *Zone Environmental Projects.*

17 *(2) Establish procedures for the disbursement of funds on an*
18 *annual basis from the Green Zone Trust Fund for Green Zone*
19 *Environmental Projects.*

20 *(3) Preferentially disburse funds derived from penalties for a*
21 *violation occurring in an environmental justice community, or*
22 *within two miles of an environmental justice community, for Green*
23 *Zone Environmental Projects that are in geographic proximity*
24 *with the environmental justice community for which the penalties*
25 *are collected.*

26 *(4) Allow a public entity, local government, or nonprofit*
27 *organization to submit applications for projects for inclusion as*
28 *a Green Zone Environmental Project, if the projects meet the*
29 *criteria established pursuant to paragraph (1).*

30 *(c) In establishing the guidelines, the California Environmental*
31 *Protection Agency shall solicit and consider comments from the*
32 *public, including releasing draft project criteria, implementing a*
33 *public comment period, and hosting a public workshop.*

34 *(d) The adoption of guidelines pursuant to this section is exempt*
35 *from the rulemaking provisions of the Administrative Procedure*
36 *Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of*
37 *Division 3 of Title 2 of the Government Code).*

38 *(e) On or before January 1, 2015, and annually thereafter, the*
39 *California Environmental Protection Agency shall solicit and*

1 release a list of Green Zone Environmental Projects after a public
2 process. The public process shall include all of the following:

3 (1) A public request for proposals that is posted on the agency's
4 Internet Web site and distributed via electronic mail. All proposals
5 shall meet the criteria established in the Green Zone Trust Fund
6 guidelines.

7 (2) A public list of Green Zone Environmental Projects online
8 that is updated on an annual basis.

9 (f) For the purposes of this section, the following definitions
10 shall apply:

11 (1) "Environmentally beneficial" means a project with a
12 primary purpose to improve, protect, or reduce risks to public
13 health or the environment.

14 (2) "Environmental Justice community" means a community
15 listed pursuant to Section 71117.5.

16 (3) "Green Zone Environmental Project" means an
17 environmentally beneficial project occurring within an
18 environmental justice community.

19 SEC. 13. Section 71117.5 is added to the Public Resources
20 Code, to read:

21 71117.5. (a) For the purposes of this section,
22 "disproportionately impacted by environmental hazards" means
23 public health or environmental effects from the emissions or
24 discharge of substances in a geographic area, including
25 environmental pollution for all sources whether in a single medium
26 or in multiple media, routinely, accidentally, or otherwise released
27 into the environment, taking into account sensitive populations
28 and socioeconomic factors, where applicable and to the extent
29 data is available.

30 (b) (1) On or before January 1, 2015, the California
31 Environmental Protection Agency shall establish a list identifying
32 the top 15 percent of communities in the state, based on census
33 tracts, that are disproportionately impacted by environmental
34 hazards. The communities shall be selected based on the criteria
35 specified in Section 39711 of the Health and Safety Code.

36 (2) The California Environmental Protection Agency shall
37 review and revise the list of communities on a triennial basis and
38 shall make the list publicly available on the agency's Internet Web
39 site.

1 (3) In establishing or revising the list of communities, the
2 California Environmental Protection Agency shall solicit and
3 consider comments from the public and conduct a public hearing.

4 (c) The establishment of the list pursuant to subdivision (b) is
5 exempt from the rulemaking provisions of the Administrative
6 Procedure Act (Chapter 3.5 (commencing with Section 11340) of
7 Part 1 of Division 3 of Title 2 of the Government Code).

8 SEC. 14. Section 71119 is added to the Public Resources Code,
9 to read:

10 71119. (a) (1) The California Environmental Protection
11 Agency shall maintain an agencywide public database on its
12 Internet Web site of complaints and enforcement cases for each
13 board, department, and office of the agency, to the extent the
14 information on the database would normally be available pursuant
15 to the Public Records Act (Chapter 3.5 (commencing with Section
16 6250) of Division 7 of Title 1 of the Government Code), and
17 compliance histories of its regulated entities that have committed
18 violations focusing on the date of last inspection, total number of
19 violations, total amount of fines, and information related to how
20 the entities rectified the violation.

21 (2) Information on the compliance histories of regulated entities
22 required pursuant to paragraph (1) shall not include information
23 prior to 2008.

24 (b) The public database shall be interactive and utilize a
25 geographic information system platform that allows the public to
26 file an environmental complaint with the California Environmental
27 Protection Agency.

28 (c) On or before January 1, 2017, the California Environmental
29 Protection Agency shall post the public database on its Internet
30 Web site.

31 SEC. 15. Section 71119.5 is added to the Public Resources
32 Code, to read:

33 71119.5. (a) Subject to applicable legal requirements, in
34 awarding grants or funding, a state agency administering a funding
35 program shall give priority to projects located in environmental
36 justice communities.

37 (b) A state agency subject to this section shall provide
38 information on the methods for compliance with this section in
39 any solicitation issued by that state agency for grants or funding

1 *and shall provide public notice that demonstrates compliance with*
2 *this section when awarding those grants or funding.*

3 *(c) For the purpose of this section, “environmental justice*
4 *community” means a community listed pursuant to Section*
5 *71117.5.*

6 *(d) For the purposes of the section, “state agency” means the*
7 *following:*

8 *(1) A board, department, or office of the California*
9 *Environmental Protection Agency.*

10 *(2) An agency, commission, department, and other subdivisions*
11 *of the Natural Resources Agency.*

12 *(3) The Strategic Growth Council.*

13 *SEC. 16. The sum of eight hundred thousand dollars (\$800,000)*
14 *is hereby appropriated from the Hazardous Waste Control Account*
15 *to the Department of Toxic Substances Control for the purposes*
16 *of revising the state hazardous waste management plant pursuant*
17 *to Section 25135.10 of the Health and Safety Code.*

18 *SEC. 17. The provisions of this act are severable. If any*
19 *provision of this act or its application is held invalid, that invalidity*
20 *shall not affect other provisions or applications that can be given*
21 *effect without the invalid provision or application.*

22 *SEC. 18. No reimbursement is required by this act pursuant*
23 *to Section 6 of Article XIII B of the California Constitution because*
24 *a local agency or school district has the authority to levy service*
25 *charges, fees, or assessments sufficient to pay for the program or*
26 *level of service mandated by this act, within the meaning of Section*
27 *17556 of the Government Code.*

O

October 14, 2013 *AC*
Prepared by: H. Cho/M. Cortez *M*
Submitted by: K. Burton *K.B.*
Approved by: Paul Cook *P. Cook*

CONSENT CALENDAR

SAN JOAQUIN MARSH OUTLET VALVE REPLACEMENT PROJECT
FINAL ACCEPTANCE

SUMMARY:

Construction of the San Joaquin Marsh Outlet Valve Replacement Project is complete. The contractor, GCI Construction, has completed the required work and all punch list items. The project has received final inspection and acceptance of construction is recommended.

BACKGROUND:

The San Joaquin Marsh Outlet Valve Replacement Project replaced the existing hydraulically-controlled globe valve on the marsh outlet pipe with a motor-operated plug valve. The motor-operated plug valve is not susceptible to clogging from silt in the water and will similarly control the flow through the pipe without the daily maintenance. Originally, this project was part of the SAMS1/NTS Site 62 Project which did not proceed past final design due to its cost and permitting issues with the resource agencies and the EPA. Construction is complete and the project is ready for final acceptance by the Board.

Project Title:	San Joaquin Marsh Outlet Valve Replacement
Project No.:	10835 (1853)
Design Engineer:	CH2M Hill
Construction Management by:	IRWD Staff
Contractor:	GCI Construction
Original Contract Cost:	\$134,200.00
Final Contract Cost:	\$151,626.83
Original Contract Days:	150
Substantial Completion Days:	307
Final Contract Days:	307
Total Budget:	\$1,182,500
Total Project Cost (Est.):	\$1,182,500

Final Change Order Approved On: September 5, 2013

FISCAL IMPACTS:

Project 10835 (1853) is included in the FY 2013-14 Capital Budget. The existing budget and Expenditure Authorization are sufficient to fund the final payment for the project.

ENVIRONMENTAL COMPLIANCE:

This project is exempt from the California Environmental Quality Act (CEQA) 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 was filed with the County of Orange on August 21, 2012.

COMMITTEE STATUS:

This item was not reviewed by a Committee.

RECOMMENDATION:

THAT THE BOARD ACCEPT CONSTRUCTION OF THE SAN JOAQUIN MARSH OUTLET VALVE REPLACEMENT, PROJECT 10835 (1853); AUTHORIZE THE GENERAL MANAGER TO FILE A NOTICE OF COMPLETION; AND AUTHORIZE THE PAYMENT OF THE RETENTION 35 DAYS AFTER THE DATE OF RECORDING THE NOTICE OF COMPLETION.

LIST OF EXHIBITS:

None.

October 14, 2013

Prepared by: A. McNulty

Submitted by: G. Heiertz

Approved by: Paul Cook

CONSENT CALENDAR

PARTICIPATION IN MUNICIPAL WATER
DISTRICT OF ORANGE COUNTY TURF REMOVAL PROGRAM

SUMMARY:

The Municipal Water District of Orange County (MWDOC) administers a turf removal program funded by Metropolitan Water District (MWD). Effective October 1, 2013 the regional program funding provided by MWD is \$1.00 per square foot. IRWD participates in this program and provides supplemental funding of \$0.50 per square foot, offering IRWD customers a total of \$1.50 per square foot. MWDOC has been billing the IRWD funding contribution against a credit from a previous smart-timer program. Because this credit has been exhausted, additional funding by the District will be necessary to continue the program. Staff recommends the Board authorize an increase to the Operating Budget of \$150,000 from over-allocation funds for FY 2013-14 to provide funding for the Member Agency-funded Turf Removal program.

BACKGROUND:

In 2010, MWD added Turf Removal to its suite of Member Agency funded programs. The program received funding through grants from the United States Bureau of Reclamation (USBR) and the California Department of Water Resources to offer \$1.00 per square foot. MWDOC provides administrative services for the program application processing. IRWD provides pre- and post-implementation inspections and an additional \$0.50 per square foot. The total funding available to IRWD customers was \$1.50 per square foot.

In June 2013 the USBR grant ended, causing the MWD funding level to drop to only \$0.30. In response, IRWD increased funding from \$0.50 to \$0.70. The net result was a \$1.00 per square foot total offering for IRWD customers. In September 2013, the MWD Board approved a funding increase to bring the MWD contribution back up to \$1.00 per square foot. In response, IRWD's funding decreased back to \$0.50 effective October 1, 2013.

Existing Commitments	Projected Residential through June 2014	Projected HOAs through June 2014	Total Funding Request
\$56,000	\$27,000	\$67,000	\$150,000

To date, IRWD has received \$56,000 in program applications. The Backbay Gardens HOA submitted an application for \$53,500, and there is an additional \$2,500 in pending post-inspection status. Historically, the program averaged \$3,400 per month with 75% of the participants from the residential community. As the program expands into the commercial sector and more HOAs participate, participation may increase substantially since these are much larger landscapes.

FISCAL IMPACTS:

The FY 2013-14 Operating Budget would be increased by \$150,000, funded from over-allocation revenues.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on October 7, 2013.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE AN INCREASE TO THE OPERATING BUDGET OF \$150,000 FROM OVER-ALLOCATION FUNDS FOR FY 2013-14 TO PROVIDE FUNDING FOR THE MEMBER AGENCY-FUNDED MWDOC TURF REMOVAL PROGRAM.

LIST OF EXHIBITS:

Exhibit "A" – Turf Removal Program Agreement

EXHIBIT "A"

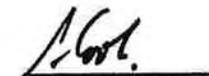
Agreement for Participation in Municipal Water District of Orange County's Turf Removal Program

This agreement for participation and, where indicated, co-funding ("Agreement") is made on the last date signed below by and between MUNICIPAL WATER DISTRICT OF ORANGE COUNTY ("MWDOC") and IRVINE RANCH WATER DISTRICT ("Participant"). When executed, this Agreement provides for participation in the Turf Removal Program ("Program") administered by MWDOC in Participant's service area, as described herein.

1. **Rebate Program.** MWDOC has developed and arranged funding for the Program through the Metropolitan Water District of Southern California ("Metropolitan"). The Program will provide financial incentives on a first come, first served basis while Metropolitan funding lasts for the removal of turf by residential and small commercial water users within Participant's service area. Turf removal projects must meet Program guidelines to be eligible for financial incentives in the form of a cash payment for each square foot of removed turf. The Program's objectives are to achieve savings in water consumption, reduce water runoff to storm drains and natural water bodies, and promote the goals of the applicable Best Management Practices.
2. **Site Inspection; Election by Participant.** Participant must either (1) conduct pre- and post-turf removal site inspections for all Program Applications submitted to MWDOC from within the Participant's service area, or (2) provide funding to MWDOC, as set forth in Section 2.1.3 below, for the cost of MWDOC's site installation inspection consultant, Mission Resource Conservation District (MRCD), to conduct both pre- and post-turf removal inspections.

By its initials below, Participant hereby elects to either:

(1) Conduct its own inspections, as described herein:


Initials Here

or

(2) Provide funding to MWDOC to conduct inspections, as described herein:

Initials Here

2.1. If Participant elects to provide funding to MWDOC for MRCD inspection services for the pre- and post-turf removal inspections, Participant shall be responsible for the following activities.

2.1.1. Upon receipt of a completed application, MWDOC will contact MRCD to request a pre-turf removal inspection. At the conclusion of the pre-turf removal inspection, and from the results of the pre-turf removal inspection, MWDOC will notify

Agreement for Participation MWDOC Turf Removal Program

Participant of MWDOC's preliminary determination that the application under consideration should be approved or denied. Participant shall promptly review MWDOC's determination and inform MWDOC whether it agrees or disagrees. MWDOC will work with Participant in good faith to resolve differences of opinion regarding the status of a particular application, but the final decision on issuing a Notice to Proceed lies with MWDOC. Once MWDOC has made a final decision on an application, MWDOC will issue a Notice to Proceed or a Participation Denial Notice to the applicant.

2.1.2. Participant shall be responsible for the actual cost charged to MWDOC by MRCD for pre- and post-turf removal inspections, which will be invoiced to Participants on a monthly basis by MWDOC. MRCD inspection costs are invoiced to MWDOC pursuant to a services agreement between MRCD and MWDOC. At the time this Agreement is executed, the residential turf removal inspection cost as charged to MWDOC by MRCD is \$105 per residential inspection. The total cost for both pre and post-turf removal residential inspections is thus \$210.00. The current commercial inspection cost as charged to MWDOC by MRCD is approximately \$165.36 per inspection, based on an average of four (4) hours for a small commercial site at \$37.84 per hour, plus \$28 per hour for inspection verification administration. Again, two commercial inspections are required, for a total estimated cost of \$330.72. Should the MRCD costs decrease or increase, MWDOC will pass these changes through to Participant.

2.1.3. **Inspection Funding Cap.** Participant agrees to provide inspection funding for inspections conducted by MRCD as requested by Participant, up to \$-0-. MWDOC agrees that it shall inform Participant when that cap has been reached. At that point, Participant shall have the following options and shall immediately inform MWDOC of its decision to: (1) elect to perform the pre- and post-turf removal inspections, (2) increase the funding cap via letter from Participant's General Manager, or (3) end its participation in the Program. Selecting option #3 will not eliminate Participant's responsibility to perform or fund pre-and post-turf removal inspections underway (in the queue).

2.2. If Participant elects to perform the pre- and post-turf removal inspections, Participant shall be responsible for the following activities.

2.2.1. Upon receipt of a Program Application, MWDOC shall enter the application information into its database and issue a pre-turf removal inspection work order to Participant. Participant shall schedule and conduct the pre-turf removal inspection, complete the pre-turf removal work order as provided by MWDOC with the required data and site photographs, and establish that the applicant's proposed project and site are consistent with the intent of the Program. The pre-turf removal inspection shall establish that the applicant's site consists of between 250 and 10,000 square feet of live turf being irrigated with potable water. Participant must notify MWDOC if any site is being irrigated with recycled water.

Agreement for Participation MWDOC Turf Removal Program

- 2.2.2. At the conclusion of the pre-turf removal inspection, Participant shall submit the completed work order and site photographs to MWDOC. The pre-turf removal inspection work order shall contain Participant's recommendation to approve or deny the application. If MWDOC staff agrees with the recommendation, it shall approve the application, designate the site as an eligible Program turf removal project, and issue a Notice to Proceed to the applicant, or reject the application and issue a Participation Denial Notice to the applicant. The post-turf removal inspection work order shall be the basis for calculating the rebate incentive.
- 2.2.3. If MWDOC staff disagrees with Participant's recommendation, MWDOC will so notify Participant. Participant may renew its recommendation and submit it to MWDOC for reconsideration, but the final decision on a Notice to Proceed lies with MWDOC.
- 2.2.4. It will be the responsibility of applicant to notify MWDOC that the work has been completed at the site. Upon notification from the applicant that the work has been completed, MWDOC shall issue a post-turf removal work order to Participant. Participant shall schedule and conduct the post-turf removal inspection, complete the post-turf removal work order as provided by MWDOC with the required data and site photographs, and establish that the applicant's completed project and site are consistent with the intent of the Program.
- 2.3. The post-turf removal inspection, whether completed by Participant or MRCD, shall establish the items set forth in Sections 2.3.1- 2.3.6 below. At the conclusion of the post-turf removal inspection, MWDOC will direct its accounting department to issue a rebate incentive check to the party listed on the Program application within a ten (10) week period. Rebate incentive shall be based on the square footage calculation listed on the post-turf removal work order.
- 2.3.1. The site's precise turf removal area in square feet as removed in association with this Program. This shall be the basis for calculating the amount of each site's rebate, not to exceed initial pre-turf removal inspection measurements and the total turf removal project cost.
- 2.3.2. The site's turf removal area does not include any live turf.
- 2.3.3. The converted area's irrigation system, if any, is a low flow system (drip, bubblers, or low-precipitation high-efficiency rotating nozzles). If part of a lawn is converted, the sprinkler system must be properly modified to provide adequate coverage to the remaining lawn without spraying the converted area.
- 2.3.4. All exposed soil in the converted area is covered with a 2-3" layer of mulch, except in areas planted with creeping or rooting groundcovers.
- 2.3.5. Converted area is permeable to air and water. Weed barriers must be permeable. Pavers must have sufficient spacing to allow water to permeate project area. Concrete, plastic sheeting or other impermeable surfaces do not qualify for incentives under the Program.
- 2.3.6. No invasive plant species are used.

