

AGENDA

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

September 9, 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.

CONSENT CALENDAR

Resolution No. 2013-34

Items 3 - 11

3. **MINUTES OF REGULAR BOARD MEETING**

Recommendation: That the minutes of the August 26, 2013 Regular Board meeting be approved as presented.

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

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

CONSENT CALENDAR

Items 3 - 11

5. ACWA REGION 10 ELECTION FOR THE 2014-15 TERM

Recommendation: That the Board support of the candidates as selected by the ACWA Region 10 Nominating Committee and authorize the General Manager to sign the Region 10 Board Ballot for the 2014-15 term

6. ISDOC PROPOSED BYLAW AMENDMENTS

Recommendation: That the Board authorize staff to submit comments, as deemed appropriate by the Board, before September 20, 2013, for consideration by the Independent Special Districts of Orange County.

7. STATE LEGISLATIVE UPDATE

Recommendation: Receive and file.

8. COUNTY OF ORANGE LEGISLATIVE PLATFORM REQUEST FOR COMMENT

Recommendation: That the Board authorize staff to submit comments for consideration in the County of Orange 2014 legislative platform by the County of Orange, as deemed appropriate by the Board, before September 19, 2013.

9. VERIFICATION OF SUFFICIENT WATER SUPPLIES FOR PORTOLA CENTER (TENTATIVE TRACT MAPS 15353 AND 17300)

Recommendation: That the Board approve the verification of sufficient water Supplies for Portola Center (Tentative Tract Maps 15353 and 17300).

10. VERIFICATION OF SUFFICIENT WATER SUPPLIES FOR CITY OF IRVINE PLANNING AREA 5B (TENTATIVE TRACT MAP 17532)

Recommendation: That the Board approve the verification of sufficient water Supplies for Planning Area 5B (Tentative Tract Map 17532).

ACTION CALENDAR

11. SALT MANAGEMENT PLAN CONSULTANT SELECTION

Recommendation: That the Board authorize a budget increase in the amount of \$176,400, from \$220,000 to \$396,400 for Project 30380 (3779); approve an Expenditure Authorization in the amount of \$344,300 for Project 30380 (3779); and authorize the General Manager to execute a Professional Services Agreement with HDR Engineering Inc. in the amount of \$243,000 to develop a Salt Management Plan.

12. STRAND RANCH PUMP SETTING OPTIMIZATION AND WELLHEAD MONITORING EQUIPMENT DESIGN

Recommendation: That the Board approve an expenditure authorization for Project 11289 (2812) in the amount of \$111,100; authorize the General Manager to execute a professional services agreement and sole source procurement justification with Thomas Harder & Company in the amount not to exceed \$19,650 to perform a Hydrogeologic analysis of water levels; and authorize the General Manager to execute a professional services agreement and a sole source procurement justification with Kennedy/Jenks consultants in the amount of \$70,827 to perform a hydraulic analysis and to develop designs, specifications and a complete bid package to lower the bowls and to install other improvements on the wells at the strand ranch and to install remote telemetry equipment at each site.

OTHER BUSINESS

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

- 13. A. General Manager's Report
- B. Directors' Comments
- C. Adjourn.

* * * * *

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.

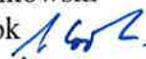
The Irvine Ranch Water District Board Room is wheelchair accessible. If you require any special disability-related accommodations (e.g., access to an amplified sound system, etc.), please contact the District Secretary at (949) 453-5300 during business hours at least seventy-two (72) hours prior to the 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.

September 9, 2013

Prepared and

Submitted by: L. Bonkowski

Approved by: P. Cook



CONSENT CALENDAR

MINUTES OF REGULAR BOARD MEETING

SUMMARY:

Provided are the minutes of the August 26, 2013 Regular Board Meeting for approval.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

Not applicable.

RECOMMENDATION:

THAT THE MINUTES OF THE AUGUST 26, 2013 REGULAR BOARD MEETING BE APPROVED AS PRESENTED.

LIST OF EXHIBITS:

Exhibit "A" – Minutes – August 26, 2013

MINUTES OF REGULAR MEETING – AUGUST 26, 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 August 26, 2013 in the District office, 15600 Sand Canyon Avenue, Irvine, California.

Directors Present: Withers, Swan (arrived at 5:25 p.m.), Matheis, LaMar and Reinhart

Directors Absent: None

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, Legal Counsel Arneson, Secretary Bonkowski, Ms. Christine Compton, Mr. Alex Aguilar, Ms. Fiona Sanchez, Ms. Tina Bertsch, Mr. Mike Hoolihan, Mr. Dave Ferguson, Mr. Dean Kirt, Mr. Sat Tamaribuchi, Mr. Jim Reed, Mr. Bruce Newell, Ms. Marilyn Thoms, Mr. Wayne Clark 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, 6, 7, C-8, C-9, 10, 12, 14, 15, 17 and 18 will operate in accordance with the District's annual pumping plan. Wells 2, 3, 5, 11, 13 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.

CONSENT CALENDAR

On MOTION by Matheis, seconded and carried (Swan absent), CONSENT CALENDAR ITEMS 4 THROUGH 14 WERE APPROVED AS PRESENTED.

4. MINUTES OF REGULAR BOARD MEETING

Recommendation: That the minutes of the August 12, 2013 be approved.

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

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

6. JULY 2013 TREASURY REPORTS

Recommendation: That the Board receive and file the Treasurer's Investment Summary Report and the Monthly Interest Rate Swap Summary for July 2013; approve the July 2013 Summary of Payroll ACH payments in the total amount of \$1,427,106 and approve the July 2013 Accounts Payable Disbursement Summary of Warrants 340674 through 341265, workers' compensation distributions, wire transfers, payroll withholding distributions and voided checks in the total amount of \$23,742,855.

7. STRATEGIC MEASURES DASHBOARD

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

8. UPCOMING PROJECTS STATUS REPORT

Recommendation: Receive and file.

9. WELL 110 REHABILITATION FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Well 110 Rehabilitation Project; authorize the General Manager to file a Notice of Completion; and authorize the release of retention to South West Pump and Drilling 35 days after filing of the Notice of Completion.

10. STRAND RANCH RECOVERY FACILITIES PROJECT FINAL ACCEPTANCE

Recommendation: That the Board accept construction of the Strand Ranch Recovery Facilities project 11289 (2812); authorize the filing of a Notice of Completion; and authorize the payment of the retention 35 days after the date of recording the Notice of Completion.

CONSENT CALENDAR (CONTINUED)

11. SYPHON RESERVOIR INTERIM FACILITIES CONTRACT CHANGE ORDER

Recommendation: That the Board approve Contract Change Order No. 3 with Paulus Engineering, Inc. in the credit amount of (\$40,206.12) for Syphon Reservoir Interim Improvements, project 30374 (3729).

12. PLANNING AREA 40 CYPRESS VILLAGE NEIGHBORHOOD 2G CAPITAL IMPROVEMENTS

Recommendation: That the Board authorize the addition of project 30424 (4528) in the amount of \$108,900 to the FY 2013-14 Capital Budget; and approve an Expenditure Authorization for project 30424 (4528) in the amount of \$108,900 for Planning Area 40 Neighborhood 2G Recycled Water Capital Improvements.

13. TUSTIN LEGACY VILLAS CAPITAL IMPROVEMENTS

Recommendation: That the Board authorize the addition of project 21153 (4518) in the amount of \$506,000 to the FY 2013-14 Capital Budget; approve an Expenditure Authorization for project 21153 (4518) in the amount of \$506,000; and authorize the General Manager to execute a Supplemental Reimbursement Agreement with Irvine Community Development Company for Tustin Legacy Villas Capital Improvements, project 21153 (4518).

14. BAKER RANCH PHASE 1B CAPITAL IMPROVEMENTS

Recommendation: That the Board authorize increases to the FY 2013-14 Capital Budget for projects 11662 (4004) and 31662 (4005) in the amounts of \$181,500 and \$38,500, respectively; and approve Expenditure Authorizations for projects 11662 (4004) and 31662 (4005) in the amounts of \$811,800 and \$299,200, respectively, for the Baker Ranch Phase 1B Capital Improvements.

ACTION CALENDAR

AUTOMATION SUPPORT CONSULTANT SERVICES

Executive Director of Engineering Burton reported that the District's automation staff consists of a small group of instrumentation and controls engineers, field technicians, and specialists who are responsible for keeping the hardware and software automation systems fully operational allowing the District to operate its water and wastewater facilities remotely with minimal after hours support. This group is also responsible for the design, construction support, and commissioning of the automation systems required for all capital projects. Mr. Burton said that these consultants have primarily consisted of individuals from Arcadis, EI&C Engineering, HDR Engineering, Tetra Tech, and Westin.

Mr. Burton said that staff has identified that the majority of the remaining tasks require highly specialized expertise and experience, and that these tasks can be most efficiently completed

through the use of a key individual from Westin who has consistently demonstrated the technical proficiency needed to complete the type of specialized work. He said staff recommends that a Professional Services Agreement be executed with Westin for continued automation support services through July 2014. Westin will provide automation support on the completion of the Water Operations Transdyn Replacement, Los Alisos Telemetry Upgrade, and the Los Alisos Recycled Water Treatment Plant SCADA Server Replacement projects.

Director Withers said that this item was reviewed and approved by the Engineering and Operations Committee on August 20, 2013. On MOTION by Withers, seconded and carried (Swan absent), THE BOARD AUTHORIZED THE GENERAL MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH WESTIN ENGINEERING IN THE AMOUNT OF \$275,310.

ADOPTION OF THE SOUTH ORANGE COUNTY WATERSHED MANAGEMENT AREA'S
UPDATED INTEGRATED REGIONAL MANAGEMENT PLAN

General Manager Cook reported that in 2010, IRWD became a member of the newly-formed South Orange County Watershed Management Area (SOCWMA) Executive Committee and adopted the 2005 Integrated Regional Water Management Plan (IRWMP). Mr. Cook said that the County of Orange, with input from the SOCWMA member agencies and stakeholders, has updated the IRWMP and is asking each member agency to adopt the updated IRWMP as required by the State of California in its IRWMP guidelines. Executive Director of Water Resources Heiertz introduced to the Board Marilyn Thoms from the County of Orange, who has worked on this plan since its inception.

On MOTION by Withers, seconded and carried (Swan absent), THE BOARD ADOPTED THE FOLLOWING RESOLUTION BY TITLE:

RESOLUTION NO. 2013-33

RESOLUTION OF THE BOARD OF DIRECTORS OF THE
IRVINE RANCH WATER DISTRICT, ORANGE COUNTY, CALIFORNIA
ADOPTING THE SOUTH ORANGE COUNTY INTEGRATED
REGIONAL WATER MANAGEMENT PLAN

WORKSHOP

LONG-TERM CAPITAL FINANCING PLAN UPDATE

A PowerPoint presentation was placed before each Director. Executive Director of Finance Clary provided an overview of the Long-Term Capital Financing Plan which was developed 35 years ago. Director Swan arrived at 5:25 p.m. Using a PowerPoint presentation, Mr. Christopher Smithson reviewed the objectives of the long-term Capital Funding plan which includes: 1) identifying and quantifying issues with the current capital funding model that have emerged as the District approaches full development; 2) identifying options to update the capital funding model and make it more effective as the District reaches full development; and 3) integrating changes in the capital funding program into a comprehensive, global solution to consolidate and streamline water and

sewer improvement districts. Mr. Smithson reviewed the process which has been ongoing for several years with staff, the Finance Committee and interested third parties including The Irvine Company, the Building Industry Association, NAIOP, and Five Points. He said that a Work Plan was approved by the Finance and Personnel Committee in August of 2012.

Mr. Smithson reviewed the guiding principles from August 2012 including: 1) customers, property owners, developers and other beneficiaries of the District infrastructure should pay their fair share; 2) the 50/50 concept should be retained, but may need to be applied differently in the future; 3) the past is instructive, but all assumptions should be challenged going forward; 4) the reasons for maintaining separate improvement districts may have become less relevant and in some cases misaligned with funding responsibilities; 5) the District should optimize its general obligation authorization; 6) successor Improvement Districts should be fiscally healthy in terms of general obligation authorization and funding ability; and 7) there should be a stronger signal linking capital project costs and rate impacts.

Mr. Smithson reviewed the key elements of the current capital funding model including: 1) implemented in 1978 to fund facilities needed to meet future growth and development; 2) virtually unchanged for 35 years; 3) intended to fairly and equitably allocate the costs of constructing water and sewer infrastructure; 4) incorporated a long-term approach that has performed well over time; 5) relied on improvement districts, a regional cost allocation, and funding through authorized general obligation debt; and 6) equitably allocated capital costs 50/50 between connection fees and property taxes.

Mr. Smithson then reviewed issues confronting the current ‘baseline’ capital funding model; working assumptions used to modify baseline scenario; issues confronting the modified capital funding model; the improvement district consolidation strategy and proposed regional splits; the allocations of future capital in the master consolidation scenario; projected financial impacts from financial consolidation; projected combined residential and commercial connection fees; projected residential replacement component included in monthly service charge with the loss of a one percent tax revenue; a Plan of Work update; and next steps.

Director Swan reported that this was reviewed by the Finance and Personnel Committee on June 28, 2013. He said that this issue is not an easy process as staff is trying to simplify a very complicated matter which he believes to be fair. Director LaMar complimented staff on their efforts and also in getting the working group involved in this process. Mr. Sat Tamaribuchi, representing the Irvine Company said that they were all together at this point and currently working on details at this time. There being no further comments, on MOTION by Swan, seconded and unanimously carried, **THE BOARD APPROVED THE MASTER CONSOLIDATION PLAN AS PRESENTED; AUTHORIZED STAFF TO PROCEED WITH THE PRELIMINARY DRAFT OF THE PLAN OF WORKS; AND AUTHORIZED STAFF TO PREPARE THE NECESSARY STEPS TO IMPLEMENT THE MASTER CONSOLIDATION.**

GENERAL MANAGER’S REPORT

General Manager Cook reported that he received an invitation today from Ms. Ellen Hanak to participate in a workshop at MWD next Thursday to discuss creative funding sources, which he will attend.

DIRECTORS' COMMENTS

Director Matheis reported on her attendance at the Urban Water Institute conference in San Diego along with Directors LaMar and Reinhart. She commented on Mr. Kevin Kelly's presentation on the Salton Sea.

Director Withers reported that on Wednesday he will be attending the California LAFCO meeting for a discussion on shared services among the cities and other entities.

Director Swan reported that he attended ACWA's Special Executive Board meeting relative to a compensation study, a WACO Planning Meeting, and a CASA conference for one-day focusing on utilities in the future. He said he will be attending OCSD's event inducting Mr. John Collins from the City of Fountain Valley.

Director LaMar reported on his attendance at the Urban Water Institute conference.

Director Reinhart also reported on his attendance at the Urban Water Institute conference and commented on one of the sessions on fracking which he said needs to be resolved. Director Matheis said that the District should follow this issue very closely.

Consultant Jim Reed reported on the meetings he attended on the District's behalf.

MWDOC's Director Wayne Clark reported that its new General Manager, Mr. Rob Hunter, will begin at MWDOC on September 9th and that introduction meetings will be scheduled with each member agency. In response to Mr. Clark's comments, staff will provide him with a copy of IRWD's policy position paper relative to MWDOC's rate structure.

ADJOURNMENT

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

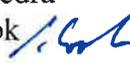
APPROVED and SIGNED this 9th day of September, 2013.

President, IRVINE RANCH WATER DISTRICT

Secretary IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

Legal Counsel - Bowie, Arneson, Wiles & Giannone

September 9, 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

9/24/13 ACWA Headwaters Initiative Meeting, Sacramento, CA

Mary Aileen Matheis

10/9-11/13 Water Education Foundation Board Meeting/Retreat, Pacific Grove, CA

Douglas Reinhart

10/3-4/13 CalDesal Annual Conference, San Diego, CA

Peer Swan

7/17/13 OCWA July Meeting
8/27/13 ACWA Finance Committee Meeting, Sacramento, CA
8/28/13 IRWD Representative – OCSD Honor Walk Inductee Event
9/12/13 Association of California Cities OC – Realignment AB109 Seminar

RECOMMENDATION:

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

LIST OF EXHIBITS:

None

September 9, 2013

Prepared and

Submitted by: Leslie Bonkowski

Approved by: Paul Cook



CONSENT CALENDAR

ACWA REGION 10 ELECTION FOR THE 2014-15 TERM

SUMMARY:

The Association of California Water Agencies (ACWA) is holding elections for its Region 10 officers and Board members who will represent the issues, concerns and needs of the region for the 2014-15 term. Staff recommends that the Board support the slate of candidates selected by the Region 10 Nominating Committee nominating Peer Swan as Chair, DeAna Verbeke as Vice Chair along with Dave Draper, Cathy Green, Larry McKenney and Richard Vasquez as Board Members. Ballots must be completed by September 30, 2013 and submitted by an IRWD authorized representative.

BACKGROUND:

The Region 10 Nominating Committee has recommended a slate of candidates for the ACWA Region 10 officers and Board members. The Chair and Vice Chair shall be from different counties. The 2014-15 term shall consist of a Chair and two Board members from Orange County and a Vice Chair and three Board members from San Diego County. The ballot must be received by September 30, 2013 and signed by an IRWD authorized representation. The Nomination Committee's slate follows:

Chair:	Peer Swan, Irvine Ranch Water District
Vice Chair:	DeAna Verbeke, Helix Water District
Board Members:	Dave Draper, Rincon del Diablo Municipal Water District
	Cathy Green, Orange County Water District
	Larry McKenney, Moulton Niguel Water District
	Richard L. Vazquez, Vista Irrigation District

Individual Board Candidate nominations could also be selected and are provided in Exhibit "A".

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not Applicable.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communication Committee on September 4, 2013.

RECOMMENDATION:

THAT THE BOARD SUPPORT OF THE CANDIDATES AS SELECTED BY THE ACWA REGION 10 NOMINATING COMMITTEE AND AUTHORIZE THE GENERAL MANAGER TO SIGN THE REGION 10 BOARD BALLOT FOR THE 2014-15 TERM.

LIST OF EXHIBITS:

Exhibit “A” – Official Region 10 Board Ballot for the 2014-15 Term

2014-2015
TERM

OFFICIAL

REGION 10 Board Ballot



**Association
of California
Water Agencies**
Since 1910
Leadership • Advocacy
Information • Service

Please return completed ballot
by September 30, 2013

E-mail: anat@acwa.com
Mail: ACWA
910 K Street, Suite 100
Sacramento, CA 95814

General Voting Instructions:

- 1 You may either vote for the slate recommended by the Region 10 Nominating Committee or vote for individual region board members. Please mark the appropriate box to indicate your decision.
- 2 Please complete your agency information. The authorized representative is determined by your agency in accordance with your agency's policies and procedures.

Region 10 Rules & Regulations:

The chair and vice chair shall be from different counties. The 2014-2015 Term shall consist of a Chair and 2 Board Members from Orange County and a Vice Chair and 3 Board Members from San Diego County.

Submit

1

Nominating Committee's Recommended Slate

I concur with the Region 10 Nominating Committee's recommended slate below.

Chair:

- **OC – Peer Swan**, Irvine Ranch Water District

Vice Chair:

- **SD – DeAna Verbeke**, Helix Water District

Board Members:

- **SD – Dave Draper**, Rincon del Diablo Municipal Water District
- **OC – Cathy Green**, Orange County Water District
- **OC – Larry McKenney**, Moulton Niguel Water District
- **SD – Richard Vasquez**, Vista Irrigation District
- **SD – Vacant**

Individual Board Candidate Nominations

I do not concur with the Region 10 Nominating Committee's recommended slate. I will vote for individual candidates below as indicated.

Candidates for Chair: (Choose one)

- OC – Peer Swan**, Irvine Ranch Water District
- OC – Larry McKenney**, Moulton Niguel Water District

Candidates for Vice Chair: (Choose one)

- SD – DeAna Verbeke**, Helix Water District

Candidates for Board Members: (Max of 5 choices)

- SD – Dave Draper**, Rincon del Diablo Municipal Water District
- OC – Cathy Green**, Orange County Water District
- OC – Sandra Jacobs**, Santa Margarita Water District
- OC – Larry McKenney**, Moulton Niguel Water District
- OC – Peer Swan**, Irvine Ranch Water District
- SD – Richard Vasquez**, Vista Irrigation District
- SD – DeAna Verbeke**, Helix Water District

2

AGENCY NAME

AUTHORIZED REPRESENTATIVE

DATE

September 9, 2013

Prepared by C. Compton

Submitted by: G. Heiertz

Approved by: Paul Cook



CONSENT CALENDAR

ISDOC PROPOSED BYLAW AMENDMENTS

SUMMARY:

The Independent Special Districts of Orange County (ISDOC) Executive Committee has submitted a second set of proposed amendments to the ISDOC bylaws for consideration by the membership at its October 31, 2013, quarterly meeting. Before that time members have been encouraged to again review and discuss the proposed amendments, and offer input or ask clarifying questions about the proposed changes. The deadline for members to submit comments on the proposed changes or to submit additional proposed amendments for consideration is September 20, 2013. Staff recommends that IRWD submit comments for consideration by ISDOC, as deemed appropriate by the Board, before September 20.

A copy of the newly proposed ISDOC bylaw amendments is attached as Exhibit "A". A summary of the proposed substantive amendments, along with staff's analysis and comments, is attached as Exhibit "B".

BACKGROUND:

ISDOC is the affiliated Orange County chapter of the California Special Districts Association. Its purpose is to advocate and represent the interests of Orange County's special districts. The organization is currently governed by a Board of Directors and an Executive Committee. The Board of Directors is comprised of an appointed representative from each ISDOC regular member special district. The seven-member Executive Committee is comprised of the ISDOC President, three Vice Presidents, Secretary, Treasurer, and Immediate Past President.

As with all non-profits, ISDOC is governed by its bylaws. The ISDOC bylaws were last amended and ratified by the membership in January 2002. Last May, the ISDOC Executive Committee issued proposed amendments to the bylaws for consideration and discussion by the membership. The IRWD Board of Directors reviewed those proposed amendments at its June 10, 2013, meeting and authorized the District to sign a joint letter from the South Orange County special districts expressing concerns and commenting on the May proposed bylaw amendments. A copy of the joint South Orange County special districts' comment letter is attached as Exhibit "C".

In response to the South Orange County special districts' comment letter, ISDOC clarified that the proposed bylaw amendments are not intended to replace the 2011 approved Bylaws of the Orange County Special District Selection Committee, and stated that it was reviewing the types of decisions that would require a vote of ISDOC members. A copy of ISDOC's response to the South Orange County special districts' comment letter is attached as Exhibit "D".

August Proposed Bylaw Amendments:

On August 9, 2013, IRWD received a letter from ISDOC proposing additional changes to the ISDOC bylaws beyond those proposed in the May 2013 draft. According to ISDOC, “some substantive changes to the Bylaws were proposed by special district members; these amendments were subsequently approved by the ISDOC Executive Committee on August 6.” These additional amendments include:

- Article I, Section II: Language was added to clarify the respective roles and responsibilities of ISDOC and the Orange County Special District Selection Committee;
- Article II, Section III: Language was added regarding advance notice of change in dues; and
- Article III, Section III (H): Language was removed that prevented officials appointed to an elected position from serving as officers of ISDOC.

Change in ISDOC Procedures:

The August 9, 2013, letter also included a notification of a change to two ISDOC procedures. As of September 1, 2013, two month's notice will be given for any future votes on dues increases, and the Executive Committee meeting agendas and minutes will now be emailed to the General Managers of all ISDOC members.

Stated Reason for the Bylaw Amendments:

ISDOC's stated reason for the proposed amendments is as follows:

“During the past 11 years, changes in state law, expanded membership, advancements in communication technology, recurring questions regarding election and voting procedures, and other governance-related matters prompted the ISDOC Executive Committee to review the Bylaws and develop amendments that would address these issues.”

Timeline for Amendment Consideration:

ISDOC's new timeline for consideration of the proposed bylaw amendments is as follows:

September 20, 2013 - Deadline for special districts to submit to the ISDOC Executive Committee input and/or additional proposed bylaw amendments for consideration. Amendments must be approved by a regular member special district's Board of Directors before being submitted to the ISDOC Executive Committee.

October 1, 2013 - ISDOC Executive Committee to review all input and additional proposed bylaw amendments received by the September 20 deadline.

October 31, 2013 - ISDOC Board of Directors to vote on final draft of proposed bylaw amendments at quarterly meeting.

Summary of Proposed Bylaw Amendments:

A summary of the proposed substantive amendments offered by the ISDOC Executive Committee is provided as Exhibit "B" and includes staff's analysis and comments.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed at the Water Resources Policy and Communications Committee on September 4, 2013.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE STAFF TO SUBMIT COMMENTS, AS DEEMED APPROPRIATE BY THE BOARD, BEFORE SEPTEMBER 20, 2013, FOR CONSIDERATION BY ISDOC.

LIST OF EXHIBITS:

- Exhibit "A" – Copy of August 9, 2013, Proposed ISDOC Bylaw Amendments
- Exhibit "B" – Summary Chart and Staff Comments on Substantive Proposed ISDOC Bylaw Amendments
- Exhibit "C" – June 20, 2013, South Orange County Agencies Joint Letter to ISDOC
- Exhibit "D" – July 16, 2013, ISDOC Response to the South Orange County Agencies Joint Letter

EXHIBIT "A"

**INDEPENDENT SPECIAL DISTRICTS OF
ORANGE COUNTY**

AMENDED AND RESTATED BYLAWS

Adopted January 31, 2002

Proposed for Amendment on
October 31, 2013

**INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY
BYLAWS**

ARTICLE I

GENERAL

SECTION I. NAME

The name of the organization shall be **INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY**, herein ~~The organization shall also be known and referred to as ISDOC~~the Organization.

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SECTION II. PURPOSE

~~The purpose of this Organization is to propose and advocate constructive means for the improvement and functioning of Special Districts within the County of Orange, State of California, and to assist such Special Districts and their governing bodies to provide a more effective and efficient government at the closest level to the citizens of Orange County that will result in a benefit to the public.~~

The purpose of the Organization is to advance the interests of Orange County special districts through its advocacy of sound public policy, its facilitation of educational opportunities to enhance special district governance and the services provided, and its collaboration with others to elevate awareness of the role special districts play as the form of government closest and most directly accountable to the people. The purpose of the Organization shall not include any duties or responsibilities held by the Orange County Special Districts Selection Committee, which is a separate and unrelated entity from the Organization. Furthermore, these Bylaws shall have no effect on, and are independent and distinct from, the Bylaws of the Orange County Special District Selection Committee.

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SECTION III. ADMINISTRATIVE OFFICE

The administrative office for the transaction of the business of the ~~Association~~Organization is located at the ~~Office of the President of the Association~~Municipal Water District of Orange County. The Board of Directors is granted full power and authority to change the administrative office from one location to another in any place within the County of Orange, State of California, and such change shall not be considered an amendment of these bylaws.

ARTICLE II

MEMBERSHIP

SECTION I. QUALIFICATION FOR MEMBERSHIP

There shall be two classes ~~categories~~ of membership in the ~~Association~~ Organization:

A. REGULAR MEMBERS: Shall be INDEPENDENT SPECIAL DISTRICTS which ~~that~~ are public agencies within the County of Orange, State of California, for the local performance of governmental proprietary functions within limited boundaries, governed by a publicly elected Board of Directors or those officials appointed, in whole or in part, by another governmental body. Independent Special Districts does not include the State, the county, City/cities, County or School school District/districts.

Independent Special Districts shall be further defined in accordance with California Government Code Section 56044; "Independent district" or "independent special district" includes any special district having a legislative body all of whose members are elected by registered voters or landowners within the district, or whose members are appointed to fixed terms. "Independent special district" does not include any district excluded from the definition of district contained in Sections 56036 and 656036.6.

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B. ASSOCIATE MEMBERS: Shall be those persons ~~or~~, organizations, or governmental entities ~~who that~~ have evidenced interest in the purposes and goals of the ~~Association~~ Organization, but ~~who~~ are not members of Independent Special Districts. ~~No o~~ Officers or members of an Independent Special District ~~can~~ are ineligible to be an Associate Member.

C. APPROVAL OF MEMBERSHIP: The Executive Committee shall review, and the ~~Board of Directors shall approve~~, all applications for membership, provided that the applicant meets the established membership criteria.

SECTION II. VOTING RIGHTS

Each Regular Member District/district, in good standing, shall be entitled to one vote on all matters brought before the membership for a vote. The presiding officer of the governing body of each regular-Regular member-Member agency-district shall designate to the Secretary of the Association in writing one representative who shall exercise the right of the member to vote be recognized by the Organization as the voting representative for his/her district. Each district shall designate in writing and submit to the Organization's Secretary and one alternate governing board member who shall have the right to vote in the absence of the assigned voting representative presiding officer.

The Executive Committee may, ~~in their~~ at its discretion, authorize the voting upon any issue by written ballot which shall be sent via U.S. mail and email mailed to each

~~regular-Regular memberMember district.~~ Such authorization shall specify the time and date and method by which the completed when such-written ballots must be received by the President of the AssociationOrganization.

A majority vote of all members present at a meeting or of all written ballots received by the submission deadline shall be necessary to carry any matter voted upon.

Associate Members shall not have the right to vote on any matter before the AssociationOrganization.

SECTION III. ANNUAL DUES

Annual dues shall be due and payable on or before the first day of January of each year. New members shall pay their annual dues at the time they are approved for membership in the AssociationOrganization. New member dues for the initial year shall not be pro-rated.

The dues of the AssociationOrganization shall be reviewed and set by the Executive Committee and approved by the Board of Directors each year for Regular Members and for Associate Members. Associate Member dues need not be the same as dues for Regular Members. Adequate notice (as determined by the Executive Committee) of changes in dues will be provided to the membership.

No assessments, other than annual dues, shall be levied on the members of the association without an affirmative majority vote of the membership.

SECTION IV. TERMINATION OF MEMBERSHIP

Any member in arrears in the payment of dues for a period of ~~three months~~thirty (30) days after said dues are due and payable shall be notified in writing by the Treasurer of such arrearage, and, if such dues shall continue unpaid for a period of another ~~sixty-thirty (6030)~~ days, such member shall automatically cease to be a member of the AssociationOrganization.

~~Any member that voluntarily terminates membership in the Organization shall not be eligible for a refund of membership dues or other assessment already paid to the Organization.~~

SECTION V. REINSTATEMENT OF MEMBERSHIP

~~Regular and Associate memberships that were previously terminated may be reinstated after the Executive Committee receives a written petition for reinstatement and payment of the petitioners annual membership dues and other assessments for the current calendar year have been received by the Organization.~~

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ARTICLE III

BOARD OF DIRECTORS

SECTION I. NUMBER AND TERM OF OFFICE

A. The Board of Directors shall consist of ~~one representative~~ the presiding officer from each of the ~~member Independent Special Districts~~ Regular Member district, in good standing. If the ~~designated representative~~ presiding officer is not present, the ~~then that district's alternate member representative~~, shall act in his/her stead.

B. The members of the Board of Directors shall serve until replaced by another ~~appointed governing board~~ governing board member of his/her ~~Independent District~~ District. Any vacancy on the Board of Directors shall be filled by the new presiding officer of governing board of that the District from which the vacancy occurred.

SECTION II. DUTIES OF THE BOARD OF DIRECTORS

A. The Board of Directors shall set policy for the Association ~~(SDOC)~~ Organization.

~~B. The Board of Directors shall set dues as recommended by the Executive Committee.~~

~~CB.~~ The Board of Directors shall elect, at their ~~annual quarterly~~ its final meeting of their even years, a President, a First Vice President, a Second Vice President, a Third Vice President, a Secretary, and a Treasurer.

~~These officers, along with the immediate Immediate Past President, shall be designated as the Executive Committee, whose duty shall be to assist the Board of Directors in setting policy, and conducting the business of the organization~~ Organization.

~~DC.~~ The Executive Committee shall be responsible for implementing the policies established by the Board of Directors as approved at a General Membership ~~meeting~~ Meeting or a Special Meeting of the membership.

~~ED.~~ The members of the Executive Committee shall be elected for a two-year term.

SECTION III. OFFICERS AND DUTIES

A. PRESIDENT

The President shall be the chief executive officer of ~~ISDOC~~the Organization. The President shall preside at all meetings of the Board of Directors, the Executive Committee and the general membership.

The President shall appoint all committees, ~~and all chairpersons of such committees, with the approval and ratification by the Board of Directors.~~

The President shall represent ~~ISDOC~~the Organization as ~~the~~its official spokesperson and he/she shall also have the ~~right~~authority to delegate such responsibility, with approval of the Executive Committee.

The President shall be an ex-officio member of all Committees.

B. FIRST VICE PRESIDENT

The First Vice President, in the absence or disability of the President, shall perform all the duties of the President, and when so acting, he/she shall have the powers of and be subject to all the restrictions upon the President.

The First Vice President shall be the ~~Chairman~~ of the Program Committee.

C. SECOND VICE PRESIDENT

The Second Vice President, in the absence or disability of the President and First Vice President, shall perform all the duties of the President and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

The Second Vice President shall be ~~Chairman~~ of the Membership Committee.

D. THIRD VICE PRESIDENT

The Third Vice President, in the absence or disability of the President, First Vice President, and Second Vice President, shall perform all the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

The Third Vice President shall be Chairman of the Legislative Committee.

E. SECRETARY

The Secretary shall maintain a written record of all business conducted at the meetings of the Board of Directors and the Executive Committee.

The Secretary or his/her designee shall be responsible for all correspondence and ~~mailing~~the dissemination of information to members.

F. TREASURER

The Treasurer shall maintain the complete financial records ~~and of ISDOC,~~ establish and maintain bank accounts in the name of the ~~Association~~ Organization, and pay all bills duly approved by the Executive Committee in accordance with the yearly budget.

There shall be an annual audit of the books of the Treasurer by a competent accountant or accounting agency, designated by the Executive Committee, ~~with a report to be presented to the membership at the Organization's next membership meeting.~~

G. IMMEDIATE PAST PRESIDENT

The Immediate Past President shall serve as a voting, ex-officio member of the Executive Committee.

H. All officers of the Association ~~Organization shall be elected or appointed officials, except the Secretary and/or the Treasurer, each of whom, may or may not be elected officials of a Regular Member district. However, an official who has been appointed to a district's elected board of directors must first be elected to that body before being eligible to serve as an officer of the Organization.~~

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I. Officials who wish to seek election or appointment as an officer of the Organization shall first secure from his/her district an official endorsement of his/her candidacy in the form of a board resolution.

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ARTICLE IV

MEETINGS

SECTION I BOARD OF DIRECTORS

A. The Board of Directors shall meet quarterly or no less than three times per calendar year, and the last quarterly meeting of the calendar year shall be designated as the ANNUAL MEETING of the Association ~~Organization.~~

B. The Secretary ~~Organization shall disseminate mail notices of the Board Meetings at least fifteen-thirty (1530) days prior to the Meeting. Said notices shall be disseminated via email sent to all Regular and Associate Members, representatives and alternates. The Notice shall give the date, time, location and agenda-fany action items for or the meeting.~~

C. Special Meetings of the Board of Directors may be called at any time by the President, any ten (10) Members of the Board of Directors or by a majority of the Executive Committee. The Secretary ~~Organization shall send each Member, each Associate member, each representative and each alternatedisseminate notices of the Special Meeting at least five (5) business days prior to the meeting. The Said notice shall contain-give the date, time, location, and the subject matter of the Special Meeting.~~

~~Action may only be taken on~~ Only such matters listed on the Special Meeting agenda may be addressed at the Special Meeting notice.

D. All meetings of the Board of Directors shall be held in Orange County.

SECTION II. MEETINGS OF THE EXECUTIVE COMMITTEE

A. The Executive Committee shall meet monthly at the Municipal Water District of Orange County, at a time and place specified by the President and announced in the meeting notice. ~~The monthly meeting may be cancelled by the President if he/she determines that there is not sufficient business to justify a meeting.~~

B. A Special Meeting of the Executive Committee may be called by the President or a majority of the Executive Committee, with five (5) business days advance notice given in writing via email by the Secretary Organization. Such notice shall state the date, time, location and agenda for the Special Meeting. ~~Said notice may be given telephonically, verbally or in writing.~~

C. All meetings of the Executive Committee shall take place in Orange County.

SECTION III. QUORUM

A. A quorum shall be established when the designated representatives of twenty-five (25%) percent of the Regular ~~members~~ Members are present at a duly noticed regular Regular or special Special meeting ~~Meeting~~ of the Independent District of Orange County Organization.

ARTICLE V

AMENDMENTS

These By-Laws may be amended by a majority vote of the Board of Directors ~~members~~ present at a duly noticed membership meeting. All proposed amendments shall be disseminated via U.S. Mail and email mailed to the each Regular member Member district, ~~the representative of the district, and the alternate for the district~~ no less than thirty (30) days prior to any the membership meeting.

ARTICLE VI

ENACTMENT OF AMENDMENTS

These Amended and Restated By-Laws ~~laws~~ are to take effect ~~February 1, 2002,~~
immediately upon approval of the Board of Directors.

ARTICLE VII
PARLIAMENTARY AUTHORITY

All matters not covered under these By-Laws shall be governed by Roberts' Rules of Order.