**Agreement for Participation
MWDOC Turf Removal Program**

3. Optional Requirements for Participants Providing Supplemental Funding For Rebate Incentives. Participant has the option to provide supplemental funding to customers in its service area to further incentivize participation. Supplemental funding for rebate incentives on behalf of Participant, if any, is set forth in Table 3.1 below. If Participant has elected not to provide additional funding upon initial execution of this Agreement, Table 3.1 below will contain "\$0" funds:

4.

TABLE 3.1 – OPTIONAL SUPPLEMENTAL FUNDING

Agency: Irvine Ranch Water District	
Supplemental Funding Levels	
Incentive per Square Foot/site	\$0.70
Not to Exceed Funding Cap	N/A

In the event Metropolitan's Board of Directors approves an increase in funding from \$0.30 per square foot of verified removed turf to \$1.00 per square foot of verified removed turf, Participant's optional supplemental funding will be modified as follows:

**TABLE 3.2 – OPTIONAL SUPPLEMENTAL FUNDING
Based on \$1.00 per square foot from Metropolitan**

Agency: Irvine Ranch Water District	
Supplemental Funding Levels	
Incentive per Square Foot/site	\$0.50
Not to Exceed Funding Cap	N/A

Without formal written amendment of this Agreement, Participant (if no supplemental funding is initially provided) may at any time during the term of the Agreement notify MWDOC that it will begin providing supplemental funding. In addition, at any time during the term of the Agreement, Participant may make additional supplemental funding available. Both changes may be accomplished by written notice to MWDOC in the form of a letter from Participant's General Manager.

If Participant notifies MWDOC of its intent to terminate its supplemental funding, or the maximum supplemental funding amount is exhausted, Participant will be responsible for all supplemental funding for those applicants approved in the Program. Once supplemental funding is exhausted, MWDOC will continue to offer the basic incentives provided herein.

5. MWDOC's Obligations. In addition to the obligations stated above, under this Agreement MWDOC shall be responsible to Participant for the following:

5.1. Providing a base incentive of up to \$0.30 per square foot of verified removed turf on a first come first served basis while Metropolitan funds exist during the term of this Agreement to the eligible applicants who successfully complete the participation

Agreement for Participation MWDOC Turf Removal Program

process. MWDOC does not guarantee the Metropolitan funding will last the entire term of the Agreement;

- 5.2. Databasing all applications received on Participant's behalf;
 - 5.3. Ensuring that timely reports on the Program's results are prepared by MWDOC's staff;
 - 5.4. Developing a database of information regarding participation in the Program and providing monthly electronic and written reports of activity to Participant. The electronic reports will include, without limitation, Participant's customer account number, customer name, service address, quantity of turf removed, Participant's level of supplemental funding provided (if any), and base incentive paid;
 - 5.5. Invoicing Participant for its supplemental funding obligation and monitoring the number of rebate applications approved in Participant's service territory to ensure that it is within the "Optional Supplemental Funding" as provided in Table 3.1 of this Agreement. MWDOC does not guarantee any minimum number of rebates will be available for Participant's service area.
 - 5.6. Invoicing Participant for Participant's obligation for inspection services as performed by MWDOC's inspection contractor, MRCD.
 - 5.7. Reporting to Metropolitan on a monthly basis, detailing the Program's activity and requesting reimbursement for those activities at a rate of up to \$0.30 per square foot of removed turf.
- 6. Participant's Obligations.** In addition to the obligations stated above, under this Agreement Participant shall be responsible to MWDOC for the following:
- 6.1. Based on invoicing from MWDOC, paying MWDOC for the amount of supplemental funding(s) expensed on its behalf within thirty (30) days of the date of the MWDOC invoice.
 - 6.2. Based on invoicing from MWDOC, paying MWDOC for the inspection services MWDOC's inspection contractor, MRCD, performed for Participant.
 - 6.3. Working with MWDOC in good faith to evaluate each site's qualifications for participation in the Program.
 - 6.4. Working in an expedient manner to process all applicants through the Program.
- 7. Confidentiality.** MWDOC agrees to maintain the confidentiality of Participant's customer names, addresses and other information about participants in the Program gathered in connection with the Program, and MWDOC will not cause or permit the disclosure of such information except as necessary to carry out the Program or as required by law. To the extent MWDOC contracts with third party contractors to carry out all or any portion of the Program, MWDOC will require such contractors to maintain the confidentiality of such customer information.
- 8. Indemnification.** MWDOC has designed the Program so that the applicant is solely responsible for the manner in which the turf is removed and selection of the landscape contractor, if any, that will remove it, and each applicant will be required to sign a release and waiver of any claims against MWDOC and/or Participant. MWDOC will require applicants to indemnify MWDOC and Participant against claims arising out of the turf removal. Nevertheless, to the extent that MWDOC or Participant or their respective staffs

**Agreement for Participation
MWDOC Turf Removal Program**

perform any activities in connection with the Program, each agrees to indemnify and hold the other harmless from any and all liability, claims, obligations, damages and suits arising out of such activities.

9. Term. This Agreement shall commence on the last date signed below and continue until June 30, 2015 ("Program Expiration"), unless extended by the parties.

10. Early Termination. Participant may terminate this Agreement at any time upon thirty (30) days' written notice to MWDOC. MWDOC may terminate this Agreement prior to the Program Expiration date without prior notice in the event funding for the Program is exhausted, reduced, eliminated or unavailable from any funding source, for any reason. If MWDOC deems it necessary to terminate this Program for any other reason, MWDOC shall give Participant thirty (30) days' written notice. In the event of termination by either party, Participant shall be responsible for payment of its supplemental funding contribution (if provided), and any pre and post turf removal inspection costs, as performed by MRCD, for all applications for which MWDOC has issued a Notice to Proceed prior to the effective date of the termination.

MUNICIPAL WATER DISTRICT OF
ORANGE COUNTY



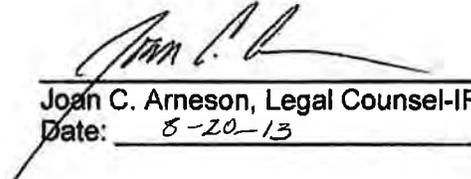
Karl W. Seckel, P.E., Interim General Manager
Date: 8-29-13

IRVINE RANCH WATER DISTRICT



Paul Cook, General Manager
Date: 26 Aug 2013

Approved as to Form



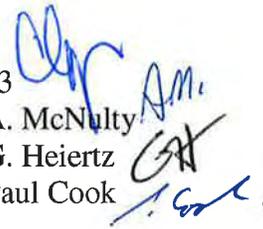
Joan C. Arneson, Legal Counsel-IRWD
Date: 8-20-13

October 14, 2013

Prepared by: A. McNulty

Submitted by: G. Heiertz

Approved by: Paul Cook



CONSENT CALENDAR

FIRST AMENDMENT TO AGREEMENT FOR PARTICIPATION IN SPECIFIED MUNICIPAL WATER DISTRICT OF ORANGE COUNTY REBATE PROGRAMS

SUMMARY:

Metropolitan Water District (MWD) has added high efficiency toilets for multi-family customers back into its regional rebate program. Historically, IRWD has provided additional incentive funding to the regional rebate program through an Agreement with the Municipal Water District of Orange County (MWDOC). IRWD currently operates its own high efficiency toilet direct install program for the multi-family customer sector. The District's direct install program will achieve greater water savings and is more cost effective than the regional rebate program. The existing "Agreement for Participation and Funding by Irvine Ranch Water District in Specified Municipal Water District of Orange County Rebate Programs" allows multi-family customers to receive the IRWD additional incentive funding. To eliminate IRWD's additional funding from the multi-family toilet rebate program, staff recommends the Board authorize the General Manager to execute the First Amendment to the District's agreement with MWDOC, subject to non-substantive changes, for participation and funding by IRWD in specified MWDOC rebate programs.

BACKGROUND:

IRWD's Tactical Incentive Program is designed to encourage customers to install water conservation devices. The multi-family customer sector is quite large and yields great potential within the older communities. To target this customer group IRWD initiated a direct install program in 2012 to retrofit the older, 3.5 gallons per flush (gpf) toilets or greater, with the 0.8 gpf Stealth toilet, which is offered at no cost to qualified IRWD customers. At the time this program was launched residential and multi-family toilets had been eliminated from the regional rebate program.

Under the existing tactical incentive agreement, which is attached as Exhibit "A", IRWD offers additional funding for \$100 per toilet. With the addition of the multi-family customer sector into the commercial program, the likelihood of funding toilet retrofits on a large scale increases. This would be more cost effective than IRWD's direct install program; however, the toilets that are often replaced are only 1.6 gpf, not 3.5 gpf as with the direct install program. Additionally, they are able to be replaced with a 1.28 gpf yielding a water savings of only 0.3 gpf whereas the direct install program replaces 3.5 gpf with a 0.8 gpf yielding a water savings of 2.7 gpf.

Since MWDOC's regional rebate program is administered by MWD, IRWD cannot stipulate the gpf be greater than 3.5 to receive the IRWD additional funding. IRWD's agreement with MWDOC does not differentiate multi-family toilets from commercial toilets. Staff requests an amendment to the agreement, which is attached as Exhibit "B", to clearly illustrate that multi-family customers are not eligible for the IRWD funding through the regional rebate program.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on October 7, 2013.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE THE FIRST AMENDMENT TO THE DISTRICT'S AGREEMENT WITH THE MUNICIPAL WATER DISTRICT OF ORANGE COUNTY, SUBJECT TO NON-SUBSTANTIVE CHANGES, FOR PARTICIPATION AND CO-FUNDING BY IRVINE RANCH WATER DISTRICT IN SPECIFIED MUNICIPAL WATER DISTRICT OF ORANGE COUNTY REBATE PROGRAMS, FOR COST-EFFECTIVE TACTICAL INCENTIVE WATER USE EFFICIENCY MEASURES.

LIST OF EXHIBITS:

- Exhibit "A" – Agreement for Participation and Funding By Irvine Ranch Water District in Specified Municipal Water District of Orange County Rebate Programs
- Exhibit "B" – First Amendment to the Agreement for Participation and Co-funding By Irvine Ranch Water District in Specified Municipal Water District of Orange County Rebate Programs

EXHIBIT "A"

Agreement for Participation and Funding By Irvine Ranch Water District in Specified Municipal Water District of Orange County Rebate Programs

This agreement for participation ("Agreement") is made by and between the MUNICIPAL WATER DISTRICT OF ORANGE COUNTY ("MWDOC") and IRVINE RANCH WATER DISTRICT ("IRWD"). The Agreement provides for participation and co-funding by IRWD of residential and commercial water use efficiency devices through Metropolitan Water District of Southern California's ("Metropolitan") SoCal WaterSmart ("WaterSmart") commercial and residential rebate programs in IRWD's service area. (This Agreement is a successor agreement to the "Agreement for Participation and Co-Funding By Irvine Ranch Water District in Specified Municipal Water District of Orange County Rebate Programs," dated [July 1, 2005] as amended and extended by 14 amendments, with the final term thereof expiring June 30, 2013.)

- 1. Rebate Programs.** MWDOC has developed and arranged funding through Metropolitan and other sources for programs to provide rebates to residential, commercial, and industrial water users within IRWD's service area upon the purchase and installation of common plumbing devices designed to increase water use efficiency. Through Metropolitan's "WaterSmart" commercial and residential rebate programs (collectively "Programs"), residents, businesses, industries, and institutions within IRWD's service area are eligible for rebates in varying amounts for a range of devices. The Programs' objectives are to achieve savings in water consumption, reduce water runoff to storm drains and natural water bodies, and promote the goals of the applicable Best Management Practices.
- 2. Rebate Contractor.** In connection with the Programs, MWDOC and Metropolitan have already contracted for the services of a qualified rebate contractor ("Rebate Contractor") to provide information about the Programs and participation criteria to eligible participants, administer the rebates, and report the results of the Programs. Participants qualify for rebates, and rebate checks are issued, when proper installation and operation of particular devices have occurred.
- 3. IRWD Participation and Funding.** In addition to the existing funding for rebates provided directly through Metropolitan's WaterSmart programs, IRWD will provide additional funding or "co-funding" to the Programs in the "Maximum Funding" amounts identified on Exhibit A to this Agreement, entitled "Proposed Rebate Funding Levels FY 2013-2014." IRWD shall have the ability to transfer funding between programs as it deems necessary by sending written notice to MWDOC. Such a notice shall specify changes to the "Maximum Funding" for each Program affected by the transfer and shall not result in a net increase in total funding. For example, if the WaterSmart residential rebate program is nearing the "Maximum Funding" amount, while the WaterSmart commercial rebate program has funding remaining, IRWD may notify MWDOC in writing to transfer funding between the Programs, thereby increasing the Maximum Funding for one Program and decreasing it for the other. IRWD may also, upon notice by MWDOC of depleted funds prior to Program Expiration, as defined herein, make additional

funding available, without formal amendment of this Agreement, up to an additional \$10,000. This can be accomplished by letter from an authorized IRWD representative to MWDOC's General Manager. If the Maximum Funding for a particular Program is exhausted prior to the Program Expiration, as defined in Paragraph 8 below, and IRWD does not elect to add additional funding or transfer available funding from another Program, MWDOC will direct the Rebate Contractor to discontinue offering the additional rebate funding for that Program in IRWD's service area.

4. MWDOC's Obligations. Under this Agreement:

- MWDOC will be responsible to IRWD for ensuring that timely reports on the Programs' results are prepared by the Rebate Contractor and MWDOC's own staff.
- MWDOC will develop a database of information regarding participation in the Programs and provide monthly electronic and written reports of activity to IRWD.
- The electronic reports will include, at a minimum, IRWD customer account number, customer name, service address, quantity and type of device rebated, and rebate amount paid.
- MWDOC will invoice IRWD for its funding obligation pursuant to Exhibit A on a monthly basis for rebates issued during the previous month.
- MWDOC, through the Rebate Contractor or its own staff, will provide IRWD with monthly electronic and written reports and shall monitor the number of rebate applications provided in IRWD's service territory to ensure that it is within the "Maximum Funding" as provided in Exhibit A to this Agreement.
- MWDOC does not guarantee any minimum number of rebates will be available for IRWD's service area.

5. IRWD's Obligations. MWDOC will invoice IRWD on a monthly basis for rebates issued in the previous month period, and payment by IRWD will be made pursuant to Exhibit A and within thirty (30) days of the date of the MWDOC invoice.

6. Confidentiality. MWDOC agrees to maintain the confidentiality of IRWD's customer names, addresses and other information about participants in the Programs gathered in connection with the Programs, and MWDOC will not cause or permit the disclosure of such information except as required by law and as necessary to carry out the Programs. To the extent MWDOC contracts with the Rebate Contractor or other third party contractors to carry out all or any portion of the Programs, MWDOC will require such contractors to similarly maintain the confidentiality of such customer information.

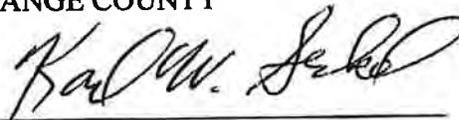
7. Indemnification. To the extent MWDOC and/or IRWD or their respective staffs perform any activities in connection with the Programs, each agrees to indemnify and hold the other harmless from any and all liability, claims, obligations, damages and suits arising out of its negligence or liability without fault in the performance of such activities, except to the extent such liability, claims, obligations, damages or suits arise from the other's negligence or liability without fault.

8. **Term.** This Agreement shall commence on July 1, 2013 and continue until June 30, 2014 or until the Total Funding for all Programs, as shown on Exhibit A hereto, has been exhausted, whichever occurs first ("Program Expiration"). If the Total Funding for all Programs is exhausted prior to Program Expiration, MWDOC will notify IRWD and inquire about the availability of additional funding, as provided herein. If IRWD declines to provide additional funding, MWDOC will direct its Rebate Contractor to discontinue offering rebate funding for the Programs in IRWD's service area.

9. **Early Termination.** IRWD may terminate this Agreement at any time upon thirty (30) days' written notice to MWDOC. MWDOC may terminate this Agreement prior to the Program Expiration date, or prior to the exhaustion of the Total Funding for all Programs for IRWD's service area, without prior notice in the event funding for the Programs is exhausted, reduced, or eliminated from any funding source. If MWDOC deems it necessary to terminate these Programs for any other reason, MWDOC will give IRWD thirty (30) days' written notice. In the event of termination by either party, IRWD will be responsible for payment of its funding contribution for all rebates initiated by participants of the Programs within IRWD's service area prior to the effective date of the termination. For purposes of this paragraph, an application is deemed initiated when a participant in the Programs submits an online rebate application or obtains a rebate reservation.

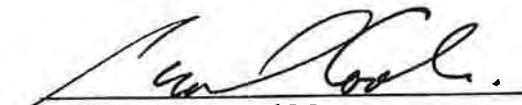
Dated: 6-12-13

MUNICIPAL WATER DISTRICT OF
ORANGE COUNTY

By: 
Karl W. Seckel, P.E.
Interim General Manager

Dated: 10 June 2013

IRVINE RANCH WATER DISTRICT

By: 
Paul Cook, General Manager

Dated: 6-10-13

APPROVED AS TO FORM:

By: 
Joan C. Arneson
Legal Counsel - IRWD

Exhibit A: Proposed Rebate Funding Levels FY 2013-2014

Program	Maximum Funding*	Devices	IRWD Rebate Funding Level Per Device
SoCal WaterSmart Residential Program	\$450,000	High Efficiency Clothes Washer (HECW)	\$165
		High Efficiency Toilet (HET)	\$50
Program	Maximum Funding*	Devices	IRWD Rebate Funding Level Per Device
SoCal WaterSmart Commercial Program	\$50,000	Commercial High Efficiency Toilet	\$100
		Zero Water/Ultra Low Water Urinals	\$100
		Connectionless Food Steamer	\$485 Per Compartment
		Commercial Ice Making Machine (Tier II)	\$250
		Hotel Connectionless Food Steamer	\$485 Per Compartment
		Hotel Commercial Ice Making Machine (Tier II)	\$250.00
Total Funding for All Programs	\$500,000		

* Where indicated, "Maximum Funding" amounts for certain programs are subject to the provisions of Paragraph 3 of the Agreement and will be adjusted upon notification by IRWD to transfer funding between programs.