-End-

EXHIBIT "B"

Summary Chart & Staff Comments on Substantive Proposed ISDOC Bylaw Amendments

**** Note: The changes between the June and August drafts are shown in red. ****

<u>Amendment Topic</u>	<u>Language of Proposed Change</u>	<u>Staff Comment</u>
<p><u>Stated ISDOC Purpose:</u> The proposed bylaws seek to change the stated purpose of ISDOC.</p> <p><u>Amendment Location:</u> Article I, Section II (Page 2)</p>	<p>“The purpose of the Organization is to advance the interests of Orange County special districts through its advocacy of sound public policy, its facilitation of educational opportunities to enhance special district governance and the services provided, and its collaboration with others to elevate awareness of the role special districts play as the form of government closest and most directly accountable to the people. The purpose of the Organization shall not include any duties or responsibilities held by the Orange County Special Districts Selection Committee, which is a separate and unrelated entity from the Organization. Furthermore, these Bylaws shall have no effect on, and are independent and distinct from, the Bylaws of the Orange County Special District Selection Committee”</p>	<p>The proposed change is similar in tone to the existing ISDOC purpose. The proposed change is in some aspects a more accurate statement of ISDOC’s role.</p> <p>The addition of the language relating to the Orange County Special Districts Selection Committee is in response to the South Orange County special districts joint letter. It clarifies that ISDOC and the selection committee are two separate entities with distinct bylaws governing each entity. The addition is an appropriate clarifying addition.</p>
<p><u>Location of Administrative Office:</u> It has been proposed that the Municipal Water District of Orange County be listed as the administrative office for ISDOC.</p> <p><u>Amendment Location:</u> Article I, Section III (Page 2)</p>	<p>“The administrative office for the transaction of the business of the Organization is located at the Municipal Water District of Orange County. The Board of Directors is granted full power and authority to change the administrative office from one location to any place within the County of Orange, State of California, and such change shall not be considered an amendment of these bylaws.”</p>	<p>While this change appears to be unnecessary, the current ISDOC offices are located at the MWDOC.</p>
<p><u>Definition of Regular Member:</u> The proposed bylaws would require that a regular member be an Independent Special District as defined in California Government Code Section 56044.</p> <p><u>Amendment Location:</u> Article II, Section I(A) (Page 3)</p>	<p>“Independent Special Districts shall be further defined in accordance with California Government Code Section 56044: “Independent district” or “independent special district” includes any special district having a legislative body all of whose members are elected by registered voters or landowners within the district, or whose members are appointed to fixed terms. “Independent special district” does not include any district excluded from the definition of district contained in Sections 56036 and 65036.6.”</p>	<p>This proposed change would ensure that only those governmental entities that are defined as Independent Special District under California law, specifically the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, are considered regular members. It provides greater certainty as to which entities may become a regular member with voting rights.</p> <p>Since this amendment to the ISDOC bylaws was proposed, AB 1427 has been Chaptered and will take effect on January 1, 2013. AB 1427 amends Section 56044 of the Government Code, which is quoted and referenced in this proposed amendment.</p>

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		<p>Section 56044 of the Government Code was amended to change define “independent district” or “independent special district.” The wording in blue is the portion of the definition added by AB 1427.</p> <p>“ ‘Independent district’ or ‘independent special district’ includes any special district having a legislative body all of whose members are elected by registered voters or landowners within the district, or whose members are appointed to fixed terms, and excludes any special district having a legislative body consisting, in whole or in part, of ex officio members who are officers of a county or another local agency or who are appointees of those officers other than those who are appointed to fixed terms. ‘Independent special district’ does not include any district excluded from the definition of district contained in Sections 56036 and 56036.6.”</p> <p><u>Staff Recommendation:</u> Staff would recommend that IRWD consider requesting that the newly chaptered definition be included in the ISDOC bylaws so that the current version of Government Code Section 56044 is included in the bylaws.</p>
<p><u>Definition of Associate Member:</u> The proposed bylaws would permit a non-Independent Special District governmental entity that has evidenced an interest in the purpose and goals of ISDOC to become an associate member of ISDOC.</p> <p><u>Amendment Location:</u> Article II, Section I(B) (Page 3)</p>	<p>“Shall be those persons or, organizations, or governmental entities that have evidenced interest in the purposes and goals of the Organization, but who are not members of Independent Special Districts. Officers or members of an Independent Special District can are ineligible to be an Associate Member.”</p>	<p>This change seems to be appropriate given that it would permit governmental entities friendly to ISDOC to become associate members.</p>
<p><u>Approval of Membership:</u> The proposed bylaw amendment would remove membership application approval from the Board of Directors and vest it with the Executive</p>	<p>“The Executive Committee shall review and approve all applications for membership provided that the applicant meets the established membership criteria.”</p>	<p>One of the largest themes of the proposed bylaw amendments is that it takes power away from the Board of Directors, which is comprised of the appointed representative from each regular member, and vests it in the Executive Committee.</p>

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Summary Chart & Staff Comments on Substantive Proposed ISDOC Bylaw Amendments

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<p>Committee.</p> <p><u>Amendment Location:</u> Article II, Section I (C) (Page 3)</p>		<p>Staff Recommendation: If this provision is to be retained, staff would recommend that IRWD consider requesting that the term “established membership criteria” be defined as the requirements contained in the definitions of Regular Members and Associate Members. If this clarification were made no further qualifications could be added by the Executive Committee without a bylaw change approved by the Board of Directors.</p>
<p>Voting Rights: The proposed bylaw amendments provide that the presiding officer of the governing board of the regular member shall be the recognized voting representative for his district at ISDOC. The regular member district may appoint an alternate who can vote in the presiding officer’s absence; however, the proposed amendment would require that the alternative be a member of the governing board.</p> <p><u>Amendment Location:</u> Article II, Section II (Page 3)</p>	<p>“Each Regular Member district, in good standing, shall be entitled to one vote on all matters brought before the membership for a vote. The presiding officer of the governing body of each Regular Member shall be recognized by the Organization as the voting representative for his/her district. Each district shall designate in writing and submit to the Organization’s Secretary one alternate governing board member who shall have the right to vote in the absence of the presiding officer.”</p>	<p>Currently IRWD appoints one representative to be the voting ISDOC member for the district and an alternative. At the present time IRWD’s representative need not be the district’s presiding officer or an elected official. This change requires that the district’s representative be the President of the Board. It also requires that IRWD appoint another member of IRWD’s Board of Directors as the district’s ISDOC alternate. The alternate would only be recognized as IRWD’s voting representative if the President of the Board were not present at the ISDOC meeting.</p>
<p>Voting: The proposed bylaw amendments would allow for a majority of the members present at a meeting or of all written ballots</p>	<p>“The Executive Committee may, at its discretion, authorize the voting upon any issue by written ballot which shall be sent via U.S. mail and email to each Regular Member district. Such</p>	<p>This change provides that a majority vote of all members present at a meeting or of all written ballots received can approve a matter before ISDOC. It appears that the intent</p>

EXHIBIT "B"

Summary Chart & Staff Comments on Substantive Proposed ISDOC Bylaw Amendments

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<p>received by the submission deadline to carry any matter voted upon.</p> <p><u>Amendment Location:</u> Article II, Section II (Page 4)</p>	<p>authorization shall specify the time, date and method by which the completed when such written ballots must be received by the President of the Organization.</p> <p>A majority vote of all members present at a meeting or of all written ballots received by the submission deadline shall be necessary to carry any matter voted upon."</p>	<p>behind the amendment is to clarify that only written ballots received by the submission deadline will be counted towards the outcome of a vote when the Executive Committee authorizes a vote by written ballot. The use of the word "or," however, may lead to some confusion. For example, if the Executive Committee authorizes a written ballot, can a member select how they will vote-- by written ballot or at a meeting?</p> <p><u>Staff Recommendation:</u> Staff would recommend that IRWD ask that language be added to clarify that the method of casting a vote on a specific issue be uniform in order to eliminate any confusion caused by the use of "or." Such a clarification may be the addition of the following:</p> <p>"If the Executive Committee authorizes voting by written ballot on any issue, a member may only cast its vote by submitting a written ballot as prescribed by the Executive Committee."</p>
<p><u>Annual Dues:</u> The proposed bylaw amendments grant the Executive Committee the ability to set the dues. The proposed amendments also delete this duty from the Board of Directors.</p> <p><u>Amendment Location:</u> Article II, Section III (Page 4) & Article III, Section II (Page 5)</p>	<p>"The dues of the Association Organization shall be reviewed and set by the Executive Committee for Regular Members and for Associate Members. Associate Member dues need not be the same as dues for Regular Members. Adequate notice (as determined by the Executive Committee) of changes in dues will be provided to the membership.</p> <p>No assessments, other than annual dues, shall be levied on the members of the association without an affirmative majority vote of the membership."</p>	<p>This is another instance where power is being transferred from the Board of Directors to the Executive Committee.</p> <p>The August proposed amendments now require adequate notice be given to members of a change in dues. The proposed amendment does not require that notice be given before the dues are changed or allow time for members to comment on the proposed change.</p> <p>Recently the Executive Committee adopted two procedural changes at ISDOC. As of September 1, 2013, two month's notice will be given for any future votes on dues increases, and the Executive Committee meeting agendas and minutes will now be emailed to the General Managers of all ISDOC members. While these changes would give special districts notice and the opportunity to comment on proposed dues increases, the Executive Committee can change these procedures at anytime.</p>

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Summary Chart & Staff Comments on Substantive Proposed ISDOC Bylaw Amendments

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		<p><u>Staff Recommendation:</u> If IRWD, as a member of the ISDOC Board of Directors, wants the opportunity to approve the annual dues it should comment on this proposed change and propose that the original language be retained.</p> <p>If IRWD is comfortable with granting the Executive Committee authority to change the annual dues, the procedural changes recently adopted by the Executive Committee should be placed into the bylaws to ensure special districts have advanced notice of any proposed due increase and have the opportunity to comment on it.</p>
<p><u>Termination & Reinstatement of Membership:</u> This proposed change reduces the time required to elapse before ISDOC takes action on any member in arrears. It reduces the initial no action period from three months to 30 days. It also reduced the amount of time a member has to come current from 60 days to 30 days.</p> <p>The proposed change also adds language to clarify that membership dues and other assessments are not refundable. It also adds a provision regarding reinstatement of membership.</p> <p><u>Amendment Location:</u> Article II, Section VI & V (Page 4)</p>	<p>SECTION IV. TERMINATION OF MEMBERSHIP “Any member in arrears in the payment of dues for a period of thirty (30) days after said dues are due and payable shall be notified in writing by the Treasurer of such arrearage, and, if such dues shall continue unpaid for a period of another thirty (30) days, such member shall automatically cease to be a member of the Organization.</p> <p>Any member that voluntarily terminates membership in the Organization shall not be eligible for a refund of membership dues or other assessment already paid to the Organization.</p> <p>SECTION V. REINSTATEMENT OF MEMBERSHIP Regular and Associate memberships that were previously terminated may be reinstated after the Executive Committee receives a written petition for reinstatement and payment of the petitioners annual membership dues and other assessments for the current calendar year have been received by the Organization.”</p>	<p>Currently, no action is taken by ISDOC until the member is three months in arrears. If the member continues to be in arrears for an additional sixty days, the member automatically ceases to be a member of ISDOC.</p>
<p><u>Board of Directors Composition & Term of Office:</u> The proposed bylaw amendments provide that the presiding officers of the</p>	<p>“A. The Board of Directors shall consist of the presiding officer from each Regular Member district, in good standing. If the presiding officer is not present, then that district’s</p>	<p>As noted above, IRWD currently appoints one representative to be the district’s voting member and to serve on the ISDOC Board of Directors. At the present time the representative</p>

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<p>governing boards of the regular members shall comprise the ISDOC Board of Directors.</p> <p>The proposed bylaw amendment also provides that a member of the Board of Directors shall serve until replaced by another governing board member, and that a vacancy shall be filled by the presiding officer of the District from which the vacancy occurred.</p> <p><u>Amendment Location:</u> Article III, Section I (Page 5)</p>	<p>alternate representative shall act in his/her stead.</p> <p>B. The members of the Board of Directors shall serve until replaced by another governing board member of his/her Independent District. Any vacancy on the Board of Directors shall be filled by the new presiding officer of the District from which the vacancy occurred.”</p>	<p>need not be the district’s presiding officer or an elected official.</p> <p><u>Staff Recommendation:</u> Given that the presiding officer of each district is to serve on the ISDOC Board of Directors, it seems that Section I (B) should be revised to reflect the fact that most districts elect their presiding officer annually. Staff would recommend that IRWD ask that language similar to the following be added:</p> <p>“The members of the Board of Directors shall serve until replaced by another governing board member as the presiding officer of his/her Independent District. Any vacancy on the Board of Directors shall be filled by the new presiding officer of the District from which the vacancy occurred.”</p>
<p><u>President’s Duties:</u> The proposed bylaw amendments eliminate the requirement that the Board of Directors approve and ratify all committee appointments.</p> <p><u>Amendment Location:</u> Article III, Section III (A) (Page 65)</p>	<p>“The President shall appoint all committees.”</p>	<p>As with other proposed bylaw amendments in this document, this proposed amendment takes power away from the Board of Directors, which is comprised of the appointed representative from each regular member, and vests it in the President. Currently, the bylaws designate which officer shall serve as the chairperson of each standing committee, but the Board of Directors approves and ratifies the President’s appointments to all committees.</p>
<p><u>Officer Requirements:</u> The proposed bylaw amendments clarify the requirements that must be met in order to serve as an ISDOC officer.</p> <p><u>Amendment Location:</u> Article III, Section III (H) & (J) (Page 7)</p>	<p>“H. All officers of the Organization shall be elected or appointed officials, of a Regular Member district. However, an official who has been appointed to a district’s elected board of directors must first be elected to that body before being eligible to serve as an officer of the Organization.</p> <p>I. Officials who wish to see election or appointment as an officer of the Organization shall first secure from his/her district an official endorsement of his/her candidacy in the form of a board resolution.”</p>	<p>While the proposed bylaws require that all ISDOC officers be elected or appointed officers of a Regular Member district, they do not state how the office is filled once a position becomes vacant. Also, it does not discuss what happens when the immediate past president is no longer serving on an Independent Special District governing board and what happens to the seventh seat on the Executive Committee in that case.</p> <p><u>Staff Recommendation:</u> Staff would recommend that IRWD ask that language be added to clarify that if an ISDOC officer, including the Immediate Past President, is no longer an elected or appointed officer of a Regular Member district that</p>

EXHIBIT "B"

Summary Chart & Staff Comments on Substantive Proposed ISDOC Bylaw Amendments

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		<p>they automatically vacate their ISDOC office. Staff would recommend that IRWD ask that language be added to clarify that the Board of Director will hold an election to fill all vacated ISDOC offices including that of the Past President.</p>
<p><u>Board of Directors Meetings:</u> The proposed bylaw amendments provide that the Board of Directors shall meet quarterly or no less than three times per year.</p> <p><u>Amendment Location:</u> Article IV, Section I(A) (Page 7)</p>	<p>“A. The Board of Directors shall meet quarterly or no less than three times per calendar year. The last meeting of the calendar year shall be designated as the ANNUAL MEETING of the Organization.”</p>	<p><u>Staff Recommendation:</u> The language as drafted is inconsistent. Staff would recommend that IRWD ask that language be changed as follow so that the provision makes sense.</p> <p>“A. The Board of Directors shall meet quarterly or but no less than three times per calendar year. The last meeting of the calendar year shall be designated as the ANNUAL MEETING of the Organization.”</p>
<p><u>Executive Committee Meetings:</u> The proposed bylaw amendments state the location of the Executive Committee meetings.</p> <p><u>Amendment Location:</u> Article IV, Section II(A) (Page 8)</p>	<p>“The Executive Committee shall meet monthly at the Municipal Water District of Orange County, at a time and place specified by the President and announced in the meeting notice. The monthly meeting may be cancelled by the President if he/she determines that there is not sufficient business to justify a meeting.”</p>	<p>Currently the Executive Committee meetings are held at a place specified by the President. By providing that the Executive Committee meetings must take place at the Municipal Water District of Orange County, the bylaws would only permit Executive Committee meetings to take place at the location.</p> <p><u>Staff Recommendation:</u> Staff would recommend that IRWD ask that language be changed as follow so that if the ISDOC office were to change locations from MWDOC that this provision would not be in conflict with that relocation.</p> <p>“The Executive Committee shall meet monthly at the Municipal Water District of Orange County administrative office of the Organization unless notice is provided otherwise, at a time specified by the President and announced in the meeting notice. The monthly meeting may be cancelled by the President if he/she determines that there is not sufficient business to justify a meeting.”</p>

EXHIBIT "B"

Summary Chart & Staff Comments on Substantive Proposed ISDOC Bylaw Amendments

**** Note: The changes between the June and August drafts are shown in red. ****

<p><u>Quorum:</u> The proposed amendment makes minor changes to this provision.</p> <p><u>Amendment Location:</u> Article IV, Section III(A) (Page 8)</p>	<p>“A quorum shall be established when the designated representatives of twenty-five (25%) percent of the Regular Members are present at a duly noticed Regular or Special Meeting of the Organization.”</p>	<p>While this proposed amendment only seeks to make this provision consistent in its use of terms with the rest of the document, it fails to provide for what constitutes a quorum in the event of a written ballot vote. It also fails to provide that no action shall be taken unless a quorum has been established.</p> <p><u>Staff Recommendation:</u> Staff would recommend that IRWD ask that the quorum provision be modified as follows:</p> <p>“No action shall be taken unless a quorum has first been established. A quorum shall be established when the designated representatives of twenty five (25%) fifty (50%) percent of the Regular Members are present at a duly noticed Regular or Special Meeting of the Organization, or if a vote has been authorized by written ballot a quorum shall be established only when the designated representatives of fifty (50%) percent of the Regular Members have submitted a ballot in the manner and by the deadline authorized by the Executive Committee.”</p>
<p><u>Amendments:</u> The proposed amendment makes minor changes to this provision.</p> <p><u>Amendment Location:</u> Article V (Page 8)</p>	<p>“These By-Laws may be amended by a majority of the Board of Directors present at a duly noticed membership meeting. All proposed amendments shall be disseminated via U.S. Mail and email to the each Regular Member district no less than thirty (30) days prior to the membership meeting.”</p>	<p>In most organizations, the bylaws can only be amended if a majority of the members approve the amendment. The language as draft does not require this. It simple requires that a majority of the Board of Directors present at a noticed meeting must approve of the bylaw amendment for it to become effective.</p> <p><u>Staff Recommendation:</u> Staff would recommend that IRWD ask for an amendment to this provision so that amendments to the bylaws require approval by a majority of the Board of Directors instead of just a majority of those present at a meeting.</p>

EXHIBIT "C"

South Orange County Agencies Group

- * El Toro Water District * Emerald Bay Service District * Irvine Ranch Water District
- * Laguna Beach County Water District * Moulton Niguel Water District
- * Santa Margarita Water District * South Coast Water District
- * Trabuco Canyon Water District

June 20, 2013

Rich Freschi, President
Independent Special Districts of Orange County
18700 Ward Street
Fountain Valley, CA 92708

Re: Independent Special Districts of Orange County (ISDOC) Bylaws

Dear President Freschi:

Thank you and the Executive Committee of the Independent Special Districts of Orange County (ISDOC) for the opportunity to review and comment on the proposed amendments to the ISDOC bylaws. To streamline the review/comment process for the ISDOC Executive Committee, the South Orange County agencies have collaborated to generate and submit comments that reflect certain common questions and/or suggestions.

It is our understanding that the primary voting matter before ISDOC is the selection of special district representatives to LAFCO. In May 2011, all the independent special districts of Orange County approved the attached "*Bylaws of the Orange County Special District Selection Committee*" which sets forth the procedures for selecting special district representatives to LAFCO. We have the following clarifying questions (Section 1):

SECTION 1

1. Are the 2013 proposed amendments to the ISDOC bylaws intended to replace the 2011 approved "*Bylaws of the Orange County Special District Selection Committee*"? If this is the case, we offer some recommended changes as follows in Section 2.
2. If the 2013 proposed amendments to the ISDOC bylaws are **NOT** intended to replace the 2011 approved "*Bylaws of the Orange County Special District Selection Committee*", then we would respectfully ask what other decisions of ISDOC would require a vote of those special districts as defined by Government Code Section §56044.

SECTION 2

Article II, Section II, Voting Rights

ISDOC was originally formed to select representatives to the Orange County Local Agency Formation Commission (OC LAFCO) when special district members were first seated on OC LAFCO in 1994. Since 1994, ISDOC has broadened its focus into more than just a selection committee for LAFCO representatives. However, regular members, or independent special districts as defined by Government Code Section §56044, are the only members allowed to vote for LAFCO representatives. If ISDOC has other decisions that require the vote of the independent special districts, those decisions should be expressed clearly in this section.

It is suggested that this section of the bylaws be amended to clarify that regular members (as defined by Government Code section § 56044) are the only ones that can vote to select special district representatives for LAFCO. However, if the amendments are not intended to replace the previously approved "Selection Committee Bylaws", the amended ISDOC Bylaws should merely refer to the Selection Committee Bylaws relative to the LAFCO Special District Representative selection process where appropriate.

In past elections for the special districts representatives to LAFCO, there was considerable controversy regarding the primary and alternate voting representatives from each independent special district. The proposed amendments seem to have clarified this issue.

Another part of the past controversy was what type of authorization (resolution, minutes and/or letter) was needed to designate a regular or alternate voting member and who should sign that authorization. In the adopted Special District Selection Committee bylaws, a form is provided with the authorized signatures clearly stated. In the proposed amendments to the bylaws, it simply states "in writing". The South County Agencies believe the type of authorization should be explicitly stated.

It is recommended that the ISDOC Executive Committee clarify both the type of authorization and the signature needed by revising the sentence as follows: "Each district shall designate in writing, *in a form and with signatures as chosen by that district*, and submit to the Organization's Secretary one alternate governing board member who shall have the right to vote in the absence of the presiding officer.

The next paragraph in this section states that the Executive Committee may, at its discretion, authorize voting by written ballot followed by the sentence "A majority vote of all members present at a meeting or of all written ballots received by the submission deadline shall be necessary to carry any matter voted upon"

In the past it was difficult for board members of some smaller special districts to come to the ISDOC quarterly meetings to vote for the LAFCO representatives. Requiring in-person voting at ISDOC quarterly meetings can effectively disenfranchise these districts. It is recommended that this section be revised to require all voting to be by mail-in ballots

but having the opening/counting of the ballots held at the ISDOC meeting. Board members need not be present to have their ballot counted. Our suggested language is:

“Voting on any issue by the Organization’s regular members shall be by written ballot which shall be sent via U.S. Mail and email to each regular member district. The written ballots shall specify the time, date and method by which the completed ballots must be received by the Organization.

Ballots will be opened and counted in a public meeting as specified by the Organization. A majority vote of all written ballots received by the submission deadline shall be necessary to carry any matter voted upon. Regular member do not have to be present at the meeting to have their ballot counted.”

Article II, Section III, Annual Dues

While ISDOC has prudently kept annual dues at a reasonable level, the South County Agencies are concerned that future annual dues would be set by the ISDOC Executive Committee and would not be subject to an affirmative majority vote of its members. We recommend that this section be revised to require a majority vote of members if dues are increased. Our initial clarifying question of what other decisions ISDOC makes that require the vote of the independent special districts, beyond dues, should also be clarified in this section.

Article IV, Section III, Quorum

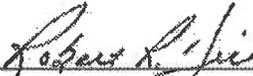
The current bylaws state: “A quorum shall be established when the designated representatives of twenty-five (25%) percent of the Regular Members are present at a duly noticed Regular or Special Meeting of the Organization.”

There are 27 independent special districts in Orange County and under the 2013 proposed amendments to the ISDOC bylaws a quorum would be seven (7) special districts. This seems to be too few special districts to be considered a quorum. It is recommended that this section be changed to reflect the typical definition of quorum which is fifty (50%) of members.

In addition, this section is inconsistent with Government Code Section §56332 which states that a quorum for selecting special district representatives to LAFCO is a majority of the independent special districts--or 15 special districts in Orange County. Given the confusion regarding the purpose of these bylaws, we strongly recommend that this section be changed.

We believe the purpose for amending the ISDOC bylaws should be clarified before we, as the South Orange County agencies, can support these proposed amendments to the ISDOC bylaws.

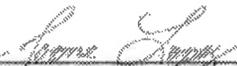
Sincerely,

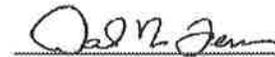

Robert H. Hill, General Manager
El Toro Water District


Michael P. Dunbar, General Manager
Emerald Bay Service District


Paul Cook, General Manager
Irvine Ranch Water District


Renae M. Hinchey, General Manager
Laguna Beach County Water District


Joone Lopez, General Manager
Moulton Niguel Water District


Dan Ferons, General Manager
Santa Margarita Water District


Betty Burnett, General Manager
South Coast Water District

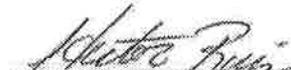

Hector Ruiz, General Manager
Trabuco Canyon Water District

EXHIBIT "D"

C: C. Compton



July 16, 2013

Mailing Address

P.O. Box 20895
Fountain Valley, CA 92728

Meeting Location

MWDOC/OCWD
18700 Ward Street
Fountain Valley, CA 92708

(714) 963-3058
(714) 964-5930 fax

www.mwdoc.com/isdoc

Executive Committee

President

Hon. Rich Freschi
Serrano Water District

1st Vice President

Hon. Bob Moore
South Coast Water District

2nd Vice President

Hon. Mike Scheafer
Costa Mesa Sanitary District

3rd Vice President

Hon. Sandra Jacobs
Santa Margarita Water District

Secretary

Hon. Leslie Keane
Orange County Cemetery District

Treasurer

Hon. Joan C. Finnegan
*Municipal Water District of
Orange County*

Staff Administration

Jessica H. Ouwerkerk
*Municipal Water District of Orange
County*

Robert Ennis

Orange County Water District

Paul Cook
General Manager
Irvine Ranch Water District
15600 Sand Canyon Avenue
Irvine, CA 92618

RE: Inquiry re. Independent Special Districts of Orange County Bylaws

Dear Mr. Cook,

The Executive Committee of the Independent Special Districts of Orange County (ISDOC) wishes to formally acknowledge receipt of your letter from the 'South Orange County Agencies Group' regarding the proposed ISDOC Bylaw amendments.

With respect to the questions posed in your letter:

1. No, the 2013 proposed amendments to the ISDOC Bylaws are not intended to replace the 2011 approved Bylaws of the Orange County Special District Selection Committee. In an effort to better distinguish between these two sets of bylaws, the ISDOC Executive Committee is currently working to create a briefing and other materials to explain the different roles and responsibilities of the ISDOC Executive Committee and the Orange County Special District Selection Committee. These materials will be provided to you upon completion.
2. Concurrently, the ISDOC Executive Committee is also reviewing the types of decisions of ISDOC that would require a vote of the special district members. Once these issues have been clarified, a more detailed response will be forthcoming.

Thank you for your interest in this matter.

Sincerely,

A handwritten signature in black ink that reads "Rich Freschi". The signature is written in a cursive style.

Rich Freschi,
President

September 9, 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 2013 State legislative session and IRWD State legislative priorities. An updated copy of the 2013 State Legislative Matrix is attached as Exhibit "A".

BACKGROUND:

September 13, 2013, is 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, 2013, 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. Staff will provide a verbal update on developments in the last few weeks of session at the Water Resources Planning and Communications meeting.

State Budget Update:

July 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 August 12, 2013, State Controller John Chiang released his monthly report on the State's finances. He announced that the State took in \$4.8 billion in revenue during the month of July. This amount was six percent lower than the revenue assumption contained in the State budget. The budget assumed \$5.1 billion in revenue for the month of July. According to Controller Chiang's report, the shortfall was due to lower than projected personal income tax revenues, which came in seven percent lower than estimates. The State ended the month of July with a General Fund cash deficit of \$10.9 billion, which was covered with internal borrowing from other funds.

IRWD 2013 Legislative Priorities:

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

On August 26, 2013, AB 803 (Gomez), the Water Recycling Act of 2013, passed off of the Senate Floor on a 39-to-0 vote. The bill was returned to the Assembly for a vote of concurrence in the Senate amendments. On August 30, the Assembly unanimously concurred in the amendments. The bill is now before the Governor for action. Staff will provide an update on any new developments, as appropriate. IRWD currently has a "SUPPORT" position on this 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 within the San Francisco Bay Regional Water Quality Board region, was heard in Senate Appropriations on August 12, 2013. The bill was unanimously passed, and moved to the Senate Floor. Staff will provide an oral update on any new developments, as appropriate. IRWD currently has a “SUPPORT” position on this bill.

Updates on Other 2013 Legislation of Interest to IRWD:

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

Since the Administration released its plan for the Office of Drinking Water agreeing to relocate the program to the State Water Resources Control Board, the Administration has engaged water industry and disadvantaged community stakeholders on AB 145 (Perea, D-Fresno). As of August 27, 2013, the Administration was working to finalize amendments to AB 145 which are expected to add substantial operative language to the Health and Safety Code in order to effectuate the relocation of the Drinking Water Program. The Administration has also released a “Drinking Water Program Tasks and Responsibilities” document that lays out a tentative timeline and reorganization plan on how the Drinking Water Program responsibilities will move to the State Water Resources Control Board. The “Drinking Water Program Tasks and Responsibilities” document is attached as Exhibit “B”.

On August 12, 2013, the Senate Appropriations Committee heard AB 145 (Perea, D-Fresno). The Committee placed the bill on the Senate Appropriations Suspense file on a 6-to-0 vote. The Senate Appropriations Suspense file was taken up on August 30, 2013, and the bill remained on the Suspense file. Staff will provide an oral update on any new developments, as appropriate.

SB 322 (Hueso) – Water Recycling:

SB 322 (Hueso, D-San Diego), which would require the Department of Public Health 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 unanimously by the Assembly Water, Parks, and Wildlife Committee on August 21, 2013. The bill moved to the Assembly Floor and, as of September 3, 2013, was on Assembly Third Reading.

IRWD currently has a “SUPPORT” position on this bill. Staff will provide an oral update on any new developments, as appropriate.

Water Bond:

On August 27, 2013, AB 1331, which is authored by the Assembly Water, Parks, and Wildlife Committee, was amended with the Committee’s 2014 water bond language. The bill 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. It would allocate \$1 billion for water quality and clean and safe drinking water; \$1.5 billion for protecting rivers, lakes streams and watersheds; \$1.5 billion for regional water management for climate change; \$1 billion for Sacramento-San Joaquin Delta sustainability; and \$1.5 billion for storage for climate change.

The \$6.5 billion bond contained in AB 1331 is higher than \$5 billion bond originally proposed in the Assembly Water Bond Working Group's Water Bond Framework presented to the Assembly Water, Parks, and Wildlife Committee on August 15. AB 1331 is currently in the Senate Natural Resources and Water Committee. A copy of AB 1331 (WPW Committee) is attached as Exhibit "C". A copy of the Assembly Water, Parks, and Wildlife fact sheet on AB 1331 is attached as Exhibit "D".

On the Senate side, Senator Lois Wolk (D-Vallejo) put forward her water bond proposal on August 15, 2013, when she amended SB 42. 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 \$5.6 billion water bond. Senator Wolk's bond proposal would allocate \$1.5 billion for safe drinking water, \$1.8 billion for water quality and watershed protection projects, \$1.3 billion for flood control and storm water management, and \$1 billion for water system operation improvements. SB 42 (Wolk) is currently in the Senate Natural Resources and Water Committee.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed at the Water Resources and Communications Committee on September 4, 2013

RECOMMENDATION:

RECEIVE AND FILE.

LIST OF EXHIBITS:

- Exhibit "A" – 2013 IRWD Legislative Matrix
- Exhibit "B" – Drinking Water Program Tasks and Responsibilities
- Exhibit "C" – AB 1331 (WPW Committee), As Amended August 27, 2013
- Exhibit "D" – AB 1331 Fact Sheet

EXHIBIT "A"
IRWD 2013 LEGISLATIVE MATRIX
Updated September 4, 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. Authorizes the expending of the money in the fund for grants for specified water projects that serve disadvantaged and severely disadvantaged communities.	09/03/2013 - In SENATE. Read second time and amended. To third reading.	
<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.	06/25/2013 - In SENATE. Read second time. To third reading.	
<u>AB 30</u> Perea (D)	Water Quality	30	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 Grant Fund and expansion of grants from the fund.	09/03/2013 - In SENATE. Read second time. To third reading.	

EXHIBIT "A"
IRWD 2013 LEGISLATIVE MATRIX
Updated September 4, 2013

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
AB 37 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.	
AB 52 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.	08/26/2013 - From SENATE Committee on ENVIRONMENTAL QUALITY with author's amendments.;08/26/2013 - In SENATE. Read second time and amended. Re-referred to Committee on ENVIRONMENTAL QUALITY.	
AB 69 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.	
AB 72 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	

EXHIBIT "A"
IRWD 2013 LEGISLATIVE MATRIX
Updated September 4, 2013

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
				Secretary of State. Chapter No. 8	
AB 115 Perea (D)	Safe Drinking Water State Revolving Fund		Relates to the state Safe Drinking Water Act. Authorizes the Department of Public Health to fund projects by grant or loan where multiple water systems apply for funding as a single applicant for the purpose of consolidating water systems or extending services to households relying on private wells. Authorizes funding of a project to benefit a disadvantaged community.	09/03/2013 - In SENATE. Read second time. To third reading.	
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.	09/03/2013 - In SENATE. Read second time. To third reading.	
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	08/30/2013 - In SENATE Committee on APPROPRIATIONS:	

EXHIBIT "A"
IRWD 2013 LEGISLATIVE MATRIX
Updated September 4, 2013

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			State Environmental Protection Agency to prepare a project initiation document for the transfer of the state drinking water program from the State Department of Public Health to a Division of Drinking Water Quality.	Held in committee.	
AB 153 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.	
AB 183 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.	
AB 194 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.	
AB 218 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.	09/03/2013 - In SENATE. Read second time. To third reading.	
AB 229 Perez J (D)	Infrastructure and Revitalization Financing		Authorizes the creation by a city, county, city and county, and joint powers authority, of an infrastructure and revitalization financing	08/22/2013 - In SENATE. Read third	

EXHIBIT "A"
IRWD 2013 LEGISLATIVE MATRIX
Updated September 4, 2013

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
	Districts		district and the issuance of debt with voter approval. Authorizes the creation of a district and the issuance of debt. Authorizes a district to finance projects in redevelopment project areas and former redevelopment project areas and former military bases.	time. Passed SENATE. *****To ASSEMBLY for concurrence.	
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.	09/03/2013 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY for concurrence.	
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	Resources: Delta Research		Requires a person conducting Delta research whose research is	03/07/2013 - To	

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Hueso (D)			funded, in whole or in part, by the state, to take specified actions with regard to the sharing of the primary data, samples, physical 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.	ASSEMBLY Committees on ACCOUNTABILIT Y 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.	09/03/2013 - In SENATE. Read second time. To third reading.	
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.	08/12/2013 - In SENATE. Read second time. To third reading.	

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AB 436 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.	
AB 507 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.	
AB 515 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.	
AB 536 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.	
AB 543 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.	09/03/2013 - In SENATE. Read second time and amended. To third reading.	
<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 go finance a project that is located in, or overlaps with, a redevelopment project area of 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	09/03/2013 - In SENATE. Read second time and amended. To third reading.	

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AB 683 Mullin (D)	Local Government: Fines and Penalties: Assessments		funds to local agencies and school entities. 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.	09/03/2013 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY for concurrence.	
AB 687 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.	
AB 690 Campos (D)	Jobs and Infrastructure Financing Districts		Revises and recasts the provisions governing infrastructure financing districts. Provides for the creation of jobs and infrastructure 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.	04/09/2013 - From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.;04/09/2013 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.	
AB 743 Logue (R)	Local Government Reorganization		Amends Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000. Provides that the authority to initiate, conduct and	08/26/2013 - Signed by	

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			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.	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.	08/30/2013 - In SENATE. Read second time. To third reading.	
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 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	03/04/2013 - To ASSEMBLY Committee on NATURAL RESOURCES.	

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AB 801 Brown (D)	Junk Dealers and Recyclers: Nonferrous Materials		products. 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.	08/30/2013 - In ASSEMBLY. ASSEMBLY concurred in SENATE amendments. To enrollment.	
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.	08/26/2013 - Enrolled.;08/26/2013 - *****To GOVERNOR.	
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.	
AB 841 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	09/03/2013 - *****To GOVERNOR.	

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			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.		
AB 850 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.	09/03/2013 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY for concurrence.	
AB 892 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.	
AB 953 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.	
AB 993 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 JUDICIARY.	
AB 1035 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	06/11/2013 - In SENATE Committee on GOVERNANCE	

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			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.	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.	08/30/2013 - In SENATE. Read second time. To third reading.	
<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 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	09/03/2013 - In SENATE. Read second time and amended. To third reading.	

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			confiscated firearm for individual detained for examination and mentally ill individuals. Relates to required reporting.		
<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. Provides disclosure requirements applying to a breach of computerized data that is owned or licensed by a local agency.	09/03/2013 - In SENATE. Read second time. To third reading.	
<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.	08/26/2013 - Enrolled.;08/26/2013 - *****To GOVERNOR.	
<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 project satisfies specified criteria. Requires the project to include a stakeholder advisory group. Authorizes a formula development for future waste discharge requirements.	09/03/2013 - In SENATE. Read third time. Passed SENATE. *****To ASSEMBLY for concurrence.	
<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	03/07/2013 - To ASSEMBLY	

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			of an equal item prior to the bid or proposal deadline.	Committee on ACCOUNTABILIT Y 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> Water, Parks and Wildlife Cmt	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.	08/26/2013 - From SENATE Committee on NATURAL RESOURCES AND WATER with author's amendments.;08/26/2 013 - 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	05/24/2013 - In ASSEMBLY	

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			the fund to be used for purposes that include, but are not limited to, at-or-below market interest rate loans.	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 ACCOUNTABILITY 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 fire protection services, that is approved by 55% of the voters of the city, county, city and county, or special district.	06/27/2013 - To SENATE Committees on GOVERNANCE AND FINANCE and ELECTIONS AND CONSTITUTIONAL AMENDMENTS.	
<u>SB 1</u> 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	09/03/2013 - In ASSEMBLY. Read second time and amended. To second reading.	

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			enforcement of prevailing wage requirements within the area.		
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 employers offering one of more 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 contributions or service credit. Requires related regulations.	09/03/2013 - In ASSEMBLY. Read second time and amended. To second reading.	
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.	
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.	08/26/2013 - In ASSEMBLY. Read third time and amended. To third reading.	
SB 39 De Leon (D)	Energy: Conservation: Financial Assistance		Extends the operation of the Energy Conservation Assistance Act of 1979 that requires the State Energy Resources Conservation and	09/03/2013 - In ASSEMBLY. Read	

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			Development Commission to administer the State Energy Conservation Assistance Account that provides grants and loans to local governments and public institutions to maximize energy use savings.	second time. To third reading.	
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.	08/22/2013 - Re-referred to SENATE Committees on NATURAL RESOURCES AND WATER and ENVIRONMENTAL QUALITY.	
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	05/23/2013 - In SENATE Committee on APPROPRIATIONS: Held in committee.	

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Updated September 4, 2013

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			water quality. Increases the fees for environmental license plates with revenue for the environmental and land use court.		
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 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.	08/30/2013 - In ASSEMBLY Committee on 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.	08/28/2013 - Enrolled.	
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.	08/28/2013 - Enrolled.	
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,	08/28/2013 - *****To GOVERNOR.	

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			facsimile signatures and the county recorder, historical property use contracts recording, the Baldwin Hill Conservancy, and the Ventura County Resource Conservation District.		
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 those chemicals, and certain other information upon a request from the Service. Exempts the names and address from disclosure.	08/06/2013 - In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.	
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.	08/26/2013 - In ASSEMBLY. From Consent Calendar. To third reading.	
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.	08/30/2013 - In SENATE. SENATE concurred in ASSEMBLY amendments. To enrollment.	
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.	09/03/2013 - In ASSEMBLY. Read second time. To third reading.	
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	05/30/2013 - In SENATE. From	

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IRWD 2013 LEGISLATIVE MATRIX
Updated September 4, 2013

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			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.	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 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.	08/28/2013 - *****To GOVERNOR.	
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.	08/30/2013 - Enrolled.;08/30/2013 - *****To GOVERNOR.	
SB 436 Jackson (D)	California Environmental Quality Act: Notice		Relates to the California Environmental Quality Act. Requires a lead agency to conduct at least one public scoping meeting for the specified projects and to provide notice to the specified entities of at least one public scoping meeting. Revises the meeting notice requirements to requires the notice be given to a list of specified parties including the State Clearinghouse and project applicants.	09/03/2013 - In ASSEMBLY. Notice of intention to remove from Inactive File.	
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	

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
				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	
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 for a public entity from displaying on a vehicle or uniform 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.	08/26/2013 - In ASSEMBLY. Read third time and amended. To third reading.	
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-	08/30/2013 - In ASSEMBLY. Read third time and	

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Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			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.	amended. To third reading.	
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 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.	08/19/2013 - Withdrawn from 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	05/24/2013 - In SENATE. From third reading. To Inactive File.	

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Updated September 4, 2013

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			contamination or pollution, or taking other remedial action. Makes that person also liable for costs in investigating the contamination and pollution.		
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 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.	05/30/2013 - In SENATE. From third reading. To Inactive File.	
SB 731 Steinberg (D)	Environment: California Environmental Quality Act		Relates to the State Environmental Quality Act. Provides that aesthetic impacts of a residential, mixed-use residential, or employment center project within a transit priority area shall not be considered significant impacts on the environment. Requires guidelines for thresholds of significance for noise and transportation impacts to be made available within such areas. Requires preparation of environmental impact reports. Extends the tolling of time for judicial actions and mitigation measures.	09/03/2013 - In ASSEMBLY. Read second time. To third reading.	
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 be used to support the management, maintenance, restoration and operations of such lands. Requires the identification and maintenance of lands for the purpose of restoring and enhancing upland nesting cover and associated waterfowl brood	09/03/2013 - In ASSEMBLY. Read second time. To third reading.	

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IRWD 2013 LEGISLATIVE MATRIX
Updated September 4, 2013

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
			habitat. Relates to the endangered species determinations and accidental taking. Regards water transfers.		
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 owner. Imposes certain requirements on landlords in related to the submetered water service. Relates to separate charge notification to tenant. Authorizes damages for violations.	08/13/2013 - In ASSEMBLY Committee on WATER, PARKS AND WILDLIFE: 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.	08/14/2013 - In ASSEMBLY. Read second time. To third reading.	
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,	05/30/2013 - In SENATE. From third reading. To Inactive File.	

EXHIBIT "A"
IRWD 2013 LEGISLATIVE MATRIX
Updated September 4, 2013

Bill No. Author	Title	IRWD Position	Summary/Effects	Status	Notes
<u>SB 770</u> Jackson (D)	Unemployment Compensation: Disability Benefits		family temporary disability insurance 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.	09/03/2013 - In ASSEMBLY. Read second time. To third reading.	
<u>SB 772</u> Emmerson (R)	Drinking Water		Requires the Department of Health, or a local health agency, annually 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 formation commission. Relates to requests of information from entities that provide drinking water and the review of retail water suppliers in a county.	03/11/2013 - To SENATE Committees on GOVERNANCE AND FINANCE and RULES.	
<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"

Drinking Water Program Tasks and Responsibilities

ID # ¹	Task/Responsibility	Responsible Under Reorg		Reorg Mechanism(s)				
		State Water Board	CDPH	AB 145	Transition Plan ²	MOU	Budget	Policy Bill or TBL
1	Drinking Water Regulatory Program (permitting, inspections, monitoring, enforcement)	X		X	X ^{3,4}		X	X ⁵
2	Local Primacy Agreements with Counties	X		X	X ⁶		X	
3	Safe Drinking Water State Revolving Fund (SRF)	X		X	X		X	X ⁷
4	Grant Programs (Prop 84 and 50)	X		X ⁸			X	
5	Technical, Managerial, and Financial (TMF) Capability Development	X			X ⁹		X	X
6	Water Treatment and Distribution System Operator Certification	X		X			X	
7	Emergency Response	X ¹⁰	X ¹¹	X	X ¹²	X ¹³	X	
8	Drinking Water Source Assessment and Protection Program	X		X			X	
9	Recycled Water	X		X			X	
10	Water Treatment Devices and Technology	X		X			X	

¹ Numbered for discussion purposes only; not in order of importance

² To be developed by the Secretaries in consultation with the Task Force

³ Task Force to advise Secretaries on maintaining the public health focus of the drinking water program

⁴ Task Force to advise Secretaries on the need for changes to the regulatory functions and authorities of the program to facilitate timely implementation of federal and state laws

⁵ Foreseen only if Secretaries determine, after consultation with Task Force, that changes to the regulatory functions and program authority are needed

⁶ Task Force to advise Secretaries on reviewing and maintaining local primacy delegation

⁷ Task Force to advise Secretaries on the need for additional legislative action necessary to carry out the duties of the Drinking Water program, which may include changes to Safe Drinking Water State Revolving Fund statutes to more closely track Clean Water State Revolving Fund statutes

⁸ Includes State match funding required to receive SRF federal capitalization grants from USEPA

⁹ Task Force to advise Secretaries on the need for additional legislative action necessary to carry out the duties of the Drinking Water program

¹⁰ Drinking Water emergency response responsibility

¹¹ Department of Public Health's Office of Emergency Preparedness and Director's Office (State Health Officer)

¹² Task Force to advise Secretaries on whether additional MOUs or IAs are necessary

¹³ If Secretaries determine, after consultation with Task Force, that an MOU or IA is necessary

11	Regulations, including MCLs	X		X			X	X ¹⁴
12	Regionalization and Consolidation	X			X ¹⁵		X	
13	Environmental Laboratory Accreditation Program (ELAP)	X					X	
14	Drinking Water and Radiation Laboratory				X	X		

¹⁴ Task Force to advise Secretaries on the need for additional legislative action necessary to carry out the duties of the Drinking Water program, which may include authorization for the Drinking Water State Revolving Fund to use policy process similar to Clean Water State Revolving Fund policy.

¹⁵ Task Force to advise Secretaries on opportunities to promote regionalization and consolidation

Timelines:

- September 2013: AB 145 (Perea) outlines the Drinking Water transition from Dept. of Public Health to the Water Resources Control Board.
- October 2013: Drinking Water Task force is formed and headed by the Secretaries of California Environmental Protection Agency and the Health and Human Services Agency. Task force is comprised of many stakeholder interests.
- October 2013: Budget Change Proposal completed and sent to the Department of Finance moving program funding and staffing levels in the Drinking Water Program to the Water Resources Control Board. Changes would be included in the January 10, 2014 Governor's Budget.
- April 1, 2013: Transition document outlining the steps taken and timelines for the Drinking Water Program move is completed and submitted to the Legislature.
- April 2013: Spring Finance Letter is issued with additional statutory Trailer Bill Language.
- July 1, 2014: The Drinking Water Program begins operating under the State Water Resources Control Board.

EXHIBIT "C"

AMENDED IN SENATE AUGUST 26, 2013

AMENDED IN ASSEMBLY MAY 21, 2013

AMENDED IN ASSEMBLY APRIL 23, 2013

AMENDED IN ASSEMBLY APRIL 1, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1331

Introduced by Committee on Water, Parks and Wildlife (Assembly Members Rendon (Chair), Blumenfield, Bocanegra, Fong, Frazier, Gatto, Gomez, Gray, and Yamada)

February 22, 2013

An act relating to water resources to repeal and add Division 26.7 (commencing with Section 79700) of the Water Code, and to repeal Section 2 of Chapter 3 of the Seventh Extraordinary Session of the Statutes of 2009, relating to a climate change response for clean and safe drinking water program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds.

LEGISLATIVE COUNSEL'S DIGEST

AB 1331, as amended, Committee on Water, Parks and Wildlife. ~~Water resources: assessments of public funding. Climate Change Response for Clean and Safe Drinking Water Act of 2014.~~

(1) Existing law, the Safe, Clean, and Reliable Drinking Water Supply Act of 2012, if approved by the voters, would authorize the issuance of bonds in the amount of \$11,140,000,000 pursuant to the State General Obligation Bond Law to finance a safe drinking water and water supply reliability program. Existing law provides for the submission of the

bond act to the voters at the November 4, 2014, statewide general election.

This bill would repeal these provisions.

(2) Under existing law, various measures have been approved by the voters to provide funds for water supply and protection facilities and programs.

This bill would enact 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 the amount of \$6,500,000,000 pursuant to the State General Obligation Bond Law to finance a climate change response for clean and safe drinking water program.

This bill would provide for the submission of the bond act to the voters at the November 4, 2014, statewide general election.

~~(1) Existing law establishes the Department of Water Resources in the Natural Resources Agency, and, among other things, empowers the department to conduct investigations of all or any portion of any stream, stream system, lake, or other body of water.~~

~~This bill would require the Department of Water Resources to provide an analysis to the Legislature by July 1, 2014, that assesses currently available public funding and estimates the additional level of public investment needed to ensure California meets priority needs related to infrastructure, integrated water management, water supply reliability, water recycling, flood management, and watershed and aquatic ecosystem conservation and protection.~~

~~(2) Existing law establishes various state water policies, including the policy that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes.~~

~~The bill would require the State Water Resources Control Board and the Division of Drinking Water and Environmental Management of the State Department of Public Health to provide an analysis to the Legislature by July 1, 2014, that assess currently available public funding and estimates the additional level of public investment needed to ensure that all Californians have access to safe drinking water and prioritize the projects necessary to achieve this goal.~~

~~(3) Existing law establishes various policies of the state relative to the Sacramento-San Joaquin Delta.~~

~~This bill would express findings and declarations including, among other things, that the November 2014 ballot currently includes a bond measure for \$11.14 billion to fund projects related to water, and that it~~

~~is in the public interest to pass a general obligation bond that includes, but is not limited to, grants and loans to state and local agencies to help meet prescribed critical funding needs. The bill would require the Delta Stewardship Council to provide an analysis to the Legislature by July 1, 2014, that assesses currently available public funding and estimates the additional level of public investment needed to implement the Delta Plan.~~

Vote: ~~majority~~^{2/3}. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Division 26.7 (commencing with Section 79700)
2 of the Water Code, as added by Section 1 of Chapter 3 of the
3 Seventh Extraordinary Session of the Statutes of 2009, is repealed.

4 SEC. 2. Division 26.7 (commencing with Section 79700) is
5 added to the Water Code, to read:

6
7 DIVISION 26.7. THE CLIMATE CHANGE RESPONSE FOR
8 CLEAN AND SAFE DRINKING WATER ACT OF 2014.

9
10 CHAPTER 1. SHORT TITLE

11
12 79700. This division shall be known, and may be cited, as the
13 Clean and Safe Drinking Water and Climate Change Response
14 Act of 2014.

15
16 CHAPTER 2. DEFINITIONS

17
18 79701. The people of California find and declare all of the
19 following:

20 (a) Safeguarding supplies of clean and safe drinking water to
21 California's homes, businesses, and farms is an essential
22 responsibility of government, and critical to protecting the quality
23 of life for Californians.

24 (b) Every Californian should have access to clean, safe, and
25 reliable drinking water, consistent with the human right to water
26 and Section 106.3. Providing adequate supplies of clean, safe, and
27 reliable drinking water is vital to keeping California's economy
28 growing and strong.

1 (c) *Climate change has impaired California's capacity to ensure*
2 *clean, safe, and reliable drinking water, as droughts have become*
3 *more frequent and more severe, and ecosystems have become*
4 *stressed. Higher temperatures mean less snow pack, which is the*
5 *state's largest water reservoir. Scientists project a loss of at least*
6 *25 percent of the snow pack in the Sierra Nevada Mountains by*
7 *2050.*

8 (d) *California's water infrastructure continues to age and*
9 *deteriorate. More than 50 years ago, Californians approved the*
10 *construction of the State Water Project. In the decades that*
11 *followed, California's water leaders developed the most*
12 *sophisticated system of state, federal, regional, and local water*
13 *infrastructure anywhere in the world. In recent decades, however,*
14 *that water infrastructure and the water environment on which it*
15 *depends have deteriorated.*

16 (e) *In the years since the voters approved the state water project,*
17 *California's population has continued to grow, from less than 16*
18 *million in 1960 to more than 37 million in 2010. A growing*
19 *population and a growing economy have put greater stress on*
20 *California's natural resources, including water. Contamination*
21 *of groundwater aquifers from a vibrant economy has threatened*
22 *vital drinking water supplies.*

23 (f) *As California and its water infrastructure have grown,*
24 *increasing demands on California's limited water supplies and*
25 *deteriorating aquatic ecosystems have led to intense conflict,*
26 *further threatening the reliability of clean and safe drinking water.*
27 *79702. The people of California find and declare all of the*
28 *following:*

29 (a) *A sustainable water future can provide the means for*
30 *California to maintain vibrant communities, globally competitive*
31 *agriculture, and healthy ecosystems, which are all a part of the*
32 *quality of life that attracts so many to live in California.*

33 (b) *Responding to climate change, ensuring clean and safe*
34 *drinking water, and preparing for California's continued growth*
35 *will require a diversified portfolio of strategies and investments*
36 *to address the many water challenges facing California.*

37 (c) *Improving water quality offers one of the most immediate*
38 *steps to ensuring a clean and safe drinking water supply. California*
39 *needs water quality improvements at all parts of the hydrologic*
40 *cycle, from source water in the watersheds where the state's*

1 *drinking water supplies originate to wastewater treatment to*
2 *improve surface water quality for those who live downstream.*

3 *(d) Addressing the challenges to the sustainability of the Delta,*
4 *the heart of the California water system, will help resolve some*
5 *of the conflicts that impede progress in improving the statewide*
6 *water system.*

7 *(e) Enhancing regional water self-reliance offers a key strategy*
8 *for addressing climate change and improving water supply*
9 *reliability. It helps the Delta and it helps local communities to*
10 *address their own water challenges. Water conservation and water*
11 *recycling form one part of the regional water self-reliance strategy*
12 *and are commonsense methods to make more efficient use of*
13 *existing water supplies.*

14
15 *CHAPTER 3. DEFINITIONS*
16

17 *79703. Unless the context otherwise requires, the definitions*
18 *set forth in this section govern the construction of this division, as*
19 *follows:*

20 *(a) "CALFED Bay-Delta Program" means the program*
21 *described in the Record of Decision dated August 28, 2000.*

22 *(b) "Commission" means the California Water Commission.*

23 *(c) "Committee" means the Climate Change Response for Clean*
24 *and Safe Drinking Water Finance Committee created by Section*
25 *79802.*

26 *(d) "Delta" means the Sacramento-San Joaquin Delta, as*
27 *defined in Section 85058.*

28 *(e) "Delta conveyance facilities" means facilities that convey*
29 *water directly from the Sacramento River to the State Water Project*
30 *or the federal Central Valley Project pumping facilities in the*
31 *south Delta.*

32 *(f) "Delta counties" means the Counties of Solano, Yolo,*
33 *Sacramento, Contra Costa, and San Joaquin.*

34 *(g) "Department" means the Department of Water Resources.*

35 *(h) "Director" means the Director of Water Resources.*

36 *(i) "Disadvantaged community" has the meaning set forth in*
37 *subdivision (a) of Section 79505.5.*

38 *(j) "Economically distressed area" means a municipality with*
39 *a population of 20,000 persons or less, a rural county, or a*
40 *reasonably isolated and divisible segment of a larger municipality*

1 where the segment of the population is 20,000 persons or less,
 2 with an annual median household income that is less than 85
 3 percent of the statewide median household income, and with one
 4 or more of the following conditions as determined by the
 5 department:

6 (1) Financial hardship.

7 (2) Unemployment rate at least 2 percent higher than the
 8 statewide average.

9 (3) Low population density.

10 (k) "Fund" means the Climate Change Response for Clean and
 11 Safe Drinking Water Fund of 2014 created by Section 79717.

12 (l) "Integrated regional water management plan" has the
 13 meaning set forth in Section 10534.

14 (m) "Nonprofit organization" means an organization qualified
 15 to do business in California and qualified under Section 501(c)(3)
 16 of Title 26 of the United States Code.

17 (n) "Public agency" means a state agency or department,
 18 district, joint powers authority, city, county, city and county, or
 19 other political subdivision of the state.

20 (o) "Rainwater" has the meaning set forth in subdivision (c) of
 21 Section 10573.

22 (p) "State General Obligation Bond Law" means the State
 23 General Obligation Bond Law (Chapter 4 (commencing with
 24 Section 16720) of Part 3 of Division 4 of Title 2 of the Government
 25 Code).

26 (q) "Stormwater" has the meaning set forth in subdivision (e)
 27 of Section 10573.

28

29 *CHAPTER 4. GENERAL PROVISIONS*

30

31 79705. An amount that equals not more than 5 percent of the
 32 funds allocated for a grant program pursuant to this division may
 33 be used to pay the administrative costs of that program.

34 79706. Up to 10 percent of funds allocated for each program
 35 funded by this division may be expended for planning and
 36 monitoring necessary for the successful design, selection, and
 37 implementation of the projects authorized under that program.
 38 This section shall not otherwise restrict funds ordinarily used by
 39 an agency for "preliminary plans," "working drawings," and
 40 "construction" as defined in the annual Budget Act for a capital

1 *outlay project or grant project. Water quality monitoring shall be*
2 *integrated into the surface water ambient monitoring program*
3 *administered by the State Water Resources Control Board.*
4 *Watershed monitoring shall be integrated into the statewide*
5 *watershed program administered by the Department of*
6 *Conservation.*

7 *79707. Chapter 3.5 (commencing with Section 11340) of Part*
8 *1 of Division 3 of Title 2 of the Government Code does not apply*
9 *to the development or implementation of programs or projects*
10 *authorized or funded under this division other than Chapter 9*
11 *(commencing with Section 79760).*

12 *79708. (a) Prior to disbursing grants or loans pursuant to this*
13 *division, each state agency that receives an appropriation from*
14 *the funding made available by this division to administer a*
15 *competitive grant or loan program under this division shall develop*
16 *and adopt project solicitation and evaluation guidelines. The*
17 *guidelines shall include monitoring and reporting requirements*
18 *and may include a limitation on the dollar amount of grants or*
19 *loans to be awarded.*

20 *(b) Prior to disbursing grants or loans, the state agency shall*
21 *conduct three public meetings to consider public comments prior*
22 *to finalizing the guidelines. The state agency shall publish the draft*
23 *solicitation and evaluation guidelines on its Internet Web site at*
24 *least 30 days before the public meetings. One meeting shall be*
25 *conducted at a location in northern California, one meeting shall*
26 *be conducted at a location in the central valley of California, and*
27 *one meeting shall be conducted at a location in southern*
28 *California. Upon adoption, the state agency shall transmit copies*
29 *of the guidelines to the fiscal committees and the appropriate policy*
30 *committees of the Legislature.*

31 *79709. It is the intent of the people that:*

32 *(a) The investment of public funds pursuant to this division will*
33 *result in public benefits.*

34 *(b) Beneficiaries pay for the benefits they receive from projects*
35 *funded pursuant to this division.*

36 *(c) Any relevant statute enacted before voters approve this bond*
37 *shall be considered in the appropriation and expenditure of the*
38 *funding authorized by this division.*

39 *(d) In the appropriation and expenditure of funding authorized*
40 *by this division, priority shall be given to projects that leverage*

1 private, federal, or local funding or produce the greatest public
2 benefit.

3 (e) A funded project advances the purposes of the chapter from
4 which the project received funding.

5 (f) In making decisions regarding water resources, state and
6 local water agencies use the best available science to inform those
7 decisions.

8 (g) Special consideration will be given to projects that employ
9 new or innovative technology or practices, including decision
10 support tools that demonstrate the multiple benefits of integrating
11 multiple jurisdictions, including, but not limited to, water supply,
12 flood control, land use, and sanitation.

13 79710. (a) The California State Auditor shall annually conduct
14 a programmatic review and an audit of expenditures from the fund.

15 (b) Notwithstanding Section 10231.5 of the Government Code,
16 the California State Auditor shall report its findings annually on
17 or before March 1 to the Governor and the Legislature, and shall
18 make the findings available to the public.

19 79711. Funds provided by this division shall not be expended
20 to support or pay for the costs of environmental mitigation
21 measures or compliance obligations of any party except as part
22 of the environmental mitigation costs of projects financed by this
23 division. Funds provided by this division may be used for
24 environmental enhancements or other public benefits.

25 79712. Funds provided by this division shall not be expended
26 to pay the costs of the design, construction, operation, or
27 maintenance of Delta conveyance facilities. Those costs shall be
28 the responsibility of the water agencies that benefit from the design,
29 construction, operation, or maintenance of those facilities.

30 79713. (a) This division does not diminish, impair, or
31 otherwise affect in any manner whatsoever any area of origin,
32 watershed of origin, county of origin, or any other water rights
33 protections, including, but not limited to, rights to water
34 appropriated prior to December 19, 1914, provided under the law.
35 This division does not limit or affect the application of Article 1.7
36 (commencing with Section 1215) of Chapter 1 of Part 2 of Division
37 2, Sections 10505, 10505.5, 11128, 11460, 11461, 11462, and
38 11463, and Sections 12200 to 12220, inclusive.

39 (b) For the purposes of this division, an area that utilizes water
40 that has been diverted and conveyed from the Sacramento River

1 hydrologic region, for use outside the Sacramento River hydrologic
2 region or the Delta, shall not be deemed to be immediately adjacent
3 thereto or capable of being conveniently supplied with water
4 therefrom by virtue or on account of the diversion and conveyance
5 of that water through facilities that may be constructed for that
6 purpose after January 1, 2014.

7 (c) Nothing in this division supersedes, limits, or otherwise
8 modifies the applicability of Chapter 10 (commencing with Section
9 1700) of Part 2 of Division 2, including petitions related to any
10 new conveyance constructed or operated in accordance with
11 Chapter 2 (commencing with Section 85320) of Part 4 of Division
12 35.

13 (d) Unless otherwise expressly provided, nothing in this division
14 supersedes, reduces, or otherwise affects existing legal protections,
15 both procedural and substantive, relating to the state board's
16 regulation of diversion and use of water, including, but not limited
17 to, water right priorities, the protection provided to municipal
18 interests by Sections 106 and 106.5, and changes in water rights.
19 Nothing in this division expands or otherwise alters the state
20 board's existing authority to regulate the diversion and use of
21 water or the courts' existing concurrent jurisdiction over California
22 water rights.

23 (e) Nothing in this division shall be construed to affect any
24 contract related to water in any way connected to the Delta.

25 (f) Nothing in this division shall be construed to affect the
26 California Wild and Scenic Rivers Act (Chapter 1.4 (commencing
27 with Section 5093.50) of Division 5 of the Public Resources Code)
28 and funds authorized pursuant to this division shall not be available
29 for any project that could have an adverse effect on the free flowing
30 condition of a wild and scenic river.

31 79714. Eligible applicants under this division are public
32 agencies, nonprofit organizations, public utilities, and mutual
33 water companies. To be eligible for funding under this division, a
34 project proposed by a public utility that is regulated by the Public
35 Utilities Commission or a mutual water company shall have a
36 clear and definite public purpose and shall benefit the customers
37 of the water system.

38 79715. The Legislature may enact legislation necessary to
39 implement programs funded by this division.

1 79716. *Unless otherwise specified, any state agency may be*
2 *eligible for appropriations from the funding made available by*
3 *this division.*

4 79717. *The proceeds of bonds issued and sold pursuant to this*
5 *division shall be deposited in the Climate Change Response for*
6 *Clean and Safe Drinking Water Fund of 2014, which is hereby*
7 *created in the State Treasury.*

8

9 *CHAPTER 5. WATER QUALITY AND CLEAN AND SAFE DRINKING*
10 *WATER*

11

12 79720. *The sum of one billion dollars (\$1,000,000,000) shall*
13 *be available, upon appropriation by the Legislature from the fund,*
14 *for expenditures, grants, and loans for projects that improve water*
15 *quality or help provide clean and safe drinking water to all*
16 *Californians.*

17 79721. *The projects eligible for funding pursuant to this chapter*
18 *shall help improve water quality for all beneficial uses. The*
19 *purposes of this chapter are to:*

20 (a) *Reduce contaminants in drinking water supplies regardless*
21 *of the source of the water or the contamination, including the*
22 *assessment and prioritization of the risk to the safety of drinking*
23 *water supplies.*

24 (b) *Address the critical and immediate needs of disadvantaged,*
25 *rural, or small communities that suffer from contaminated drinking*
26 *water supplies, including, but not limited to, projects that address*
27 *a public health emergency.*

28 (c) *Leverage other private, federal, state, and local drinking*
29 *water quality and wastewater treatment funds.*

30 (d) *Reduce contaminants in discharges to, and improve the*
31 *quality of, surface water streams.*

32 (e) *Improve water quality of surface water streams, including*
33 *stormwater quality.*

34 (f) *Prevent further contamination of drinking water supplies.*

35 (g) *Provide disadvantaged communities with public drinking*
36 *water infrastructure that provides clean and safe drinking water*
37 *supplies that the community can sustain over the long term.*

38 (h) *Ensure access to clean and safe drinking water for*
39 *California's communities.*

1 79722. (a) *A project that receives funding under this chapter*
2 *shall be selected by a competitive grant or loan process with added*
3 *consideration for those projects that leverage private, federal, or*
4 *local funding. Special consideration shall also be given to a project*
5 *focused on groundwater clean up.*

6 (b) *An agency administering grants or loans for the purposes*
7 *of this chapter shall assess the capacity of a community to pay for*
8 *the operation and maintenance of the facility to be funded.*

9 79723. *An applicant for a project to clean up a groundwater*
10 *aquifer shall demonstrate that a public agency has authority to*
11 *manage the water resources in that aquifer in order to be eligible*
12 *for funding pursuant to this chapter. This section does not apply*
13 *to projects that install treatment facilities at the wellhead, customer*
14 *connection, or the tap.*

15 79724. *The contaminants that may be addressed with funding*
16 *pursuant to this chapter may include, but shall not be limited to,*
17 *nitrate, perchlorate, MTBE (methyl tertiary butyl ether), arsenic,*
18 *salinity, hexavalent chromium, mercury, PCE (perchloroethylene),*
19 *TCE (trichloroethylene), DCE (dichloroethene), DCA*
20 *(dichloroethane), and carbon tetrachloride.*

21 79725. (a) *Of the funds authorized in Section 79720, up to*
22 *one hundred million dollars (\$100,000,000) shall be available for*
23 *deposit in the State Water Pollution Control Revolving Fund Small*
24 *Community Grant Fund created pursuant to Section 13477.6 for*
25 *grants for wastewater treatment projects. Priority shall be given*
26 *to projects that serve disadvantaged communities and severely*
27 *disadvantaged communities, and to projects that address public*
28 *health hazards. Special consideration shall be given to small*
29 *communities with limited financial resources. Projects shall*
30 *include, but not be limited to, projects that identify, plan, design,*
31 *and implement regional mechanisms to consolidate wastewater*
32 *systems or provide affordable treatment technologies.*

33 (b) *Of the funds authorized in Section 79720, up to two hundred*
34 *fifty million dollars (\$250,000,000) shall be available to support*
35 *projects that address the management of stormwater quality.*

36 79726. *For the purposes of awarding funding under this*
37 *chapter, a local cost share of not less than 50 percent of the total*
38 *costs of the project shall be required. The cost-sharing requirement*
39 *may be waived or reduced for projects that directly benefit a*
40 *disadvantaged community or an economically distressed area.*

1 (d) *Protect and restore aquatic, wetland, and migratory bird*
2 *ecosystems, including fish and wildlife corridors.*

3 (e) *Fulfill the obligations of the State of California in complying*
4 *with the terms of multi-party settlement agreements related to*
5 *water resources.*

6 (f) *Remove barriers to fish passage.*

7 (g) *Collaborate with federal agencies in the protection of fish*
8 *native to California.*

9 (h) *Implement fuel treatment projects to reduce wildfire risks,*
10 *protect watersheds tributary to water storage facilities, and*
11 *promote watershed health.*

12 (i) *Protect and restore watershed health to improve watershed*
13 *storage capacity, forest health, protection of life and property,*
14 *and greenhouse gas reduction.*

15 79732. *For restoration and ecosystem protection projects under*
16 *this chapter, the services of the California Conservation Corps or*
17 *community conservation corps shall be used whenever feasible.*

18 79733. (a) *Of the funds authorized in Section 79730, five*
19 *hundred million dollars (\$500,000,000) shall be available to fulfill*
20 *the obligations of the State of California in complying with the*
21 *terms of any of the following:*

22 (1) *The February 18, 2010, Klamath Basin Restoration*
23 *Agreement.*

24 (2) *The Qualification Settlement Agreement, as defined in*
25 *subdivision (a) of Section 1 of Chapter 617 of the Statutes of 2002.*

26 (3) *The San Joaquin River Restoration Settlement, as described*
27 *in Part I of Subtitle A of Title X of Public Law 111-11.*

28 (b) *Of the funds authorized in Section 79730, two hundred fifty*
29 *million dollars (\$250,000,000) shall be available to the Natural*
30 *Resources Agency to support projects of a state conservancy as*
31 *provided in the conservancy's strategic plan.*

32 79734. *For the purposes of this chapter, the terms "protection"*
33 *and "restoration" have the meanings set forth in Section 75005*
34 *of the Public Resources Code.*

35
36 *CHAPTER 7. CLIMATE CHANGE PREPAREDNESS FOR REGIONAL*
37 *WATER SECURITY*

38
39 79740. *The sum of one billion five hundred million dollars*
40 *(\$1,500,000,000) shall be available, upon appropriation by the*

1 *Legislature from the fund, for expenditures and competitive grants*
2 *and loans to eligible projects that are included in, and implement*
3 *an adopted integrated regional water management plan consistent*
4 *with Part 2.2 (commencing with Section 10530) of Division 6.*

5 *79741. In order to improve regional water self-reliance security*
6 *and adapt to the effects on water supply arising out of climate*
7 *change, the purposes of this chapter are to:*

8 *(a) Help water infrastructure systems adapt to climate change.*

9 *(b) Incentivize water agencies throughout each watershed to*
10 *collaborate in managing the region's water resources and setting*
11 *regional priorities for water infrastructure.*

12 *(c) Improve regional water self-reliance, including projects that*
13 *reduce reliance on the Delta in meeting California's future water*
14 *supply needs, consistent with Section 85021.*

15 *(d) Fund the increment of project costs related to the project's*
16 *public benefits.*

17 *79742. (a) In selecting among proposed projects in a*
18 *watershed, the scope of the adopted integrated regional water*
19 *management plan may be considered by the administering state*
20 *agency, with priority going to projects in plans that cover a greater*
21 *portion of the watershed. If a plan covers substantially all of the*
22 *watershed, then the plan's project priorities shall be given*
23 *deference.*

24 *(b) An urban water supplier that does not prepare, adopt, and*
25 *submit its urban water management plan in accordance with the*
26 *Urban Water Management Planning Act (Part 2.6 (commencing*
27 *with Section 10610) of Division 6) is ineligible to receive funds*
28 *made available pursuant to this chapter until the urban water*
29 *management plan is prepared and submitted in accordance with*
30 *the requirements of that act.*

31 *(c) An agricultural water supplier that does not prepare, adopt,*
32 *and submit its agricultural water management plan in accordance*
33 *with the Agricultural Water Management Planning Act (Part 2.8*
34 *(commencing with Section 10800) of Division 6) is ineligible to*
35 *receive funds made available pursuant to this chapter until the*
36 *agricultural water management plan is prepared and submitted*
37 *in accordance with the requirements of that act.*

38 *(d) For the purposes of awarding funding under this chapter,*
39 *a local cost share of not less than 50 percent of the total costs of*
40 *the project shall be required. The cost sharing requirement may*

1 be waived or reduced for projects that directly benefit a
2 disadvantaged community or an economically distressed area.

3 (e) Not less than 10 percent of the funds authorized by this
4 chapter shall be allocated to projects that directly benefit
5 disadvantaged communities.

6 (f) For the purposes of awarding a grant under this chapter,
7 the applicant shall demonstrate that the integrated regional water
8 management plan the applicant's project implements addresses
9 the risks in the region to water supply and water infrastructure
10 arising from climate change.

11 79743. Subject to the determination of regional priorities by
12 the regional water management group, eligible projects may
13 include, but are not limited to, projects that promote any of the
14 following:

15 (a) Water re-use and recycling.

16 (b) Water-use efficiency and water conservation.

17 (c) Local and regional surface and underground water storage.

18 (d) Regional water conveyance facilities that improve
19 integration of separate water systems.

20 (e) Watershed protection, restoration, and management projects.

21 (f) Stormwater resource management, including but not limited
22 to the following:

23 (1) Projects to reduce, manage, treat, or capture rainwater or
24 stormwater.

25 (2) Projects that provide multiple benefits such as water quality,
26 water supply, flood control, or open space.

27 (3) Decision support tools that evaluate the benefits and costs
28 of multi-benefit stormwater projects.

29 (4) Projects to implement a stormwater resource plan developed
30 in accordance with Part 2.3 (commencing with Section 10560) of
31 Division 6.

32 (g) Conjunctive use of surface and groundwater storage
33 facilities.

34 (h) Water desalination projects that incorporate renewable
35 energy generation and reduce Delta exports.

36 79744. (a) Of the funds authorized in Section 79740, one
37 billion dollars (\$1,000,000,000) shall be allocated to the
38 hydrologic regions as identified in the California Water Plan in
39 accordance with this section. For the South Coast hydrologic
40 region, the department shall establish three funding areas that

1 reflect the watersheds of San Diego County (designated as the San
 2 Diego subregion), the Santa Ana River watershed and southern
 3 Orange County (designated as the Santa Ana subregion), and the
 4 Los Angeles and Ventura County watersheds (designated as the
 5 Los Angeles subregion), and shall allocate funds to those areas
 6 in accordance with this subdivision. The North and South Lahontan
 7 hydrologic regions shall be treated as one area for the purpose of
 8 allocating funds. For purposes of this subdivision, the Sacramento
 9 River hydrologic region does not include the Delta. For purposes
 10 of this subdivision, the Mountain Counties Overlay is not eligible
 11 for funds from the Sacramento River hydrologic region or the San
 12 Joaquin River hydrologic region. Multiple integrated regional
 13 water management plans may be recognized in each of the areas
 14 allocated funding.