EXHIBIT "B"

First Amendment to Agreement for Participation and Funding By Irvine Ranch Water District in Specified Municipal Water District of Orange County Rebate Programs

This First Amendment ("Amendment") to the existing "Agreement for Participation and Funding by Irvine Ranch Water District in Specified Municipal Water District of Orange County Rebate Programs" ("Agreement") is entered into by and between the Municipal Water District of Orange County ("MWDOC") and Irvine Ranch Water District ("IRWD"). The Agreement provides for participation in and co-funding by IRWD for residential and commercial water use efficiency devices through Metropolitan Water District of Southern California's ("Metropolitan") SoCal Water\$mart ("Water\$mart") residential and commercial rebate programs in IRWD's service area.

This Amendment modifies the Agreement, which includes without limitation all previous amendments and attachments. Except as stated below, this Amendment is effective September 1, 2013, and the Agreement, as amended hereby, remains in full force and effect.

1. "Exhibit A" to the Agreement, entitled "Proposed Rebate Funding Levels FY 2013-2014," is deleted in its entirety and replaced with the following table.

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Exhibit A: Proposed Rebate Funding Levels FY 2013-2014

Program	Devices	Metropolitan Rebate Level Per Device	IRWD Rebate Funding Level Per Device	IRWD Maximum Funding*
SoCal WaterSmart Residential Program	High Efficiency Clothes Washer (HECW)	\$85	\$165	\$450,000
	High Efficiency Toilet (HET) (Single Family)	\$50	\$50	
Program	Devices	Metropolitan Rebate Level Per Device	IRWD Rebate Funding Level Per Device	IRWD Maximum Funding*
SoCal WaterSmart Commercial Program	Multi-Family High Efficiency Toilet	\$50	\$0	\$50,000
	Commercial High Efficiency Toilet (Tank Type and Flushometer)	\$100	\$100	
	Zero Water/Ultra Low Water Urinals	\$200	\$100	
	Connectionless Food Steamer	\$485	\$485 Per Compartment	
	Ice Making Machine	\$1,000	\$250	
	Hotel Connectionless Food Steamer	\$485	\$485 Per Compartment	
	Hotel Ice Making Machine	\$1,000	\$250	
	Total Funding for All Programs			

* Where indicated, "Maximum Funding" amounts for certain programs are subject to the provisions of Paragraph 3 of the Agreement and will be adjusted upon notification by IRWD to transfer funding between programs.

///

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Dated: _____

**MUNICIPAL WATER DISTRICT OF
ORANGE COUNTY**

By: _____

**Karl W. Seckel, P.E.
Interim General Manager**

Dated: _____

IRVINE RANCH WATER DISTRICT

By: _____

**Paul Cook
General Manager**

Dated: 9-25-13

Approved as to Form:

Bowie, Arneson, Wiles & Giannone



**Joan C. Arneson
Legal Counsel**

October 14, 2013

Prepared by: Christopher Smithson

Submitted by: Cheryl Clary

Approved by: Paul Cook 

ACTION CALENDAR

RESOLUTION OF INTENT TO ANNEX AREAS TO PROVIDE FOR THE CONSOLIDATION OF IMPROVEMENT DISTRICTS INTO DEVELOPED IDS 125/225

SUMMARY:

In early 2011, IRWD undertook a process to review and, if appropriate, develop modifications to the District's current capital funding plan. The focus of the review has been to identify issues with the District's existing capital funding plan and to consider adjustments that would improve and update the plan as the District approaches build-out, when its focus will transition to ongoing operations and maintenance activities. The review process has included the input and direction from the Finance and Personnel Committee (Committee), the Board, as well as input from interested outside participants (Working Group) which includes representatives from the development community and allows them to provide input as staff develops its updated Long-Term Capital Funding Plan (LTFP).

The LTFP process resulted in a recommendation for a master consolidation plan that focused on combining developed and developing areas into separate improvement districts (IDs). As part of the reorganization of IDs, the California Water Code requires that a Plan of Works (POW) document be completed. A POW provides the linkage between the engineering plan to fund the necessary infrastructure and the corresponding financial requirements. Staff anticipates the adoption of six new POWs as a result of implementing the District's master consolidation plan. The Board of Directors must adopt each POW in a noticed hearing.

This consolidation process will require three Board meetings and staff is presenting the first step for Board approval. Step one in this process is the Board declaring its intent to annex and detach portions of 21 IDs to provide for the consolidation of the developed ID 125/225. Staff recommends that the Board adopt a resolution declaring its intention to detach specific territory from and/or to annex specific territory to each of Improvement Districts Nos. 102, 105, 106, 121, 130, 140, 161, 182, 184, 186, 2(202), 206, 221, 230, 235, 250, 261, 282, 284 and 286.

BACKGROUND:

At the Committee meeting in August 2012, staff presented a proposed four-step work plan, addressing specific tasks that would need to be completed before changes to the current capital funding plan can be assessed and implemented. The Committee authorized staff to proceed with Task 1 of the Work Plan which included an assessment of 1) the impacts of leaving the current capital funding plan unchanged in future years, and 2) modifications to the baseline by applying certain working assumptions. The two scenarios were developed to identify issue areas and provide the basis for evaluating the effects of further changes.

Action Calendar: Resolution of Intent to Annex Areas to Provide for the Consolidation of Improvement Districts into Developed IDs 125/225

October 14, 2013

Page 2

The next step identified a modified baseline that considered alternatives to addressing the challenges the District would face if the course remained unchanged. Changes included:

- Revising the current new capital and enhancement definitions;
- Including the ID 110/210 area in future capital funding; and
- Using 1% revenues to fund enhancement and replacement projects with any remaining amounts allocated at the discretion of the Board.

Staff presented the Baseline and the Modified Baseline to the Board at the June 28, 2013 workshop. The applied changes improved the financial position of several IDs, but in many cases, additional adjustments would be required for ID financial sustainability. In some cases, general obligation authority would not be available to fund future capital. Staff reviewed with the Committee a master consolidation plan that focused on consolidating developed and developing areas into separate IDs.

Consolidation of IDs:

Consolidating existing IDs into developed and developing IDs provides a solution which addresses current issues including financial viability for the remaining IDs and having sufficient general obligation authority to fund future infrastructure. The recommended master consolidation uses a globalized approach that provides a fair and equitable method to allocate capital infrastructure costs that links the fees paid with the benefits received.

As part of the reorganization of IDs, the California Water Code requires that a POW document be completed. A POW provides the linkage between the engineering plan to fund the necessary infrastructure and the corresponding financial requirements. An integral part of a POW is a benefits analysis which supports that the engineering plan benefits the entire territory infrastructure included within a specific ID. Staff anticipates the adoption of six new POWs as a result of implementing the District's master consolidation plan.

In order to complete this process, the Board must take certain steps in a manner proscribed by legal counsel, with sufficient time in between to provide published notice of the meetings. This series of items will go to the Board on three separate occasions as follows:

Date	Board Calendar	Explanation
10/14/2013	Board Action Item: <ul style="list-style-type: none">• Declare Intent to Annex and detach parcels from 21 IDs to form the coterminous IDs that will be consolidated as ID 125/225(the developed/underlay ID).	Maps must be completed before the Board declares the intent to annex. All maps were completed and submitted to the County on or before October 8, 2013.

Action Calendar: Resolution of Intent to Annex Areas to Provide for the Consolidation of Improvement Districts into Developed IDs 125/225

October 14, 2013

Page 3

Date	Board Calendar	Explanation
10/28/2013	Public Hearing: <ul style="list-style-type: none"> • Hearing/Order annexations and detachments, 21 IDs - 125/225(the developed/underlay ID) • Declare intent to consolidate coterminous IDs, 21 IDs - 125/225 • Declare intent to annex and detach parcels, ID 153/253 (the developing ID) • Declare intent to form IDs 185/285 (portion of the Opportunity Study Area currently in ID 135/235) • Declare intent to adopt POWs, 125/225, 153/253, 185/285 	Notice of these actions must be published two times before the public hearing. Declaring intention to consolidate requires a 4/5 affirmative vote of the Board of Directors.
11/11/2013	Public Hearing: <ul style="list-style-type: none"> • Hearing/Order consolidation of coterminous IDs, 21 IDs - 125/225 • Hearing/Order annexations and detachments, ID 153/253 • Hearing/Order formation, ID 185/285 • Hearing/Adopt POWs 	Notice of these actions must be published two times after the October 14, 2013 public hearing and before this public hearing.

The first step is a Board action to declare intent to annex and detach parcels from 21 IDs to form the coterminous IDs that will be consolidated as ID 125/225 (the developed/underlay ID) which is included as Exhibit “A”. This area will represent approximately 50% of the District’s ultimate demand. Exhibit “A” includes the Board resolution, legal descriptions, and maps of the associated areas. The new formation will include portions of all of the following IDs:

Area	Water	Sewer
Woodbridge/Irvine	120/121	220/221
Irvine Business District/Spectrum/Shady Canyon/Laguna Laurel	130	230
Los Alisos	135	235
Newport Coast/Newport Ridge (water only)	140	
Tustin Ranch/Northern Sphere	150	250
Foothill Ranch Residential	182	282
Foothill Ranch Commercial	184	284
Portola Hills Residential	186	286

Staff recommends Board approval of the resolution which declares intent to annex and detach parcels from 21 existing IDs to form the developed ID 125/225.

Action Calendar: Resolution of Intent to Annex Areas to Provide for the Consolidation of Improvement Districts into Developed IDs 125/225

October 14, 2013

Page 4

FISCAL IMPACTS:

The net fiscal impacts will be minimal to the District as a whole and vary based on the improvement district.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

The process culminating in this action has been discussed at several Committee and Board meetings over the past few years.

RECOMMENDATION:

THAT THE BOARD ADOPT THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2013- ____

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT DECLARING ITS
INTENTION TO DETACH SPECIFIC TERRITORY FROM AND/OR TO ANNEX SPECIFIC
TERRITORY TO EACH OF IMPROVEMENT DISTRICTS NOS. 102, 105, 106, 121, 130, 140,
161, 182, 184, 186, 2(202), 206, 221, 230, 235, 250, 261, 282, 284, AND 286

LIST OF EXHIBITS:

Exhibit "A" – Resolution Declaring Intent to Annex Specified Territories

EXHIBIT "A"

RESOLUTION NO. 2013-__

RESOLUTION OF THE BOARD OF DIRECTORS OF THE IRVINE RANCH
WATER DISTRICT DECLARING ITS INTENTION TO DETACH SPECIFIED TERRITORY
FROM, AND/OR TO ANNEX SPECIFIED TERRITORY TO, EACH OF IMPROVEMENT
DISTRICT NOS. 102, 105, 106, 121, 130, 135, 140, 161, 182, 184, 186, 2(202),
206, 221, 230, 235, 250, 261, 282, 284 AND 286

WHEREAS, the Irvine Ranch Water District ("IRWD") has established various improvement districts for the purpose of acquiring and constructing works and facilities to provide water service for the benefit of the lands within such improvement districts, including Improvement District Nos. 102, 105, 106, 121, 130, 135, 140, 161, 182, 184 and 186 of IRWD; and

WHEREAS, IRWD has established various improvement districts for the purpose of acquiring and constructing works and facilities to provide wastewater and recycled water service for the benefit of the lands within such improvement districts, including Improvement District Nos. 2(202), 206, 221, 230, 235, 250, 261, 282, 284 and 286 of IRWD; and

WHEREAS, it is the opinion of the Board of Directors of IRWD that the below-designated annexations (the "Annexations") and detachments (the "Detachments"), each as described and depicted in the exhibit hereto listed opposite each such annexation or detachment, should be ordered upon the terms and conditions set forth herein:

ANNEXATION NO. 3 TO IMPROVEMENT DISTRICT NO. 102 [Exhibits A1 and B1];

ANNEXATION NO. 8 TO IMPROVEMENT DISTRICT NO. 105 [Exhibits A2 and B2];

DETACHMENT NO. 7 FROM IMPROVEMENT DISTRICT NO. 105 [Exhibits A3 and B3];

ANNEXATION NO. 4 TO IMPROVEMENT DISTRICT NO. 106 [Exhibits A4 and B4];

ANNEXATION NO. 3 TO IMPROVEMENT DISTRICT NO. 121 [Exhibits A6 and B6];

ANNEXATION NO. 2 TO IMPROVEMENT DISTRICT NO. 130 [Exhibits A7 and B7];

DETACHMENT NO. 1 FROM IMPROVEMENT DISTRICT NO. 130 [Exhibits A8 and B8];

ANNEXATION NO. 1 TO IMPROVEMENT DISTRICT NO. 135 [Exhibits A9 and B9];

ANNEXATION NO. 2 TO IMPROVEMENT DISTRICT NO. 140 [Exhibits A10 and B10];

DETACHMENT NO. 1 FROM IMPROVEMENT DISTRICT NO. 140 [Exhibits A11 and B11];

ANNEXATION NO. 4 TO IMPROVEMENT DISTRICT NO. 161 [Exhibits A12 and B12];

DETACHMENT NO. 3 FROM IMPROVEMENT DISTRICT NO. 161 [Exhibits A13 and B13];

ANNEXATION NO. 2 TO IMPROVEMENT DISTRICT NO. 182 [Exhibits A14 and B14];

DETACHMENT NO. 1 FROM IMPROVEMENT DISTRICT NO. 182 [Exhibits A15 and B15];
ANNEXATION NO. 1 TO IMPROVEMENT DISTRICT NO. 184 [Exhibits A16 and B16];
DETACHMENT NO. 2 FROM IMPROVEMENT DISTRICT NO. 184 [Exhibits A17 and B17];
ANNEXATION NO. 1 TO IMPROVEMENT DISTRICT NO. 186 [Exhibits A18 and B18];
DETACHMENT NO. 1 FROM IMPROVEMENT DISTRICT NO. 186 [Exhibits A19 and B19];
ANNEXATION NO. 6 TO IMPROVEMENT DISTRICT NO. 2(202) [Exhibits A20 and B20];
ANNEXATION NO. 7 TO IMPROVEMENT DISTRICT NO. 206 [Exhibit A21 and B21];
ANNEXATION NO. 2 TO IMPROVEMENT DISTRICT NO. 221 [Exhibits A22 and B22];
ANNEXATION NO. 2 TO IMPROVEMENT DISTRICT NO. 230 [Exhibits A23 and B23];
DETACHMENT NO. 1 FROM IMPROVEMENT DISTRICT NO. 230 [Exhibits A24 and B24];
ANNEXATION NO. 1 TO IMPROVEMENT DISTRICT NO. 235 [Exhibit A25 and B25];
ANNEXATION NO. 6 TO IMPROVEMENT DISTRICT NO. 250 [Exhibits A26 and B26];
DETACHMENT NO. 9 FROM IMPROVEMENT DISTRICT NO. 250 [Exhibits A27 and B27];
ANNEXATION NO. 6 TO IMPROVEMENT DISTRICT NO. 261 [Exhibits A28 and B28];
DETACHMENT NO. 4 FROM IMPROVEMENT DISTRICT NO. 261 [Exhibits A29 and B29];
ANNEXATION NO. 2 TO IMPROVEMENT DISTRICT NO. 282 [Exhibits A30 and B30];
DETACHMENT NO. 1 FROM IMPROVEMENT DISTRICT NO. 282 [Exhibits A31 and B31];
ANNEXATION NO. 1 TO IMPROVEMENT DISTRICT NO. 284 [Exhibits A32 and B32];
DETACHMENT NO. 2 FROM IMPROVEMENT DISTRICT NO. 284 [Exhibits A33 and B33];
ANNEXATION NO. 1 TO IMPROVEMENT DISTRICT NO. 286 [Exhibits A34 and B4];
DETACHMENT NO. 1 FROM IMPROVEMENT DISTRICT NO. 286 [Exhibits A35 and B35];

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

Section 1. Pursuant to Sections 36428 *et seq.* and Sections 36442 *et seq.*, respectively, of the Water Code, the Board of Directors hereby states its intention to order the Annexations and Detachments, subject to its determination to order the establishment of consolidated improvement districts as further described in the terms and conditions set forth below.

Section 2. Maps showing the exterior boundaries of the territories to be annexed and the territories to be detached, which maps shall govern for all details as to the extent of the territories to be annexed and territories to be detached, are referenced by the exhibit designations listed in the recitals hereof opposite the respective Annexations and Detachments and are on file with the Secretary of IRWD and are available for inspection by any interested person.

Section 3. The Annexations and Detachments shall be subject to the following terms and conditions:

(a) From and after the date of Annexations, the properties annexed shall be liable for debt service on all currently outstanding and future bonds of the respective improvement districts to which they are annexed (including any bonds of a predecessor improvement district with respect to which any improvement district is obligated);

(b) From and after the date of Detachments, to the extent permitted by law, the properties detached shall be relieved of liability for debt service on all currently outstanding and future bonds of the respective improvement districts from which they are detached (including any bonds of a predecessor improvement district with respect to which any improvement district is obligated);

(c) The Annexations and Detachments are subject to the completion of proceedings for the consolidation of the water improvement districts listed in the recitals hereof as a single consolidated water improvement district and the consolidation of the sewer improvement districts listed in the recitals hereof as a single consolidated sewer improvement district, and shall become effective when and if such consolidations are ordered pursuant to Sections 36454 *et seq.* of the Water Code for consolidation of coterminous improvement districts;

(d) The territory now within Improvement District No. 135, as it exists prior to the Annexation relating to such improvement district, shall be placed within a planning area designated "Planning Area No. 135" for purposes of completing the financial integration steps in process to place the former Improvement District No. 135's user rates under the same structure as other areas of IRWD;

(e) A condition relating to Improvement District No. 250 shall remain in effect whereby, pursuant to Water Code Section 36442(d), the area within Improvement District No. 252, as a condition in the order of detachment of such area from Improvement District No. 250 in 2005, remains subject to its just proportion of liability for the payment of principal of and interest on certain series of then-outstanding bonds issued on behalf of Improvement District No. 250 and any bonds that may be issued to refund any of said bonds, to the extent and in the manner provided for in the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (Government Code Section 56000 *et seq.*), including without limitation Section 57351, *et seq.*

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

Section 4. Assessments for carrying out any of the respective purposes of Improvement District Nos. 125 and 225, including the payment of principal of and interest on any outstanding bonds or warrants of said Improvement Districts, shall be levied exclusively on the lands in said Improvement Districts, including the properties to be annexed to each of the Improvement Districts. If revenues are used for carrying out any of the respective purposes of Improvement District Nos. 125 and 225, including the payment of principal of and interest on any outstanding revenue bonds of said Improvement Districts, such revenues shall be limited to revenues derived from the operation of the Improvement District works, including those serving the properties annexed.

Section 5. Monday, October 28, 2013, at the hour of 5:00 p.m. of said day (or as soon thereafter as is reasonably practicable) in the Board of Directors Room of Irvine Ranch Water District, 15600 Sand Canyon Avenue, Irvine,

California, be and the same are hereby fixed by this Board of Directors as the time and place for a hearing on the question of the above-listed Annexations and any other matter related to any of the foregoing.

Section 6. At the time and place fixed in Section 5 or at any time or place to which such hearing may be continued, any person interested, including any person owning land included within the properties to be annexed, may appear and be heard concerning any matter set forth in this resolution of intention.

Section 7. The Secretary is directed to publish notice of such hearing by publishing a copy of this resolution once a week for two successive weeks pursuant to Section 6066 of the California Government Code, in a newspaper of general circulation published in Orange County. The first publication shall be at least fourteen (14) days prior to the time fixed for the hearing. The Secretary is further directed to post a copy of this resolution in three public places within the properties to be annexed to each Improvement District, for at least fourteen (14) days prior to the time fixed for the hearing. To the extent the Secretary has, prior to adoption hereof, accomplished any of the publications or postings directed by this Section, the same are hereby ratified.

ADOPTED, SIGNED AND APPROVED this 28th day of October, 2013.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

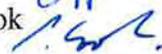
Legal Counsel - Bowie, Arneson, Wiles & Giannone

October 14, 2013

Prepared by: M. Tetterer/Ives Sosa

Submitted by: G. Heiertz

Approved by: Paul Cook



ACTION CALENDAR

RECYCLED WATER USE SITE INSPECTION AND TESTING

SUMMARY:

The District is required by the California Department of Public Health (DPH) to regularly inspect and test many of the recycled water sites throughout the IRWD service area. To augment staff efforts to complete this work in a timely manner, IRWD requested proposals from qualified firms to conduct field inspections and cross-connection testing at existing recycled water use sites to comply with regulatory requirements and best management practices. Staff recommends the Board authorize the General Manager to execute a Professional Services Agreement with Real Green Inc. in an amount not-to-exceed \$500,000 within a twelve-month period to provide field inspectors to assist staff with the inspection and testing of recycled water use sites.

BACKGROUND:

IRWD currently serves recycled water at approximately 5,000 sites that vary in size and complexity. Some are smaller irrigation sites such as medians and parkways that have only recycled water on site, while others are larger irrigation sites, such as golf courses and homeowners associations that are more complex and also have potable water on site. IRWD also serves approximately 580 single-family lots, several industrial customers, and over 50 dual-plumbed commercial buildings where recycled water is used indoors.

Depending on the type of recycled water use site, there are different regulatory requirements to conduct visual inspections and periodic cross-connection tests to confirm the systems are properly identified and the recycled water system is not connected to the potable water system. For example, dual-plumbed commercial buildings are required to have visual inspections done every year and a cross-connection test conducted at least every four years. The single-family lots are required to have a one-way cross-connection test done annually. Of the approximately 5,000 recycled water use sites, approximately half are homeowners associations which are required to have annual inspections and cross-connections tests conducted.

Over the past year, the staff has incorporated inspection and testing into its regular activities but has not been able to complete the inspection and testing work within the frequency currently required by DPH. To augment efforts to complete the inspection and testing of the District's recycled water sites, staff recommends retaining the services of a qualified firm to conduct inspections and testing under the direction of IRWD staff.

Consultant Selection Process:

To facilitate the inspection and testing process, staff categorized the recycled water use sites according to type and developed a list of 13 types. The sites vary from a regular agriculture field to dual-plumbed commercial buildings that use recycled water for toilets, urinals and trap

primers. These various types have different configurations and recycled water uses and therefore have different testing protocols and frequencies for inspection and testing.

Staff prepared a Request for Proposal (RFP) which requested qualifications and experience as well as the cost “per site” to complete the identified work. The RFP stipulated that each proposal includes costs on a “per site” basis based on the 13 different types. The tasks for the work include contacting the Site Supervisor to arrange for the field meeting, conducting the field meeting and associated paperwork, and entering the results into the District’s computerized tracking system.

The RFP was sent to six companies that perform this type of work; the following four companies submitted proposals:

- HDR Engineering Inc.;
- John Robinson Consulting Inc.;
- Project Partners Inc.; and
- Real Green Inc.

Staff reviewed the four proposals received and conducted interviews with the firms. Staff determined that Real Green Inc. possessed the best understanding of the requirements for this work, coupled with a team of highly qualified and experienced inspectors. A copy of Real Green’s cost proposal is attached as Exhibit “A”. Real Green, based in Anaheim, employs several certified inspectors – some of them bilingual – with extensive experience conducting inspection and testing at recycled water use sites. Staff recommends compensating Real Green on a “per site” basis as a pilot test and will closely monitor the outcomes to ensure IRWD is cost-effectively achieving its goals. The Consultant Selection Matrix is attached as Exhibit “B”.

FISCAL IMPACTS:

The Fiscal Year 2013-14 Operating Budget includes \$500,000 for conducting this work.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed at the Water Resources Policy and Communications Committee on October 7, 2013.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH REAL GREEN INC. IN AN AMOUNT NOT TO EXCEED \$500,000 OVER A TWELVE-MONTH PERIOD TO PROVIDE FIELD INSPECTORS TO ASSIST STAFF WITH PERFORMING INSPECTION AND TESTING OF RECYCLED WATER USE SITES.

LIST OF EXHIBITS:

Exhibit "A" – Cost Proposals

Exhibit "B" – Consultant Selection Matrix

September 5, 2013



**PROPOSAL FOR RECYCLED
WATER USE SITE INSPECTION,
TESTING AND TRAINING OF
SITE SUPERVISOR**

ATTACHMENT "B" Hourly rate= \$85.00
 COST PROPOSALS per hour

The Consultant Firm shall provide hourly and per meter cost proposals to complete the tasks identified on Attachment "A" and as directed by the IRWD representative. Below are the descriptions of each of the 13 different types of recycled water meters that IRWD currently serves and also the approximated number of active meters for each specific type (1 thru 13).

Type 1: *Single supply. Agricultural sites with no potable water systems within the irrigated area.*

- **Sample:** *Agriculture field located at the corner of Alton Parkway and Muirlands (south side of Alton). Irvine, CA.*
- **Method of testing:** *One-way shut down test.*
- **Quantities:** *Approximately 40 irrigation meters.*
- **Cost Proposal:**

1. Inspection only cost per meter \$: 148.75 Assumed hours: 1.75
2. Testing only cost per meter: \$ 148.75 Assumed hours: 1.75
3. Inspection & Testing cost per meter \$: 170 Assumed hours: 2.0

Type 2: *Single supply. Medians, freeway landscaping, slope areas, etc.*

- **Sample:** *Median strip located at the corner of Newport Coast Drive and San Joaquin Hills Corridor. Newport Coast, CA.*
- **Method of testing:** *One-way shut down test.*
- **Quantities:** *Approximately 440 irrigation meters.*
- **Cost Proposal:**

1. Inspection only cost per meter \$: 233.75 Assumed hours: 2.75
2. Testing only cost per meter: \$ 233.75 Assumed hours: 2.75
3. Inspection & Testing cost per meter \$: 255 Assumed hours: 3.0

Type 3: *Dual supply. Agricultural sites also served by potable water meters.*

- **Sample:** *Agriculture field located east side of Portola Parkway, corner of Jeffrey Road. Irvine, CA.*
- **Method of testing:** *One-way shut down test.*
- **Quantities:** *Approximately 20 irrigation meters*
- **Cost Proposal:**

1. Inspection only cost per meter \$: 170.00 Assumed hours: 2.0
2. Testing only cost per meter: \$ 170.00 Assumed hours: 2.0
3. Inspection & Testing cost per meter \$: 191.25 Assumed hours: 2.25

Type 4: Dual supply. Recycled and potable water meters typically serving park landscape and recreational facilities, guard shack landscape and interior, club houses, etc.

- **Sample:** Mason Regional Park on University Drive and Campus Drive. & Guard houses located on both entrances to the Shady Canyon Community. Irvine, CA.
- **Method of testing:** One-way shut down test.
- **Quantities:** Approximately 400 irrigation meters.
- **Cost Proposal:**

1. Inspection only cost per meter \$: 233.75 Assumed hours: 2.75
2. Testing only cost per meter: \$ 233.75 Assumed hours: 2.75
3. Inspection & Testing cost per meter \$: 255.00 Assumed hours: 3.0

Type 5: Dual supply. Multi-family HOA landscape where structures are served by master meters for domestic water and protected with RPPA backflow devices.

- **Sample:** Toscana Apartments. Multifamily units located at the corner of Jamboree Road and Michelson Drive. Irvine, CA.
- **Method of testing:** One-way shut down test.
- **Quantities:** Approximately 1000 irrigation meters.
- **Cost Proposal:**

1. Inspection only cost per meter \$: 233.75 Assumed hours: 2.75
2. Testing only cost per meter: \$ 233.75 Assumed hours: 2.75
3. Inspection & Testing cost per meter \$: 255.00 Assumed hours: 3.0

Type 6: Dual supply. HOA landscape where structures served by potable water meters do not have RPPA backflow protection.

- **Sample:** Woodbridge Pine Apartments located at the corner of Alton and Barranca Parkway. Irvine, CA.
- **Method of testing:** One-way shut down test.
- **Quantities:** Approximately 2350 irrigation meters.
- **Cost Proposal:**

1. Inspection only cost per meter \$: 255.00 Assumed hours: 3.0
2. Testing only cost per meter: \$ 255.00 Assumed hours: 3.0
3. Inspection & Testing cost per meter \$: 276.25 Assumed hours: 3.25

Type 7: Dual supply. Golf courses where structures and facilities are served by potable water meters.

- **Sample:** Pelican Hills Golf Course. Located at the corner of Pacific Coast Highway and Newport Coast Drive. Newport Coast. CA.
- **Method of testing:** One-way shut down test.
- **Quantities:** Approximately 7 irrigation meters.
- **Cost Proposal:**

1. Inspection only cost per meter \$: 680.00 Assumed hours: 8.0
2. Testing only cost per meter: \$ 680.00 Assumed hours: 8.0
3. Inspection & Testing cost per meter \$: 722.50 Assumed hours: 8.5

Type 8: Dual supply. Cemeteries where structures and facilities are served by potable water meters.

- **Sample:** Ascension Cemetery. Located on the corner of Trabuco Canyon Road and Paseo Tranquilo. Lake Forest, CA.
- **Method of testing:** One-way shut down test.
- **Quantities:** Approximately 2 irrigation meters.
- **Cost Proposal:**

1. Inspection only cost per meter \$:	467.50	Assumed hours:	5.5
2. Testing only cost per meter: \$	467.50	Assumed hours:	5.5
3. Inspection & Testing cost per meter \$:	510.00	Assumed hours:	6.0

Type 9: Dual supply. Industrial uses (eg., cement batch mixing, cooling towers) where non-dual plumbed structures and facilities are served by potable water meters.

- **Sample:** Robertson's Ready Concrete Mix. Construction Circle. Irvine, CA.
- **Method of testing:** One-way shut down test or Two-way shut down or Pressure differential gage test.
- **Quantities:** 10 recycled water meters.
- **Cost Proposal:**

1. Inspection only cost per meter \$:	127.50	Assumed hours:	1.5
2. Testing only cost per meter: \$	127.50	Assumed hours:	1.5
3. Inspection & Testing cost per meter \$:	148.75	Assumed hours:	1.75

Type 10: Dual supply. Landscape around commercial buildings and parking lot areas.

- **Sample:** Irvine Ranch Water District Headquarters parking lot irrigation system. Located at the corner of Sand Canyon Avenue & Waterworks Way. Irvine, CA.
- **Method of testing:** One-way shut down test.
- **Quantities:** Approximately 100 irrigation meters.
- **Cost Proposal:**

1. Inspection only cost per meter \$:	233.75	Assumed hours:	2.75
2. Testing only cost per meter: \$	233.75	Assumed hours:	2.75
3. Inspection & Testing cost per meter \$:	255.00	Assumed hours:	3.0

Type 11: Dual plumbed. Front and back yard landscape at single family homes (eg., "Full Lot Irrigation"), under the control of the homeowner.

- **Sample:** Dual Plumbed Custom Homes located in Shady Canyon, Crystal Cove, Pelican Crest, and Pelican Hills Communities.
- **Method of testing:** One-way shut down test.
- **Quantities:** Approximately 580 irrigation meters.
- **Cost Proposal:**

1. Inspection only cost per meter \$:	170.00	Assumed hours:	2.0
2. Testing only cost per meter: \$	170.00	Assumed hours:	2.0
3. Inspection & Testing cost per meter \$:	191.25	Assumed hours:	2.25

Type 12: *Dual plumbed. Non-residential ("commercial") structures where toilets, trap primers, urinals, or cooling towers are served*

- **Sample:** *Irvine Ranch Water District Headquarters Building located at the corner of Sand Canyon Avenue and Waterworks Way. Irvine, CA.*
- **Method of testing:** *Two-way shut down test or Pressure differential gage test.*
- **Quantities:** *Approximately 50 recycled water meters.*
- **Cost Proposal:**

1. Inspection only cost per meter \$:	<u>382.50</u>	Assumed hours:	<u>4.5</u>
2. Testing only cost per meter: \$	<u>382.50</u>	Assumed hours:	<u>4.5</u>
3. Inspection & Testing cost per meter \$:	<u>425.00</u>	Assumed hours:	<u>5.0</u>

Type 13: *Dual plumbed. Industrial structures (eg., carpet dye applications, plating, manufacturing, etc.)*

- **Sample:** *Royalty Carpets. Irvine, CA. (Not Active).*
- **Method of testing:** *Two-way shut down test or Pressure differential gage test.*
- **Quantities:** *1 recycled water meter.*
- **Cost Proposal:**

1. Inspection only cost per meter \$:	<u>382.50</u>	Assumed hours:	<u>4.5</u>
2. Testing only cost per meter: \$	<u>382.50</u>	Assumed hours:	<u>4.5</u>
3. Inspection & Testing cost per meter \$:	<u>425.00</u>	Assumed hours:	<u>5.0</u>

Exhibit "B"

	Weights	HDR	Project Partners	Real Green Inc.	J. R. Consulting
QUALIFICATIONS	35%				
*AWWA Cross Connection Control Specialist	60%	1	3	1	1
*ABPA Cross Connection Control Specialist					
*USC Cross Conn. Control (40 hrs course)					
*Distribution, Irrigation & Plan check basics.	40%	1	2	1	2
# of Field Personnel		3	6	5	2
Weighted Score (Qualifications)		1.00	2.60	1.00	1.40
EXPERIENCE	35%				
Doing Inspections	30%	1	2	1	2
Doing Testing	30%	1	2	1	2
Administration	10%	2	2	2	2
Customer Contact / Interface	30%	2	2	2	2
Weighted Score (Experience)		1.4	2.0	1.4	2.0
PROJECT UNDERSTANDING	30%	1	1	1	3
Weighted Score (Project Understanding)		0.30	0.30	0.30	0.90
COMBINED WEIGHTED SCORE	100%	2.70	4.90	2.70	4.30

Rated on a scale from 1 (highest) to 5 (lowest)

Ranking	T1	3	T1	2
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October 14, 2013

Prepared and

Submitted by: G. Heiertz

Approved by: Paul Cook

GH

ACTION CALENDAR

ORANGE COUNTY WATER DISTRICT ANNEXATION AGREEMENT

SUMMARY:

Irvine Ranch Water District has requested the annexation of additional areas within IRWD into the Orange County Water District (OCWD). OCWD is processing this application simultaneously with two other applications: one from Yorba Linda Water District (YLWD) and the other from the City of Anaheim. On October 2, 2013 the OCWD Board certified the Final Program / Project Environmental Impact Report Orange County Water District Annexation Request by the City of Anaheim, Irvine Ranch Water District, and Yorba Linda Water District. Immediately following this certification, the OCWD Board approved the annexation agreements between the OCWD and each of the three annexing agencies.

Staff recommends that the IRWD Board adopt the “Final Program/Project Environmental Impact Report Orange County Water District Annexation Request by the City of Anaheim, Irvine Ranch Water District, and Yorba Linda Water District” as a responsible agency under CEQA and direct staff to file a Notice of Determination, and authorize the President and General Manager to execute the “Annexation Agreement between Orange County Water District and Irvine Ranch Water District regarding annexation to Orange County Water District”.

BACKGROUND:

IRWD’s Past OCWD Annexation Efforts:

In 1996, IRWD submitted a letter of application to OCWD for annexation, which was renewed in 1998 and 2003. IRWD, the City of Anaheim, and OCWD subsequently entered into an Environmental Impact Report Memorandum of Understanding (EIR MOU) regarding cost sharing for a Programmatic Environmental Impact Report (PEIR) regarding the proposed annexation. In January 2006, OCWD released a Draft PEIR but never finalized it.

In July 2006, OCWD began developing an “IRWD Annexation Agreement Term Sheet” that outlined conditions for annexation of additional territory within IRWD which the OCWD Board unanimously approved in January 2007. Differences in interpretation of some of the term sheet items became apparent as the annexation agreement was being developed. OCWD staff and legal counsel proposed that the PEIR be revised to include arbitrary significance thresholds and predetermined mitigation measures that would be required to be used in the subsequent IRWD Groundwater Production EIR. This approach was unacceptable to IRWD and as a result, those agreement negotiations were terminated.