15 (b) Funds made available by this chapter shall be allocated as
 16 follows:

- 17 (1) North Coast: \$45,000,000.
- 18 (2) San Francisco Bay: \$132,000,000.
- 19 (3) Central Coast: \$58,000,000.
- 20 (4) Los Angeles subregion: \$198,000,000.
- 21 (5) Santa Ana subregion: \$128,000,000.
- 22 (6) San Diego subregion: \$87,000,000.
- 23 (7) Sacramento River: \$76,000,000.
- 24 (8) San Joaquin River: \$64,000,000.
- 25 (9) Tulare/Kern: \$70,000,000.
- 26 (10) North/South Lahontan: \$51,000,000.
- 27 (11) Colorado River Basin: \$47,000,000.
- 28 (12) Mountain Counties Overlay: \$44,000,000.

29 79745. (a) Of the funds authorized by 79740 up to two hundred
 30 fifty million dollars (\$250,000,000) may be used for direct
 31 expenditures, grants, and loans for water conservation and water
 32 use efficiency plans, projects, and programs, including either of
 33 the following:

34 (1) Urban water conservation plans, projects, and programs,
 35 including regional projects and programs, implemented to achieve
 36 urban water use targets developed pursuant to Section 10608.20.
 37 Priority for funding shall be given to programs that do any of the
 38 following:

39 (A) Assist water suppliers and regions to implement conservation
 40 programs and measures that are not locally cost-effective.

1 (B) Support water supplier and regional efforts to implement
2 programs targeted to enhance water use efficiency for commercial,
3 industrial, and institutional water users.

4 (C) Assist water suppliers and regions with programs and
5 measures targeted toward realizing the conservation benefits of
6 implementation of the provisions of the state landscape model
7 ordinance.

8 (2) Agricultural water management plans or agricultural water
9 use efficiency projects and programs developed pursuant to Part
10 2.8 (commencing with Section 10800) of Division 6.

11 (b) Section 1011 applies to all conservation measures that an
12 agricultural water supplier or an urban water supplier implements
13 with funding under this chapter. This subdivision does not limit
14 the application of Section 1011 to any other measures or projects
15 implemented by a water supplier.

16 79746. Of the funds authorized by 79740, the sum of five
17 hundred million dollars (\$500,000,000) shall be available, upon
18 appropriation by the Legislature from the fund, for grants and
19 loans for water recycling and advanced treatment technology
20 projects, including all of the following:

21 (a) Water recycling projects.

22 (b) Contaminant and salt removal projects, including, but not
23 limited to, groundwater and seawater desalination.

24 (c) Dedicated distribution infrastructure for recycled water and
25 commercial and industrial end-user retrofit projects to allow use
26 of recycled water.

27 (d) Pilot projects for new salt and contaminant removal
28 technology.

29 (e) Groundwater recharge infrastructure related to recycled
30 water.

31 (f) Technical assistance and grant writing assistance for
32 disadvantaged communities.

33 (g) For projects funded pursuant to this section, at least a 50
34 percent local cost share shall be required. That cost share may be
35 suspended or reduced for disadvantaged communities and
36 economically distressed areas.

37 (h) Projects funded pursuant to this section shall be selected
38 on a competitive basis, considering all of the following criteria:

39 (1) Water supply reliability improvement.

1 (2) *Water quality and ecosystem benefits related to decreased*
 2 *reliance on diversions from the Delta or instream flows.*

3 (3) *Public health benefits from improved drinking water quality.*

4 (4) *Cost effectiveness.*

5 (5) *Energy efficiency and greenhouse gas emission impacts.*

6 79747. *In order to receive funding authorized by this chapter*
 7 *to address groundwater quality or supply in an aquifer, the*
 8 *applicant shall demonstrate that a public agency has authority to*
 9 *manage the water resources in that aquifer.*

10

11 *CHAPTER 8. DELTA SUSTAINABILITY*

12

13 79750. (a) *The sum of one billion (\$1,000,000,000) shall be*
 14 *available, upon appropriation by the Legislature from the fund,*
 15 *for grants and direct expenditures to improve the sustainability of*
 16 *the Delta.*

17 (b) *This chapter provides state funding for public benefits*
 18 *associated with projects needed to assist in the Delta's*
 19 *sustainability as a vital resource for fish, wildlife, water quality,*
 20 *water supply, agriculture, and recreation.*

21 79751. *In order to promote the sustainability and resiliency*
 22 *of the Delta, the purposes of this chapter are to:*

23 (a) *Protect, restore, and enhance the Delta ecosystem.*

24 (b) *Maintain and improve existing Delta levees.*

25 (c) *Promote the sustainability of the Delta.*

26 79752. *The funds authorized in Section 79750 shall not be used*
 27 *to pay the costs of exercising eminent domain.*

28 79753. *Any project funded by this chapter shall include a*
 29 *partner from one of the five Delta counties.*

30 79754. *Funding authorized by this chapter for the purpose of*
 31 *subdivision (a) of Section 79751 may include, but is not limited*
 32 *to, the following:*

33 (a) *Projects to protect and restore native fish and wildlife*
 34 *dependent on the Delta ecosystem, including improvement of*
 35 *aquatic or terrestrial habitat or the removal or reduction of*
 36 *undesirable invasive species.*

37 (b) *Projects to reduce greenhouse gas emissions from exposed*
 38 *Delta soils.*

39 (c) *Scientific studies and assessments that support the projects*
 40 *authorized under this section.*

1 79755. *Funding authorized by this chapter for the purpose of*
2 *subdivision (b) of Section 79751 shall reduce the risk of levee*
3 *failure and flood in the Delta and may be expended for any of the*
4 *following:*

5 (a) *Local assistance under the Delta levee maintenance*
6 *subventions program under Part 9 (commencing with Section*
7 *12980) of Division 6, as that part may be amended.*

8 (b) *Special flood protection projects under Chapter 2*
9 *(commencing with Section 12310) of Part 4.8 of Division 6, as*
10 *that chapter may be amended.*

11 (c) *Levee improvement projects that increase the resiliency of*
12 *levees within the Delta to withstand earthquake, flooding, or sea*
13 *level rise.*

14 (d) *Emergency response and repair projects.*

15
16 CHAPTER 9. *WATER STORAGE FOR CLIMATE CHANGE*
17

18 79760. (a) *Notwithstanding Section 162, the commission may*
19 *make the determinations, findings, and recommendations required*
20 *of it by this chapter independent of the views of the director. All*
21 *final actions by the commission in implementing this chapter shall*
22 *be taken by a majority of the members of the commission at a*
23 *public meeting noticed and held pursuant to the Bagley-Keene*
24 *Open Meeting Act (Article 9 (commencing with Section 11120) of*
25 *Chapter 1 of Part 1 of Division 3 of Title 2 of the Government*
26 *Code).*

27 (b) *Notwithstanding Section 13340 of the Government Code,*
28 *the sum of one billion five hundred million dollars (\$1,500,000,000)*
29 *is hereby continuously appropriated from the fund, without regard*
30 *to fiscal years, to the commission for public benefits associated*
31 *with water storage projects that improve the operation of the state*
32 *water system, are cost effective, and provide a net improvement*
33 *in ecosystem and water quality conditions, in accordance with this*
34 *chapter. Funds authorized for, or made available to, the*
35 *commission pursuant to this chapter shall be available and*
36 *expended only for the purposes provided in this chapter, and shall*
37 *not be subject to appropriation or transfer by the Legislature or*
38 *the Governor for any other purpose.*

39 (c) *Projects shall be selected by the commission through a*
40 *competitive public process that ranks potential projects based on*

1 *the expected return for public investment as measured by the*
2 *magnitude of the public benefits provided, pursuant to criteria*
3 *established under this chapter.*

4 *(d) Any project constructed with funds provided by this chapter*
5 *shall be subject to Section 11590.*

6 *79761. In order to expand the state's water storage capacity*
7 *to address the impacts of climate change on the snow pack in the*
8 *Sierra Nevada Mountains and water storage resources, the*
9 *purposes of this chapter are to:*

10 *(a) Construct new surface water storage projects.*

11 *(b) Restore and expand groundwater aquifer storage capacity.*

12 *(c) Restore water storage capacity of existing surface water*
13 *storage reservoirs.*

14 *79762. Projects for which the public benefits are eligible for*
15 *funding under this chapter consist of only the following:*

16 *(a) Surface storage projects identified in the CALFED Bay-Delta*
17 *Program, except for projects prohibited by Chapter 1.4*
18 *(commencing with Section 5093.50) of Division 5 of the Public*
19 *Resources Code.*

20 *(b) Groundwater storage projects and groundwater*
21 *contamination prevention or remediation projects that provide*
22 *water storage benefits.*

23 *(c) Conjunctive use and reservoir reoperation projects.*

24 *(d) Local and regional surface storage projects that improve*
25 *the operation of water systems in the state and provide public*
26 *benefits.*

27 *(e) Projects that remove sediment, improve dam stability in*
28 *seismic events or otherwise restore water storage capacity in*
29 *existing water storage reservoirs.*

30 *79763. A project shall not be funded pursuant to this chapter*
31 *unless it provides measurable improvements to the Delta ecosystem*
32 *or to the tributaries to the Delta.*

33 *79764. (a) Funds allocated pursuant to this chapter may be*
34 *expended solely for the following public benefits associated with*
35 *water storage projects:*

36 *(1) Ecosystem improvements, including changing the timing of*
37 *water diversions, improvement in flow conditions, temperature,*
38 *or other benefits that contribute to restoration of aquatic*
39 *ecosystems and native fish and wildlife, including those ecosystems*
40 *and fish and wildlife in the Delta.*

1 (2) *Water quality improvements in the Delta, or in other river*
2 *systems, that provide significant public trust resources, or that*
3 *clean up and restore groundwater resources.*

4 (3) *Flood control benefits, including, but not limited to,*
5 *increases in flood reservation space in existing reservoirs by*
6 *exchange for existing or increased water storage capacity in*
7 *response to the effects of changing hydrology and decreasing snow*
8 *pack on California's water and flood management system.*

9 (4) *Emergency response, including, but not limited to, securing*
10 *emergency water supplies and flows for dilution and salinity*
11 *repulsion following a natural disaster or act of terrorism.*

12 (5) *Recreational purposes, including, but not limited to, those*
13 *recreational pursuits generally associated with the outdoors.*

14 (b) *Funds shall not be expended pursuant to this chapter for*
15 *the costs of environmental mitigation measures or compliance*
16 *obligations except for those associated with providing public*
17 *benefits as described in subdivision (a).*

18 79765. *In consultation with the Department of Fish and Game,*
19 *the State Water Resources Control Board, and the department,*
20 *the commission shall develop and adopt, by regulation, methods*
21 *for quantification and management of public benefits described*
22 *in Section 79764 by December 15, 2014. The regulations shall*
23 *include the priorities and relative environmental value of ecosystem*
24 *benefits as provided by the Department of Fish and Game and the*
25 *priorities and relative environmental value of water quality benefits*
26 *as provided by the State Water Resources Control Board.*

27 79766. (a) *Except as provided in subdivision (c), no funds*
28 *allocated pursuant to this chapter may be allocated for a project*
29 *before December 15, 2014, and until the commission approves the*
30 *project based on the commission's determination that all of the*
31 *following have occurred:*

32 (1) *The commission has adopted the regulations specified in*
33 *Section 79765 and specifically quantified and made public the cost*
34 *of the public benefits associated with the project.*

35 (2) *The department has entered into a contract with each party*
36 *that will derive benefits, other than public benefits, as defined in*
37 *Section 79764, from the project that ensures the party will pay its*
38 *share of the total costs of the project. The benefits available to a*
39 *party shall be consistent with that party's share of total project*
40 *costs.*

1 (3) *The department has entered into a contract with each public*
2 *agency identified in Section 79765 that administers the public*
3 *benefits, after that agency makes a finding that the public benefits*
4 *of the project for which that agency is responsible meet all the*
5 *requirements of this chapter, to ensure that the public contribution*
6 *of funds pursuant to this chapter achieves the public benefits*
7 *identified for the project.*

8 (4) *The commission has held a public hearing for the purposes*
9 *of providing an opportunity for the public to review and comment*
10 *on the information required to be prepared pursuant to this*
11 *subdivision.*

12 (5) *All of the following additional conditions are met:*

13 (A) *Feasibility studies have been completed.*

14 (B) *The commission has found and determined that the project*
15 *is feasible, is consistent with all applicable laws and regulations,*
16 *and will advance the long-term objectives of restoring ecological*
17 *health and improving water management for beneficial uses of the*
18 *Delta.*

19 (C) *All environmental documentation associated with the project*
20 *has been completed, and all other federal, state, and local*
21 *approvals, certifications, and agreements required to be completed*
22 *have been obtained.*

23 (b) *The commission shall submit to the Legislature its findings*
24 *for each of the criteria identified in subdivision (a) for a project*
25 *funded pursuant to this chapter.*

26 (c) *Notwithstanding subdivision (a), funds may be made*
27 *available under this chapter for the completion of environmental*
28 *documentation and permitting of a project.*

29 79767. (a) *The public benefit cost share of a project funded*
30 *pursuant to this chapter, other than a project described in*
31 *subdivision (c) of Section 79762, may not exceed 50 percent of the*
32 *total costs of any project funded under this chapter.*

33 (b) *No project may be funded unless it provides ecosystem*
34 *improvements as described in paragraph (1) of subdivision (a) of*
35 *Section 79764 that are at least 50 percent of total public benefits*
36 *of the project funded under this chapter.*

37 (c) *In order to receive funding authorized by this chapter to*
38 *improve groundwater storage in an aquifer, the applicant shall*
39 *demonstrate that a public agency has authority to manage the*
40 *water resources in that aquifer.*

1 79768. (a) A project is not eligible for funding under this
2 chapter unless, by January 1, 2018, all of the following conditions
3 are met:

4 (1) All feasibility studies are complete and draft environmental
5 documentation is available for public review.

6 (2) The commission makes a finding that the project is feasible,
7 and will advance the long-term objectives of restoring ecological
8 health and improving water management for beneficial uses of the
9 Delta.

10 (3) The director receives commitments for not less than 75
11 percent of the nonpublic benefit cost share of the project.

12 (b) If compliance with subdivision (a) is delayed by litigation
13 or failure to promulgate regulations, the date in subdivision (a)
14 shall be extended by the commission for a time period that is equal
15 to the time period of the delay, and funding under this chapter that
16 has been dedicated to the project shall be encumbered until the
17 time at which the litigation is completed or the regulations have
18 been promulgated.

19
20 CHAPTER 10. FISCAL PROVISIONS

21
22 79800. (a) Bonds in the total amount of six billion five hundred
23 million dollars (\$6,500,000,000), or so much thereof as is
24 necessary, not including the amount of any refunding bonds issued
25 in accordance with Section 79812, or so much thereof as is
26 necessary, may be issued and sold to provide a fund to be used for
27 carrying out the purposes expressed in this division and to
28 reimburse the General Obligation Bond Expense Revolving Fund
29 pursuant to Section 16724.5 of the Government Code. The bonds,
30 when sold, shall be and constitute a valid and binding obligation
31 of the State of California, and the full faith and credit of the State
32 of California is hereby pledged for the punctual payment of both
33 principal of, and interest on, the bonds as the principal and interest
34 become due and payable.

35 (b) The Treasurer shall sell the bonds authorized by the
36 committee pursuant to this section. The bonds shall be sold upon
37 the terms and conditions specified in a resolution to be adopted
38 by the committee pursuant to Section 16731 of the Government
39 Code.

1 79801. *The bonds authorized by this division shall be prepared,*
2 *executed, issued, sold, paid, and redeemed as provided in the State*
3 *General Obligation Bond Law (Chapter 4 (commencing with*
4 *Section 16720) of Part 3 of Division 4 of Title 2 of the Government*
5 *Code), and all of the provisions of that law apply to the bonds and*
6 *to this division and are hereby incorporated in this division as*
7 *though set forth in full in this division, except Section 16727 of the*
8 *Government Code shall not apply to the extent that it is inconsistent*
9 *with any other provision of this division.*

10 79802. (a) *Solely for the purpose of authorizing the issuance*
11 *and sale pursuant to the State General Obligation Bond Law*
12 *(Chapter 4 (commencing with Section 16720) of Part 3 of Division*
13 *4 of Title 2 of the Government Code) of the bonds authorized by*
14 *this division, the Climate Change Response for Clean and Safe*
15 *Drinking Water Finance Committee is hereby created. For*
16 *purposes of this division, the Climate Change Response for Clean*
17 *and Safe Drinking Water Finance Committee is "the committee"*
18 *as that term is used in the State General Obligation Bond Law.*

19 (b) *The committee consists of the Director of Finance, the*
20 *Treasurer, the Controller, the Director of Water Resources, and*
21 *the Secretary of the Natural Resources Agency. Notwithstanding*
22 *any other provision of law, any member may designate a deputy*
23 *to act as that member in his or her place for all purposes, as though*
24 *the member were personally present.*

25 (c) *The Treasurer shall serve as chairperson of the committee.*

26 (d) *A majority of the committee may act for the committee.*

27 79803. *The committee shall determine whether or not it is*
28 *necessary or desirable to issue bonds authorized pursuant to this*
29 *division in order to carry out the actions specified in this division*
30 *and, if so, the amount of bonds to be issued and sold. Successive*
31 *issues of bonds may be authorized and sold to carry out those*
32 *actions progressively, and it is not necessary that all of the bonds*
33 *authorized to be issued be sold at any one time.*

34 79804. *For purposes of the State General Obligation Bond*
35 *Law, "board," as defined in Section 16722 of the Government*
36 *Code, means the Department of Water Resources.*

37 79805. *There shall be collected each year and in the same*
38 *manner and at the same time as other state revenue is collected,*
39 *in addition to the ordinary revenues of the state, a sum in an*
40 *amount required to pay the principal of, and interest on, the bonds*

1 *each year. It is the duty of all officers charged by law with any*
2 *duty in regard to the collection of the revenue to do and perform*
3 *each and every act that is necessary to collect that additional sum.*

4 *79806. Notwithstanding Section 13340 of the Government*
5 *Code, there is hereby appropriated from the General Fund in the*
6 *State Treasury, for the purposes of this division, an amount that*
7 *will equal the total of the following:*

8 *(a) The sum annually necessary to pay the principal of, and*
9 *interest on, bonds issued and sold pursuant to this division, as the*
10 *principal and interest become due and payable.*

11 *(b) The sum that is necessary to carry out the provisions of*
12 *Section 79809, appropriated without regard to fiscal years.*

13 *79807. The board may request the Pooled Money Investment*
14 *Board to make a loan from the Pooled Money Investment Account*
15 *in accordance with Section 16312 of the Government Code for the*
16 *purpose of carrying out this division. The amount of the request*
17 *shall not exceed the amount of the unsold bonds that the committee*
18 *has, by resolution, authorized to be sold for the purpose of carrying*
19 *out this division. The board shall execute those documents required*
20 *by the Pooled Money Investment Board to obtain and repay the*
21 *loan. Any amounts loaned shall be deposited in the fund to be*
22 *allocated in accordance with this division.*

23 *79808. Notwithstanding any other provision of this division,*
24 *or of the State General Obligation Bond Law, if the Treasurer*
25 *sells bonds that include a bond counsel opinion to the effect that*
26 *the interest on the bonds is excluded from gross income for federal*
27 *tax purposes under designated conditions, the Treasurer may*
28 *maintain separate accounts for the bond proceeds invested and*
29 *for the investment earnings on those proceeds, and may use or*
30 *direct the use of those proceeds or earnings to pay any rebate,*
31 *penalty, or other payment required under federal law or take any*
32 *other action with respect to the investment and use of those bond*
33 *proceeds, as may be required or desirable under federal law in*
34 *order to maintain the tax-exempt status of those bonds and to*
35 *obtain any other advantage under federal law on behalf of the*
36 *funds of this state.*

37 *79809. For the purposes of carrying out this division, the*
38 *Director of Finance may authorize the withdrawal from the*
39 *General Fund of an amount or amounts not to exceed the amount*
40 *of the unsold bonds that have been authorized by the committee*

1 to be sold for the purpose of carrying out this division. Any
2 amounts withdrawn shall be deposited in the fund. Any money
3 made available under this section shall be returned to the General
4 Fund, with interest at the rate earned by the money in the Pooled
5 Money Investment Account, from proceeds received from the sale
6 of bonds for the purpose of carrying out this division.

7 79810. All money deposited in the fund that is derived from
8 premiums and accrued interest on bonds sold pursuant to this
9 division shall be reserved in the fund and shall be available for
10 transfer to the General Fund as a credit to expenditures for bond
11 interest.

12 79811. Pursuant to Chapter 4 (commencing with Section
13 16720) of Part 3 of Division 4 of Title 2 of the Government Code,
14 the cost of bond issuance shall be paid out of the bond proceeds.
15 These costs shall be shared proportionately by each program
16 funded through this division.

17 79812. The bonds issued and sold pursuant to this division
18 may be refunded in accordance with Article 6 (commencing with
19 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of
20 the Government Code, which is a part of the State General
21 Obligation Bond Law. Approval by the electors of the state for the
22 issuance of the bonds under this division shall include approval
23 of the issuance of any bonds issued to refund any bonds originally
24 issued under this division or any previously issued refunding bonds.

25 79813. The proceeds from the sale of bonds authorized by this
26 division are not "proceeds of taxes" as that term is used in Article
27 XIII B of the California Constitution, and the disbursement of these
28 proceeds is not subject to the limitations imposed by that article.

29 SEC. 3. Section 2 of Chapter 3 of the Seventh Extraordinary
30 Session of the Statutes of 2009, as amended by Section 1 of Chapter
31 74 of the Statutes of 2012, is repealed.

32 SEC. 4. Section 2 of this act shall be submitted to the voters at
33 the November 4, 2014, statewide general election in accordance
34 with provisions of the Government Code and the Elections Code
35 governing the submission of a statewide measure to the voters.

36 SEC. 5. Section 2 of this act shall take effect upon the approval
37 by the voters of the Climate Change Response for Clean and Safe
38 Drinking Water Act of 2014, as set forth in that section at the
39 November 4, 2014, statewide general election.

1 ~~SECTION 1. The Legislature finds and declares all of the~~
2 ~~following:~~

3 ~~(a) A bond measure for \$11.14 billion to fund projects related~~
4 ~~to water supply reliability, water quality, Sacramento-San Joaquin~~
5 ~~Delta sustainability, watershed conservation and protection, and~~
6 ~~water recycling is currently set for the November 4, 2014, statewide~~
7 ~~general election.~~

8 ~~(b) The freshwater resources of California are limited and if the~~
9 ~~state is to remain economically competitive and environmentally~~
10 ~~rich, public investment is needed to modernize water infrastructure,~~
11 ~~integrated water management, advance water resource protection,~~
12 ~~and improve flood management.~~

13 ~~(c) Many Californians lack access to clean, safe, and affordable~~
14 ~~drinking water. In some communities, economic conditions prevent~~
15 ~~the community from generating sufficient funding to correct water~~
16 ~~system deficiencies or source water quality.~~

17 ~~(d) The watersheds and aquatic ecosystems of California are~~
18 ~~unique and irreplaceable environmental and economic resources,~~
19 ~~including the Sacramento-San Joaquin Delta, the largest estuary~~
20 ~~on the West Coast. Investments in the state's watersheds can~~
21 ~~provide regional and statewide benefits for cities, farms, industries,~~
22 ~~and wildlife, including protecting water quality and sustainability,~~
23 ~~improving flood control, and providing habitat and recreation.~~

24 ~~(e) It is in the public interest to pass a general obligation bond~~
25 ~~that includes, but is not limited to, grants and loans to state and~~
26 ~~local agencies to help meet critical funding needs related to~~
27 ~~improving water infrastructure, integrating water management,~~
28 ~~protecting water resources, addressing flood management,~~
29 ~~advancing water reuse, ensuring safe drinking water, and restoring~~
30 ~~and protecting watersheds and aquatic ecosystems, including the~~
31 ~~Sacramento-San Joaquin Delta.~~

32 ~~(f) In order to evaluate and prioritize the amount of state funding~~
33 ~~necessary to meet essential water-related public priorities, the~~
34 ~~Legislature requires additional information.~~

35 ~~SEC. 2. (a) The Natural Resources Agency shall provide an~~
36 ~~analysis to the Legislature by July 1, 2014, that assesses currently~~
37 ~~available public funding and estimates the additional level of public~~
38 ~~investment needed to ensure California meets priority needs related~~
39 ~~to infrastructure, integrated water management, water supply~~

EXHIBIT "D"
AB 1331 (Water, Parks & Wildlife Committee)
**Climate Change Response for Clean and
Safe Drinking Water Act of 2014**

Process

This year, the Assembly Water, Parks and Wildlife Committee has worked diligently to develop a water bond measure for the 2014 ballot. This 2013 process has included:

- 5 public hearings in Senate and Assembly
- 6 legislator briefings on water policy/funding
- Assembly *Principles* – set priorities and emphasize accountability to the voters,
- *Water Bond Framework*. assemblymembers from around the State.
- 3 rounds of public comments on the *Principles* and the *Framework*

The Assembly effort included substantial work by the Water Bond Working Group – 9 Democratic Assemblymembers representing the regions of California, from the Oregon border to San Diego.

Background

The November 2014 ballot currently includes an \$11.14 billion water bond measure, which polls show the voters will reject. California's need for water infrastructure funding is no less critical and urgent.

Safeguarding supplies of clean and safe drinking water to California's homes, businesses, and farms is an essential responsibility of government, and critical to protecting our state's quality of life.

Climate change has impaired California's capacity to ensure clean, safe, and reliable drinking water, as droughts have become more frequent and more severe, and ecosystems have become stressed. Higher temperatures mean less snow pack, which is the state's largest water reservoir. Scientists project a loss of at least 25 percent of the snow pack in the Sierra Nevada Mountains by 2050.

California's water infrastructure continues to age and deteriorate. More than 50 years ago, Californians approved the construction of the State Water Project. In the decades that followed, California's water leaders developed the most sophisticated system of state, federal, regional, and local water infrastructure anywhere in the world. In recent decades, however, that water infrastructure and the water environment on which it depends have deteriorated.

In the years since the voters approved the state water project, California's population has continued to grow, from less than 16 million in 1960 to more than 37 million in 2010. A growing population and a growing economy have put greater stress on California's natural resources, including water. Contamination of groundwater aquifers from a vibrant economy has threatened vital drinking water supplies.

Legislation

AB 1331 would propose to ask voters to approve a \$6.5 billion water bond that provides funding over the next several years for five categories of urgent needs for water infrastructure:

- Water Quality: Clean/Safe Drinking Water (\$1B)
- Protecting Rivers, Lakes, Streams, & Watersheds (\$1.5B)
- Regional Water Management for Climate Change (\$1.5B)
- Sacramento-San Joaquin Delta Sustainability (\$1B)
- Storage for Climate Change (\$1.5B)

The Working Group reflects the diversity of California, so AB 1331 similarly reflects statewide needs for water infrastructure. Water infrastructure is needed in order to provide Californians with clean, safe water, to mend a deteriorating system, to adapt to climate change, and to recognize the importance of watersheds to water supply.

Consistent with the *Principles*, AB 1331 does not include earmarks, or allocations that are defined in a way that only one project may qualify for funding. Public criticism of the 2009 water bond arose from the many allocations targeted for specific projects, and eroded voter support.

Contact Information

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alf.brandt@asm.ca.gov

September 9, 2013

Prepared by C. Compton

Submitted by: G. Heiertz

Approved by: Paul Cook

CONSENT CALENDAR

COUNTY OF ORANGE LEGISLATIVE PLATFORM REQUEST FOR COMMENT

SUMMARY:

Each August the County of Orange begins a process to develop its legislative platform for the next year. As part of that process, the County invites interested community partners to comment on the proposed legislative platform and suggest priorities or policy statements for inclusion in the document. Comments on the 2014 County of Orange Legislative Platform are due by September 19, 2013. Staff recommends that IRWD submit comments for consideration by the County of Orange, as deemed appropriate by the Board, before September 19, 2013.

BACKGROUND:

Each August the County of Orange begins a process to develop its legislative platform for the next year. As part of that process, the County solicits input from its own departments and staff, and then invites interested community partners to comment on the proposed legislative platform and suggest priorities or policy statements for inclusion in the document. The County of Orange Legislative Platform communicates the key legislative priorities and policies for the County in both Sacramento and Washington, D.C. It also provides policy direction and guidance to County agencies/departments and staff.

For each of the last several years, the County has invited IRWD to comment on the proposed legislative platform. IRWD has accepted that invitation, and has taken advantage of the opportunity to suggest additional priorities or policies for the County's consideration.

On August 14, 2013, IRWD received a letter from the Chairman of the Orange County Board of Supervisors, Supervisor Shawn Nelson, inviting the District to review and comment on the proposed 2014 County of Orange Legislative Platform. A copy of the letter sent to IRWD, which includes a copy of the proposed 2014 County of Orange Legislative Platform, is attached as Exhibit "A". Comments on and suggestions for the 2014 Legislative Platform are due by September 19, 2013.

IRWD seeks to advance innovative and effective water resources public policy and governance at the state and federal level. As part of that effort, the District has engaged and will continue to be engaged on the reauthorization of the Water Resources Development Act, reformulation of the 2014 water bond, and the implementation of the Bay Delta Conservation Plan in addition to a number of other policy areas. The proposed draft of the County of Orange 2014 Legislative Platform does not include policy guidance on these topics. Given the importance of these policy areas to all of Orange County and the impact their outcome will have on Orange County's water infrastructure and water supply reliability, staff recommends that IRWD respectfully request the

inclusion of policy principles on these topics in the County of Orange 2014 Legislative Platform as follows:

- Support enactment of the Water Resources Development Act in the current Congress, and the authorization of projects of benefit to the Orange County community;
- Support the State playing a strong role in the financing of water infrastructure that is of demonstrated statewide significance and benefit including projects that enhance and optimize statewide water supply reliability and quality. Any proposed water bond or water infrastructure funding measure placed before the voters should be fiscally responsible and politically viable. Transparency and accountability should be built into all bond or funding measures; and
- A reliable and high quality imported water supply is a vital component of the Orange County's water resources portfolio despite efforts to reduce reliance on the Bay Delta. Support implementation of the Bay Delta Conservation Plan to ensure a sustainable water supply for millions of Californians and the protection of the Delta as a unique natural asset.

Over the past several years, the District has written to the County of Orange about the importance of these policy areas; however, the County's Legislative Platform has remained focused on other policy areas. Staff will discuss with the Water Resources and Planning Committee a strategy for seeking inclusion of these policy principles within the 2014 Legislative Platform.

FISCAL IMPACTS:

Not applicable.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

COMMITTEE STATUS:

This item was reviewed at the Water Resources Policy and Communications Committee on September 4, 2013.

RECOMMENDATION:

THAT THE BOARD AUTHORIZE STAFF TO SUBMIT COMMENTS FOR CONSIDERATION IN THE COUNTY OF ORANGE 2014 LEGISLATIVE PLATFORM BY THE COUNTY OF ORANGE, AS DEEMED APPROPRIATE BY THE BOARD, BEFORE SEPTEMBER 19, 2013.

LIST OF EXHIBITS:

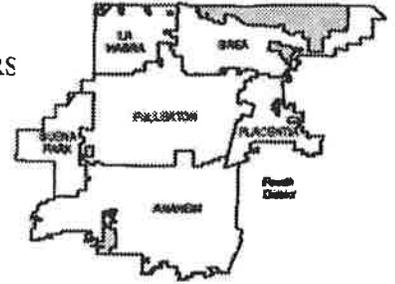
Exhibit "A" – Chairman Shawn Nelson's August 14, 2013, Letter to IRWD with the Proposed County of Orange 2014 Legislative Platform



Exhibit "A"

SHAWN NELSON
CHAIRMAN, ORANGE COUNTY BOARD OF SUPERVISORS
SUPERVISOR, FOURTH DISTRICT

ORANGE COUNTY HALL OF ADMINISTRATION
333 W. SANTA ANA BLVD.
SANTA ANA, CALIFORNIA 92701
PHONE (714) 834-3440 FAX (714) 834-2045
shawn.nelson@ocgov.com
bos.ocgov.com/fourth



August 14, 2013

Ms. Douglas J. Reinhart
President
Irvine Ranch Water District
15600 Sand Canyon Ave.
Irvine, CA 92618

Dear Ms. Reinhart:

The County of Orange recognizes the collective strength of its community partners and would like to extend an invitation for you to provide input into the development of our 2014 Legislative Platform.

Every August the County of Orange begins a process to develop our legislative platform. This document articulates the key legislative priorities and policies for the County in both Sacramento and Washington D.C. It also provides policy direction and guidance to County departments and staff.

Specifically, as the County begins to solicit its own departments and staff for legislative ideas, we invite you to provide suggestions to us on our attached 2013 legislative priorities and policy statements. We hope this process opens the lines of communication between the County and our community partners. If you have a specific legislative proposal in mind, please feel free to share that too. We share much in common — a vision of a safe, strong, and vibrant Orange County — and working collaboratively is the best way to ensure a bright future.

Please take some time to look over the attached legislative priorities and let us know of any suggestions by September 19, 2013. Please address your comments or questions to Jay Wong, Manager, CEO/Legislative Affairs, at 714-834-2009, or jay.wong@ocgov.com.

On behalf of the County of Orange, I want to extend our thanks for your time and consideration of this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Nelson".

CHAIRMAN SHAWN NELSON
Board of Supervisors
Fourth District

Enclosure

cc: Paul Cook, General Manager

COUNTY OF ORANGE
2013 LEGISLATIVE PRIORITIES AND POLICY STATEMENTS

The County of Orange recognizes the need to protect its interests in Sacramento and Washington, DC. To be effective in this mission, the County of Orange reviews and establishes priorities and policy statements at the beginning of each legislative year. The Legislative Priorities set forth the County's goals for the current Legislative Session and the Policy Statements provide general direction to the Legislative advocates as they advance County interests during the year.

LEGISLATIVE PRIORITIES

1. LOCAL GOVERNMENT FUNDING

In the event local revenue is jeopardized or reallocated, the State must provide alternative funding sources to local governments. For example, Orange County would be opposed to the State borrowing from local governments using Proposition 1A, or any other source of funding from the State.

2. FISCAL EQUITY

Establish an equitable, dependable and predictable revenue stream with distribution formulas for local revenues that address equity with other counties, and that any formula be based on one or more of the following factors:

- Per capita
- Caseload
- Situs (dedicated taxes)
- Realignment Equity
- Cost of Living in High Cost Counties
- Other Objective Measures of Need

3. COST RECOVERY

Local governments shall receive full cost reimbursement for all federal and/or state mandated programs. Unfunded or under-funded mandates are a burden which local government cannot afford. The County of Orange will pursue full cost recovery for all expenditures related to natural disasters.

POLICY STATEMENTS

1. Increasing taxes is an inappropriate means of balancing the State's budget.
2. The establishment of equitable, consistent, dependable, and predictable revenue streams with distribution formulas for local revenues that address equity are necessary for the stability of services provided by local government. Proposed funding allocations to counties must be based upon common factors (population, poverty statistics, caseload, or other objective measures of need) applied evenly among counties.
3. The shifting of tax revenues from the County to the State or other local entities harms Orange County's ability to serve its residents.
4. Counties must be given the authority, flexibility, and adequate funding to administer programs and service client needs within their local jurisdictions (no unfunded mandates). As examples, In-Home Supportive Services should be fully funded by the State and Federal governments to lessen the financial burden on local governments; and funding for property tax administration should be reinstated.
5. Realignment proposals must only include programs where counties have control over costs and program operations.
6. Federal maintenance of effort requirements as well as federal penalties and sanctions must remain the responsibility of the State and not passed on to local governments.
7. Homeland security and emergency response efforts shall be coordinated among the federal, state, and local governments with clearly defined roles and responsibilities for each.
8. The State and/or Federal government shall provide full cost recovery for counties and cities for all mandates. State/or federally funded programs (such as Santa Ana River Project, State Child Health Insurance program (CHIP), medical research, housing, law enforcement, older adults and workforce investment, etc.) require adequate and continuous funding.
9. Support collaborative solutions in addressing regional issues and completion of vital flood control, beach erosion control, and watershed projects such as the Santa Ana River Mainstem Project (including Prado Dam), Santa Ana River Interceptor Line (SARI) relocation, Aliso Creek Mainstem Project, Orange County Beach Erosion Control Project, and other projects as may be appropriate.

10. Orange County will support measures that protect the public against disease and disability and promote health.
11. Funding for alternatives to incarceration, including probation monitoring, that are cost effective and do not endanger the general public shall be pursued.
12. Housing:
 - a. Adequate housing is necessary for economic stability. Parity should be sought between the number of jobs and the availability of housing. The Regional Housing Needs Assessment (RHNA) should identify realistically the housing elements needed to achieve fair distribution of housing requirements and should provide for the transfer of housing allocations when annexation or incorporation occur. RHNA should never be used to punitively impact the funding of local government.
 - b. Support removal or minimization of barriers to housing production, including fiscal reform for local government to address disincentives for residential development.
 - c. Support the efforts of County water agencies to insure that an adequate water supply exists for potential development in unincorporated areas and the incorporated cities of Orange County.
 - d. Support the removal of barriers to local flexibility in the administration and allocation of federal homeless assistance funding, so as to allow the County to direct these funds toward innovative programs that will meet the specific needs of its homeless population.
13. Water Resources:
 - a. State – promote coordinated effort between state, County and regional agencies to allow for increased local control for project implementation.
 - b. Federal – increase programs and funding opportunities for purchasing of coastal habitat and resource conservation, preservation and maintenance. Support federal funding for beach nourishment and erosion control for all Orange County shoreline from the mouth of the San Gabriel River to San Mateo Creek. Support sharing of Federal Outer Continental Shelf (OCS) revenues with coastal states to support conservation and wildlife protection programs.
 - c. Local, State and Federal – support state and federal grants for Clean Water Act and Porter-Cologne Act and collaborate on watershed management strategies.
 - d. Support consistent regulatory efforts and oversight within Orange County boundaries.
14. Promote business retention (through insurance, healthcare, and workers' compensation reform) and consider incentives to attract new business.