IRWD's Current OCWD Annexation Application:

In February 2010, staff submitted an application for annexation to OCWD of approximately 5,334 acres. This was later increased to 6,482 acres to include primarily open space areas with no increase in estimated total water demand. A map of the annexation area is attached as Exhibit "A". This application was processed simultaneously with applications submitted by YLWD and Anaheim. IRWD, YLWD, Anaheim, and OCWD approved an MOU which defined the process for considering these requests. The MOU, which is attached as Exhibit "B", specified certain conditions for annexation and provides for the reimbursement of costs for preparation of an EIR addressing the environmental effects of the annexation. The EIR, which was released in March 2013, documented that the IRWD annexation results in no significant environmental impact. The EIR was certified by OCWD on October 2, 2013 and a Notice of Determination was filed the following day. The EIR can be viewed by accessing the OCWD website:
<http://www.ocwd.com/EnvironmentalImpactReport.aspx>

The "Annexation Agreement Between Orange County Water District and Irvine Ranch Water District Regarding Annexation to Orange County Water District", which is attached as Exhibit "C", was developed to stipulate the terms and conditions of the annexation. Those terms include:

- Payment of the direct EIR and annexation processing costs;
- Payment of the cost of any required environmental mitigation;
- Payment of the annual Annexation Charge;
- Indemnification of OCWD for challenges to the EIR and annexation process;
- Commitment by IRWD to utilize the DATS Wells Nos. 8 and 9 to serve the demand of the annexing territory;
- Commitment by IRWD to continue sending a minimum amount of four million gallons per day of flows from IRWD to the Orange County Sanitation District over the next 20 years;
- Early relinquishment by IRWD of the remaining Basin Equity Assessment exemption for the DATS Wells Nos. 8 and 9 (currently set to expire in 2016);
- A moratorium on any future annexations by IRWD for the next 10 years; and
- A maximum of 70% for IRWD's Basin Production Percentage (BPP) for the next 10 years.

Next Steps:

OCWD, as the lead agency on the Annexation EIR, has already filed the Notice of Determination. The thirty-day period during which the EIR can be challenged in court began on October 3, 2013. Assuming no protests are received by OCWD, the annexations will be sent to the Local Agency Formation Commission (LAFCO) for consideration. OCWD staff has indicated that they expect this process to take three to four months.

FISCAL IMPACTS:

The initial annual annexation charge to be paid by IRWD is approximately \$383,000. In the future, the annual benefit will depend on IRWD's ability to produce groundwater from the basin, the BPP, and the differential between groundwater production cost and the price of imported water.

ENVIRONMENTAL COMPLIANCE:

OCWD certified the "Final Program/Project Environmental Impact Report Orange County Water District Annexation Request by the City of Anaheim, Irvine Ranch Water District, and Yorba Linda Water District" as the CEQA lead agency on October 2, 2013. The EIR concluded that there are no significant adverse environmental impacts that would result from the OCWD Board of Directors approving the annexation application of IRWD.

COMMITTEE STATUS:

This item was reviewed at the Water Resources Policy and Communications Committee on March 7, 2013 and has been reviewed by the Board in past Closed Session discussions.

RECOMMENDATION:

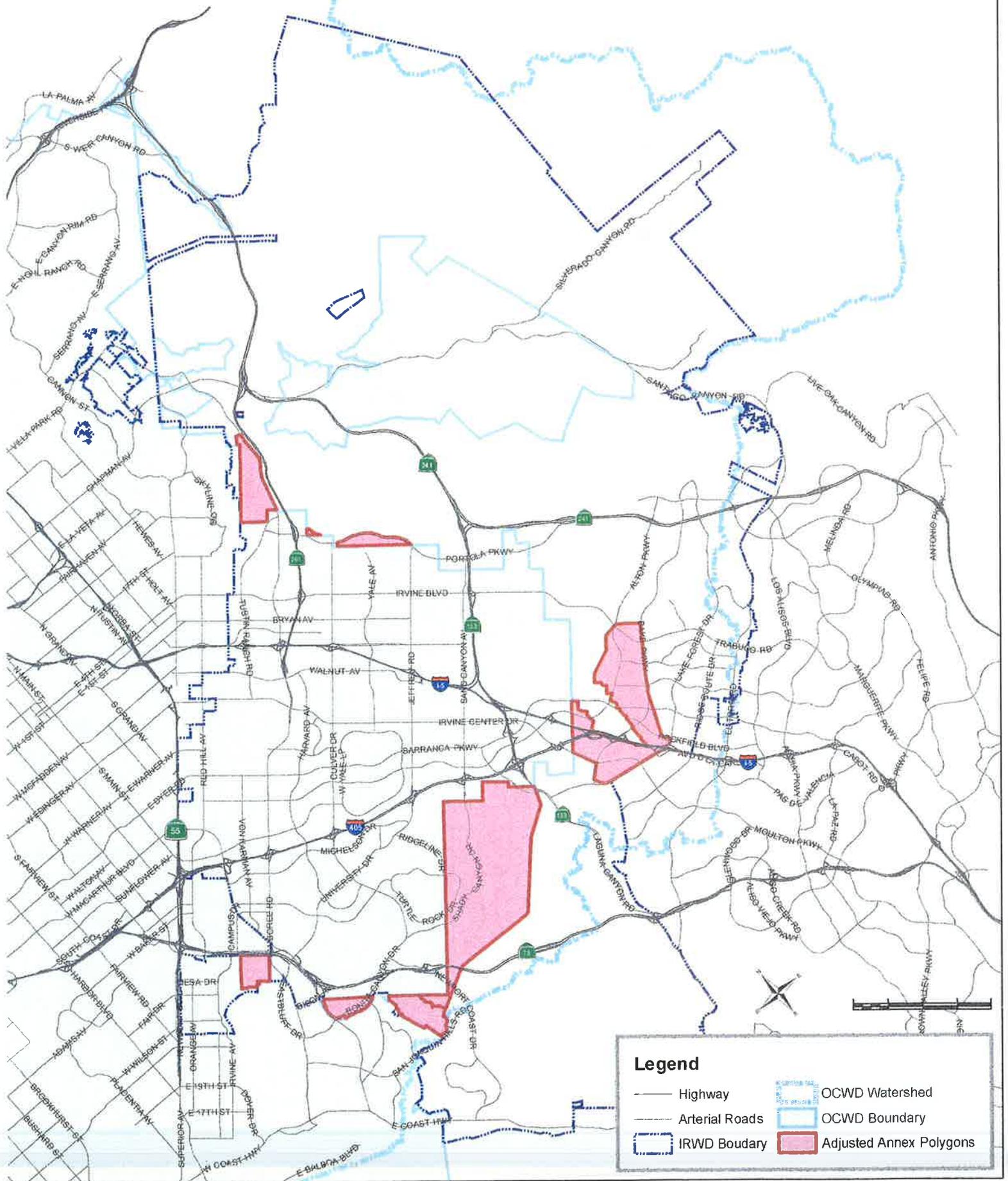
THAT THE BOARD ADOPT THE "FINAL PROGRAM/PROJECT ENVIRONMENTAL IMPACT REPORT ORANGE COUNTY WATER DISTRICT ANNEXATION REQUEST BY THE CITY OF ANAHEIM, IRVINE RANCH WATER DISTRICT, AND YORBA LINDA WATER DISTRICT" AS A RESPONSIBLE AGENCY UNDER CEQA AND DIRECT STAFF TO FILE A NOTICE OF DETERMINATION, AND AUTHORIZE THE PRESIDENT AND GENERAL MANAGER TO EXECUTE THE "ANNEXATION AGREEMENT BETWEEN ORANGE COUNTY WATER DISTRICT AND IRVINE RANCH WATER DISTRICT REGARDING ANNEXATION TO ORANGE COUNTY WATER DISTRICT".

LIST OF EXHIBITS:

- Exhibit "A" – Map of Proposed OCWD Annexation
- Exhibit "B" – Memorandum of Understanding Between Orange County Water District and Irvine Ranch Water District Regarding Processing and Consideration of Annexation Requests and Associated CEQA Documents
- Exhibit "C" – Annexation Agreement Between Orange County Water District and Irvine Ranch Water District Regarding Annexation to Orange County Water District

IRWD Proposed Annexation To OCWD

EXHIBIT A



ORIGINAL

AGR-6427

**MEMORANDUM OF UNDERSTANDING
BETWEEN ORANGE COUNTY WATER DISTRICT, CITY OF ANAHEIM, YORBA
LINDA WATER DISTRICT AND IRVINE RANCH WATER DISTRICT REGARDING
PROCESSING AND CONSIDERATION OF ANNEXATION REQUESTS AND
ASSOCIATED CEQA DOCUMENTATION**

THIS MEMORANDUM OF UNDERSTANDING (hereinafter referred to as the "MOU") is entered into as of this 21st day of July 2010, by and between the ORANGE COUNTY WATER DISTRICT, a special governmental district organized and existing pursuant to the Orange County Water District Act, Chapter 924 of the California Statutes of 1933, as amended (hereinafter referred to as "OCWD"), the CITY OF ANAHEIM, a charter municipal corporation (hereinafter referred to as "City"), the YORBA LINDA WATER DISTRICT, a special governmental district formed under the County Water District Law, Water Code section 30000, et seq. (hereinafter referred to as "YLWD"), and the IRVINE RANCH WATER DISTRICT, a special governmental district formed under the County Water District Law, Water Code section 30000, et seq. (hereinafter referred to as "IRWD").

RECITALS

A. OCWD's Resolution No. 86-2-15 adopted on February 19, 1986, and affirmed by Motion No. 99-107 set forth in the minutes of June 2, 1999, a copy of which is attached hereto as Exhibit "A" and incorporated herein by this reference (the "Policy"), provides for the annexation of territory that is within the boundaries of long-term producers within OCWD, within the Santa Ana River Watershed and the boundaries of the Metropolitan Water District of Southern California, subject to the payment of an annexation fee calculated under a formula specified therein, for the purpose of providing uniformity of cost and access throughout the lands within OCWD's jurisdictional boundaries.

B. By letter dated October 16, 2009, YLWD filed a formal request to annex

certain territory within the service boundaries of YLWD and depicted in Exhibit "B" hereto to OCWD (such request is hereinafter referred to as the "YLWD Annexation Request," and such territory is referred to as the "YLWD Territory"). By letter dated January 15, 2010, the City filed a formal request to annex certain territory within its municipal boundaries, as depicted in Exhibit "C" hereto, to OCWD (such request is hereinafter referred to as the "City Annexation Request," and such territory is hereinafter referred to as the "City Territory"). By letter dated February 17, 2010, IRWD filed a formal request to annex certain territory within its boundaries, as depicted in Exhibit "D" hereto, to OCWD (such request is hereinafter referred to as the "IRWD Annexation Request," and such territory is hereinafter referred to as the "IRWD Territory") (The YLWD Annexation Request, the IRWD Annexation Request and the City Annexation Request are hereinafter collectively referred to as the "Project").

C. OCWD has undertaken a preliminary review of the YLWD Annexation Request, the IRWD Annexation Request, and the City Annexation Request and determined that the YLWD Territory, IRWD Territory, and the City Territory each satisfies the Policy's criteria for annexation of such territory to OCWD.

D. The parties mutually desire that OCWD process the YLWD Annexation Request, the IRWD Annexation Request and the City Annexation Request, and set forth in this MOU the terms, conditions and understandings governing the processing of the Project and OCWD's consideration whether to initiate one or more annexations. Each of the parties desires to reserve its respective discretion during the term of the MOU to decide whether it desires to continue with the cooperative process as contemplated herein.

E. The parties mutually agree that the Project constitutes a "project" for purposes of the California Environmental Quality Act, Public Resources Code section 21000, et seq. ("CEQA") and they have determined that OCWD should be the CEQA lead agency for the preparation, processing and certification of the document required under CEQA for the Project ("CEQA Documentation"). YLWD, IRWD and City agree to pay the consultant's costs necessary to prepare and process the CEQA Documentation and the costs for any identified mitigation measures, as set forth in this MOU.

EXECUTORY AGREEMENTS

NOW, THEREFORE, in consideration of the matters recited above and the covenants, conditions and promises contained herein, the parties agree as follows:

SECTION 1: Intent.

The parties believe that undertaking the process provided for in this MOU will be in the best interest of promoting consensus among the parties and other interested agencies in accomplishing the planning and annexation activities described herein, but do not hereby intend to relinquish any legal rights except to the extent expressly stated herein.

SECTION 2: Project Review.

2.1 Lead Agency. OCWD shall be the CEQA lead agency for the preparation, processing and certification of CEQA Documentation, and for the consideration of initiation of the City Territory, the IRWD Territory and the YLWD Territory to OCWD, as described in this MOU.

2.2 Responsible Agency. The Project includes discretionary approvals by City, IRWD and YLWD in addition to OCWD's consideration of the Project as the lead agency. City, IRWD and YLWD shall be CEQA responsible agencies for the preparation, processing and certification of the CEQA Documentation, as described in this MOU. As the lead agency, OCWD shall contract with and manage consultants to prepare and process the CEQA Documentation. OCWD shall consult with City, IRWD and YLWD and provide City, IRWD and YLWD with an opportunity to review and provide input on each major substantive step involving direction by OCWD to OCWD's consultants regarding the Project, including, but not limited to, consultant and supporting technical consultant selection; scoping; any partially-complete administrative review drafts required of a consultant; screen check review drafts; draft responses to comments; draft mitigation measures and monitoring plans; and draft findings.

2.3 Scope of Review. The parties intend that the CEQA Documentation shall cover the proposed initiation, processing, approval and implementation of the annexation of the YLWD Territory, IRWD Territory and the City Territory to OCWD, and shall be used by other agencies in connection with their review and action on the Project, including but not limited to the Orange County Local Agency Formation Commission ("LAFCO") in the event that proceedings are initiated to annex the YLWD Territory, IRWD Territory or the City Territory to OCWD.

2.4 Milestone Schedule. The parties shall cooperate and use their best efforts to prepare, process and consider certification or adoption of the CEQA Documentation in accordance with the following schedule:

Task	Completion Date
Selection and retention of CEQA Documentation consultant	September 2010
Transmit Notice of Preparation	November 2010
Completion of screen check (administrative draft) CEQA Documentation	April 2011
Release of draft CEQA Documentation for public review:	June 2011
Completion of responses to comments on draft CEQA Documentation:	August 2011
OCWD Board consideration of certification or adoption of CEQA Documentation & Annexation Agreement:	September 2011

SECTION 3: Responsibilities of Parties.

3.1 OCWD's Responsibilities.

3.1.1 OCWD will prepare the CEQA Documentation to evaluate the potential environmental impacts of the Project comprising the annexation of the YLWD Territory, IRWD Territory and the City Territory to OCWD in accordance with the YLWD Annexation Request, IRWD Annexation Request and the City Annexation Request.

3.1.3 Technical Assistance. At no cost to City, IRWD and YLWD other than as set forth in this MOU, OCWD will provide technical assistance requested by City, IRWD and YLWD (including groundwater modeling) to support OCWD's processing of the CEQA Documentation and the Project, and City, IRWD and YLWD's CEQA clearance on their own future production facilities if any, to serve their respective territories covered by the Project. Depending upon the environmental assessment of City, YLWD and IRWD's future groundwater production facilities, City, YLWD and IRWD will determine their appropriate CEQA documentation, which may employ tiering from OCWD's CEQA documentation for the Project, and may rely upon OCWD's CEQA documentation for any of the analysis therein.

3.2 City, IRWD and YLWD Responsibilities.

3.2.1. Within 30 days of the effective date of this MOU, the City, IRWD and YLWD will notify OCWD of the location, proposed depth(s) and capacity of future groundwater production facilities (or, if no new groundwater production facilities are planned, the identity and planned production level of any existing groundwater production facilities) to support, respectively, the City Territory, the IRWD Territory and the YLWD Territory.

3.2.2. At no cost to OCWD other than as set forth in this MOU, City, IRWD and YLWD will cooperate with OCWD in any data collection relating to City, IRWD and YLWD's respective future groundwater production needs, that OCWD may reasonably determine as necessary for the preparation and processing of the CEQA Documentation.

SECTION 4: Costs.

4.1 CEQA Documentation. The cost of preparing, processing and certifying or adopting the CEQA Documentation, for purposes of this Section, shall be the direct cost (fees and out of pocket expenses) incurred by OCWD in retaining consultants to prepare the documents and supporting technical studies, responses to comments, attendance at meetings, and related activities normally associated with the preparation, processing and certification of CEQA documentation. (Collectively, "Consultant Costs"). City, IRWD and YLWD agree that OCWD shall not be responsible for any of the Consultant Costs; and City, IRWD and YLWD agree to pay their respective percentage of the Consultant Costs as shown below which is based upon the estimated ultimate total water demands from the City Territory, IRWD Territory and the YLWD territory (the "Allocation");

<u>Agency</u>	<u>Ultimate Water Demands</u>	<u>Cost Share</u>
City	2,470 afy	16%
IRWD	6,130 afy	41%
YLWD	<u>6,500 afy</u>	<u>43%</u>
Totals	15,100 afy	100%

OCWD shall transmit Consultant Cost invoices to City, IRWD and YLWD on a quarterly basis. City, IRWD and YLWD shall each pay its share of each such invoice to OCWD, based upon the Allocation, within 30 days of the date of receipt of such invoice from OCWD. OCWD, City, IRWD and YLWD shall each bear its own staff, administrative, overhead, legal and other costs incurred in preparing or supporting the preparation, processing and certification of the CEQA Documentation.

4.2 CEQA Mitigation Cost. City, IRWD and YLWD shall be solely responsible for funding or implementing any and all mitigation measures identified by the CEQA Documentation certified or adopted by OCWD, based upon the Allocation, (unless mitigation measures can be individually identified and assigned by joint agreement of City, IRWD and YLWD), or unless City, IRWD and/or YLWD decides to terminate this MOU in accordance with Section 7.

SECTION 5: Indemnification.

5.1 Legal Challenge to CEQA Document Preparation. City, IRWD and YLWD shall each defend (with counsel approved by OCWD), indemnify and hold OCWD harmless from any costs or liabilities, including attorneys' and consultants' fees, incurred by OCWD in connection with (i) any legal challenge to the adequacy or validity of the CEQA Documentation, OCWD's certification or adoption of the CEQA Documentation and any

associated findings by OCWD, or OCWD's actions with respect to initiating annexation to OCWD of the YLWD Territory, IRWD Territory and/or the City Territory, (ii) any appeals filed against OCWD regarding the matters described in clause (i) above, and (iii) preparing, processing and certifying any subsequent or supplemental CEQA Documentation in response to orders or other judicial determinations issued in the matters described in clause (i) above (collectively, "Challenges") based upon the Allocation set forth in Section 4.1. Notwithstanding the foregoing, if City, IRWD and YLWD jointly agree based upon the allegations in the Challenge that any Challenge is specifically directed against any individual party, but not all three of the City, IRWD or YLWD, then that party or those two parties shall be solely responsible for all of the costs and liabilities relating to that Challenge.