September 9, 2013

Prepared by: K. Welch/M. Hoolihan

Submitted by: K. Burton/G. Heiertz

Approved by: Paul Cook

CONSENT CALENDAR

VERIFICATION OF SUFFICIENT WATER SUPPLIES FOR PORTOLA CENTER (TENTATIVE TRACT MAPS 15353 AND 17300)

SUMMARY:

In June 2013 staff received a request by the City of Lake Forest (City) to complete a Verification of Sufficient Water Supplies (WSV) for the Portola Center proposed project within the City's Opportunities Study proposed development. Staff has completed the WSV for the Portola Center project and recommends the Board approve the document.

BACKGROUND:

The City's proposed Portola Center project is located within the designation of the Opportunities Study development. On January 24, 2005, the Board approved a Water Supply Assessment (WSA) for the Opportunities Study area as requested by the City in accordance with SB 610. The overall WSA was approved for 5,844 dwelling units and 648.7 thousand square feet of mixed use (commercial and industrial).

As required under SB 221, and as part of the tract map approval process for projects including 500 or more dwelling units, the City has requested a WSV for Tentative Tract Maps 15353 and 17300, Portola Center. The proposed project has a total acreage of 195 consisting of 930 dwelling units and 10,000 square feet of commercial use. The project is located in the northwestern portion of the City and is bound by El Toro Road to the south and Glenn Ranch Road to the north. This is the third WSV the City has requested for the Opportunities Study area and is attached as Exhibit "A".

The WSV for the requested tract map is based upon the WSA containing IRWD's determination that a sufficient water supply is available. The completed WSV contains supplemental information to the WSA concerning actions on state water supplies since the WSA was approved. This information, together with the WSA completed by IRWD, reflects IRWD's confirmation that the project water demands, together with demands from any other developments that have previously received a WSV, will-serve or other approvals by IRWD, are, in the aggregate, within the demands identified by that WSA. In accordance with this procedure, this WSV is based on the respective WSA and information contained in the WSV. In addition to reliance on the WSA, the WSV law requires several elements not covered or required in WSAs. These elements are primarily covered in Sections 1(b)(ii), 1(b)(iii), and 1(b)(iv) of the "Detailed Verification" section of the attached WSV.

Estimates show 385 acre-feet per year of potable water demands are associated with the project. These demands were included in the WSA that was approved on January 24, 2005.

Consent Calendar: Verification of Sufficient Water Supplies for Portola Center (Tentative Tract Maps 15353 and 17300)
September 9, 2013
Page 2

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

This study is exempt from the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15262 which provides exemption for planning studies.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on September 4, 2013.

RECOMMENDATION:

THAT THE BOARD APPROVE THE VERIFICATION OF SUFFICIENT WATER SUPPLIES FOR PORTOLA CENTER (TENTATIVE TRACT MAPS 15353 AND 17300).

LIST OF EXHIBITS:

Exhibit "A" – Verification of Sufficient Water Supplies for Portola Center (Tentative Tract Maps 15353 and 17300)

EXHIBIT "A"

**IRVINE RANCH WATER DISTRICT
VERIFICATION OF SUFFICIENT WATER SUPPLY
Government Code §66473.7**

To: *(Lead Agency)*
City of Lake Forest
25550 Commercentre Drive, Suite 100
Lake Forest, CA 92630

(Applicant)
Stephen M. Haase
610 W. Ash Street, #1500
San Diego, CA 92101

Project Information

Project Title: Portola Center (see Exhibit A)

Tentative Map Application Nos. 15353, 17300 Verification requested prior to tentative map application

Number of residential units in Project: 930

Non-residential uses in Project (type, no. of employees, sq. ft. of floor space, acreage): (see Exhibit B)

Acreage to be devoted to landscape (excluding individual residence yards): (see Exhibit B)

The projected water demand for the Project was included in IRWD's most recently adopted urban water management plan.

A water supply assessment that included the Project was adopted by IRWD on January 24, 2005. A copy is attached hereto and incorporated herein by this reference (see Exhibit C).

Verification of Availability of Sufficient Water Supply

On _____, 2013, the Board of Directors of the Irvine Ranch Water District (IRWD) approved the within Verification and made the following determination regarding the above-described Project:

- A sufficient water supply is available for the Project.
The total water supplies available to IRWD during normal, single-dry and multiple-dry years within a 20-year projection will meet the projected water demand of the Project in addition to the demand of existing and other planned future uses, including, but not limited to, agricultural and manufacturing uses.
- A sufficient water supply is not available for the Project.

The foregoing determination is based on the following Water Supply Verification Information and supporting information in the records of IRWD.

Signature *Date* *Title*

WATER SUPPLY VERIFICATION INFORMATION

Purpose of Verification

Irvine Ranch Water District (“IRWD”) is the public water system that will supply water service (both potable and nonpotable) to the project identified on the cover page of this verification (the “Project”). As a public water system, IRWD is required by Section 66473.7 of the Government Code (the “Verification Law”) to provide the City with a verification of the availability of a sufficient water supply for non-exempt subdivisions of more than 500 residential units in conjunction with (or prior to) the City’s approval of a tentative map. The City has found the Project to include a subdivision that is subject to verification and not exempt under the Verification Law.

The Verification Law provides that a verification shall be supported by substantial evidence, which may include, but is not limited to, any of the following (i) IRWD’s most recently adopted urban water management plan; (ii) a water supply assessment previously adopted for the project under Water Code 10910, *et seq.*; or (iii) other analytical information substantially similar to the assessment of service reliability required by Water Code Section 10635 to be included in the urban water management plan. The Verification Law also specifies the elements to be contained in a verification with respect to (i) supplies relied upon that are not currently available; (ii) reasonably foreseeable impacts of the subdivision on the availability of water resources for agricultural and industrial uses within IRWD’s service area that are not currently receiving water; and (iii) rights to extract additional groundwater needed to supply the subdivision.

A verification does not entitle the Project to service or to any right, priority or allocation in any supply, capacity or facility, or affect IRWD’s obligation to provide service to its existing customers or any potential future customers. In order to receive service, the Project applicant is required to file a completed Application(s) for Service and Agreement with the Irvine Ranch Water District on IRWD’s forms, together with all fees and charges, plans and specifications, bonds and conveyance of necessary easements, and meet all other requirements as specified therein.

Methodology of Verification for Project With Prior Water Supply Assessment

As referenced on the cover page of this verification (the “Verification”), the Project was included within an assessment of water supply approved by IRWD. The Assessment contained IRWD’s determination that a sufficient water supply is available for the Project. As described in the Assessment, IRWD does not allocate particular supplies to any project, but identifies total supplies for its service area. However, upon approval of each assessment containing a determination of a sufficient supply, IRWD attributes the demands identified by that assessment to IRWD’s existing and committed demand. Thereafter, each verification approved by IRWD for a subdivision covered by that assessment is based on the assessment, and reflects IRWD’s confirmation that the water demands of the subdivision, together with any other subdivisions or developments that have previously received verifications, will-serves or other approval by IRWD under the same assessment, are, in the aggregate, within the demand identified by that assessment. In accordance with that procedure, this Verification is based on the Assessment. The Assessment’s determination of sufficiency extends through 2025, and is supplemented herein to include the full 20-year projection required in this Verification.

In addition, this Verification includes the elements required by the Verification Law that are not included within the required contents of assessments.

Supporting Documentation

As noted above, the principal supporting document for this Verification is the Assessment. Other documentation supports the Assessment and this Verification: IRWD prepares two planning documents to guide water supply decision-making. IRWD's principal planning document is IRWD's "Water Resources Master Plan" ("WRMP"). The WRMP is a comprehensive document compiling data and analyses that IRWD considers necessary for its planning needs. IRWD also prepares an Urban Water Management Plan ("UWMP"), a document required by statute. The UWMP is based on the WRMP, but contains defined elements as listed in the statute (Water Code Section 10631, *et seq.*), and as a result, is more limited than the WRMP in the treatment of supply and demand issues. (The UWMP is required to be updated in years ending with "five" and "zero," and IRWD's most recent update was adopted in June 2011.)

In addition to the Assessment, the most recent WRMP and the 2010 UWMP mentioned above, other supporting documentation referenced herein is found in Section 5 of this Verification. This includes the Metropolitan Water District of Southern California's Regional Urban Water Management Plan (RUWMP) detailing an evaluation by Metropolitan Water District of Southern California (MWD), the wholesaler of IRWD's imported water supplies, of the reliability of MWD's supplies. (2010 RUWMP adopted in November 2010.)

The Verification Law requires written proof of entitlement for "not currently available" (referred to herein as "under development") supplies. The Assessment includes such information for both currently available and under development supplies. Due to the number of contracts, statutes and other documents comprising IRWD's written proof of entitlement to its water supplies, in lieu of attachment of such items, they are identified by title and summarized in Section 2 of the Assessment and is supplemented herein. Copies of the summarized items have been provided to the City and can be obtained from IRWD.

Sufficiency Calculation Methodology

The methodology for IRWD's comparison of its demands and supplies is set forth in the Assessment, in the section entitled "Assessment Methodology" and subsections thereof entitled "water use factors; dry-year increases;" "planning horizon;" "assessment of demands;" "assessment of supplies;" and "comparison of demand and supply."

Summary of Results of Demand-Supply Comparisons

The Assessment contains Figures 1 through 8 comparing projected potable and nonpotable water supplies and demands which provide an overview of IRWD potable and nonpotable water supply capabilities through 2025. These Figures have been revised (pages 9 through 20) in order to reflect updated information on supplies, as well as updating the 20-year planning horizon through 2033. In addition, since the date of the approved Assessment for this project (January 2005), IRWD has recalibrated and updated demand projections based on water use and development phasing.

Recent Actions on Delta Pumping. The Sacramento/San Joaquin Delta (Delta) is a vulnerable component in both the State and Federal systems to convey water from northern

portions of California to areas south of the Delta. Issues associated with the Delta have generally been known for years; however, most recently, the continuing decline in the number of endangered Delta smelt resulted in the filing of litigation challenging permits for the operation of the Delta pumping facilities. On August 31, 2007, a Federal court ordered interim protective measures for the endangered Delta smelt, including operational limits on Delta pumping, which will have an effect on State Water Project (SWP) operations and supplies in 2008 and subsequent years. On June 4, 2009, a federal biological opinion imposed rules that will further restrict water diversions from the Delta to protect endangered salmon and other endangered fish species. At present, several proceedings concerning Delta operations are ongoing to evaluate options to address Delta smelt impacts and other environmental concerns. In addition to the regulatory and judicial proceedings to address immediate environmental concerns, the Delta Vision process and Bay-Delta Conservation Plan process are defining long-term solutions for the Delta (MWD 2010 IRP Update). Prior to the 2007 court decision, MWD's Board approved a Delta Action Plan in May 2007 that described short, mid and long-term conditions and the actions to mitigate potential supply shortages and to develop and implement long-term solutions. To comprehensively address the impacts of the SWP cutback on MWD's water supply development targets, MWD brought to its Board a strategy and work plan to update the long-term Integrated Resources Plan (IRP) in December 2007. As part of the IRP Update, MWD developed a region-wide collaborative process that included a broad-based stakeholder involvement. MWD held several stakeholder forums in 2008 and 2009 and the MWD Board adopted the 2010 IRP Update on October 12, 2010. In the 2010 IRP Update, MWD identified changes to the long-term plan and established direction to address the range of potential changes in water supply planning. The IRP also discusses dealing with uncertainties related to impacts of climate change (see additional discussion of this below) as well as actions to protect endangered fisheries. Based on MWD's Findings and Conclusions as stated in the MWD 2010 IRP Update, MWD's reliability goal that full-service demands at the retail level will be satisfied for all foreseeable hydrologic conditions remains unchanged in the 2010 IRP Update, and MWD will accomplish this through its core resources strategies. The 2010 IRP Update emphasizes an evolving approach and suite of actions to address the water supply challenges that are posed by uncertain weather patterns, regulatory and environmental restrictions, water quality impacts and changes in the state and the region. MWD's Adaptive Resource Management Strategy includes three components: Core Resources Strategy, Supply Buffer Implementation and Foundational Actions which together provides the basis for the 2010 IRP Update. The 2010 IRP Update expands the concept of developing a planning buffer from the 2004 IRP Update by implementing a supply buffer equal to 10 percent of the total retail demand. MWD will collaborate with the member agencies to implement this buffer through complying with Senate Bill 7 which calls for the state to reduce per capita water use 20 percent by the year 2020.

IRWD's Evaluation of Effect of Reduced MWD Supplies to IRWD: MWD states it is sufficiently reliable to meet full-service demands at the retail level for all foreseeable hydrologic conditions. For purposes of ensuring a conservative analysis, IRWD has compiled information from the prior "MWD IRP Implementation Report" (October 2007) and MWD's RUWMP (November 2005), to provide information in this assessment relative to how reduced SWP supplies could potentially affect IRWD's supplies from MWD.

Based on IRWD's evaluation of MWD's SWP supplies, IRWD estimates that the 22% used by MWD's October 2007 IRP Implementation Report as a potential reduction of MWD's SWP supplies conservatively translates to approximately 16% reduction in all of MWD's

imported supplies over the years 2015 through 2035.¹ For this purpose it is assumed that MWD's total supplies consist only of imported SWP and Colorado deliveries. As shown in MWD's RUWMP (Tables A.3-7), SWP deliveries on average over the 20-year period are 1,682,000 acre-feet and Colorado average supplies are 656,000 acre-feet. A 22% reduction of SWP supplies equates to 370,000 acre-feet which is approximately 16% of MWD's total imported supplies. Based on this estimate, this assessment projects a 16% reduction in MWD supplies available to IRWD for the years 2010 through 2033, using IRWD's connected capacity without any water supply allocation imposed by MWD. This reduction in MWD supplies is reflected in Figures 1, 2, 3, 5, 6, and 7.

As an alternative means of analyzing the 22% stated reduction, Figures 1a, 2a, and 3a show IRWD estimated supplies in all of the 5-year increments (average and single and multiple dry years) under a short-term MWD allocation scenario whereby MWD declares Shortage Stage 2 and a 10% cutback is applied to IRWD's actual usage rather than its connected capacity. In February 2009, MWD adopted a Water Supply Allocation Plan based on its declared level of shortage. In response to potential water shortages and a request by MWD to have water service providers within its service area adopt a water conservation ordinance, in February 2009, IRWD updated Section 15 of its Rules and Regulations – Water Conservation and Water Supply Shortage Program and also updated its Water Shortage Contingency Plan which is a supporting document for Section 15. Section 15 of the Rules and Regulations serves as IRWD's "conservation ordinance". As stated in IRWD's Water Shortage Contingency Plan, use of local supplies, storage and other supply augmentation measures can mitigate shortages, and are assumed to be in use to the maximum extent possible during declared shortage levels. Under shortage scenarios, IRWD may need to supplement supplies with production of groundwater, which can exceed the applicable basin production percentage on a short-term basis, providing additional reliability during dry years or emergencies.² In addition, IRWD has developed water banking projects in Kern County, California which be called upon for delivery of supplemental banked water to IRWD under a short-term MWD allocation.³ In addition, if needed resultant net shortage levels can be addressed by demand reduction programs as described in

¹ MWD's 2010 RUWMP cites to DWR's Water Allocation Analysis dated March 22, 2010, which incorporated the Delta smelt biological opinion's effect on SWP operations, export restrictions could reduce deliveries to MWD by 150 to 200 thousand acre-feet for 2010. DWR estimated that approximately 520,000 AF had been lost to the SWP for 2010 of which nearly 240,000 AF would have been available for MWD. This amount is equivalent to about 16% reduction in SWP supplies, a smaller percentage reduction than MWD's 2007 figure of 22% that was used by IRWD for purposes of this analysis.

² In these scenarios, it is anticipated that other water suppliers who produce water from the Orange County Basin will also experience cutbacks of imported supplies and will increase groundwater production and that Orange County Water District (OCWD) imported replenishment water may also be cutback. The OCWD's "2010-11 Engineer's Report on the groundwater conditions, water supply and basin utilization" references a report (OCWD Report on Evaluation of Orange County Groundwater Basin Storage and Operational Strategy) which recommends a basin management strategy that provides general guidelines for annual basin refill or storage decrease based on the level of accumulated overdraft. It states, "Although it is considered to be generally acceptable to allow the basin to decline to 500,000 AF overdraft for brief periods due to severe drought conditions and lack of supplemental water...an accumulated overdraft of 100,000 AF best represents an optimal basin management target. This optimal target level provides sufficient storage space to accommodate anticipated recharge from a single wet year while also providing water in storage for at least 2 or 3 consecutive years of drought." MWD replenishment water is a supplemental source of recharge water and OCWD estimates other main supply sources for recharge are available.

³ IRWD has developed water banking projects (Water Bank) in Kern County, California and has entered into a 30-year water banking partnership with Rosedale-Rio Bravo Water Storage District (RRB) to operate IRWD's Strand Ranch portion of the Water Bank. The Water Bank can improve IRWD's water supply reliability by capturing lower cost water available during wet hydrologic periods for use during dry periods. The Water Bank can enhance IRWD's ability to respond to drought conditions and potential water supply interruptions.

IRWD's Water Shortage Contingency Plan.

Listed below are Figures provided comparing projected potable water supplies and demands in all of the five year increments, under a temporary MWD allocation scenario:

- Figure 1a: Normal Year Supply and Demand (MWD Allocated) – Potable Water
- Figure 2a: Single Dry-Year Supply and Demand (MWD Allocated) – Potable Water
- Figure 3a: Multiple Dry-Year Supply and Demand (MWD Allocated) – Potable Water

It can be noted that IRWD's above approach is conservative, in that IRWD evaluates the effect of the 16% reduction through 2033 and shows the effect of current allocation scenarios in all of the five-year increments but MWD reports that it has made significant progress in other water resource categories such as transfers, groundwater storage and developing other local resources, and supplies will be available from these resources over the long-term.

Climate Change. The California Department of Water Resources ("DWR") released a report "Progress on Incorporating Climate Change into Management of California's Water Resources" (July 2006), considering the impacts of climate change on the State's water supply. DWR emphasizes that "the report represents an example of an impacts assessment based on four scenarios defining an expected range of potential climate change impacts." DWR's major goal is to extend the analysis for long-term water resource planning from "assessing impacts" to "assessing risk." The report presents directions for further work in incorporating climate change into the management of California's water resources. Emphasis is placed on associating probability estimates with potential climate change scenarios in order to provide policymakers with both ranges of impacts and the likelihoods associated with those impacts. DWR's report acknowledges "that all results presented in this report are preliminary, incorporate several assumptions, reflect a limited number of climate change scenarios, and do not address the likelihood of each scenario. Therefore, these results are not sufficient by themselves to make policy decisions."

In MWD's 2010 IRP Update, MWD recognizes there is a significant uncertainty in the impact of climate change on water supply and changes in weather patterns could significantly affect water supply reliability. MWD plans to hedge against supply and environmental uncertainties by implementing a supply buffer equivalent to 10 percent of total retail demand. This buffer will be implemented through meeting the SB7 water use efficiency goals, implementing aggressive adaptive actions, development of local supplies and transfers.

Per MWD's RUWMP, MWD continues to incorporate current climate change science into its planning efforts. As stated in MWD's RUWMP, the 2010 IRP Update supports the MWD Board adopted principles on climate change by: 1) Supporting reasonable, economically viable, and technologically feasible management strategies for reducing impacts on water supply and 2) Supporting flexible "no regret" solutions that provide water supply and quality benefits while increasing the ability to manage future climate change impacts, and 3) Evaluating staff recommendations regarding climate change and water resources against the California Environmental Quality Act to avoid adverse effects on the environment. Potential climate change impacts on state, regional and local water supplies and relevant information for the Orange County hydrologic basin and Santa Ana Watershed have not been sufficiently developed at this time to permit IRWD to assess and quantify the effect of any such impact on its conclusions in the Assessment.

Catastrophic Supply Interruption Planning. MWD has developed Emergency

Storage Requirements (2010 RUWMP) to safeguard the region from catastrophic loss of water supply. MWD has made substantial investments in emergency storage and MWD has based its planning on a 100% reduction in its supplies for a period of six months. The emergency plan outlines that under such a catastrophe, non-firm service deliveries would be suspended, and firm supplies would be restricted by a mandatory cutback of 25 percent from normal year demand deliveries. In addition, MWD discusses the long term Delta plan in its 2010 RUWMP (pages 3-18 to 3-21). IRWD has addressed supply interruption planning in its WRMP and UWMP.

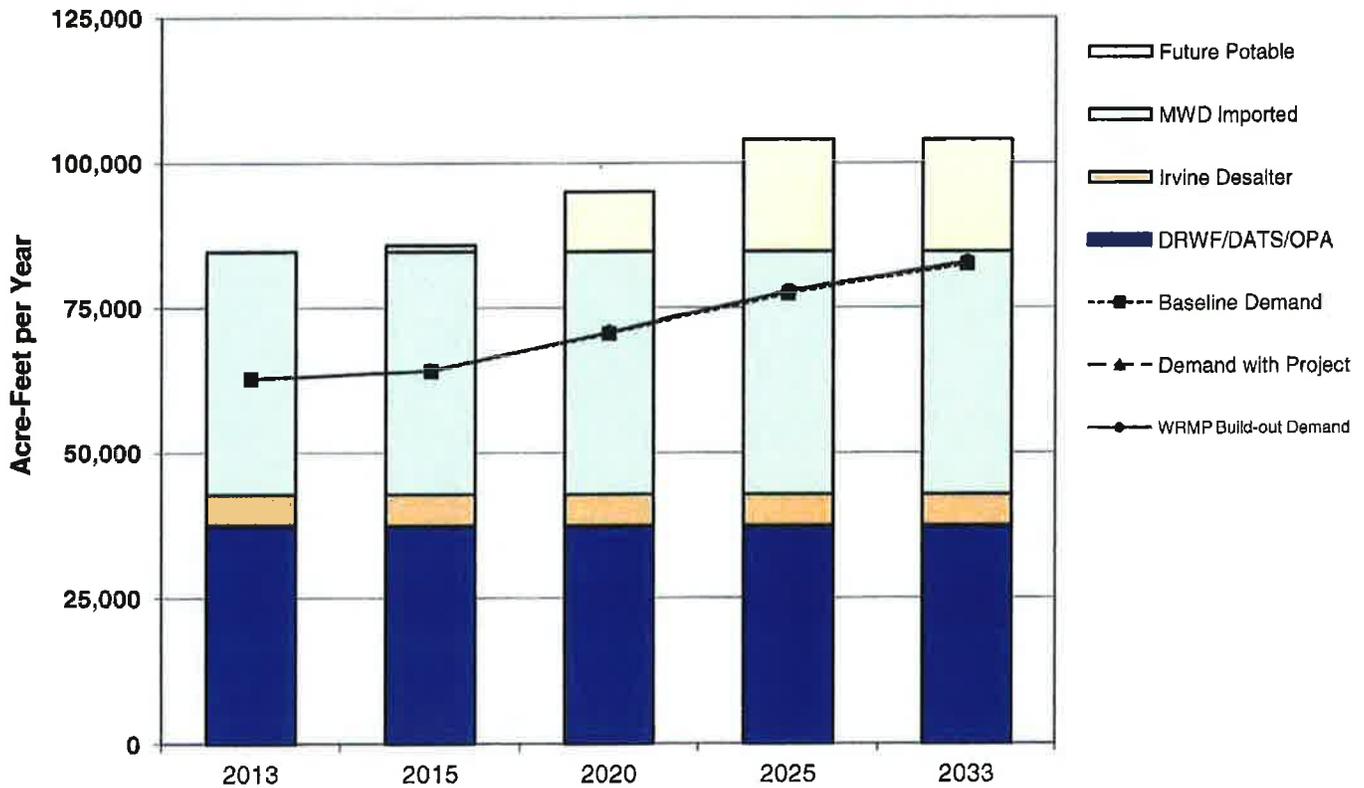
Detailed Verification

1. Determination of sufficiency of water supply

(a) Supply and demand comparison

Comparisons of IRWD's average annual and peak (maximum day) demands and supplies, under *baseline* (existing and committed demand, without the Project), *with-project* (baseline plus Project), and *full build-out* development projections, are shown in the following Figures 1-4 (potable water), Figures 5-8 (nonpotable water) and Figures 1a, 2a, and 3a (short term MWD allocation potable water). See also the Assessment, Section 1, incorporated herein by reference and "Recent Actions on Delta Pumping" above.

**Figure 1
IRWD Normal-Year Supply & Demand - Potable Water**

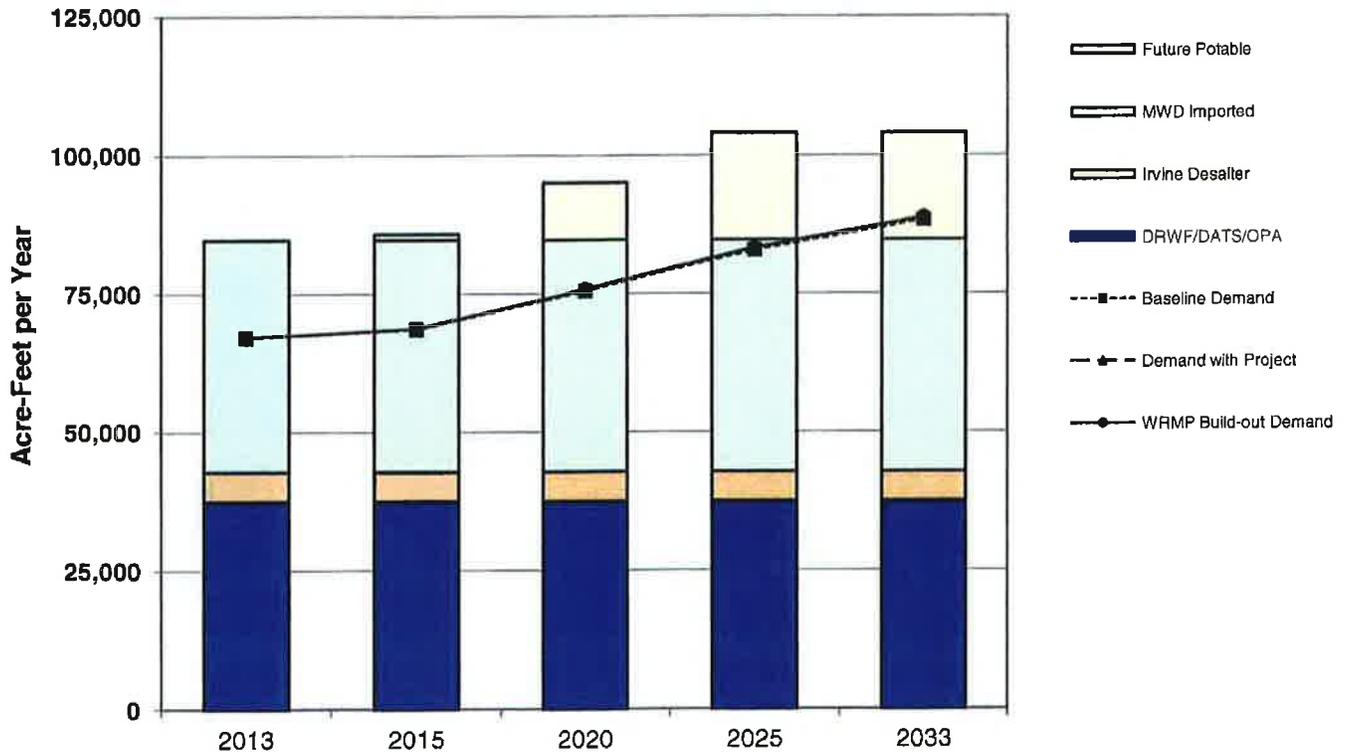


(in acre-feet per year)	2013	2015	2020	2025	2033
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	41,929	41,929	41,929	41,929	41,929
DRWF/DATS/OPA	37,533	37,533	37,533	37,533	37,533
Irvine Desalter	5,309	5,309	5,309	5,309	5,309
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Supplies Under Development					
Future Potable	-	1,118	10,328	19,211	19,211
Maximum Supply Capability	91,100	92,217	101,427	110,311	110,311
Baseline Demand	62,720	64,129	70,577	77,474	82,604
Demand with Project	62,720	64,215	70,813	77,859	82,989
WRMP Build-out Demand	62,720	64,215	70,813	77,859	82,989
Reserve Supply with Project	28,380	28,002	30,615	32,452	27,322

Notes: By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

**Figure 2
IRWD Single Dry-Year Supply & Demand - Potable Water**

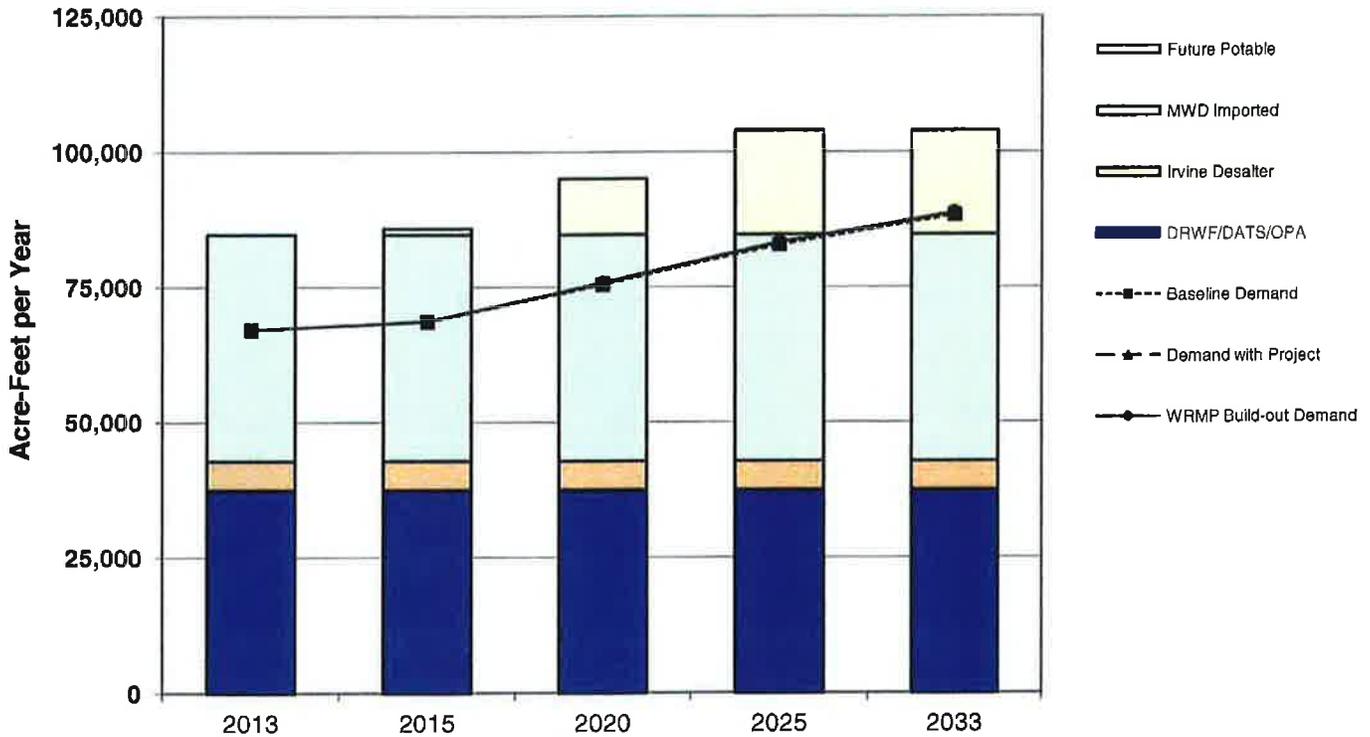


(in acre-feet per year)	2013	2015	2020	2025	2033
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	41,929	41,929	41,929	41,929	41,929
DRWF/DATS/OPA	37,533	37,533	37,533	37,533	37,533
Irvine Desalter	5,309	5,309	5,309	5,309	5,309
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Supplies Under Development					
Future Potable	-	1,118	10,328	19,211	19,211
Maximum Supply Capability	91,100	92,217	101,427	110,311	110,311
Baseline Demand	67,110	68,619	75,518	82,897	88,386
Demand with Project	67,110	68,710	75,769	83,309	88,798
WRMP Build-out Demand	67,110	68,710	75,769	83,309	88,798
Reserve Supply with Project	23,989	23,507	25,658	27,002	21,512

Notes: Supplies identical to Normal-Year based on Metropolitan's Regional Urban Water Management Plan (11/8/05) and usage of groundwater under drought conditions (OCWD Master Plan). Demands increased 7% from Normal-Year. By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

**Figure 3
IRWD Multiple Dry-Year Supply & Demand - Potable Water**

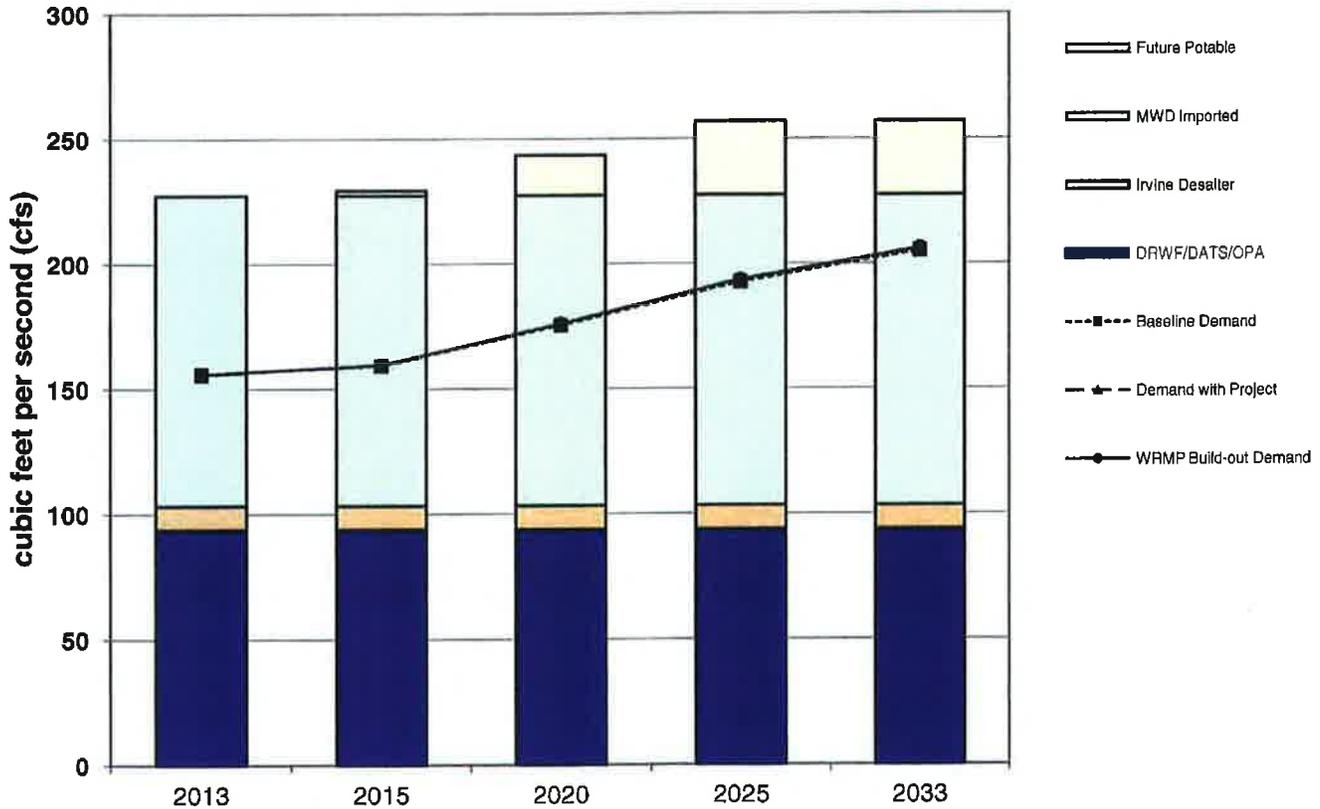


(in acre-feet per year)	2013	2015	2020	2025	2033
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	41,929	41,929	41,929	41,929	41,929
DRWF/DATS/OPA	37,533	37,533	37,533	37,533	37,533
Irvine Desalter	5,309	5,309	5,309	5,309	5,309
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Supplies Under Development					
Future Potable	-	1,118	10,328	19,211	19,211
Maximum Supply Capability	91,100	92,217	101,427	110,311	110,311
Baseline Demand	67,110	68,619	75,518	82,897	88,386
Demand with Project	67,110	68,710	75,769	83,309	88,798
WRMP Build-out Demand	67,110	68,710	75,769	83,309	88,798
Reserve Supply with Project	23,989	23,507	25,658	27,002	21,512

Notes: Supplies identical to Normal-Year based on Metropolitan's Regional Urban Water Management Plan (11/8/05) and usage of groundwater under drought conditions (OCWD Master Plan). Demands increased 7% from Normal-Year. By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

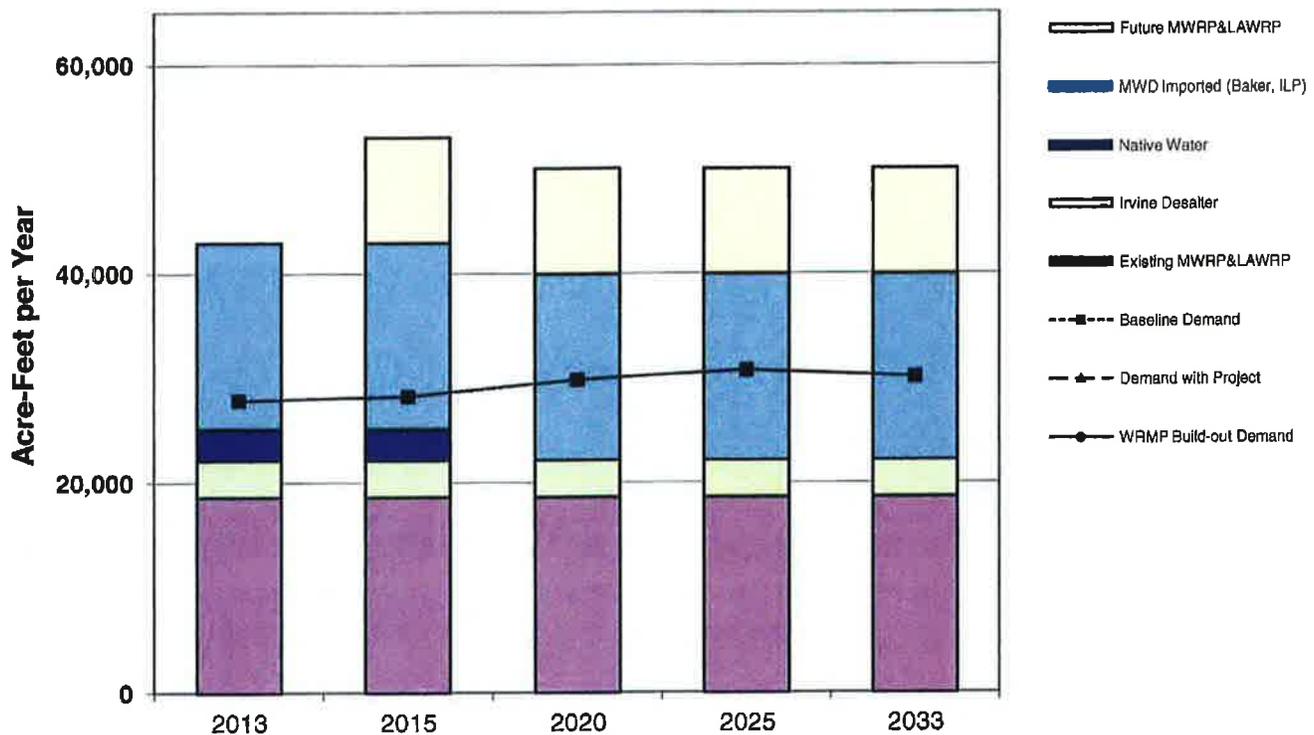
MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

**Figure 4
IRWD Maximum-Day Supply & Demand - Potable Water**



(in cfs)	2013	2015	2020	2025	2033
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	124.1	124.1	124.1	124.1	124.1
DRWF/DATS/OPA	93.9	93.9	93.9	93.9	93.9
Irvine Desalter	9.5	9.5	9.5	9.5	9.5
Wells 21 & 22	10.9	10.9	10.9	10.9	10.9
Supplies Under Development					
Future Potable	-	2.0	16.1	29.7	29.7
Maximum Supply Capability	238.4	240.4	254.5	268.1	268.1
Baseline Demand	155.9	159.4	175.5	192.6	205.4
Demand with Project	155.9	159.7	176.1	193.6	206.3
WRMP Build-out Demand	155.9	159.7	176.1	193.6	206.3
Reserve Supply with Project	82.5	80.7	78.4	74.5	61.8

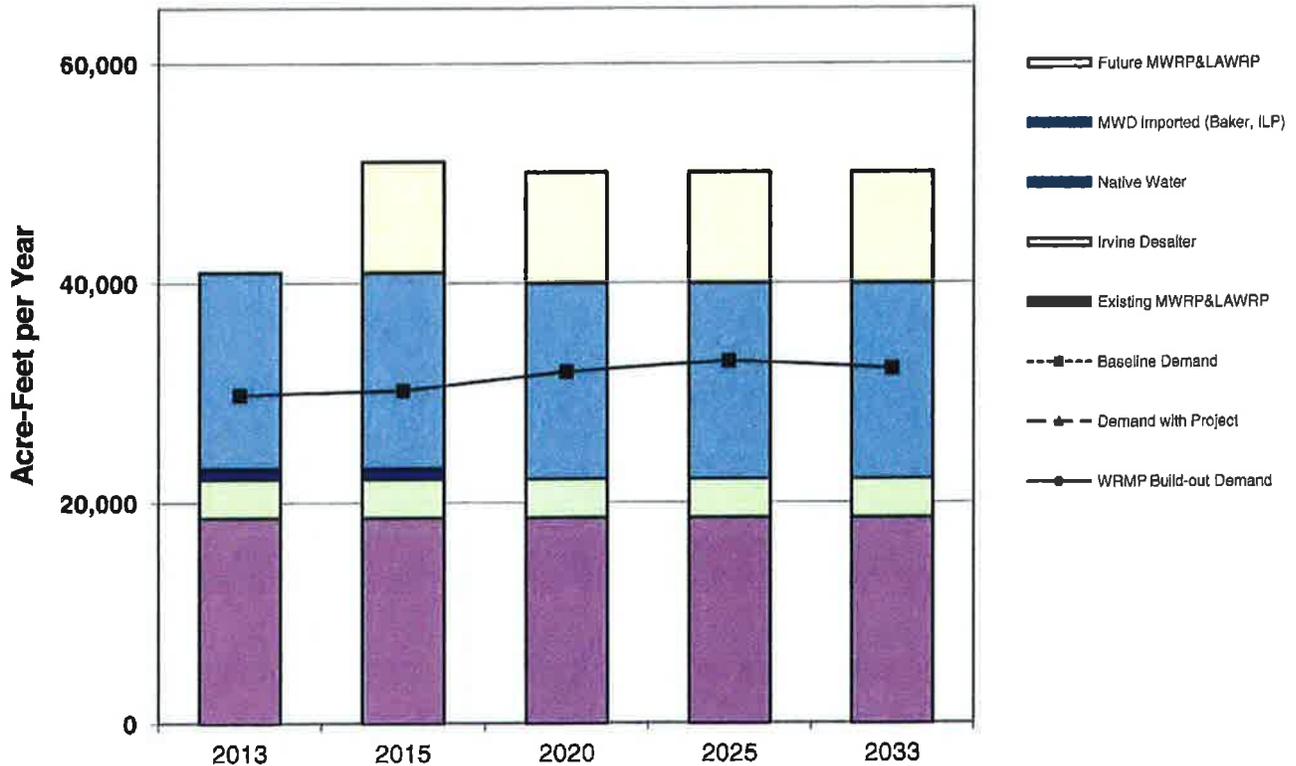
**Figure 5
IRWD Normal-Year Supply & Demand - Nonpotable Water**



(in acre-feet per year)	2013	2015	2020	2025	2033
Current Nonpotable Supplies					
Existing MWRP&LAWRP	18,657	18,657	18,657	18,657	18,657
MWD Imported (Baker, ILP)	17,826	17,826	17,826	17,826	17,826
Irvine Desalter	3,514	3,514	3,514	3,514	3,514
Native Water	3,000	3,000	-	-	-
Supplies Under Development					
Future MWRP&LAWRP	-	10,100	10,100	10,100	10,100
Maximum Supply Capability	42,997	53,097	50,097	50,097	50,097
Baseline Demand	27,903	28,281	29,856	30,757	30,129
Demand with Project	27,903	28,281	29,856	30,757	30,129
WRMP Build-out Demand	27,903	28,281	29,856	30,757	30,129
Reserve Supply with Project	15,094	24,816	20,241	19,340	19,967

Note: Downward trend reflects reduction in agricultural use over time.
 Native water will be treated to potable through the Baker Water Treatment Plant after 2016.
 MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

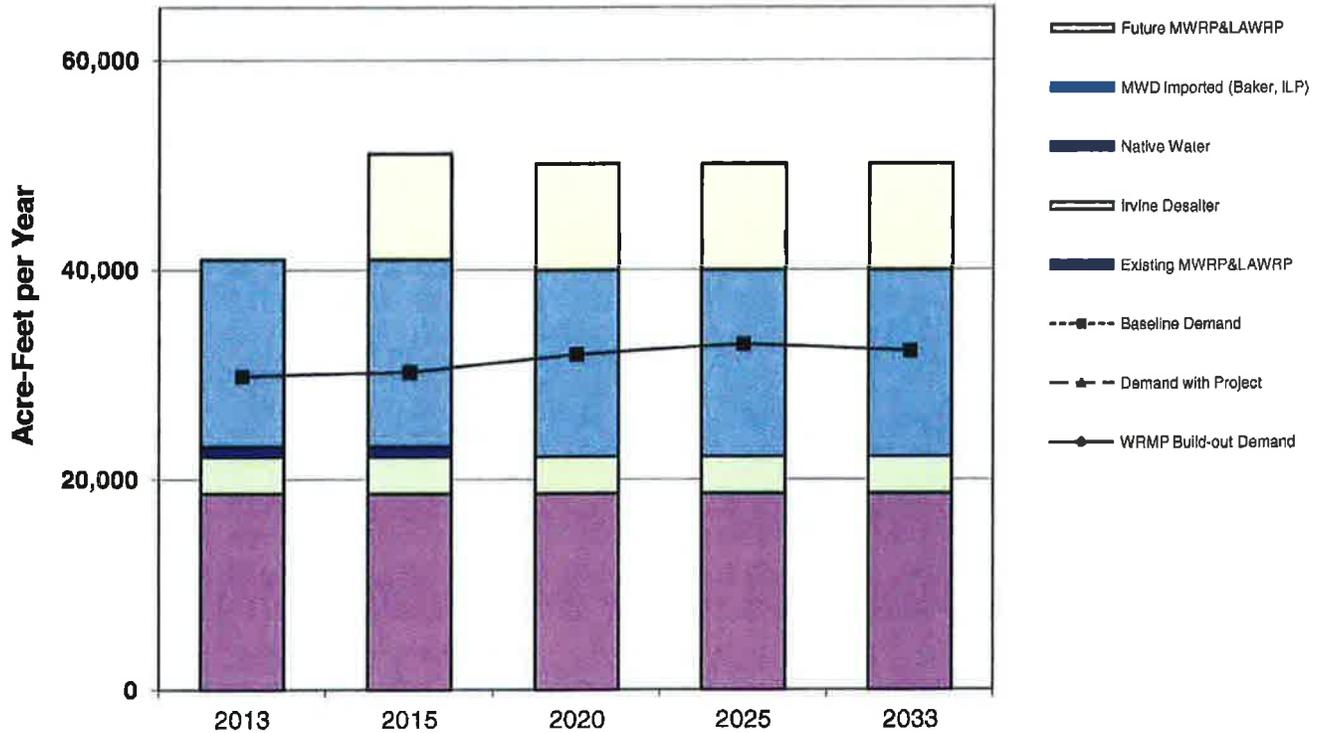
**Figure 6
IRWD Single Dry-Year Supply & Demand - Nonpotable Water**



(in acre-feet per year)	2013	2015	2020	2025	2033
Current Nonpotable Supplies					
Existing MWRP&LAWRP	18,657	18,657	18,657	18,657	18,657
MWD Imported (Baker, ILP)	17,826	17,826	17,826	17,826	17,826
Irvine Desalter	3,514	3,514	3,514	3,514	3,514
Native Water	1,000	1,000	-	-	-
Supplies Under Development					
Future MWRP&LAWRP	-	10,100	10,100	10,100	10,100
Maximum Supply Capability	40,997	51,097	50,097	50,097	50,097
Baseline Demand	29,856	30,261	31,946	32,910	32,239
Demand with Project	29,856	30,261	31,946	32,910	32,239
WRMP Build-out Demand	29,856	30,261	31,946	32,910	32,239
Reserve Supply with Project	11,140	20,836	18,151	17,187	17,858

Note: Downward trend reflects reduction in agricultural use over time.
 Native water will be treated to potable through the Baker Water Treatment Plant after 2016.
 MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

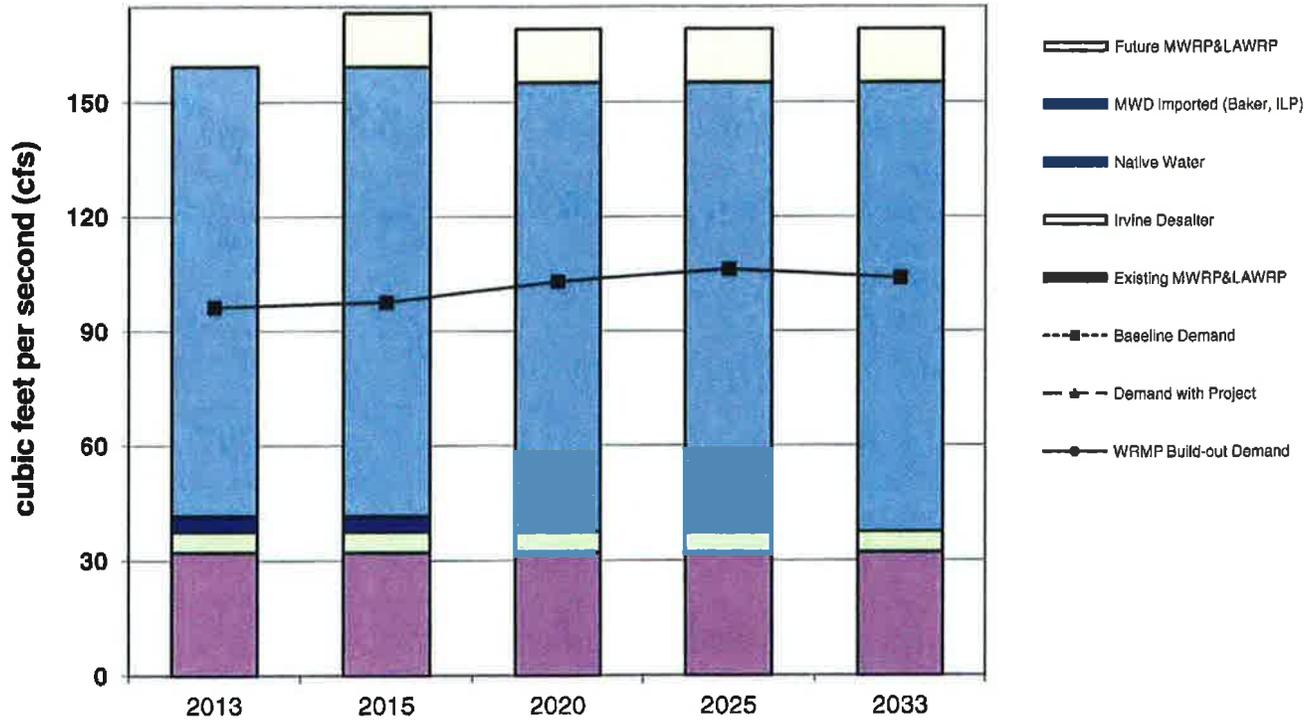
**Figure 7
IRWD Multiple Dry-Year Supply & Demand - Nonpotable Water**



(in acre-feet per year)	2013	2015	2020	2025	2033
Current Nonpotable Supplies					
Existing MWRP&LAWRP	18,657	18,657	18,657	18,657	18,657
MWD Imported (Baker, ILP)	17,826	17,826	17,826	17,826	17,826
Irvine Desalter	3,514	3,514	3,514	3,514	3,514
Native Water	1,000	1,000	-	-	-
Supplies Under Development					
Future MWRP&LAWRP	-	10,100	10,100	10,100	10,100
Maximum Supply Capability	40,997	51,097	50,097	50,097	50,097
Baseline Demand	29,856	30,261	31,946	32,910	32,239
Demand with Project	29,856	30,261	31,946	32,910	32,239
WRMP Build-out Demand	29,856	30,261	31,946	32,910	32,239
Reserve Supply with Project	11,140	20,836	18,151	17,187	17,858

Note: Downward trend reflects reduction in agricultural use over time.
 Native water will be treated to potable through the Baker Water Treatment Plant after 2016.
 MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

Figure 8
IRWD Maximum-Dry Supply & Demand - Nonpotable Water

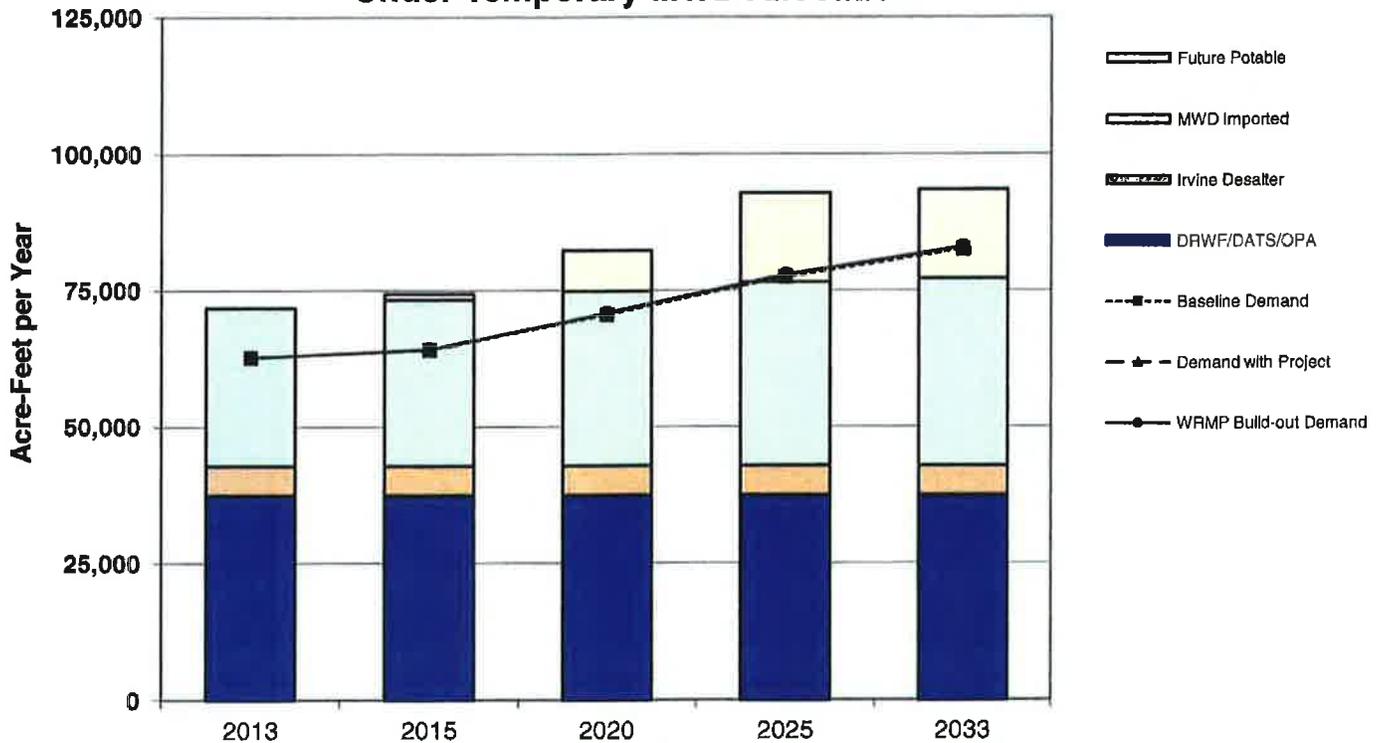


(in cfs)	2013	2015	2020	2025	2033
<u>Current Nonpotable Supplies</u>					
Existing MWRP&LAWRP	32.2	32.2	32.2	32.2	32.2
MWD Imported (Baker, ILP)	117.7	117.7	117.7	117.7	117.7
Irvine Desalter	5.4	5.4	5.4	5.4	5.4
Native Water	4.2	4.2	-	-	-
<u>Supplies Under Development</u>					
Future MWRP&LAWRP	-	14.0	14.0	14.0	14.0
Maximum Supply Capability	159.5	173.4	169.2	169.2	169.2
Baseline Demand	96.4	97.7	103.1	106.2	104.0
Demand with Project	96.4	97.7	103.1	106.2	104.0
WRMP Build-out Demand	96.4	97.7	103.1	106.2	104.0
Reserve Supply with Project	63.1	75.8	66.1	63.0	65.2

Note: Downward trend reflects reduction in agricultural use over time.

Native water will be treated to potable through the Baker Water Treatment Plant after 2016.

**Figure 1a
IRWD Normal-Year Supply & Demand - Potable Water
Under Temporary MWD Allocation***

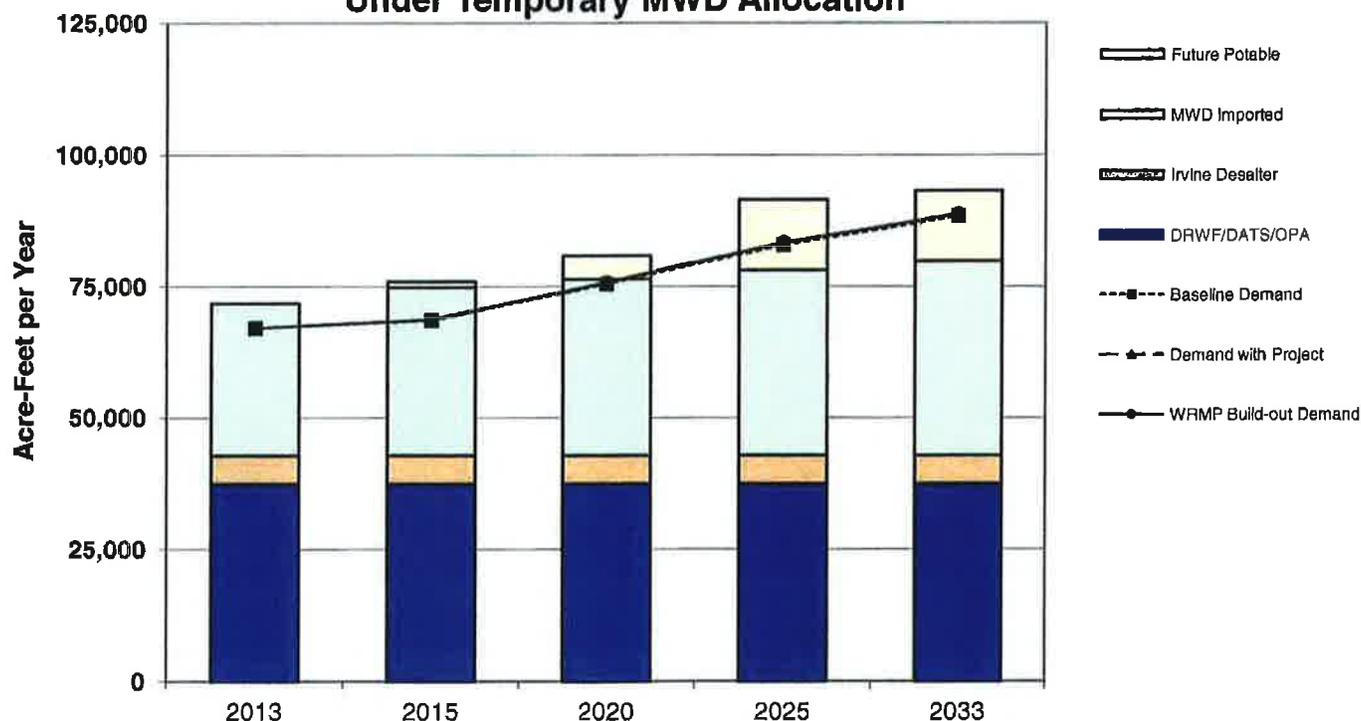


(in acre-feet per year)	2013	2015	2020	2025	2033
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	29,000	30,479	32,034	33,668	34,345
DRWF/DATS/OPA	37,533	37,533	37,533	37,533	37,533
Irvine Desalter	5,309	5,309	5,309	5,309	5,309
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Supplies Under Development					
Future Potable	-	1,118	7,469	16,352	16,352
Maximum Supply Capability	78,170	80,767	88,674	99,191	99,868
Baseline Demand	62,720	64,129	70,577	77,474	82,604
Demand with Project	62,720	64,215	70,813	77,859	82,989
WRMP Build-out Demand	62,720	64,215	70,813	77,859	82,989
Reserve Supply with Project	15,451	16,553	17,861	21,332	16,879

Notes: By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

*For illustration purposes, IRWD has shown MWD Imported Supplies as estimated under a short-term 10% allocation, Shortage Stage 2 in all of the 5-year increments. However, it is likely that such a scenario would only be temporary. Under a MWD Allocation, IRWD could supplement supplies with groundwater production which can exceed applicable basin percentages on a short-term basis or transfer water from IRWD's water bank. IRWD may also reduce demands by implementing shortage contingency measures as described in the UWMP. Under a MWD allocation, the Baker WTP supplies (under "Future Potable") will be limited to available native water only.

**Figure 2a
IRWD Single Dry-Year Supply & Demand - Potable Water
Under Temporary MWD Allocation***

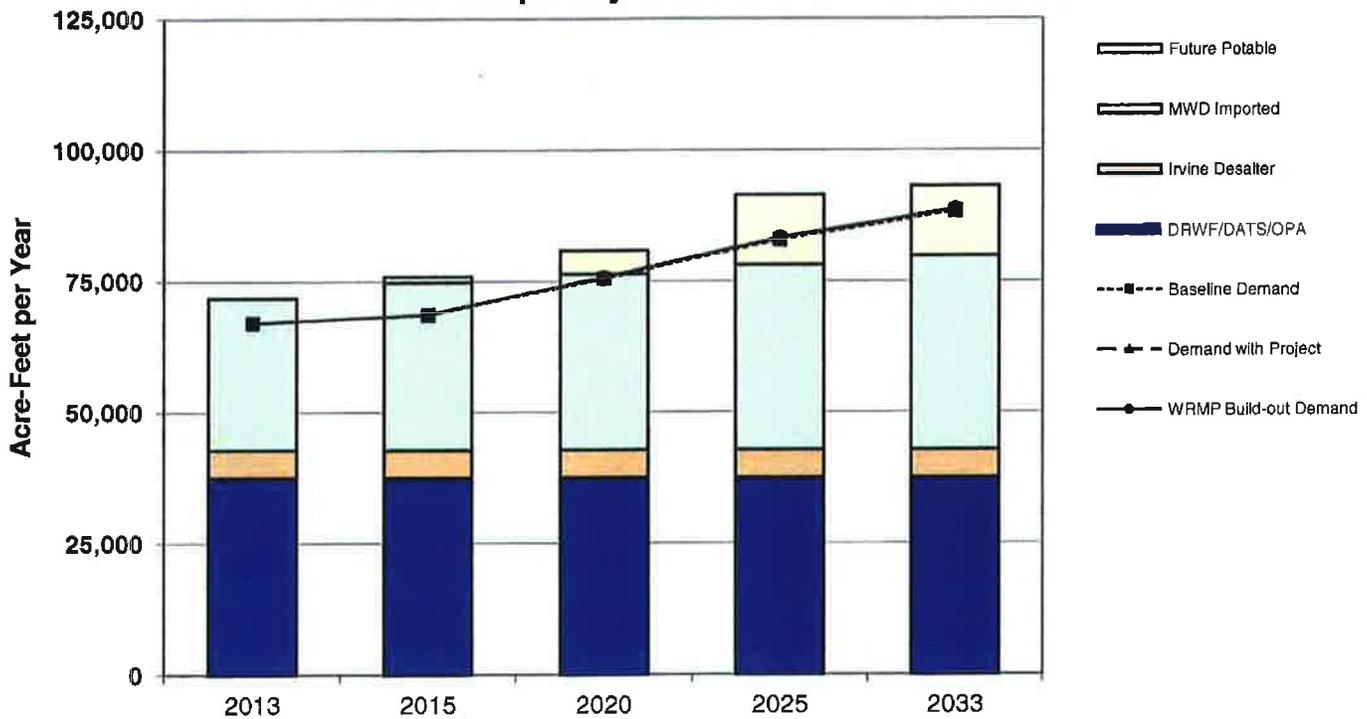


(in acre-feet per year)	2013	2015	2020	2025	2033
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	29,000	32,003	33,603	35,284	37,048
DRWF/DATS/OPA	37,533	37,533	37,533	37,533	37,533
Irvine Desalter	5,309	5,309	5,309	5,309	5,309
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Supplies Under Development					
Future Potable	-	1,118	4,469	13,352	13,352
Maximum Supply Capability	78,170	82,291	87,243	97,806	99,571
Demand					
Baseline Demand	67,110	68,619	75,518	82,897	88,386
Demand with Project	67,110	68,710	75,769	83,309	88,798
WRMP Build-out Demand	67,110	68,710	75,769	83,309	88,798
Reserve Supply with Project	11,060	13,581	11,474	14,498	10,772

Notes: Supplies identical to Normal-Year based on Metropolitan's Regional Urban Water Management Plan and usage of groundwater under drought conditions (OCWD Master Plan). Demands increased 7% from Normal-Year. By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

*For illustration purposes, IRWD has shown MWD Imported Supplies as estimated under a short-term 10% allocation, Shortage Stage 2 in all of the 5-year increments. However, it is likely that such a scenario would only be temporary. Under a MWD Allocation, IRWD could supplement supplies with groundwater production which can exceed applicable basin percentages on a short-term basis or transfer water from IRWD's water bank. IRWD may also reduce demands by implementing shortage contingency measures as described in the UWMP. Under a MWD allocation, the Baker WTP supplies (under "Future Potable") will be limited to available native water only.

Figure 3a
IRWD Multiple Dry-Year Supply & Demand - Potable Water
Under Temporary MWD Allocation*



(in acre-feet per year)	2013	2015	2020	2025	2033
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	29,000	32,003	33,603	35,284	37,048
DRWF/DATS/OPA	37,533	37,533	37,533	37,533	37,533
Irvine Desalter	5,309	5,309	5,309	5,309	5,309
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Supplies Under Development					
Future Potable	-	1,118	4,469	13,352	13,352
Maximum Supply Capability	78,170	82,291	87,243	97,806	99,571
Baseline Demand	67,110	68,619	75,518	82,897	88,386
Demand with Project	67,110	68,710	75,769	83,309	88,798
WRMP Build-out Demand	67,110	68,710	75,769	83,309	88,798
Reserve Supply with Project	11,060	13,581	11,474	14,498	10,772

Notes: Supplies identical to Normal-Year based on Metropolitan's Regional Urban Water Management Plan and usage of groundwater under drought conditions (OCWD Master Plan). Demands increased 7% from Normal-Year. By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

*For illustration purposes, IRWD has shown MWD Imported Supplies as estimated under a short-term 10% allocation, Shortage Stage 2 in all of the 5-year increments. However, it is likely that such a scenario would only be temporary. Under a MWD Allocation, IRWD could supplement supplies with groundwater production which can exceed applicable basin percentages on a short-term basis or transfer water from IRWD's water bank. IRWD may also reduce demands by implementing shortage contingency measures as described in the UWMP. Under a MWD allocation, the Baker WTP supplies (under "Future Potable") will be limited to available native water only.

2. Information concerning supplies

(a)(1) Existing sources of identified water supply for the proposed project: IRWD does not allocate particular supplies to any project, but identifies total supplies for its service area, as shown in the following table:

	Max Day (cfs)	Avg. Annual (AFY)	Annual by Category (AFY)
Current Supplies			
Potable - Imported			
East Orange County Feeder No. 2	41.4	16,652	1
Allen-McColloch Pipeline*	64.7	26,024	1
Orange County Feeder	18.0	7,240	1
			49,916
Potable - Groundwater			
Dyer Road Wellfield	80.0	28,000	2
OPA Well	1.4	914	
Deep Aquifer Treatment System-DATS	12.5	8,618	2
Wells 21 & 22	10.9	6,329	2
Irvine Desalter	9.5	5,309	3
			49,170
Total Potable Current Supplies	238.4		99,086
Nonpotable - Reclaimed Water			
MWRP (18 mgd)	23.9	17,340	4
LAWRP (5.5 mgd)	8.3	5,975	4
			23,315
Nonpotable - Imported			
Baker Aqueduct	52.7	12,221	5
Irvine Lake Pipeline	65.0	9,000	6
			21,221
Nonpotable - Groundwater			
Irvine Desalter-Nonpotable	5.4	3,514	7
			3,514
Nonpotable Native			
Irvine Lake	4.2	3,048	8
			3,048
Total Nonpotable Current Supplies	159.5		51,098
Total Combined Current Supplies	397.9		150,185
Supplies Under Development			
Potable Supplies			
Well 106	2.0	1,118	
Well 53	5.6	3,658	
Future OPA Wells	8.0	5,225	
Baker Water Treatment Plant	10.5	6,858	
Wells 51 & 52	3.6	2,351	
Total Potable Under Development Supplies	29.7	19,211	19,211
Nonpotable Supplies: MWRP&LAWRP Reclaimed			
	20.0	14,450	14,450
Total Under Development	49.7		33,661
Total Supplies			
Potable Supplies	268.1		118,297
Nonpotable Supplies	179.4		65,548
Total Supplies (Current and Under Development)	447.5		183,846

1 Based on converting maximum day capacity to average by dividing the capacity by a peaking factor of 1.8 (see Footnote 3, page 22).

2 Contract amount - See Potable Supply-Groundwater(iii).

3 Contract amount - See Potable Supply-Groundwater (iv) and (v). Maximum day well capacity is compatible with contract amount.

4 MWRP 18.0 mgd treatment capacity (17,400 AFY RW production) and LAWRP 5.5 mgd tertiary treatment capacity (5,975 AFY)

5 By 2020, Baker capacity will be allocated to Baker Water Treatment Plant (WTP) participants and IRWD will own 46.50 cfs in Baker Aqueduct after

6 Based on IRWD's proportion of Irvine Lake imported water storage; Actual ILP capacity would allow the use of additional imported water from MWD through the Santiago Lateral.

7 Contract amount - See Nonpotable Supply-Groundwater (i) and (ii). Maximum day well capacity (cfs) is compatible with contract amount.

8 Based on 70+ years historical average of Santiago Creek Inflow into Irvine Lake. By 2020, native water will be treated through Bater WTP.

9 Future estimated MWRP & LAWRP reclaimed water production.

*64.7 cfs is current assigned capacity; based on increased peak flow, IRWD can purchase 10 cfs more (see page 23 (b)(1)(iii))

(b) Factors considered in determining the sufficiency of the water supply:

(i) The availability of water supplies over a historical record of at least 20 years.

Source	1980	1985	1990	1995	2000	2005	2010
Potable – imported	29,510	43,320	44,401	28,397	36,777	19,306	19,306
Potable – groundwater	827	38	10,215	20,020	20,919	37,160	37,160
Nonpotable - reclaimed	9,196	12,399	11,589	10,518	14,630	15,296	15,296
Nonpotable - imported*	9,556	12,260	24,899	2,333	16,343	5,304	5,304
Nonpotable – groundwater	-	36	816	1,834	2,890	2,285	2,285
Nonpotable – native	11,909	3,587	2,778	5,980	4,949	7,251	7,251
Total	60,998	71,639	94,899	69,082	96,508	86,602	86,602

See also the Assessment, Section 1, incorporated herein by reference.

The following information is added:

On June 1, 2008, through annexation and merger, IRWD acquired the water system of the former Orange Park Acres Mutual Water company, including well [OPA Well]. The well is operated within the Orange County Groundwater Basin. (See Assessment, Section 2(b) – POTABLE SUPPLY – GROUNDWATER.)

(ii) The applicability of a water shortage contingency analysis prepared pursuant to Water Code Section 10632 that includes actions to be undertaken by IRWD in response to water supply shortages.

The supply and demand comparisons incorporated from the Assessment into this Verification (see 1(a)) do not reflect the implementation of water shortage emergency measures. In February 2009, IRWD updated Section 15 of its Rules and Regulations – Water Conservation and Water Supply Shortage Program and also updated its Water Shortage Contingency Plan, which is a supporting document for Section 15. Section 15 of the Rules and Regulations serves as IRWD’s “conservation ordinance”. As stated in IRWD’s Water Shortage Contingency Plan, use of local supplies, storage and other supply augmentation measures can mitigate shortages, and are assumed to be in use to the maximum extent possible during declared shortage levels. However, in order to be conservative, IRWD has not reduced its single-dry or multiple-dry year demand projections or increased its single-dry or multiple-dry year supply projections in the Assessment to account for any water savings that could be achieved by these measures.

(iii) Reduction by IRWD in water supply allocated to a specific water use sector, pursuant to a resolution, ordinance or contract uses.

The supply and demand comparisons incorporated from the Assessment into this Verification (see 1(a)) do not reflect any allocated reductions by IRWD. As noted under the preceding item (ii), IRWD’s water shortage contingency plan and Rules and Regulations provide for voluntary and mandatory water conservation measures that could be invoked in declared water shortage emergencies. These include reductions to certain water uses. However, in order to be conservative, IRWD has not reduced its single-dry or multiple-dry year demand projections or increased its single-dry or multiple-dry year supply projections in the Assessment to account for water savings that could be achieved by any allocated reductions.