5.2 Assistance and Cooperation in Litigation. City, IRWD and YLWD shall cooperate and provide any assistance reasonably requested by OCWD or another party in defending against a Challenge. Nothing in this MOU precludes City, IRWD and/or YLWD, at its own cost, either from defending its interests in any Challenge to which City, IRWD and/or YLWD is/are joined, or from intervening in a Challenge to defend its interests. In the event that City, IRWD and/or YLWD directly participate in a Challenge, OCWD, City, IRWD and/or YLWD shall cooperate in good faith with each other in the defense of the Challenge.

5.3 Survival of Indemnity Obligations: The provisions of this Section 5 shall survive the expiration or earlier termination of this MOU.

SECTION 6: Processing the Project

6.1 Annexation Agreement. Upon completion and certification or adoption of the

CEQA Documentation, OCWD, City, IRWD and YLWD shall prepare and consider approving and executing an annexation agreement based upon the terms and conditions listed in Exhibit E, "Proposed Annexation Agreement Terms". Exhibit E sets forth the proposed substantive terms and conditions and direct financial obligations of the City, IRWD and YLWD to be imposed in connection with the City Annexation Request, the IRWD Annexation Request and the YLWD Annexation Request, respectively. The parties acknowledge OCWD's right to include additional terms and conditions in the Annexation Agreement considered by the OCWD, the City, YLWD and IRWD as a result of the process for reviewing annexation requests as set forth in this MOU.

6.2 Annexation Terms. It is the intent of the parties to reach agreement as to the Annexation Agreement Terms, to be set forth in a resolution of application to be considered and adopted by OCWD and filed with LAFCO to initiate proceedings to annex the YLWD Territory, IRWD Territory and the City Territory.

6.3 Parties' Discretion. Notwithstanding any other provision of this MOU, each party retains the full right and discretion whether (a) to certify or adopt the CEQA Documentation, (b) to approve the Annexation Agreement, (c) to agree to the Annexation Agreement Terms, or (d) to initiate (or support the initiation of) the annexation of either the YLWD Territory, IRWD Territory or the City Territory to OCWD.**SECTION 7: Term and Termination of MOU.**

7.1 Term. This MOU shall continue and remain in effect until the earlier of (a) the filing by OCWD of an application with LAFCO for the annexation of the YLWD Territory, IRWD Territory and the City Territory to OCWD, or (b) December 31, 2015.

7.2 Termination. If any party desires to terminate the MOU, it may do so by

giving thirty (30) days written notice thereof to each of the other parties. Notice of termination will be effective at the conclusion of such 30 days; provided, however, that City, IRWD and YLWD shall remain responsible for their Challenges Costs (Per Section 5.1) incurred through the effective date of termination or for which that party is responsible. Should City, IRWD or YLWD decide to terminate the MOU, the remaining (non-terminating) party(ies) and OCWD shall meet and confer and jointly determine if the Project contemplated with this MOU should continue and, if so, process an amendment to this MOU or a new memorandum of understanding. Upon termination by a party or parties, the Allocation of Consultant Costs for the remaining party(ies) would proportionally increase based upon the remaining parties (other than OCWD) under this scenario according to Section 4.1. If there are CEQA mitigation measures to be funded or implemented by the terminating party which, if not taken, will impact the CEQA certification, such terminating party shall jointly meet with the non-terminating parties to reach an agreement about the costs to be borne by the terminating party to prepare amended or modified CEQA documentation resulting from such party's decision to terminate the MOU without adopting of funding the mitigation measures.

SECTION 8: Notice.

Any notice or other written instrument required or permitted by this MOU to be given to any party shall be deemed received when personally delivered or twenty-four (24) hours after being deposited in the U.S. Mail, postage prepaid, registered or certified and addressed as follows:

OCWD: Orange County Water District
18700 Ward Street

P.O. Box 8300
Fountain Valley, California 92728-8300
Attn: General Manager

YLWD: Yorba Linda Water District
General Manager
P.O. Box 309
Yorba Linda, California 92885-0309

CITY City of Anaheim Public Utilities General Manager
201 South Anaheim Blvd., Suite 1101
Anaheim CA 92805

IRWD Irvine Ranch Water District
General Manager
PO Box 57000
Irvine CA 92619-7000

SECTION 9: MISCELLANEOUS

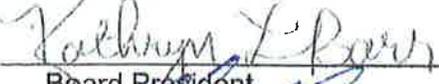
9.1 Construction and Interpretation. This MOU shall be governed by the laws of the State of California, and construed as if drafted jointly by OCWD, City, IRWD and YLWD.

9.2 Entire Agreement; Amendment. This MOU represents the entire understanding of OCWD, City, IRWD and YLWD as to those matters contained herein, and no prior oral or written understanding shall be of any force or effect with respect to those matters covered by this MOU. This MOU may not be modified, altered or amended except in writing signed by OCWD, City, IRWD and YLWD.

9.3 If, after the signing of this MOU, OCWD enters into any MOU regarding annexations that contains terms more favorable to another party than the terms of this MOU, then the General Manager of OCWD and the City, IRWD and YLWD, or their respective designees, shall execute a letter amendment to this MOU documenting the incorporation or substitution (as the case may be) into this MOU of the other MOU's more favorable terms, including elimination of unfavorable terms that are absent from other MOU, without the need for any further approval by the governing bodies of OCWD and City, IRWD AND YLWD.

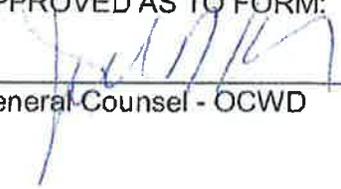
IN WITNESS WHEREOF, the parties hereto have executed this MOU on the day and year first hereinabove written.

ORANGE COUNTY WATER DISTRICT

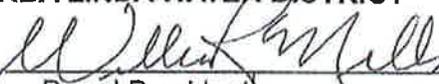
By: 
Board President

By: 
General Manager

APPROVED AS TO FORM:


General Counsel - OCWD

YORBA LINDA WATER DISTRICT

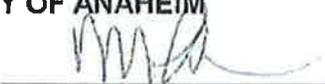
By: 
Board President

By: 
General Manager *8/2/2010*

APPROVED AS TO FORM:


General Counsel - YLWD

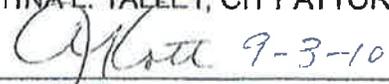
CITY OF ANAHEIM

By: 
Marcie L. Edwards Public Utilities GM

ATTEST:

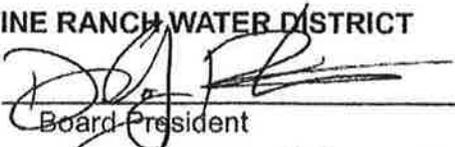
CITY CLERK
By: 
Linda N. Andal, City Clerk

APPROVED AS TO FORM
CRISTINA L. TALLEY, CITY ATTORNEY

 9-3-10
Alison M. Kott, Assistant City Attorney

IRVINE RANCH WATER DISTRICT

By:



Board President

By:



General Manager

APPROVED AS TO FORM:


General Counsel - IRWD

Exhibit A

RESOLUTION NO. 86-2-15

RESOLUTION OF THE BOARD OF DIRECTORS OF
THE ORANGE COUNTY WATER DISTRICT
ADOPTING POLICY REGARDING ANNEXATIONS TO THE DISTRICT

WHEREAS, by Resolution No. 85-2-17, this Board adopted its policy regarding annexations to the District; and

WHEREAS, the Board of Directors desires to amend its policy on such annexations;

NOW, THEREFORE, the Board of Directors of the Orange County Water District does hereby resolve as follows:

Section 1: It shall be the policy of the Orange County Water District to accommodate the long-term producers within the District's groundwater management programs and provide uniformity of cost of and access to groundwater throughout the District by consenting to requests for annexation of areas within the Orange County portion of the Santa Ana River watershed, provided that the annexing territory is within the boundaries of The Metropolitan Water District of Southern California.

Section 2: Prior to annexation, an agreement shall be entered into between the District and the applicable water purveying agency providing for payment to the District of an annual annexation charge calculated by the following formula:

$$X = A \times B \times \frac{C}{D} \times E$$

- Where
- X = Annexation Charge
 - A = Current year's Basin Production Percentage
 - B = Current year's total water demand within annexed territory or 10% of ultimate annual total water demand within annexed territory, whichever is greater
 - C = Current year's *ad valorem* income
 - D = Current year's total groundwater production
 - E = Applicable percentage (determined from following table):

% Groundwater Used Within Service Area of Annexing Purveyor			<u>Applicable</u>
0.0	-	5.99	10%
6.0	-	9.99	16%
10.0	-	14.99	25%
15.0	-	19.99	30%
20.0	-	24.99	40%
25.0	-	29.99	48%
30.0	-	34.99	55%
35.0	-	39.99	64%
40.0	-	44.99	72%
45.0	-	49.00	80%
50.0	-	100.0	100%
		0	

Section 3: Said agreement shall provide for the payment of annexation processing costs as follows: The water purveying agency shall be solely responsible for: a) all direct costs and fees imposed or required by any governmental body or agency having jurisdiction over the processing and completion of the annexation of the subject territory to OCWD; and b) preparing any legal descriptions, boundary surveys or maps required for the processing and completion of such annexation.

Section 4: The staff of the District is authorized and directed to draft pre-annexation agreements with entities which have requested annexation to the District and which meet the above-described criteria.

Section 5: Resolution No. 85-2-17 is rescinded.



Reliable and Trusted Service
for More Than 100 Years

October 15, 2009

Mike Markus, General Manager
Orange County Water District
18700 Ward St
Fountain Valley CA 92708

Subject: Request for Annexation to Orange County Water District

Dear Mr. Markus: *Mike*

Thank you once again for the opportunity to meet with you, John Kennedy and General Counsel, Joel Kuperberg on September 22, 2009, where we discussed Yorba Linda Water District's renewed interest in seeking annexation to OCWD. Please accept this letter as our formal request to restart the annexation process. It is the desire of our Board of Directors to annex all lands served by Yorba Linda Water District that are currently outside the Orange County Water District service area.

The attached map prepared by the County Surveyor identifies four parcels for which we are requesting annexation, with a total land area of approximately 6,100 acres. Approximately one fourth of this land is open space preserve, including sections of the Chino Hills State Park, for which land development and water service is not planned. The current water demand of the developed areas is approximately 5,800 acre feet per year with projected future growth of an additional 10% to 15% in developable areas by 2020, depending on the economic climate for development.

YLWD is currently serving the developed areas completely with imported water and desires to achieve a higher level of local reliability. We are preparing a preliminary study to consider additional groundwater well development that would be required to provide some offset capacity to meet the demands of the proposed annexation areas. We will forward a proposed project description and additional information as soon as this study is completed.

I appreciate your consideration and look forward to moving ahead with this process.

Sincerely,

Handwritten signature of Ken Vecchiarelli in cursive.

Ken Vecchiarelli
General Manager

CC: Stephen R. Sheldon, OCWD Board President
John W. Summerfield, YLWD Board President

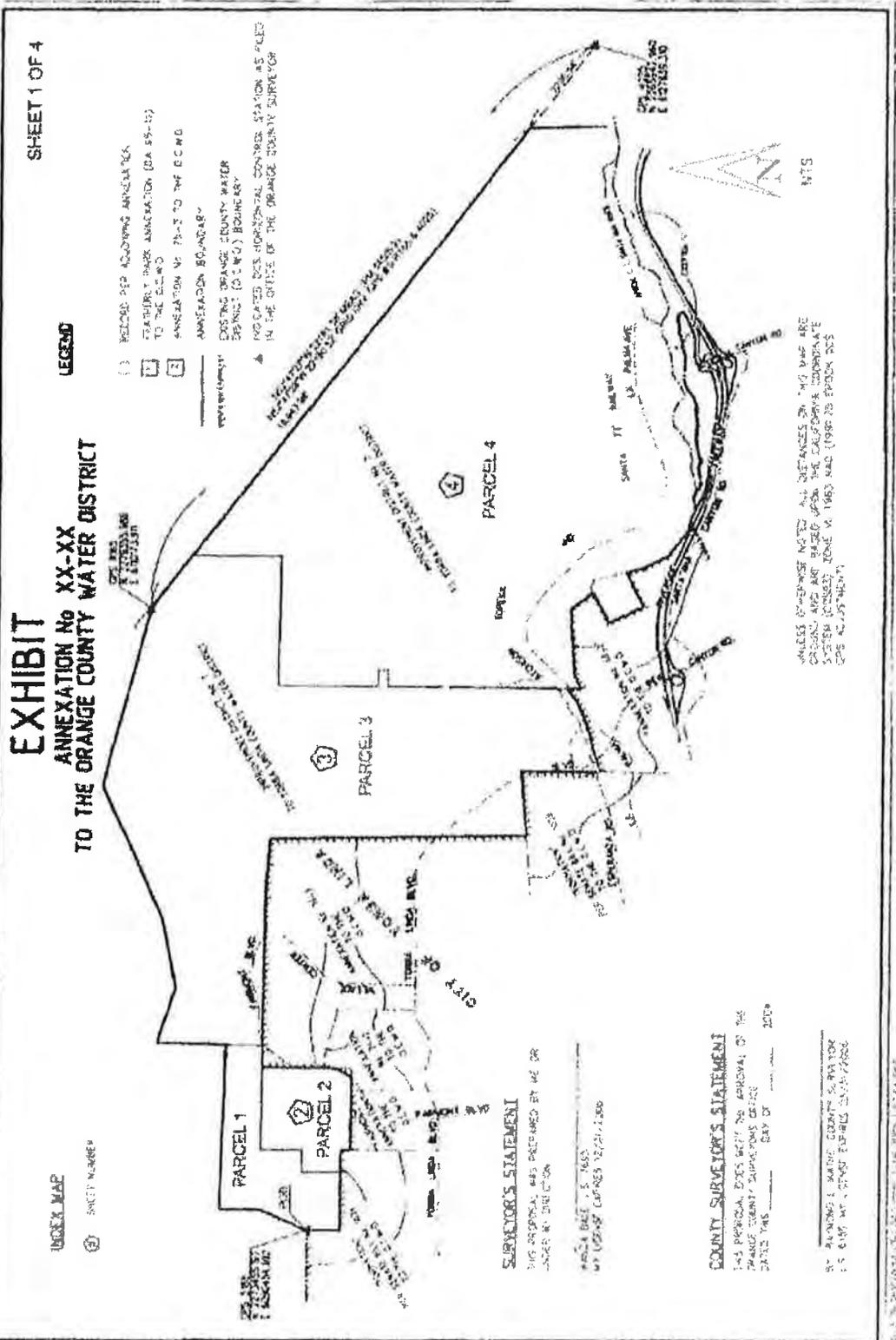


Exhibit C



City of Anaheim
PUBLIC UTILITIES DEPARTMENT

January 15, 2010

Mr. Michael Markus
General Manager
Orange County Water District
P.O. Box 8300
Fountain Valley, California 92728-8300

Subject: Request to Restart Annexation Process

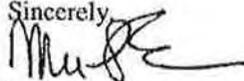
Dear Mr. Markus:

At the request of the Orange County Water District (OCWD), please accept this letter as the City of Anaheim's (Anaheim) formal request to restart the annexation process to add approximately 2,355 acres in the eastern portion of Anaheim into the OCWD. A map depicting the location of the proposed annexation area is enclosed for your reference (Exhibit A).

In 2003, Anaheim requested that OCWD initiate annexation of this area into OCWD's service territory. A copy of the October 16, 2003 letter is attached hereto as Exhibit B. Anaheim has never provided water service to the 2,355 acres. However, when development begins in the future in the annexation area, that area will obtain water service from an extension of Anaheim's water system. Approximately 850 acres of the total 2,355 acre annexation area will require water service, but the remaining acreage is designated as open space preserve. The annexation area is projected to have a total ultimate water demand of 2,470 acre-feet per year. Anaheim plans to meet this projected ultimate demand by increasing the load factors (i.e., run time) on two existing groundwater production wells at Anaheim Lake and replacing two old shallow wells at Anaheim Lake with one new high-capacity deep aquifer production well.

It is Anaheim's understanding that it will eventually enter into a Memorandum of Understanding (MOU) and an Annexation Agreement as part of the annexation process. The MOU will identify each agency's responsibilities related to the California Environmental Quality Act (CEQA) compliance while the Annexation Agreement will define the terms and conditions of annexation. Please prepare a draft MOU for Anaheim's consideration to restart the annexation process for the 2,355 acres in east Anaheim.

Please contact Don Calkins, Assistant General Manager – Water Services, at (714) 765-4268, if you require any additional information to restart the annexation process.