With respect to items (ii) and (iii) above, it is noted that MWD has in effect a management plan for dealing with periodic surplus and shortage conditions, known as Metropolitan Report No. 1150, *Water Surplus and Drought Management Plan (RUWMP, II-15)* and also in 2010 RUWMP pages 2-20 through 2-22). MWD's demand projections account for the effects of long-term conservation best management practices.

(iv) The amount of water that IRWD can reasonably rely on receiving from other water supply projects, such as conjunctive use, reclaimed water, water conservation, and water transfer, including programs identified under federal, state and local water initiatives such as CALFED and Colorado River tentative agreements, based on the inclusion of information with respect to such supplies in Section 2, below.

Local. IRWD directly relies (for a portion of its full build-out annual demand in single and multiple dry-year projections) on the following under development supplies (see 1(a), above): the Irvine Wells (see the Assessment, Section 2(b)(1)(vi) – "POTABLE SUPPLY – GROUNDWATER"). In addition to Orange County Water District (OCWD) reports listed in the Assessment Reference List, OCWD has also prepared a Long Term Facilities Plan ("LTFP") which provides updated information and was received by the OCWD Board in July 2009. The LTFP Chapter 3 describes the efforts being undertaken by OCWD to eliminate long-term overdraft in the Basin. OCWD has an optimal basin management target of 100,000 acre-feet of accumulated overdraft which provides sufficient storage space to accommodate increased supplies from one wet year while also provides enough water in storage to offset decreased supplies during a two- to three year drought. (Source: "Evaluation of Orange County Groundwater Basin Storage and Operational Strategy", February 2007 as referenced in *2010-11 Engineer's Report on Groundwater Conditions, Water Supply and Basin Utilization in the Orange County Water District*).

With the implementation of OCWD's preferred projects, the Basin yield in the year 2030 would be up to 500,000 AF. The amount that can be produced will be a function of which projects will be implemented by OCWD and how much increased recharge capacity is created by those projects, total demands by all producers, and the resulting Basin Production Percentage ("BPP") that OCWD sets based on these factors.

IRWD's own reclaimed water expansion program is also shown as an under development supply. IRWD also has a currently available reclaimed water supply from its own existing reclamation program. The reclaimed water supplies are discussed in Section 2 below (see the Assessment, Section 1 – Figures 5, 6, 7 and 8 (supplies denominated "MWRP" and "LAWRP"), Section 2(a), and Section 2(b)(1) - "NONPOTABLE SUPPLY – RECLAIMED"), IRWD has prepared a Final Environmental Impact Report for the Michelson Water Reclamation Plant Phase 2 and 3 Capacity Expansion Project (February, 2006) and the expansion project is under construction. With this expansion, IRWD plans to increase its capacity on the existing MWRP site to produce sufficient reclaimed water to meet the projected demand in the year 2033. Additional reclamation capacity will augment local nonpotable supplies and improve reliability.

As noted in the Assessment, IRWD's demand projections reflect the effect of IRWD's water conservation pricing and other conservation practices; in particular, IRWD's water use factors used to derive its demand projections are based on average water use and incorporate the effect of IRWD's tiered-rate conservation pricing and its other long-term water conservation programs. System losses at a rate of approximately 5% are built into the water use factors. As discussed above, IRWD's supply and demand projections do not take into account water

savings that could be achieved by water shortage emergency measures.

Imported. MWD, the supplier of IRWD's imported supplies, relies upon several of the listed projects and programs. MWD supports and provides financial incentives to water reclamation, groundwater recovery, water conservation, ocean desalination and other local resource development programs. MWD calculates its demand forecast by first estimating total retail demand for the region and then factoring in impacts of conservation. Next, it derives projections of local supplies using data on current and expected local supply programs and Integrated Resource Planning (IRP) Local Resource Program Target. The difference between the resulting local demands is the expected regional demand on MWD. These estimates of demands on MWD were developed for a single dry year, multiple dry years and average years. (2010 *RUWMP*, pages 2-12 to 2-14)

MWD also relies upon the implementation of the CALFED Bay-Delta Program, as an under development supply, to attain an increase in its existing Bay-Delta deliveries. Other under development programs relied upon by MWD include: additional transfers and storage agreements such as ICS Exchange, Agreements with CVWD, Additional Palo Verde Irrigation District Transfers, Arizona Programs – CAP, Hayfield Groundwater Extraction Project, Mojave Groundwater Storage Program, North of Delta/In-Delta Transfers, San Bernardino Valley Water MWD Central Feeder, Shasta Return, and Semitropic Agricultural Water Reuse. (2010 *RUWMP*, Sections 3.1, 3.2, and 3.3) See also MWD's 2010 *RUWMP*, Appendix A.3 Justifications for Supply Projections with respect to MWD's current and under development supplies.

In addition to MWD's existing regional supply assessments, the water supply verification has considered MWD information concerning recent events. See the above "Recent Actions on Delta Pumping."

2. Required information concerning *under-development* supplies

The following information is added:

IRWD plans to construct the Baker Water Treatment Plan project (the Baker WTP) in partnership with El Toro Water District, Mouton-Niguel Water District, Santa Margarita Water District and Trabuco Canyon Water District. The Baker WTP will be supplied with untreated imported water from MWD and native Irvine Lake water supply. IRWD will own 10.5 cfs of treatment capacity rights in the Baker WTP.⁴ Initiation of the construction of the Baker WTP is anticipated in 2014.

(a) Written contracts or other proof of valid rights to the identified supplies

See the Assessment, Section 2(b)(1), incorporated herein by reference. See also MWD's 2010 *RUWMP*, Appendix A.3 Justifications for Supply Projections with respect to written contracts and other proof related to MWD's supplies.

⁴ The Baker WTP shall be supplied nonpotable imported water through the existing Baker Pipeline. IRWD's existing Baker Pipeline capacity (See Assessment, Section 2(b)(1) NONPOTABLE SUPPLY – IMPORTED) shall be apportioned to the Baker WTP participants based on Baker WTP capacity ownership, and IRWD shall retain 10.5 cfs of pipeline capacity through the Baker WTP for potable supply and shall retain 36 cfs in Reach 1U of the Baker Pipeline capacity for nonpotable supply.

(b) Adopted capital outlay program to finance delivery of the supplies

See the Assessment, Section 2(b)(2), incorporated herein by reference. With respect to future groundwater wells (PR Nos. 11405, 11473) the MWRP Phase 2 expansion (PR. Nos. 20214 and 30214), and Baker WTP (PR No. 11218) IRWD adopted its fiscal year 2013-14 capital budget on June 10, 2013 (Resolution No. 2013-21), budgeting portions of the funds for such projects. IRWD has financed its expected 24% share of the costs of the Baker WTP from general obligation bonds. See also MWD's 2010 *RUWMP*, Appendix A.3 Justifications for Supply Projections with respect to capital outlay programs related to MWD's supplies.

(c) Federal, state and local permits to construct of delivery infrastructure

See the Assessment, Section 2(b)(3), incorporated herein by reference. See also MWD's 2010 *RUWMP*, Appendix A.3 Justifications for Supply Projections with respect to permits related to MWD's supplies.

(d) Regulatory approvals for conveyance or delivery of the supplies

See the Assessment, Section 2(b)(4), incorporated herein by reference. In addition, reclamation plant expansion will require approval of amendments to IRWD's permits issued by the Regional Water Quality Control Board. See also MWD's 2010 *RUWMP*, Appendix A.3 Justifications for Supply Projections with respect to regulatory approvals related to MWD's supplies.

3. Foreseeable impacts of the Project on the availability of water for agricultural and industrial uses in IRWD's service area not currently receiving water

Based on city planning and other information known to IRWD, there are no agricultural or industrial uses in IRWD's service area that are not within either existing and committed demand or future demand, both of which are included within the supply and demand comparison and determination of sufficiency (see 1(a)).

4. Information concerning the right to extract additional groundwater included in the supply identified for the Project:

Where the water supply for the Project includes groundwater, the verification is required to include an evaluation of the extent to which IRWD or the landowner has the right to extract the additional groundwater needed to supply the Project. See the Assessment, Section 2(b)(1), "POTABLE SUPPLY – GROUNDWATER" and "NONPOTABLE SUPPLY – GROUNDWATER," and Section 4, incorporated herein by reference.

5. References

Water Resources Master Plan, Irvine Ranch Water District, March, 2002 (supplemented January, 2004)

2010 Urban Water Management Plan, Irvine Ranch Water District, June, 2011

Section 15 of the Rules and Regulations – Water Conservation and Water Supply Shortage Program, Irvine Ranch Water District, February, 2009

Water Shortage Contingency Plan, Irvine Ranch Water District, February, 2009

2010 Integrated Resources Plan Update, Metropolitan Water District of Southern California, October, 2010

2010 Regional Urban Water Management Plan, Metropolitan Water District of Southern California, November, 2010

The Regional Urban Water Management Plan for the Metropolitan Water District of Southern California, Metropolitan Water District of Southern California, November, 2005

Integrated Water Resources Plan Update, Metropolitan Water District of Southern California, July, 2004

Proposed Framework for Metropolitan Water District's Delta Action Plan, Metropolitan Water District of Southern California, May 8, 2007

Board Information Report, Metropolitan Water District of Southern California, October 9, 2007

2007 IRP Implementation Report, Metropolitan Water District of Southern California, October, 2007

Master Plan Report, Orange County Water District, April, 1999

Groundwater Management Plan, Orange County Water District, March, 2004

Final Draft Long-Term Facilities Plan, Orange County Water District, January, 2006

Orange County Water District Report on Evaluation of Orange County Groundwater Basin Storage and Operational Strategy, February, 2007

2010-11 Engineer's Report on Groundwater Conditions, Water Supply and Basin Utilization in the Orange County Water District, Orange County Water District, February 2012

Progress on Incorporating Climate Change into Management of California's Water Resources, California Department of Water Resources, July, 2006

Exhibit A
Depiction of Project Area

**City of Lake Forest Portola Center
Tract Maps 15353 and 17300**

VICINITY MAP

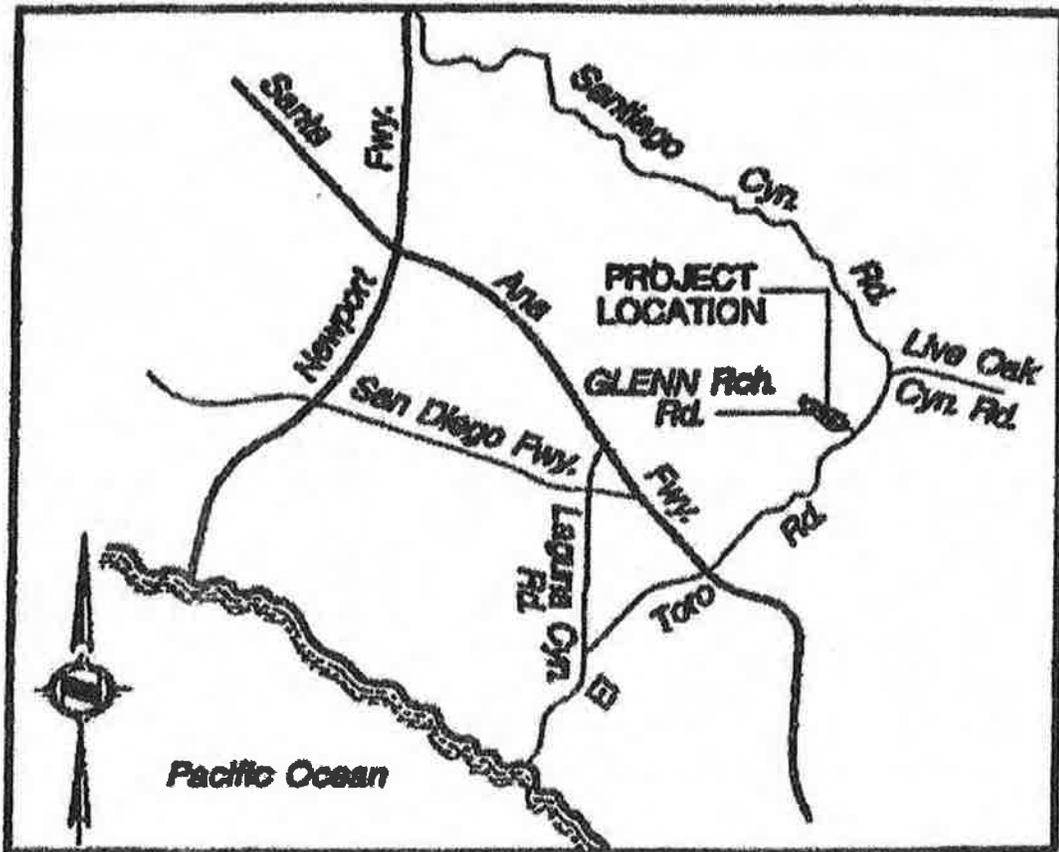


Exhibit B

Non-residential Uses Included in Project



WATER RESOURCES

June 12, 2013

Irvine Ranch Water District
15600 Sand Canyon Avenue
P.O. Box 57000
Irvine, CA 92619-7000

JUN 13 2013

**IRVINE RANCH
WATER DISTRICT**

Mayor
Scott Voigts

Mayor Pro Tem
Kathryn McCullough

Council Members
Peter Herzog
Adam Nick
Dwight Robinson

City Manager
Robert C. Dunek

**RE: REQUEST FOR VERIFICATION OF SUFFICIENT WATER SUPPLIES
(GOVERNMENT CODE §66473.7(B)(1))**

The City of Lake Forest, on behalf of the subdivision applicant, Baldwin & Sons, LLC, is requesting a verification of the availability of a sufficient water supply for the project described below. Pursuant to Government Code §66473.7(b)(1), the approving body of a tentative tract map for a subdivision (as defined therein) must apply a condition of approval requiring that a sufficient water supply be available. Written verification may be requested by the subdivision applicant or the local agency. Accordingly, the City is hereby requesting such verification in advance of project approval.

The City has determined that the subject project (1) includes a subdivision meeting the criteria requiring verification of availability of sufficient water supply, in that it may result in the development of more than 500 dwelling units, and (2) does not fall within one of the statutory exemptions for previously developed urban sites, sites surrounded by urban use, or low-income housing sites.

Project Information

Project Title: Portola Center

Location of Project:

northwest (APN: 606-331-04), northeast (APN's: 606-321-12, 606-321-13 (606-321-01), 606-321-14, 606-332-01) and south (APN's: 606-341-08 (606-341-01), 606-341-09 (606-341-04), 606-351-03, 606-351-05) of the intersection of Saddleback Ranch Road and Glenn Ranch Road, Lake Forest, CA; (see attached Tentative Tract Maps).

Was the project included as part of a previously completed Water Supply Assessment (Water Code §10910)? yes no

If yes, date and project title of Water Supply Assessment: 1/24/2005 Opportunities Study (see attached).

If no, state reason: CEQA documentation not requiring a Water Supply Assessment was completed prior to January 1, 2002 other: _____

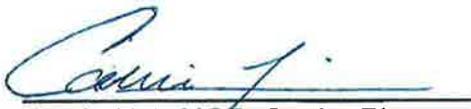


Irvine Ranch Water District
Water Supply Verification
June 12, 2013

Supply Verification if required. In the event of changes in the project, circumstances or conditions of the availability of new information, it will be necessary for the City to request a new Water Supply Assessment prior to completion of the new Water Supply Verification.

The City acknowledges that the Water Supply Verification shall not constitute a "will-serve" or in any way entitle the project applicant to service or to any right, priority or allocation in any supply, capacity or facility, and that the issuance of the Water Supply Verification shall not affect IRWD's obligation to provide service to its existing customers or any potential future customers including the project applicant. In order to receive service, the project applicant shall be required to file a completed Application(s) for Service and Agreement with the Irvine Ranch Water District on IRWD's forms, together with all fees and charges, plans and specifications, bonds and conveyance of necessary easements, and meet all other requirement as specified therein.

CITY OF LAKE FOREST

By: 
Carrie Tai, AICP, Senior Planner

Attachments:

1. TTM 15353 (04-02-13)
2. TTM 17300 (04-02-13)
3. Water Supply Assessment (01-24-05)
4. Water Purveyor's Statement of Certification – TTM 15353 (10-12-09)
5. Water Purveyor's Statement of Certification – TTM 17300 (10-12-09)

REQUEST RECEIVED:

Date: June 13, 2013

By: Kelli Wilton
Irvine Ranch Water District

REQUEST COMPLETE:

Date: June 14, 2013

By: Kelli Wilton
Irvine Ranch Water District

Exhibit C
Water Supply Assessment

Water Supply Assessment Information

Purpose of Assessment

Irvine Ranch Water District ("IRWD") has been identified by the City as a public water system that will supply water service (both potable and nonpotable) to the project identified on the cover page of this assessment (the "Project"). As the public water system, IRWD is required by Section 10910 *et seq.* of the Water Code to provide the City with an assessment of water supply availability ("assessment") for defined types of projects. The Project has been found by the City to be a project requiring an assessment. The City is required to include this assessment in the environmental document for the Project, and, based on the record, make a determination whether projected water supplies are sufficient for the Project and existing and planned uses.

Water Code Section 10910 (the "Assessment Law") contains the requirements for the information to be set forth in the assessment.

Prior Water Supply Assessments

IRWD does not allocate particular supplies to any project, but identifies total supplies for its service area. Because of IRWD's aggregation of demands and supplies, each assessment completed by IRWD is expected to be generally similar to the most recent assessment, with changes as needed to take into account changes, if any, in demands and supplies, and any updated and corrected information obtained by IRWD. Previously assessed projects' water demands will be included in the baseline. A newly assessed project's water demand will have been included in previous water supply assessments for other projects (as part of IRWD's "full build-out" demand) to the extent of any land use planning or other water demand information for the project that was available to IRWD.

The Project's water demand was included (as part of IRWD's "full build-out" demand) in previous water supply assessments performed by IRWD, based on land use planning information then available to IRWD. In this water supply assessment, the Project demand will be revised in accordance with updated information provided by the applicant and included in the "with project" demand.

Supporting Documentation

IRWD prepares two planning documents to guide water supply decision-making. IRWD's principal planning document is IRWD's "Water Resources Master Plan" ("WRMP"). The WRMP is a comprehensive document compiling data and analyses that IRWD considers necessary for its planning needs. IRWD also prepares an Urban Water Management Plan ("UWMP"), a document required by statute. The UWMP is based on the WRMP, but contains defined elements as listed in the statute (Water Code Section 10631, *et seq.*), and as a result, is more limited than the WRMP in the treatment of supply and demand issues. Therefore, IRWD primarily relies on its most recent WRMP. (The UWMP is required to be updated in years ending with "five" and "zero," and IRWD's next update of that document is anticipated in 2005. With changes that have occurred in land uses since the last update of the UWMP in 2000, IRWD's year 2020 water demand, as reflected by the WRMP, is currently projected to be approximately 9% lower than the projected demand shown in the 2000 UWMP.)

The land use changes incorporated in the WRMP since the date of the 2000 UWMP include the following:

- In 2001, IRWD consolidated with the neighboring Los Alisos Water District (LAWD), thereby adding the majority of the City of Lake Forest to IRWD's service area. IRWD has now integrated the supplies and demands of the two districts.
- In late 2001, The Irvine Company announced the planned dedication of a large area as permanent open space. The majority of this land is located in the northwestern portion of IRWD (City of Orange sphere of influence), with an additional area near Laguna Canyon Road. IRWD has made appropriate reductions in its demand calculations.
- Proposed development uses have replaced agricultural uses previously used to compute demand for portions of the Project and the adjacent Northern Sphere Area project.
- The alternative proposals for reuse of the MCAS-El Toro property that preceded the current Project had different water demands. To ensure that IRWD would be able to provide a sufficient water supply capacity irrespective of which reuse proposal was implemented, the 1999 WRMP assumed the highest water-demand generating land use plan for the property. This plan, the "Millennium Plan," was subsequently replaced by a non-aviation "great park" alternative. The park proposal resulted in lower overall demand, but higher nonpotable demand (for irrigation) than the Millennium Plan. In the most recent WRMP, the updated water demand information for the park has been substituted for the previous information related to the park proposal.
- All other refinements of future land uses have been included in the WRMP, along with updated information on existing land uses.

In addition to the WRMP and the 2000 UWMP mentioned above, other supporting documentation referenced herein is found in Section 6 of this assessment.

Due to the number of contracts, statutes and other documents comprising IRWD's written proof of entitlement to its water supplies, in lieu of attachment of such items, they are identified by title and summarized in Section 2(b) of this assessment (written contracts/proof of entitlement). Copies of the summarized items have been provided to the City and can be obtained from IRWD.

Assessment Methodology

Water use factors; dry-year increases. IRWD employs water use factors to enable it to assign water demands to the various land use types and aggregate the demands. The water use factors are based on average water use and incorporate the effect of IRWD's tiered-rate conservation pricing and its other water conservation programs. The factors are derived from historical usage (billing data) and a detailed review of water use factors within the IRWD service areas conducted as a part of the WRMP. Water demands also reflect normal hydrologic conditions (precipitation). Lower levels of precipitation and higher temperatures will result in higher water demands, due primarily to the need for additional water for irrigation. To reflect this, base (normal) WRMP water demands have been increased 7% in the assessment during both "single-dry" and "multiple-dry" years. This is consistent with IRWD's 2000 UWMP and historical regional demand variation as documented in the Metropolitan Water District of

Southern California's ("MWD's") Integrated Resources Plan (1996) (Volume 1, page 2-10).

Planning horizon. For consistency with IRWD's WRMP, the assessment reviews demands and supplies through the year 2025, which is considered to represent build-out or "ultimate development". This exceeds the 20-year projection required by the statute (see Water Code Sections 10631 and 10910).

Assessment of demands. Water demands are reviewed in this assessment for three development projections (to 2025):

- Existing and committed demand (without the Project) ("baseline"). This provides a baseline condition as of the date of this assessment, consisting of demand from existing development, plus demand from development that has both approved zoning and (if required by the Assessment Law) an adopted water supply assessment.
- Existing and committed demand, plus the Project ("with-project"). This projection adds the Project water demands to the baseline demands.
- Full WRMP build-out ("full build-out"). In addition to the Project, this projection adds potential demands for all presently undeveloped areas of IRWD based on current general plan information, modified by more specific information available to IRWD, as more fully described in Chapter 2 of the WRMP.

Assessment of supplies. For comparison with demands, water supplies are classified as *currently available* or *under development*:

- *Currently available* supplies include those that are presently operational, and those that will be operational within the next several years. Supplies expected to be operational in the next several years are those having completed or substantially completed the environmental and regulatory review process, as well as having necessary contracts (if any) in place to move forward. These supplies are in various stages of planning, design, or construction.
- In general, supplies *under development* may necessitate the preparation and completion of environmental documents, regulatory approvals, and/or contracts prior to full construction and implementation.

IRWD is also evaluating the development of additional supplies that are not included in either *currently available* or *under-development* supplies for purposes of this assessment. As outlined in the WRMP, prudent water supply and financial planning dictates that development of supplies be phased over time consistent with the growth in demand.

Water supplies available to IRWD include several sources: groundwater pumped from the Orange County groundwater basin (including the Irvine Subbasin); captured local (native) surface water; reclaimed wastewater, and supplemental imported water supplied by MWD through the Municipal Water District of Orange County ("MWDOC"). The supply-demand comparisons in this assessment are broken down among the various sources, and are further separated into potable and nonpotable water sources.

Comparison of demand and supply. The three demand projections noted above (baseline, with-project and full build-out) are compared with supplies in the following ways:

- On a total *annual* quantity basis (stated in acre-feet per year (AFY)).
 - On a *peak-flow* (maximum day) basis (stated in cubic feet per second (cfs)).
- Under three climate conditions: base (normal) conditions and single-dry and multiple-dry year conditions. (Note: These conditions are compared for *annual* demands and not for *peak-flow* demands. *Peak-flow* is a measure of a water delivery system's ability to meet the highest day's demand of the fluctuating demands that will be experienced in a year's time. Peak demands occur during the hot, dry season and as a result are not appreciably changed by dry-year conditions; dry-year conditions do affect *annual* demand by increasing the quantity of water needed to supplement normal wet-season precipitation.)

Summary of Results of Demand-Supply Comparisons

Listed below are Figures provided in this assessment, comparing projected potable and nonpotable water supplies and demands under the three development projections:

- Figure 1: Normal Year Supply and Demand – Potable Water
- Figure 2: Single Dry-Year Supply and Demand – Potable Water
- Figure 3: Multiple Dry-Year Supply and Demand – Potable Water
- Figure 4: Maximum-Day Supply and Demand – Potable Water
- Figure 5: Normal Year Supply and Demand – Nonpotable Water
- Figure 6: Single Dry-Year Supply and Demand – Nonpotable Water
- Figure 7: Multiple Dry-Year Supply and Demand – Nonpotable Water
- Figure 8: Maximum-Day Supply and Demand – Nonpotable Water

It can be observed in the Figures that IRWD's *supplies* remain essentially constant between normal, single-dry and multiple-dry years. This result is due to the fact that groundwater and MWD imported water account for all of IRWD's potable supply, and reclaimed water, groundwater and imported water comprise most of IRWD's nonpotable supply. Groundwater production typically remains constant or increases in cycles of dry years, even if overdraft of the basin temporarily increases, as groundwater producers reduce their demand on imported supplies to secure reliability. (See Section 4 herein.) As to imported water, MWD projects that through the continued implementation of MWD's supplies under development, it can meet 100 percent of its member agencies' supplemental water demands over the next 20 years, even in a repeat of the worst drought. (See Section 2(b)(1) "IMPORTED SUPPLY - ADDITIONAL INFORMATION," below, for a summary of information provided by MWD.) Reclaimed water production also remains constant, and is considered "drought-proof" as a result of the fact that sewage flows remain virtually unaffected by dry years. Only a small portion of IRWD's nonpotable supply, native water captured in Irvine Lake, is reduced in single-dry and multiple-dry years. The foregoing factors also serve to explain why there is no difference in IRWD's supplies between single-dry and multiple-dry years.

A review of the Figures indicates the following:

- *Currently available* supplies of potable water are adequate to meet projected annual demands for both the *baseline* and *with-project* demand projections under the normal and both dry-year conditions through the year 2025. (Figures 1 through 3.)

- Sufficient *currently available* potable supplies are also available to meet annual *full build-out* demands under normal conditions. (Figure 1.)
- Meeting both single- and multiple-dry-year annual demands for *full build-out* will require the completion of a small amount of the *under-development* supplies. (Figures 2 and 3.)
- Adequate *currently available* potable water supply capacity is available to meet *peak-flow* (maximum day) demands for all demand projections including full build-out. (Figure 4.)
- With respect to nonpotable water, *currently available* supplies are more than adequate to meet all demand projections including full build-out, under both annual and peak-flow (maximum day) conditions, in both normal and dry years. However, IRWD is proceeding with the implementation of *under-development* nonpotable supplies, as shown in the Figures, to improve local reliability during dry-year conditions. (Figures 5 through 8.)

The foregoing Figures provide an overview of IRWD potable and nonpotable water supply capabilities. More detailed information on the anticipated development and use of supplies, which incorporates source costs and reliability issues, is provided in the WRMP.

Margins of safety. The Figures and other information described in this assessment show that IRWD's assessment of supply availability contains several margins of safety or buffers:

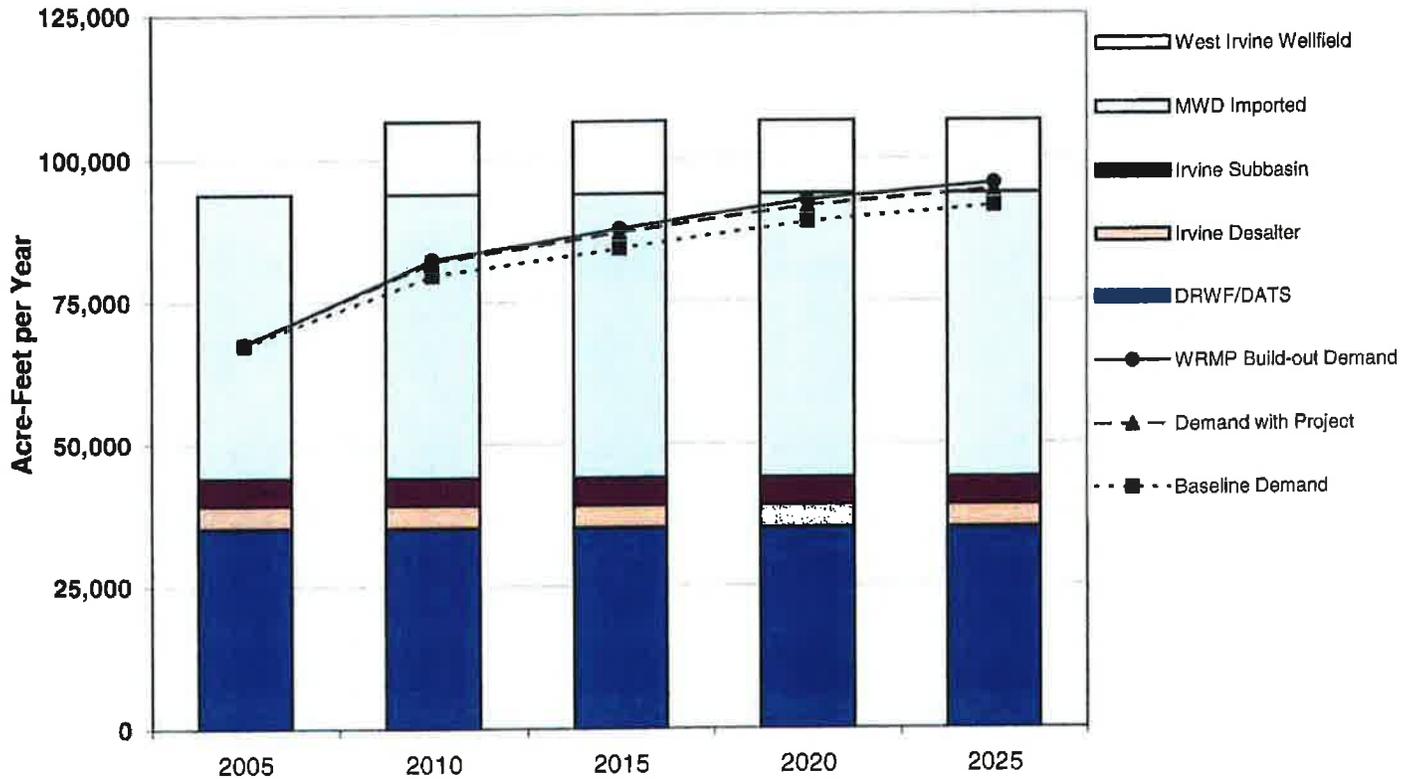
- Significant quantities of "reserve" water supplies (excess of supplies over demands) will be available to serve as a buffer against inaccuracies in demand projections, future changes in land use, or alterations in supply availability.
- The potential exists for the treatment and conversion of some reserve nonpotable supplies to potable water.
- Conservative estimates of annual potable and nonpotable *imported* supplies have been made based on connected delivery capacity (by application of peaking factors as described below in Section 2, footnote 1); additional supplies are expected to be available from these sources, based on legal entitlements, historical uses and information provided by MWD.
- Information provided by MWD, as the imported water supplier, concerning the adequacy of its regional supplies, summarized herein, demonstrates MWD's inclusion of margins of safety and reserves in its regional supply assessments.
- Although groundwater supply amounts shown in this assessment assume production levels within applicable basin production percentages described herein, production of groundwater can exceed applicable basin production percentages on a short-term basis, providing additional reliability during dry years or emergencies.

Detailed Assessment

1. Supply and demand comparison

Comparisons of IRWD's average annual and peak (maximum day) demands and supplies, under *baseline* (existing and committed demand, without the Project), *with-project* (baseline plus Project), and *full build-out* development projections, are shown in the following Figures 1 - 4 (potable water) and Figures 5 - 8 (nonpotable water):

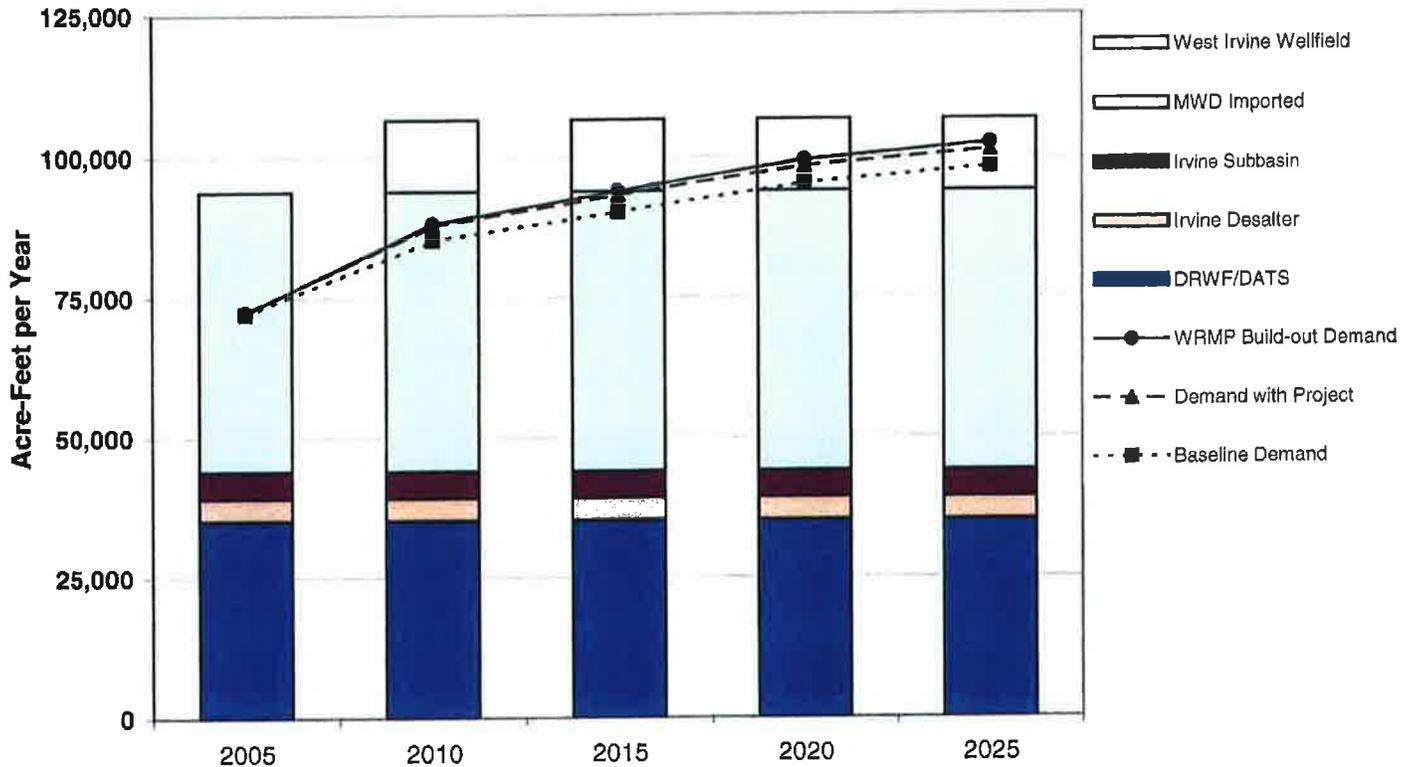
**Figure 1
IRWD Normal-Year Supply & Demand - Potable Water**



(in acre-feet per year)	2005	2010	2015	2020	2025
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	49,916	49,916	49,916	49,916	49,916
DRWF/DATS	35,200	35,200	35,200	35,200	35,200
Irvine Subbasin	4,800	4,800	4,800	4,800	4,800
Irvine Desalter	3,982	3,982	3,982	3,982	3,982
Supplies Under Development					
West Irvine Wellfield	-	12,700	12,700	12,700	12,700
Maximum Supply Capability	93,898	106,598	106,598	106,598	106,598
Baseline Demand	67,399	79,648	84,350	88,977	91,705
Demand with Project	67,635	82,070	87,146	91,792	94,520
WRMP Build-out Demand	67,635	82,402	87,819	92,807	95,654
Reserve Supply with Project	26,263	24,528	19,452	14,806	12,078