Sincerely,


ML
Marcie L. Edwards
Public Utilities General Manager

Enclosures

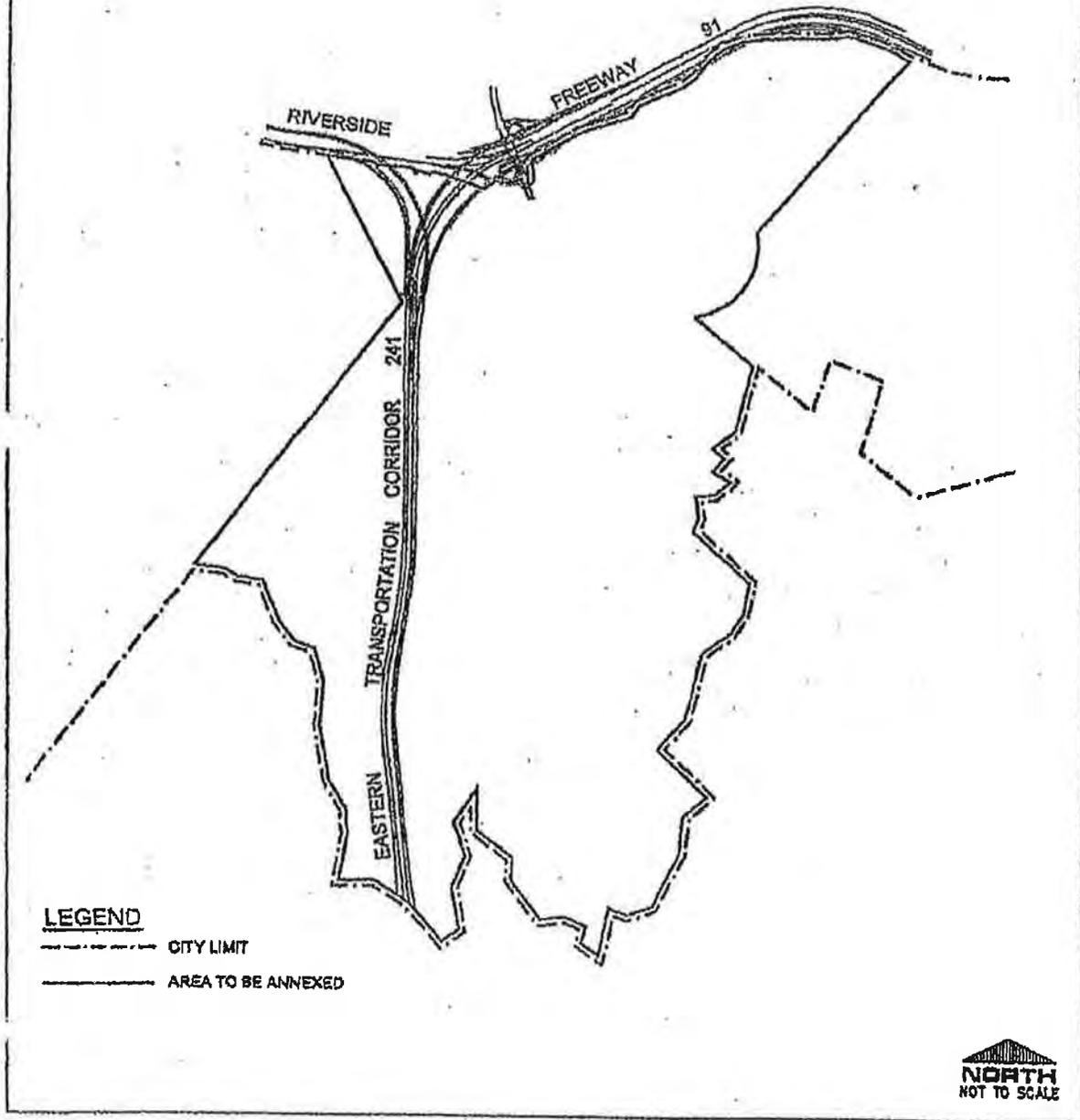
c: Don Calkins
Rick Shintaku
Alison Kott

201 S. Anaheim Boulevard, Suite 1101
Anaheim, California 92805

TEL (714) 765-5137

EXHIBIT A

**EAST ANAHEIM ANNEXATION TO
ORANGE COUNTY WATER DISTRICT
APPROXIMATE ANNEXATION AREA = 2,355 AC.**





CITY OF ANAHEIM, CALIFORNIA

Public Utilities Department

ASST. GEN. MGR. - WATER SERVICES					
GPM	RM	DW	JH	LLM	PO
OCT 21 2003					
ACTION		INFO		FILE	

October 16, 2003

Ms. Virginia Grebbien
 General Manager
 Orange County Water District
 P.O. Box 8300
 Fountain Valley, California 92728-8300

Subject: Request to Initiate Annexation

Dear Ms. ^{Virginia,} Grebbien:

As authorized by the Anaheim City Council at its October 14, 2003 meeting, we are requesting to initiate the annexation process to add approximately 2,355 acres in the eastern portion of Anaheim into the Orange County Water District (OCWD). We understand that this process will be conducted concurrently with your current strategic planning process.

Up to the present time, the City of Anaheim (City) has not provided water service to this area. However, when development begins in the near future, the area will obtain water service from an extension of the City's water system. A map depicting the location of the proposed annexation area is enclosed for reference.

It is our understanding that the City will eventually need to enter into a Memorandum of Understanding (MOU) and an Annexation Agreement as a part of the annexation process. The MOU will identify each agency's responsibilities related to California Environmental Quality Act (CEQA) compliance while the Annexation Agreement will define the terms and conditions of annexation, including an annual annexation charge assessed by OCWD.

Please contact Mr. George Martin, Water Engineering Manager, at (714) 765-4420 if you require any additional information to commence the annexation process.

Sincerely,

Marcie L. Edwards

JCC Marcie L. Edwards
 Public Utilities General Manger

Enclosure

c: Don Calkins
 Lucina Moses

(714) 765-5137 • www.anaheim.net
 201 S. Anaheim Blvd., Suite 1101, Anaheim, CA 92805

URGENT
 IS
 USE



IRVINE RANCH WATER DISTRICT

15600 Sand Canyon Avenue • P.O. Box 57000 • Irvine, California 92619-7000 • (949) 453-5300 • www.irwd.com

February 17, 2010

Mr. Michael Markus
General Manager
Orange County Water District
P.O. Box 8300
Fountain Valley, CA 92728-8300

**SUBJECT: ANNEXATION OF CERTAIN AREAS OF IRVINE RANCH WATER DISTRICT
CURRENTLY OUTSIDE OF ORANGE COUNTY WATER DISTRICT INTO
ORANGE COUNTY WATER DISTRICT**

Dear Mr. Markus:

The Irvine Ranch Water District (IRWD) hereby requests initiation of the process to annex certain areas of IRWD currently outside of the Orange County Water District (OCWD), but within the Santa Ana River Watershed into OCWD. We understand that this process will be conducted concurrently with annexations requested by Yorba Linda Water District and the City of Anaheim.

The proposed IRWD annexation includes approximately 5,342 acres in eight separate parcels. We have attached a map of the proposed annexation area. The annexation consists largely of residential development areas that are nearly built out. The current water demand in the proposed annexation area is estimated to be 5,600 acre feet per year. This demand is expected to grow to 6,130 acre feet per year by 2025. The water demand in the annexing area represents approximately 1% of the total water demand within the existing boundaries of OCWD.

We are prepared to execute the standard OCWD Annexation Agreement as required in the 1986 OCWD Annexation Policy. The 1986 OCWD annexation policy provides that IRWD would pay an annual annexation fee to OCWD based on water demand in the annexed area. We estimate that this annexation fee area will generate an additional \$190,000 to OCWD in the first year following annexation.

We look forward to working with you and your staff on your annexation review process and anticipate that it will lead to the swift approval of this annexation request.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul D. Jones II".

Paul D. Jones II
General Manager

Attachment

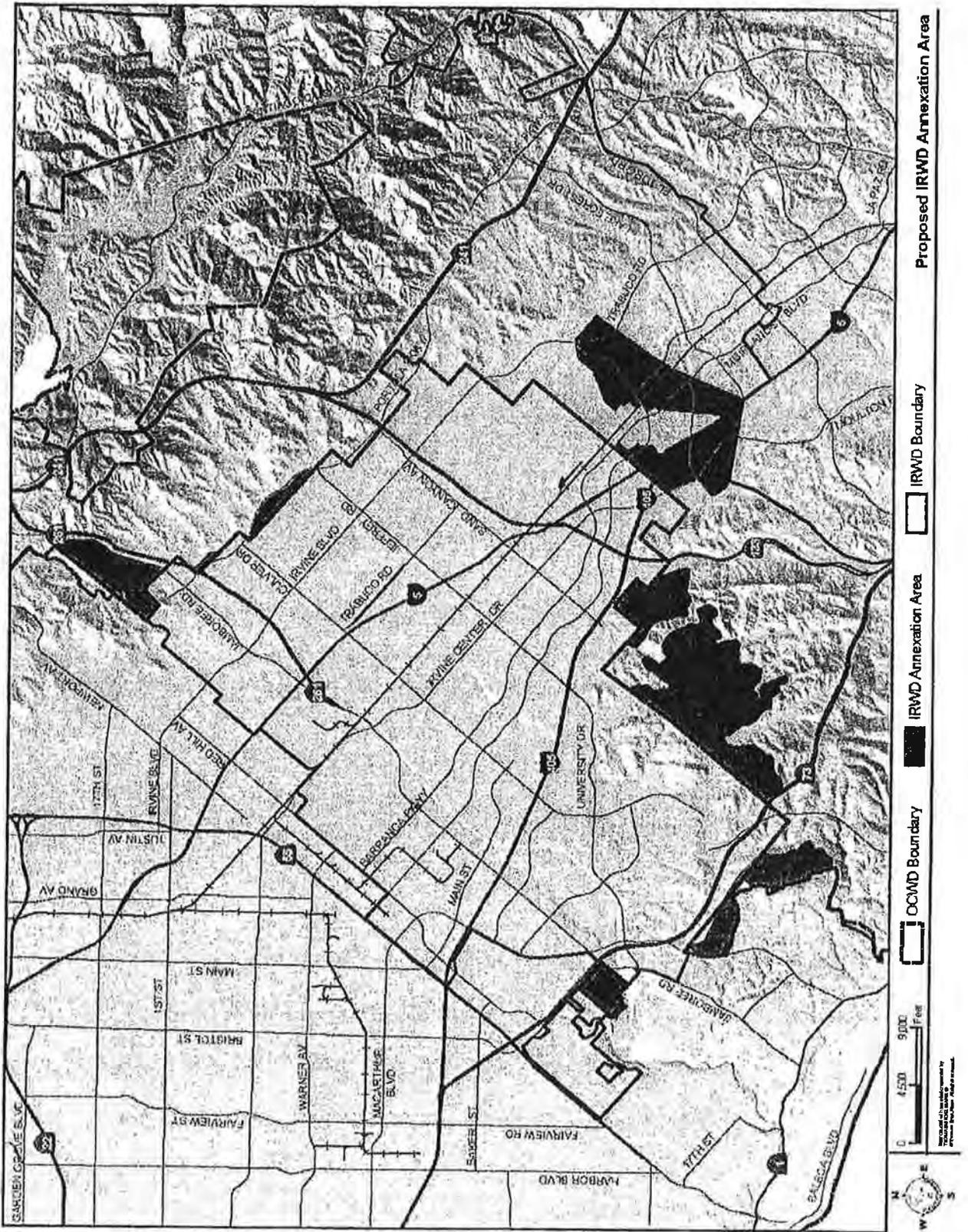


Exhibit E

Proposed Annexation Agreement Terms

1. City, IRWD and YLWD agree to prepare legal descriptions of their respective annexation areas.
2. City, IRWD and YLWD each agree to pay the annual OCWD annexation fee as calculated in Exhibit A with respect to the City Territory, IRWD Territory and the YLWD Territory, assuming LAFCO approves the annexation requests. Total water demands used in the annexation fee formula are net of reclaimed water demands.
3. If the parties enter into the Annexation Agreement, OCWD shall submit an annexation application to LAFCO. City, IRWD and YLWD shall jointly submit supporting resolutions to LAFCO.
4. Because OCWD may lose all or a portion of its property tax revenue in the future, Item "C" in the annexation formula in Exhibit A will be the higher of \$19.0 million (The current FY2008-09 property tax revenues) or the actual property tax revenues collected. This provision of the agreement shall terminate 56 years after the date of the Annexation Agreement.
5. City, IRWD and YLWD shall be responsible for all costs and fees based upon the Allocation formula imposed by LAFCO to consider their annexations, and OCWD shall have no responsibility for such costs.
6. City, IRWD and YLWD shall each be responsible for funding or implementing the applicable mitigation measures adopted in connection with the certification or adoption of the CEQA Documentation and the approval of the Project.
7. If City, IRWD and/or YLWD are unable to develop additional groundwater production capacity to serve the annexation areas within five years from the date of the Annexation Agreement, they can elect in their sole discretion to terminate the annual annexation charge payment. The annexation area water demands would then be excluded from the annual BPP/BEA calculation.
8. (For YLWD Annexation Agreement only.) In partial consideration of and if, and only if, the proposed YLWD Annexation request is completed, YLWD, hereby both: (a) releases and covenants not to sue OCWD from or for any claim, liability or obligation to YLWD (i) on its own behalf, or (ii) under the authority of Water Code section 31081 or any other authority, on behalf of any lands within its boundaries, which claim, liability or obligation is based upon, arises from or is in any way related to the "Agreement" dated February 18, 1970, between OCWD and Ernest A. Bryant Jr., and others relating to water and water rights affecting certain lands now within the boundaries of YLWD and included in the YLWD Annexation Request (the "Bryant Ranch Agreement"), and (b), waives and disclaims any right, title and interest, including but not limited water rights or any right to water, that YLWD (i) on its own behalf, or (ii) under authority of Water Code section 31081 or any other authority, on behalf of any lands within its boundary, may have or claim based upon or in any way relating to the Bryant Ranch Agreement.

EXHIBIT "C"

ANNEXATION AGREEMENT BETWEEN ORANGE COUNTY WATER DISTRICT AND IRVINE RANCH WATER DISTRICT REGARDING ANNEXATION TO ORANGE COUNTY WATER DISTRICT

THIS AGREEMENT is entered into as of _____, 2013 (the "Effective Date") by and between the ORANGE COUNTY WATER DISTRICT (hereinafter, "OCWD") and the IRVINE RANCH WATER DISTRICT (hereinafter, "Applicant").

RECITALS

A. OCWD was created by special act of the California Legislature (Ch. 924, Stats. 1933, as amended, the "OCWD Act") for the purpose of protecting and managing the Orange County groundwater basin and providing for the conservation and regulation of the quantity and quality of water within the groundwater basin. OCWD further has the authority, pursuant to its enabling legislation to prevent the unlawful exportation of groundwater resources from its boundaries. The boundaries of OCWD are located within the County of Orange, State of California. The OCWD Act authorizes OCWD to annex additional lands to its boundaries and to impose on lands proposed to be annexed such reasonable terms and conditions as OCWD determines appropriate.

B. Applicant is a California water district, organized and existing pursuant to Section 34000 *et seq.* of the California Water Code, whose boundaries are located within the County of Orange, State of California, and within the boundaries of the Metropolitan Water District of Southern California (hereinafter, "MWD"). A portion of the lands within the boundaries of Applicant are within the boundaries of OCWD, and a portion of those lands within Applicant's boundaries that are not within the boundaries of OCWD are within the OCWD sphere of influence as determined by the Local Agency Formation Commission of Orange County ("LAFCO").

C. Applicant provides retail water service to the residents and water users within its district boundaries. In order to provide such retail water service, among other sources, Applicant purchases water from MWD through the Municipal Water District of Orange County ("Imported Water") to serve all of the lands within its boundaries and produces and serves Imported Water and groundwater from the Orange County Groundwater Basin ("Basin") to the Applicant lands within the boundaries of OCWD.

D. Applicant operates an extensive water recycling system that serves to reduce reliance on imported water and increase overall water supply to the region. Applicant may also from time to time deliver recycled water, unrecycled sewage and other flows to the Orange County Sanitation District for the benefit of the 100 MGD Groundwater Replenishment System (GWRS).

E. Approximately 6,482 acres of land within the boundaries of Applicant (which land is more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference, and is hereinafter referred to as the "Subject Territory") are within the watershed of the Santa Ana River in Orange County, but not currently within the boundaries of OCWD. A plat showing the boundaries of the Subject Territory, Applicant, and relevant portions of OCWD is attached hereto as Exhibit "B".

F. Applicant desires to annex the Subject Territory to OCWD in order that the Subject Territory may benefit from inclusion within OCWD. OCWD desires to annex the Subject Territory in order to provide better management, regulation, and control over the Orange County groundwater basin and its resources.

G. Applicant and OCWD mutually acknowledge and find that Applicant's request fully complies with the OCWD Annexation Policy and all other OCWD policies.

NOW THEREFORE, in consideration of the facts recited above, and the covenants, conditions and promises contained herein, the parties hereto agree as follows:

SECTION ONE: ANNEXATION OF SUBJECT TERRITORY TO OCWD

1.1 Subject to Applicant having paid all costs for which it is responsible under the July 21, 2010 "Memorandum of Understanding between Orange County Water District, City of Anaheim, Yorba Linda Water District and Irvine Ranch Water District Regarding Processing and Consideration of Annexation Requests and Associated CEQA Documentation" (the "MOU"), OCWD shall, within three (3) months from the Effective Date, initiate proceedings under the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Government Code Section 56000, *et seq.*, and support the annexation to OCWD of the Subject Territory (the "Annexation") upon the conditions hereinafter set forth.

1.2 Applicant shall cooperate with OCWD and use its best efforts to support the Annexation in accordance with the terms and conditions of this Agreement. Applicant shall, prior to or concurrently with OCWD's filing of the Annexation application with LAFCO, adopt and file with LAFCO a resolution of its governing board supporting the Annexation. Applicant further shall support the conditioning of the Annexation by the LAFCO on the performance of the terms and conditions of this Agreement. Applicant shall execute such documents and take such other actions to support and facilitate the processing of the Annexation and the imposition by LAFCO of Applicant's performance of this Agreement as a condition of the Annexation, as may reasonably be requested by OCWD.

1.3 Applicant shall be solely responsible for (a) all direct costs, CEQA mitigation measures and fees imposed or required by any governmental body or agency having jurisdiction over the processing and completion of the Annexation, and (b) any Annexation processing fees and the cost of preparing any legal descriptions, boundary surveys or maps required for the processing and completion of such Annexation. In the event that OCWD, as the agency initiating the Annexation, is required by LAFCO to pay any such fees or costs, Applicant shall, within thirty (30) days of written notice from OCWD, reimburse such fees and costs to OCWD. In the event that the Annexation is not approved by LAFCO or the Subject Territory is for any reason not included within the boundaries of OCWD, Applicant's obligation herein to pay all direct costs actually incurred by or due from OCWD in connection with the initiation and processing of the Annexation shall remain in full force and effect and Applicant shall pay or cause to be paid all such direct costs whether or not the Subject Territory is included within OCWD.

1.4 Upon LAFCO's approval of the Annexation (as defined in paragraph 2.1 below) and the subsequent recordation by LAFCO pursuant to Government Code Section 57203 of the "certificate of completion" with respect to the Annexation, the Subject Territory shall be subject to all of the provisions of the OCWD Act and all of the rules, regulations, policies and requirements adopted or promulgated by OCWD and its Board of Directors.

SECTION TWO: DETERMINATION AND PAYMENT OF ANNUAL ANNEXATION CHARGE

2.1 For and during the term of this Agreement, Applicant shall pay to OCWD an annual "Annexation Charge" computed and calculated pursuant to the following formula: $X = A \times B \times (C/D) \times E$ (hereinafter, the "Annexation Charge Formula"), subject to adjustment in accordance with paragraph 2.6 below. Should any portion of Subject Territory at any time become the actual service area of any water retailer other than Applicant it will be the responsibility of Applicant to either (a) make the reports and payments of the Annexation Charge as set forth in paragraphs 2.3 and 2.4 below for said portion of Subject Territory or (b) initiate and execute a fee shift agreement with the successor water agency, incorporating all of the terms and conditions of this Annexation Agreement and containing the approval and acknowledgment of said fee shift agreement by OCWD.

2.2 For purposes of computing the Annexation Charge Formula in paragraph 2.1 hereinabove:

- X The term "X" shall mean the annual Annexation Charge to be paid by Applicant to OCWD.
- A The term "A" shall mean the Basin Production Percentage established by OCWD during the applicable Water Year pursuant to Section 31.5(d) of the OCWD Act. The term "applicable Water Year," as it relates to the Annexation Charge Report and this Agreement, is defined as the fiscal year (July 1st to June 30) immediately preceding the date on which the Annexation Charge Report is due pursuant to paragraph 2.3 below.
- B The term "B" shall mean the greater of either (i) the total water demand within the Subject Territory during the applicable Water Year; or (ii) an amount equal to ten (10%) of the ultimate annual total water demand within the Subject Territory, as determined annually by OCWD.
- C The term "C" shall mean total ad valorem property tax revenues collected by OCWD as disbursed by the County of Orange, plus annexation fees paid to OCWD for lands other than the Subject Territory, plus any pass-through tax increments received from Redevelopment Agencies within OCWD, during the applicable Water Year. Paragraph 2.6 provides for a minimum amount for term "C".;

D The term "D" shall mean the total quantity of groundwater produced within the boundaries of OCWD during the applicable Water Year, including in-lieu water deliveries.

E For this Agreement the term "E" shall always equal 100%

2.3 Applicant shall file with OCWD, on or before the 15th day of December of each year after the date of recordation of the "certificate of completion" with respect to the Annexation, (the "Annexation Completion Date"), an "Annexation Charge Report" in the form set forth in Exhibit C hereto for the applicable Water Year, setting forth the greater of either (a) the total water demand within the Subject Territory within the preceding Water Year, or (b) ten percent (10%) of the ultimate annual total water demand within the Subject Territory. The Annexation Charge Report shall be verified by a written declaration executed under penalty of perjury. OCWD shall have the right to inspect any and all books, records, and other writings of Applicant pertaining to the data contained in any Annexation Charge Report filed or to be filed by Applicant.

2.4 On or before the 31st day of January of each year after the Annexation Completion Date, Applicant shall pay to OCWD the annual Annexation Charge for the applicable Water Year, based upon the formula set forth in paragraphs 2.2 and 2.3 above and the data contained in the Annexation Charge Report covering that Water Year. Exhibit D attached hereto provides an example of the Annexation Charge calculation that would have been paid by Applicant to OCWD for water year 2011-12.

2.5 If Applicant shall fail to pay the full amount due as the Annual Annexation Charge by January 31 for any applicable Water Year, OCWD shall assess a penalty charge against Applicant in the amount of ten (10%) of the amount delinquent as of that date and, in addition thereto, shall charge interest on the delinquent amount at the lesser of (a) the rate of one and one-half percent (1.5%) or (b) the maximum legal interest rate, for each month or fraction thereof for which the amount due remains delinquent. Should Applicant fail to file with OCWD an Annexation Charge Report by December 15 for any applicable Water Year, OCWD shall, in addition to assessing the penalty and charging interest on the delinquent annual Annexation Charge as set forth hereinabove, assess an additional penalty charge against Applicant in the amount of ten percent (10%) of the amount of the annual Annexation Charge found by OCWD to be due as of the December 15 date.

2.6 In the event that OCWD should, at some future date be required by law to forego all or a portion of OCWD's share of the ad valorem property tax revenues collected from property within the boundaries of OCWD, applicant agrees that the value assigned to "C" in the Annexation Charge Formula, shall be the greater of (a) the actual ad valorem property tax revenues collected, or (b) \$19 million. This provision of the Annexation Agreement *establishing \$19 million as the minimum amount for Term "C" in the Annexation Charge Formula* shall expire *on the date that is 56 years after the Effective Date*.

2.7 The performance of Applicant's obligations to timely file annual Annexation Charge Reports and pay annual Annexation Charges under this Agreement is

conditioned upon the annexation of the Subject Territory to OCWD. In the event that the Subject Territory is for any reason not annexed to OCWD, Applicant shall have no obligation to file annual Annexation Charge Reports or pay Annexation Charges as set forth hereinabove, and shall have no right to serve groundwater to the lands, residents, or water users within the Subject Territory.

2.8 The methodology for calculating the total water demands within the annexing territory is provided on Exhibit E.

SECTION THREE: MISCELLANEOUS

3.1 All notices, payments, transmittals of documentation and other writings required or permitted to be delivered or transmitted to any of the parties hereto under this Agreement shall be personally served or deposited in a United States mail depository, first class postage prepaid, and addressed as follows:

If to OCWD:	Orange County Water District P.O. Box 8300 Fountain Valley, CA 92728-8300 Attention: General Manager
-------------	---

If to Applicant:	Irvine Ranch Water District P.O. Box 57000 15600 Sand Canyon Avenue Irvine, CA 92619-7000 Attention: General Manager
------------------	--

or such other address as OCWD or Applicant shall direct in writing. Service of any instrument or writing by mail shall be deemed complete forty-eight (48) hours after deposit in a United States mail depository.

3.2 OCWD and Applicant mutually agree that the terms of this Agreement, or a general description of the terms thereof, may be set forth in any ordinance, resolution, or legislation adopted by OCWD, LAFCO or any other agency to implement the Annexation of the Subject Territory to OCWD pursuant to paragraph 1.1 hereinabove.

3.3 Except as set forth in paragraph 1.3 above and paragraph 3.5 below, this Agreement shall have no force or effect if any of the following occur: (a) LAFCO determines not to approve the Annexation; (b) LAFCO approves the Annexation under terms and conditions substantially different from or in conflict with this Agreement; or (c) a court of competent jurisdiction issues a final, non-appealable order, judgment, ruling or decree invalidating the Annexation or directing that the Subject Territory may not be annexed to OCWD.

3.4 The term of this Agreement shall be for so long as the Subject Territory is included within the boundaries of OCWD.

3.5 Notwithstanding any other agreement or understanding between Applicant and OCWD (including but not limited to the MOU"), in the event any person files a court

action or proceeding challenging OCWD's decision to approve this Agreement or initiate the Annexation, or OCWD's decision to certify an Environmental Impact Report or adopt findings or a mitigation monitoring and reporting program under the California Environmental Quality Act, Public Resources Section 21000, et seq. ("CEQA") in connection with such decisions (each, a "Challenge"), Applicant shall defend, indemnify and hold OCWD harmless against any such Challenge, and pay all of the costs incurred by OCWD in defending against such Challenge, including attorneys fees, costs and expenses in defending such Challenge, court costs, and any costs or fees that may awarded by the court against OCWD in such action or proceeding. Applicant shall cooperate and provide any assistance reasonably requested by OCWD in defending against any such Challenge. Notwithstanding the foregoing, Applicant may at its own cost defend its interests in any such Challenge, and/or intervene as a party in such Challenge to defend its interests. In the event that Applicant intervenes or otherwise directly participates in the defending against any Challenge, OCWD and Applicant shall cooperate in good faith with each other, and with any other governmental agency for which OCWD has initiated an annexation application in conjunction with the Annexation, in the defense of the Challenge.

3.6 This Agreement shall be construed according to its plain meaning and as if prepared by all parties hereto. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

3.7 This Agreement represents the entire understanding of OCWD and Applicant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by this Agreement. This Agreement may not be modified, altered, or amended except in writing by the parties hereto.

3.8 All of the terms, conditions, and provisions of this Agreement shall inure to the benefit of, and be binding upon, OCWD and Applicant and their respective successors and assigns.

3.9 In partial consideration for OCWD's initiation of the Annexation, for a period of ten years from and after the Effective Date, Applicant shall not either initiate the annexation to OCWD of any lands outside the boundaries of OCWD and outside of the Subject Territory (the "Extraterritorial Lands"), or request that OCWD initiate proceedings to annex any of the Extraterritorial Lands. OCWD shall not consider any future annexation request from the Applicant for any of the Extraterritorial Lands for ten years from the Effective Date assuming LAFCO has approved annexation of the Subject Territory. Applicant shall not unlawfully export groundwater produced from the Basin to, either: (a) any of the Subject Territory until the Annexation is approved and completed, or (b) any of the Extraterritorial Lands.

3.10 The provisions of (1) the agreement commonly known as the "Dyer Road Wellfield Agreement (or DRWF Agreement)," (*more particularly described as that certain "Agreement for Water Production and Transmission Facilities," dated March 18, 1981, by and among OCWD, Applicant and the City of Santa Ana, as amended by the "Amendment to Agreement for Water Production and Transmission Facilities," dated May 2, 1984, the "Second Amendment to Agreement for Water Production and Transmission Facilities," dated September 19, 1990, and the "Third Amendment to*

Agreement for Water Production and Transmission Facilities," dated November 3, 1999) and (2) the "Basin Equity Assessment Exemption Program Agreement For Impaired Groundwater Production – IRWD Wells 21 and 22," executed in October 2010 (the "2010 Agreement") provide a basin equity assessment exemption for the two Deep Aquifer Treatment System (DATS) wells owned by Applicant and operated as part of the Dyer Road Wellfield (Third Amendment, DRWF Agreement) and provide for the termination of that exemption in 2016 (2010 Agreement). Notwithstanding the provisions of the 2010 Agreement, and in partial consideration for OCWD initiating the Annexation, the BEA exemption provided to the DATS wells referenced herein shall be terminated no later than (1) the beginning of the next full fiscal year (July 1st) following the Effective Date, or the date of the final dismissal of any Challenge, whichever occurs later, or (2) the date it would terminate under the 2010 Agreement, whichever occurs first. Applicant waives and relinquishes any right it would otherwise have under the Third Amendment to the DATS Agreement to receive such BEA exemption of DATS production for a longer period than specified in this paragraph. Nothing herein is intended to otherwise affect any provision of the Dyer Road Wellfield Agreement.

3.11 Applicant represents and warrants that the two wells constructed as part of the Deep Aquifer Treatment System, designated as C8 and C9 shall be used to provide the additional quantity of groundwater to be used to supply the Subject Territory as analyzed in the environmental documentation for the Annexation. Applicant shall provide supporting information verifying such operations when annually providing the Annexation Charge Report. If these two wells are unable to pump the additional groundwater equivalent to the demands of the Subject Territory per this Agreement, OCWD and Applicant shall meet and confer regarding the selection of replacement wells that will avoid significant impacts to other groundwater producers.

3.12 In partial consideration for OCWD initiating the Annexation, Applicant agrees that, for a period of ten years from the Effective Date, and notwithstanding any findings or determinations made by OCWD in accordance with Section 31.5 of the OCWD Act, Applicant shall be deemed subject to a Basin Production Percentage pursuant to Section 31.5(c)(2) of the OCWD Act ("BPP") that is equal to the lesser of seventy percent (70%) or the actual BPP annually established by the OCWD Board, and Applicant shall reflect such amount as the BPP applicable to Applicant's groundwater production in Applicant's annual Basin Equity Assessment Report filed with OCWD, for ten years from the Effective Date.

3.13 In partial consideration for OCWD initiating the Annexation, Applicant agrees, for a period of twenty years from the Effective Date to continue sending 4 million gallons per day of flows consisting of a combination of flows from (i) sewage flows generated by the area within Applicant's boundaries which are delivered to the Orange County Sanitation District (OCSD), (ii) the recycled water flows referred to in Section 3.14 and (iii) supply sources qualifying for the OCSD Urban Runoff Diversion Program.

3.14 In partial consideration for OCWD initiating the Annexation, Applicant agrees to continue to deliver water to the OCWD Green Acres Project and/or Groundwater Replenishment System in accordance with Section 3.13 above and the terms of the "Agreement For Irvine Ranch Water District Interties to Orange County Water District Green Acres Project and Groundwater Replenishment System and Orange County Sanitation District Outfall" executed in December 2011.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

APPROVED AS TO FORM

ORANGE COUNTY WATER DISTRICT

By: _____
General Counsel for
Orange County Water District

President

General Manager

APPROVED AS TO FORM

APPLICANT

By: _____
Counsel for

President

General Manager

EXHIBIT A
Description of Subject Territory



EXHIBIT B
Boundaries of the Subject Territory and Relevant portions of OCWD



EXHIBIT C

Annexation Charge Report

To be completed and submitted to OCWD no later than December 15, 20__ with payment due no later than January 15, 20__

The Annexation Charge Formula = A x B x C/D x E for Water Year 20__-20__

A. THE BASIN PRODUCTION PERCENTAGE ESTABLISHED BY OCWD DURING THE WATER YEAR.

Basin Production Percentage A = _____%

B. THE GREATER OF EITHER (1) CURRENT YEAR TOTAL WATER DEMAND WITHIN THE ANNEXED AREA OR (2) 10% OF THE ULTIMATE ANNUAL TOTAL WATER DEMAND WITHIN THE ANNEXED AREA.

- 1. Current year total water demand within Annexed Area _____ AF
2. Or 10% of the ultimate annual total water demand within Annexed Area _____ AF
3. The greater of line 1 or 2 B = _____ AF

C. THE GREATER OF (1) TOTAL AD VALOREM PROPERTY TAX REVENUES, ANNEXATION FEES, PLUS THE REDEVELOPMENT PASS-THROUGH TAX INCREMENTS RECEIVED BY OCWD DURING THE PRECEDING FISCAL YEAR OR; (2) \$19 MILLION. This provision of the Annexation Agreement shall expire in 56 years from the date of the agreement

C = \$ _____

D. THE TOTAL QUANTITY OF GROUNDWATER PRODUCED WITHIN THE BOUNDARIES OF OCWD. "GROUNDWATER PRODUCED" SHALL INCLUDE IN-LIEU WATER DELIVERIES.

D = _____ AF

E. THE APPLICABLE PERCENTAGE, BASED UPON THE PERCENTAGE OF GROUNDWATER PRODUCED WITHIN THE TOTAL SERVICE AREA OF THE APPLICANT BASED ON TABLE 1. (assumed to be 100% for the life of this agreement).

E = 100 %

Calculation of Total Annexation Charge due to OCWD:

(A)___ % x (B) x \$ (C/D) x (100%) = \$ _____

DATE _____

SIGNATURE _____

ANNEXATION CHARGE TABLE 1

<u>Percent Groundwater Used Within Service Area of Annexing Purveyor</u>	<u>Applicable Percentage</u>
0% - 5.99%	10%
6.0% - 9.99%	16%
10.0% - 14.99%	25%
15.0% - 19.99%	30%
20.0% - 24.99%	40%
25.0% - 29.99%	48%
30.0% - 34.99%	55%
35.0% - 39.99%	64%
40.0% - 44.99%	72%
45.0% - 49.99%	80%
50.0% - 100.00%	100%

Percentage shall always be 100%

EXHIBIT D

Annexation Charge Sample Calculation

To be completed and submitted to OCWD no later than December 15, 2012 with payment due no later than January 15, 2013

The Annexation Charge Formula = A x B x C/D x E for Water Year 2011-2012

A. THE BASIN PRODUCTION PERCENTAGE ESTABLISHED BY OCWD DURING THE WATER YEAR.

Basin Production Percentage A = 65 %

B. THE GREATER OF EITHER (1) CURRENT YEAR TOTAL WATER DEMAND WITHIN THE ANNEXED AREA OR (2) 10% OF THE ULTIMATE ANNUAL TOTAL WATER DEMAND WITHIN THE ANNEXED AREA.

1. Current year total water demand within Annexed Area 8,130 AF
 2. Or 10% of the ultimate annual total water demand within Annexed Area AF
 3. The greater of line 1 or 2 B = 8,130 AF

C. THE GREATER OF (1) TOTAL AD VALOREM PROPERTY TAX REVENUES, ANNEXATION FEES, PLUS THE REDEVELOPMENT PASS-THROUGH TAX INCREMENTS RECEIVED BY OCWD DURING THE PRECEDING FISCAL YEAR OR; (2) \$19 MILLION. This provision of the Annexation Agreement shall expire in 56 years from the date of the agreement

C = \$ 20,335,633

D. THE TOTAL QUANTITY OF GROUNDWATER PRODUCED WITHIN THE BOUNDARIES OF OCWD. "GROUNDWATER PRODUCED" SHALL INCLUDE IN-LIEU WATER DELIVERIES.

D = 288,807 AF

E. THE APPLICABLE PERCENTAGE, BASED UPON THE PERCENTAGE OF GROUNDWATER PRODUCED WITHIN THE TOTAL SERVICE AREA OF THE APPLICANT BASED ON TABLE 1. (assumed to be 100% for the life of this agreement).

E = 100 %

Calculation of Total Annexation Charge due to OCWD:

$65\% \times 8,130 \times (\$20,335,633 / 280,558.9) \times 100\% = \underline{\$383.034}$

DATE _____ SIGNATURE _____

Annexation Charge Report

ANNEXATION CHARGE TABLE 1

<u>Percent Groundwater Used Within Service Area of Annexing Purveyor</u>	<u>Applicable Percentage</u>
0% - 5.99%	10%
6.0% - 9.99%	16%
10.0% - 14.99%	25%
15.0% - 19.99%	30%
20.0% - 24.99%	40%
25.0% - 29.99%	48%
30.0% - 34.99%	55%
35.0% - 39.99%	64%
40.0% - 44.99%	72%
45.0% - 49.99%	80%
50.0% - 100.00%	100%

Percentage shall always be 100%

EXHIBIT E
Methodology for Calculating Total Water Demands within Annexing Area