Notes: By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

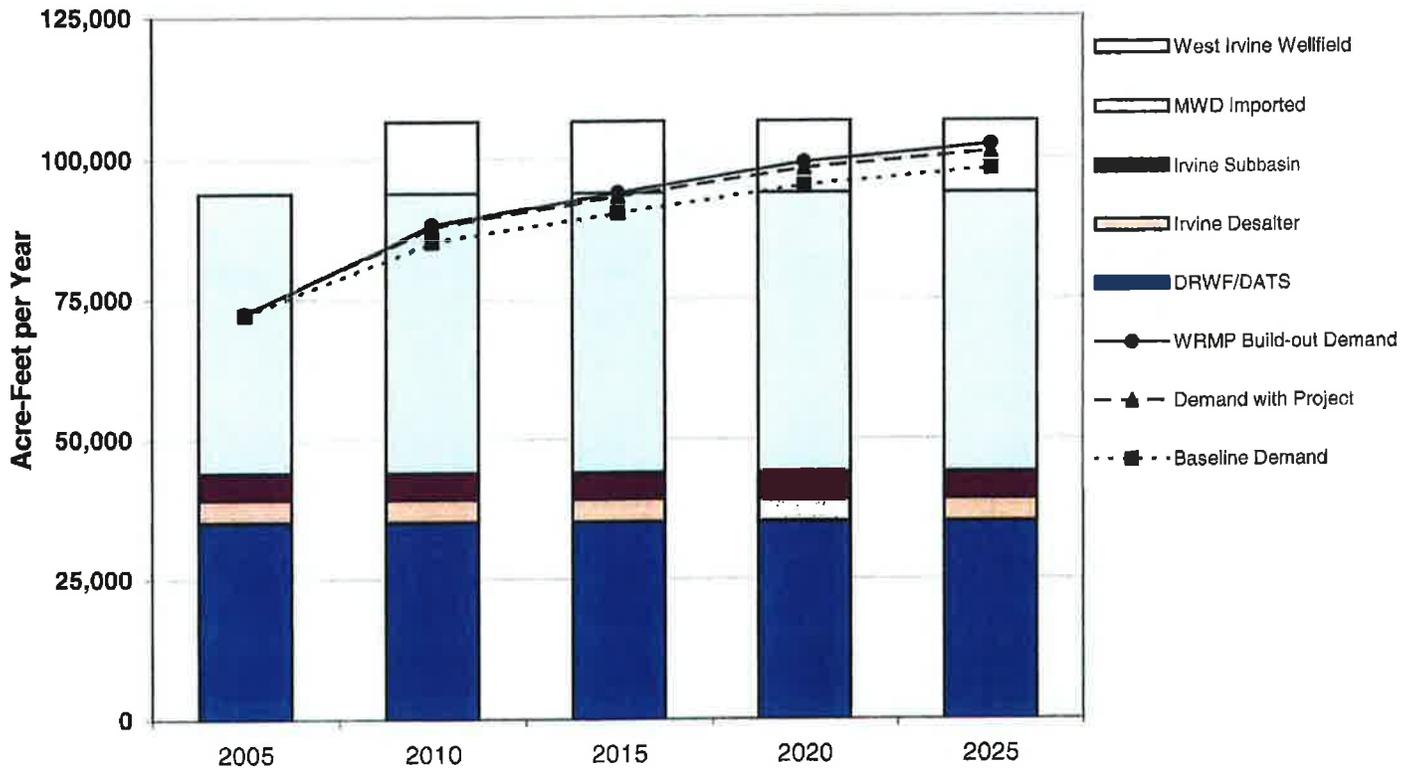
**Figure 2
IRWD Single Dry-Year Supply & Demand - Potable Water**



(in acre-feet per year)	2005	2010	2015	2020	2025
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	49,916	49,916	49,916	49,916	49,916
DRWF/DATS	35,200	35,200	35,200	35,200	35,200
Irvine Subbasin	4,800	4,800	4,800	4,800	4,800
Irvine Desalter	3,982	3,982	3,982	3,982	3,982
Supplies Under Development					
West Irvine Wellfield	-	12,700	12,700	12,700	12,700
Maximum Supply Capability	93,898	106,598	106,598	106,598	106,598
Baseline Demand	72,117	85,223	90,254	95,206	98,124
Demand with Project	72,369	87,815	93,246	98,217	101,136
WRMP Build-out Demand	72,370	88,170	93,967	99,303	102,350
Reserve Supply with Project	21,528	18,783	13,351	8,380	5,462

Notes: Supplies identical to Normal-Year based on Report on Metropolitan's Water Supplies (3/25/03) and usage of groundwater under drought conditions (OCWD Master Plan). Demands increased 7% from Normal-Year. By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

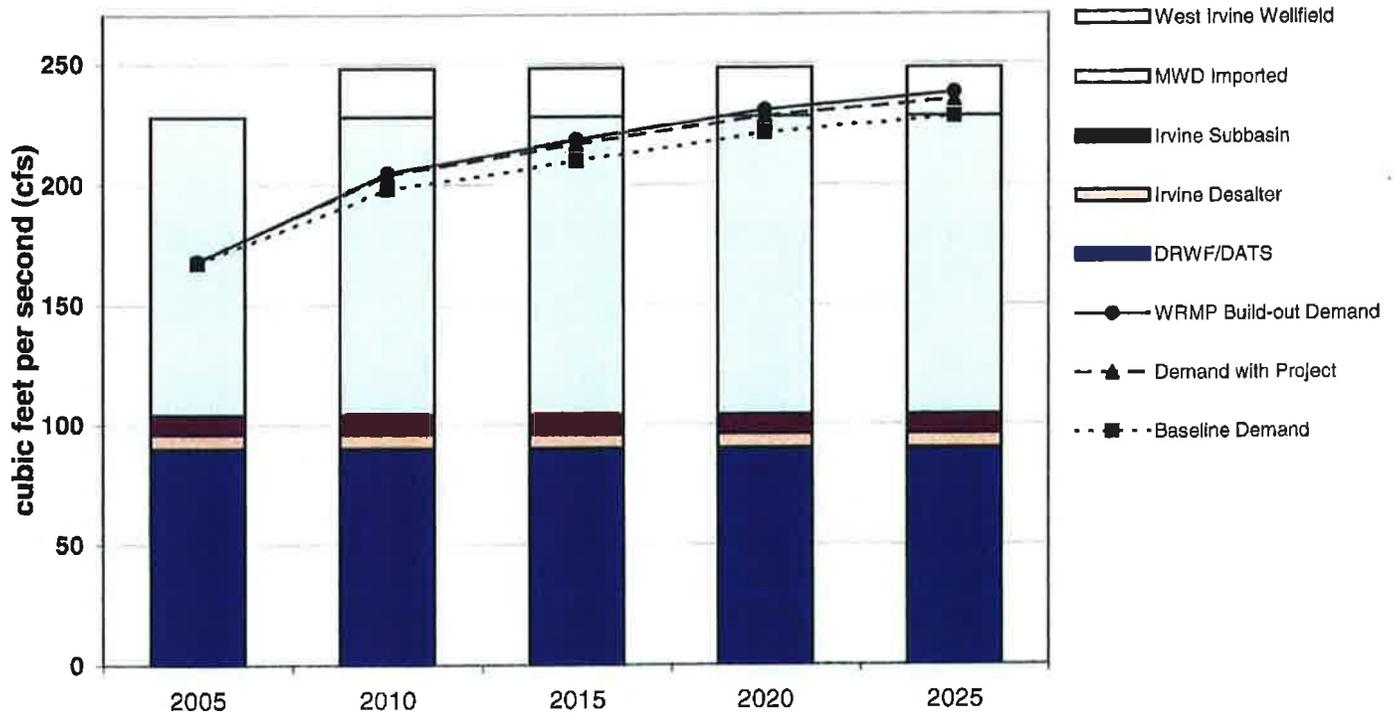
**Figure 3
IRWD Multiple Dry-Year Supply & Demand - Potable Water**



(in acre-feet per year)	2005	2010	2015	2020	2025
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	49,916	49,916	49,916	49,916	49,916
DRWF/DATS	35,200	35,200	35,200	35,200	35,200
Irvine Subbasin	4,800	4,800	4,800	4,800	4,800
Irvine Desalter	3,982	3,982	3,982	3,982	3,982
Supplies Under Development					
West Irvine Wellfield	-	12,700	12,700	12,700	12,700
Maximum Supply Capability	93,898	106,598	106,598	106,598	106,598
Baseline Demand	72,117	85,223	90,254	95,206	98,124
Demand with Project	72,369	87,815	93,246	98,217	101,136
WRMP Build-out Demand	72,370	88,170	93,967	99,303	102,350
Reserve Supply with Project	21,528	18,783	13,351	8,380	5,462

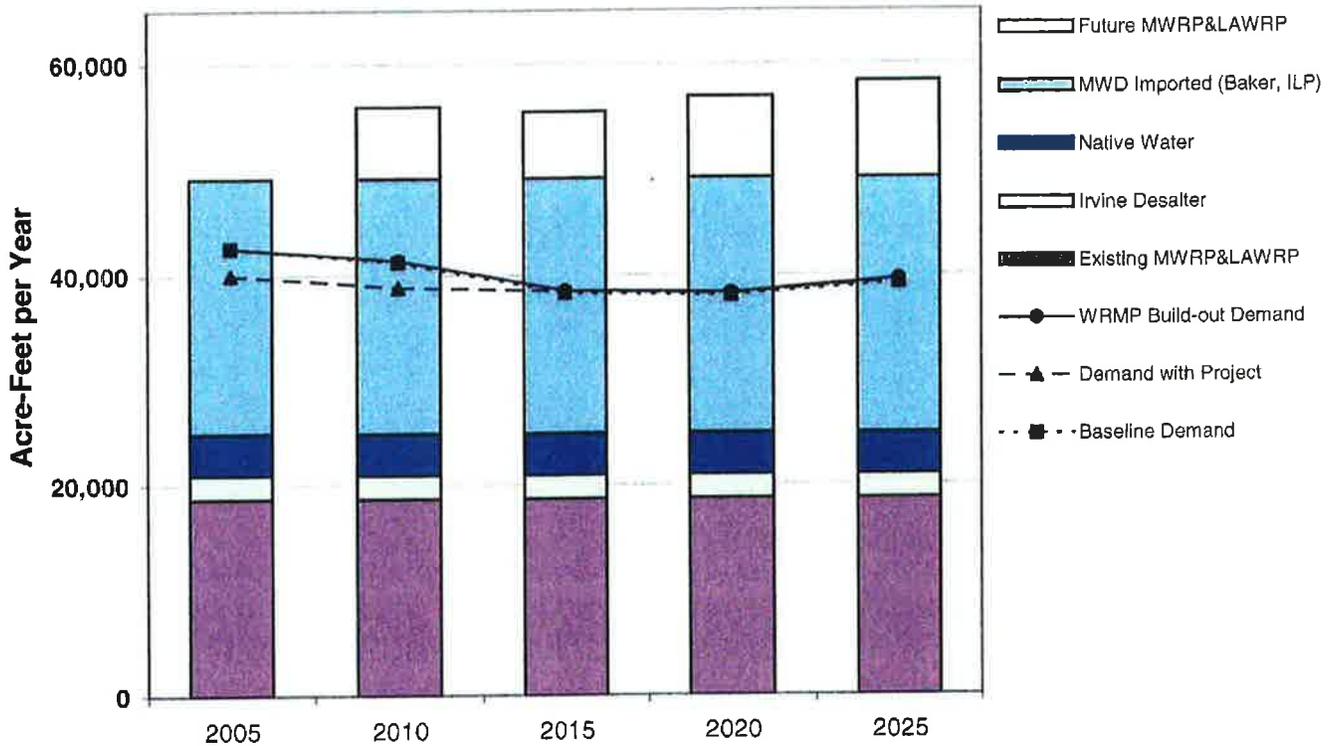
Notes: Supplies identical to Normal-Year based on Report on Metropolitan's Water Supplies (3/25/03) and usage of groundwater under drought conditions (OCWD Master Plan). Demands increased 7% from Normal-Year. By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

**Figure 4
IRWD Maximum-Day Supply & Demand - Potable Water**



(in cfs)	2005	2010	2015	2020	2025
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	124.1	124.1	124.1	124.1	124.1
DRWF/DATS	90.0	90.0	90.0	90.0	90.0
Irvine Subbasin	8.0	8.0	8.0	8.0	8.0
Irvine Desalter	6.0	6.0	6.0	6.0	6.0
Supplies Under Development					
West Irvine Wellfield	-	20.0	20.0	20.0	20.0
Maximum Supply Capability	228.1	248.1	248.1	248.1	248.1
Baseline Demand	167.6	198.0	209.7	221.2	228.0
Demand with Project	168.2	204.0	216.7	228.2	235.0
WRMP Build-out Demand	168.2	204.9	218.3	230.7	237.8
Reserve Supply with Project	65.3	44.1	31.4	19.9	13.1

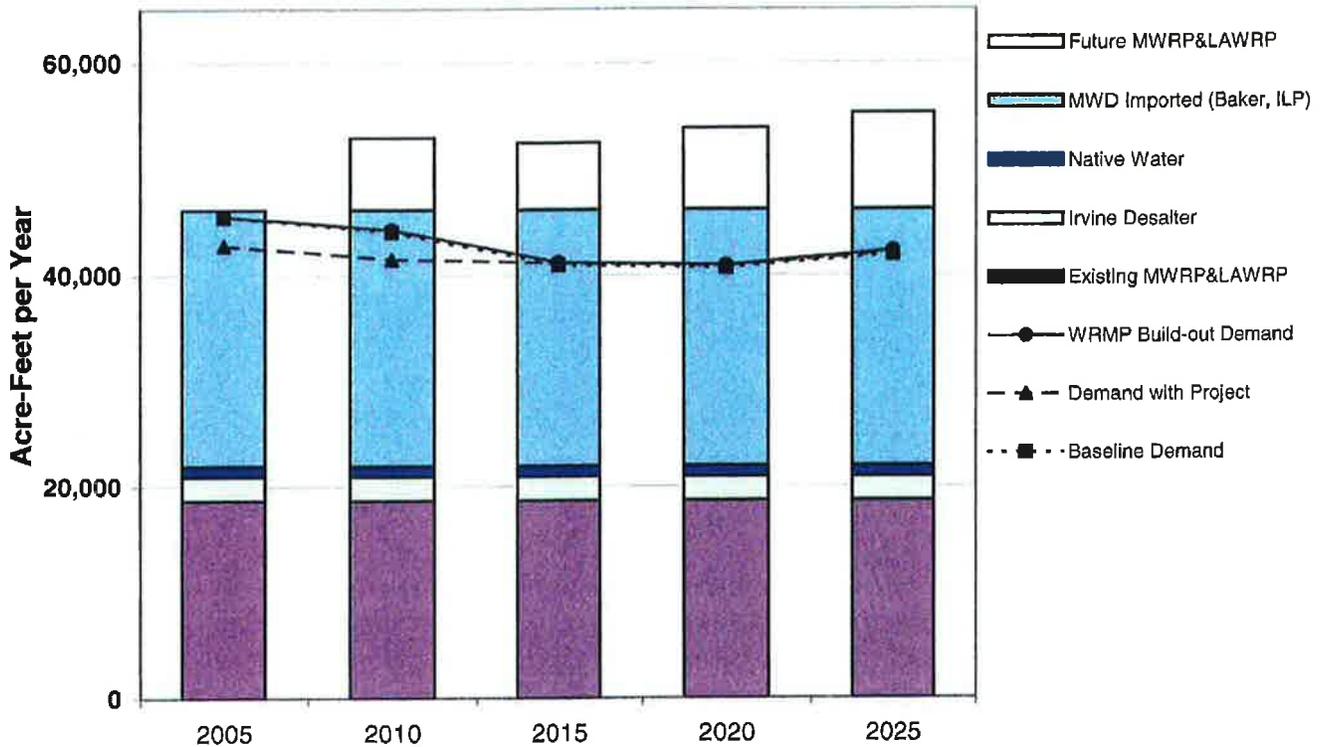
Figure 5
IRWD Normal-Year Supply & Demand - Nonpotable Water



(in acre-feet per year)	2005	2010	2015	2020	2025
Current Nonpotable Supplies					
Existing MWRP&LAWRP	18,657	18,657	18,657	18,657	18,657
MWD Imported (Baker, ILP)	24,262	24,262	24,262	24,262	24,262
Irvine Desalter	2,282	2,282	2,282	2,282	2,282
Native Water	4,000	4,000	4,000	4,000	4,000
Supplies Under Development					
Future MWRP&LAWRP	-	6,794	6,311	7,687	9,107
Maximum Supply Capability	49,201	55,995	55,512	56,888	58,308
Baseline Demand	42,580	41,247	38,303	38,020	39,231
Demand with Project	40,027	38,835	38,481	38,199	39,410
WRMP Build-out Demand	42,594	41,420	38,525	38,268	39,568
Reserve Supply with Project	9,174	17,160	17,030	18,689	18,898

Note: Downward trend reflects reduction in agricultural use over time.

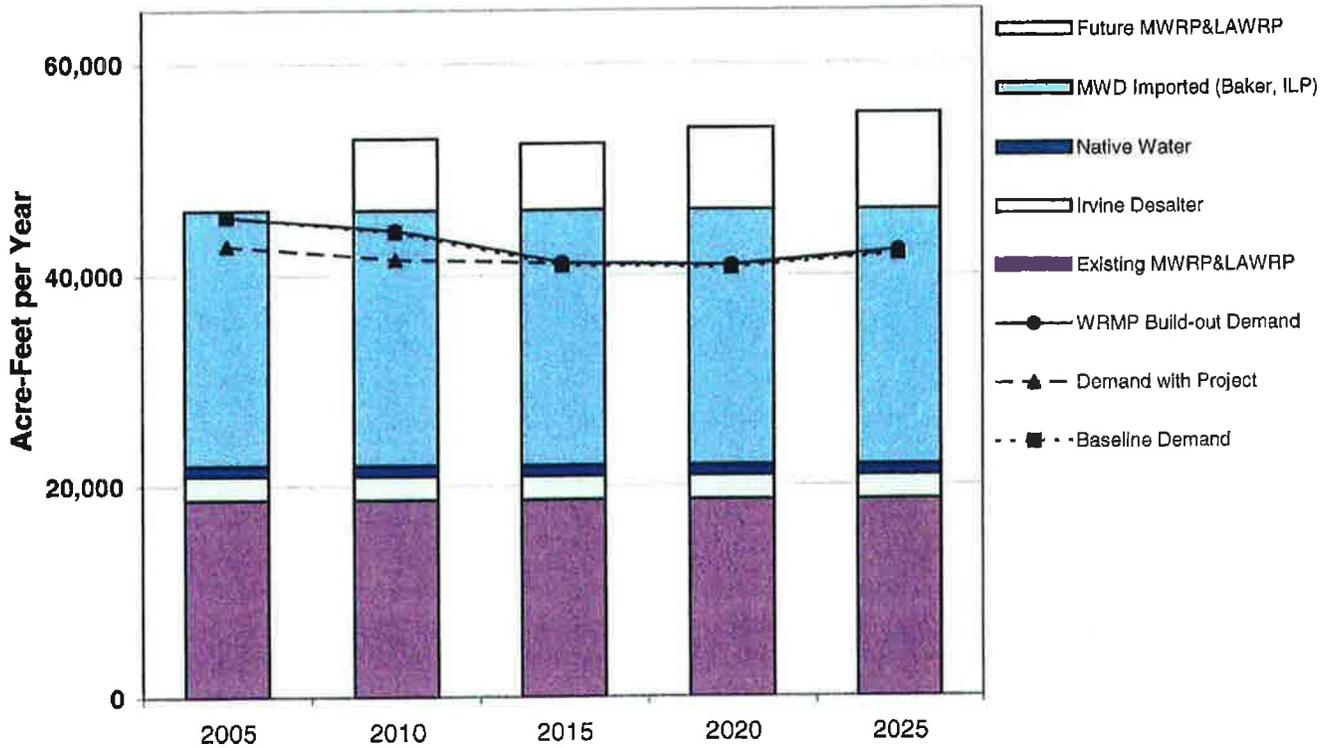
Figure 6
IRWD Single Dry-Year Supply & Demand - Nonpotable Water



(in acre-feet per year)	2005	2010	2015	2020	2025
Current Nonpotable Supplies					
Existing MWRP&LAWRP	18,657	18,657	18,657	18,657	18,657
MWD Imported (Baker, ILP)	24,262	24,262	24,262	24,262	24,262
Irvine Desalter	2,282	2,282	2,282	2,282	2,282
Native Water	1,000	1,000	1,000	1,000	1,000
Supplies Under Development					
Future MWRP&LAWRP	-	6,794	6,311	7,687	9,107
Maximum Supply Capability	46,201	52,995	52,512	53,888	55,308
Baseline Demand	45,561	44,134	40,984	40,682	41,978
Demand with Project	42,829	41,554	41,175	40,873	42,169
WRMP Build-out Demand	45,576	44,320	41,221	40,946	42,337
Reserve Supply with Project	3,372	11,441	11,337	13,015	13,139

Note: Downward trend reflects reduction in agricultural use over time.

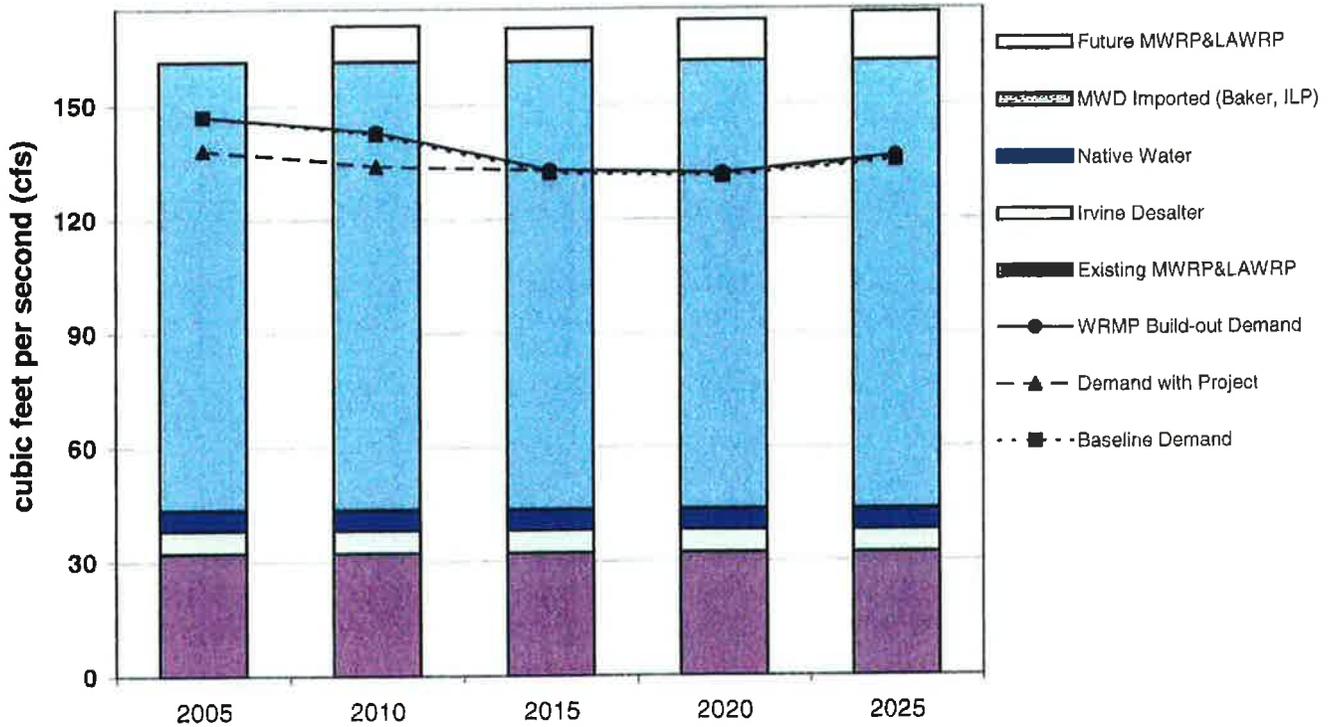
**Figure 7
IRWD Multiple Dry-Year Supply & Demand - Nonpotable Water**



(in acre-feet per year)	2005	2010	2015	2020	2025
Current Nonpotable Supplies					
Existing MWRP&LAWRP	18,657	18,657	18,657	18,657	18,657
MWD Imported (Baker, ILP)	24,262	24,262	24,262	24,262	24,262
Irvine Desalter	2,282	2,282	2,282	2,282	2,282
Native Water	1,000	1,000	1,000	1,000	1,000
Supplies Under Development					
Future MWRP&LAWRP	-	6,794	6,311	7,687	9,107
Maximum Supply Capability	46,201	52,995	52,512	53,888	55,308
Demand					
Baseline Demand	45,561	44,134	40,984	40,682	41,978
Demand with Project	42,829	41,554	41,175	40,873	42,169
WRMP Build-out Demand	45,576	44,320	41,221	40,946	42,337
Reserve Supply with Project	3,372	11,441	11,337	13,015	13,139

Note: Downward trend reflects reduction in agricultural use over time.

Figure 8
IRWD Maximum-Dry Supply & Demand - Nonpotable Water



(In cfs)	2005	2010	2015	2020	2025
Current Nonpotable Supplies					
Existing MWRP&LAWRP	32.2	32.2	32.2	32.2	32.2
Irvine Desalter	6.0	6.0	6.0	6.0	6.0
Native Water	5.5	5.5	5.5	5.5	5.5
MWD Imported (Baker, ILP)	117.7	117.7	117.7	117.7	117.7
Supplies Under Development					
Future MWRP&LAWRP	-	9.4	8.7	10.6	12.6
Maximum Supply Capability	161.4	170.8	170.1	172.0	174.0
Baseline Demand	147.0	142.4	132.3	131.3	135.5
Demand with Project	138.2	134.1	132.9	131.9	136.1
WRMP Build-out Demand	147.1	143.0	133.0	132.1	136.6
Reserve Supply with Project	23.2	36.7	37.2	40.1	37.9

Note: Downward trend reflects reduction in agricultural use over time.

2. Information concerning supplies

(a)(1) Existing sources of identified water supply for the proposed project:

IRWD does not allocate particular supplies to any project, but identifies total supplies for its service area, as shown in the following table:

	Max Day (cfs)	Avg. Annual (AFY)	Annual by Category (AFY)
Current Supplies			
Potable - Imported			
East Orange County Feeder No. 2	41.4	16,652	1
Allen-McColloch Pipeline	64.7	26,024	1
Orange County Feeder	18.0	7,240	1
Potable - Groundwater			
Dyer Road Wellfield	80.0	28,000	2
Deep Aquifer Treatment System-DATS	10.0	7,200	2
Irvine Desalter	6.0	3,982	3
Irvine Subbasin	8.0	4,800	3
Total Potable Current Supplies	228.1		93,898
Nonpotable - Reclaimed Water			
MWRP (18 mgd)	23.9	17,340	4
LAWRP (5.5 mgd)	8.3	5,975	4
Nonpotable - Imported			
Baker Aqueduct	52.7	15,262	5
Irvine Lake Pipeline	65.0	9,000	6
Nonpotable - Groundwater			
Irvine Desalter-Nonpotable	6.0	2,282	7
Nonpotable Native			
Irvine Lake	5.5	4,000	8
Total Nonpotable Current Supplies	161.4		53,859
Total Combined Current Supplies	389.5		147,757
Supplies Under Development			
Potable Groundwater - West Irvine Wellfield	20.0	12,700	9
Nonpotable Reclaimed - Future MWRP&LAWRP Reclaimed	20.0	14,450	10
Total Supplies (Current and Under Development)			
Potable Supplies	248.1		106,598
Nonpotable Supplies	181.4		68,309
Total Supplies	429.5		174,907

1 Based on converting maximum day capacity to average by dividing the capacity by a peaking factor of 1.8 (see Footnote 1, page 18).

2 Contract amount - See Potable Supply-Groundwater(iii).

3 Contract amount - See Potable Supply-Groundwater (iv) and (v). Maximum day well capacity (cfs) is compatible with contract amount.

4 MWRP 18.0 mgd treatment capacity (17,400 AFY RW production) and LAWRP 5.5 mgd tertiary treatment capacity (5,975 AFY)

5 Based on converting maximum day capacity to average by dividing the capacity by a peaking factor of 2.5 (see Footnote 1, page 18).

6 Based on IRWD's proportion of Irvine Lake imported water storage; Actual ILP capacity would allow the use of additional imported water from MWD through the Santiago Lateral.

7 Contract amount - See Nonpotable Supply-Groundwater (i) and (ii). Maximum day well capacity (cfs) is compatible with contract amount.

8 Based on 69 years historical average of Santiago Creek Inflow into Irvine Lake.

9 Estimated combined capacity of wells.

10 Future estimated MWRP & LAWRP reclaimed water production.

(2) Quantities received in prior years from existing sources identified in (a)(1):

Source	1980	1985	1990	1995	2000
Potable - imported	29,510	43,320	44,401	28,397	36,777
Potable - groundwater	827	38	10,215	20,020	20,919
Nonpotable - reclaimed	9,196	12,399	11,589	10,518	14,630
Nonpotable - imported*	9,556	12,260	24,899	2,333	16,343
Nonpotable - groundwater	-	36	816	1,834	2,890
Nonpotable - native	11,909	3,587	2,778	5,980	4,949
Total	60,998	71,639	94,699	69,082	96,508

*Includes water purchased for delivery to storage in Irvine Lake.

(Source: water purchase and production records.)

(b) Required information concerning currently available and under-development water supply entitlements, water rights and water service contracts:

(1) Written contracts or other proof of entitlement.^{1 2}

• POTABLE SUPPLY - IMPORTED³

Potable Imported water service connections (currently available).

(i) Potable imported water is delivered to IRWD at various service connections to the imported water delivery system of The Metropolitan Water District of Southern California ("MWD"): service connections CM-01A and OC-7 (Orange County Feeder); CM-10, CM-12, OC-38, OC-39, OC-57, OC-58, OC-63 (East Orange County Feeder No. 2); and OC-68, OC-71, OC-72, OC-73/73A, OC-74, OC-75, OC-83, OC-84, OC-87 (Allen-McColloch Pipeline). IRWD's entitlements regarding service from the MWD delivery system facilities are described in the following paragraphs and summarized in the above Table ((2)(a)(1)). IRWD receives imported water service through Municipal Water District of Orange County ("MWDOC"), a member agency of MWD.

Allen-McColloch Pipeline ("AMP") (currently available).

(ii) Agreement For Sale and Purchase of Allen-McColloch Pipeline, dated as of July 1, 1994 (Metropolitan Water District Agreement No. 4623) ("AMP Sale Agreement"). Under the AMP Sale Agreement, MWD purchased the Allen-McColloch Pipeline (formerly known as the "Diemer Intertie") from MWDOC, the MWDOC Water Facilities Corporation and certain agencies, including IRWD and Los Alisos Water District ("LAWD"),⁴ identified as "Participants" therein. Section 5.02 of the AMP Sale Agreement obligates MWD to meet IRWD's and the other Participants' requests for deliveries and specified minimum hydraulic grade lines at each connection serving a Participant, subject to availability of water. MWD agrees to operate the AMP as any other MWD pipeline. MWD has the right to

¹ In some instances, the contractual and other legal entitlements referred to in the following descriptions are stated in terms of flow capacities, in cubic feet per second ("cfs"). In such instances, the cfs flows are converted to volumes of AFY for purposes of analyzing supply sufficiency in this assessment, by dividing the capacity by a peaking factor of 1.8 (potable) or 2.5 (nonpotable), consistent with maximum day peaking factors used in the WRMP. The resulting reduction in assumed available annual AFY volumes through the application of these factors recognizes that connected capacity is provided to meet peak demands, and that seasonal variation in demand and limitations in local storage prevent these capacities from being utilized at peak capacity on a year-round basis. However, the application of these factors produces a conservatively low estimate of annual AFY volumes from these connections; additional volumes of water are expected to be available from these sources.

² In the following discussion, contractual and other legal entitlements are characterized as either potable or nonpotable, according to the characterization of the source of supply. Some of the nonpotable supplies surplus to nonpotable demand could potentially be rendered potable by the addition of treatment facilities; however, IRWD has no current plans to do so.

³ See Imported Supply - Additional Information, below, for information concerning the availability of the MWD supply.

⁴ IRWD has succeeded to LAWD's interests in the AMP and other LAWD water supply facilities and rights mentioned in this assessment, by virtue of the consolidation of IRWD and LAWD on December 31, 2000.

operate the AMP on a "utility basis," meaning that MWD need not observe capacity allocations of the Participants but may use available capacity to meet demand at any service connection.

The AMP Sale Agreement obligates MWD to monitor and project AMP demands and to construct specified pump facilities or make other provision for augmenting MWD's capacity along the AMP, at MWD's expense, should that be necessary to meet demands of all of the Participants (Section 5.08).

(iii) Agreement For Allocation of Proceeds of Sale of Allen-McColloch Pipeline, dated as of July 1, 1994 ("AMP Allocation Agreement"). This agreement, entered into concurrently with the AMP Sale Agreement, provided each Participant, including IRWD, with a capacity allocation in the AMP, for the purpose of allocating the sale proceeds among the Participants in accordance with their prior contractual capacities adjusted to conform to their respective future demands. IRWD's capacity under the AMP Allocation Agreement (including its capacity as legal successor agency to LAWD) is 64.69 cfs at IRWD's first four AMP connections, 49.69 cfs at IRWD's next five downstream AMP connections and 35.01 and 10.00 cfs, respectively at IRWD's remaining two downstream connections. The AMP Allocation Agreement further provides that if a Participant's peak flow exceeds its capacity, the Participant shall "purchase" additional capacity from the other Participants who are using less than their capacity, until such time as MWD augments the capacity of the AMP. The foregoing notwithstanding, as mentioned in the preceding paragraph, the allocated capacities do not alter MWD's obligation under the AMP Sale Agreement to meet all Participants' demands along the AMP, and to augment the capacity of the AMP if necessary. Accordingly, under these agreements, IRWD can legally increase its use of the AMP beyond the above-stated capacities, but would be required to reimburse other Participants from a portion of the proceeds IRWD received from the sale of the AMP.

(iv) Improvement Subleases (or "FAP" Subleases) [MWDOC and LAWD; MWDOC and IRWD], dated August 1, 1989; 1996 Amended and Restated Allen-McColloch Pipeline Subleases [MWDOC and LAWD; MWDOC and IRWD], dated March 1, 1996. IRWD subleases its AMP capacity, including the capacity it acquired as successor to LAWD. To facilitate bond financing for the construction of the AMP, it was provided that the MWDOC Water Facilities Corporation, and subsequently MWDOC, would have ownership of the pipeline, and the Participants would be sublessees. As is the case with the AMP Sale Agreement, the subleases similarly provide that water is subject to availability.

East Orange County Feeder No. 2 ("EOCF#2") (currently available).

(v) Agreement For Joint Exercise of Powers For Construction, Operation and Maintenance of East Orange County Feeder No. 2, dated July 11, 1961, as amended on July 25, 1962 and April 26, 1965; Agreement Re Capacity Rights In Proposed Water Line, dated September 11, 1961 ("IRWD MWDOC Assignment Agreement"); Agreement Regarding Capacity Rights In the East Orange County Feeder No. 2, dated August 28, 2000 ("IRWD Coastal Assignment Agreement"). East Orange County Feeder No. 2 ("EOCF#2"), a feeder linking Orange County with MWD's feeder system, was constructed pursuant to a joint powers

agreement among MWDOC (then called Orange County Municipal Water District), MWD, Coastal Municipal Water District ("Coastal"), Anaheim and Santa Ana. A portion of IRWD's territory is within MWDOC and the remainder is within the former Coastal (which was consolidated with MWDOC in 2001). Under the IRWD MWDOC Assignment Agreement, MWDOC assigned 41 cfs of capacity to IRWD in the reaches of EOCF#2 upstream of the point known as Coastal Junction (reaches 1 through 3), and 27 cfs in reach 4, downstream of Coastal Junction. Similarly, under the IRWD Coastal Assignment Agreement, prior to Coastal's consolidation with MWDOC, Coastal assigned to IRWD 0.4 cfs of capacity in reaches 1 through 3 and 0.6 cfs in reach 4 of EOCF#2. Delivery of water through EOCF#2 is subject to the rules and regulations of MWD and MWDOC, and is further subject to application and agreement of IRWD respecting turnouts.

Orange County Feeder (currently available)

(vi) Agreement, dated March 13, 1956. This 1956 Agreement between MWDOC's predecessor district and the Santa Ana Heights Water Company ("SAHWC"), provides for delivery of MWD imported supply to the former SAHWC service area. SAHWC's interests were acquired on behalf of IRWD through a stock purchase and IRWD annexation of the SAHWC service area in 1997. The supply is delivered through a connection to MWD's Orange County Feeder designated as OC-7.

(vii) Agreement For Transfer of Interest In Pacific Coast Highway Water Transmission and Storage Facilities From The Irvine Company To the Irvine Ranch Water District, dated April 23, 1984; Joint Powers Agreement For the Construction, Operation and Maintenance of Sections 1a, 1b and 2 of the Coast Supply Line, dated June 9, 1989; Agreement, dated January 13, 1955 ("1955 Agreement"). The jointly constructed facility known as the Coast Supply Line ("CSL"), extending southward from a connection with MWD's Orange County Feeder at Fernleaf Street in Newport Beach, was originally constructed pursuant to a 1952 agreement among Laguna Beach County Water District ("LBCWD"), The Irvine Company (TIC) and South Coast County Water District. Portions were later reconstructed. Under the above-referenced transfer agreement in 1984, IRWD succeeded to TIC's interests in the CSL. The CSL is presently operated under the above-referenced 1989 joint powers agreement, which reflects IRWD's ownership of 10 cfs of capacity. The 1989 agreement obligates LBCWD, as the managing agent and trustee for the CSL, to purchase water and deliver it into the CSL for IRWD. LBCWD purchases such supply, delivered by MWD to the Fernleaf connection, pursuant to the 1955 Agreement with Coastal (now MWDOC).

POTABLE SUPPLY - GROUNDWATER

(i) Orange County Water District Act, Water Code App., Ch. 40 ("Act"). IRWD is an operator of groundwater-producing facilities in the Orange County Groundwater Basin (the "Basin"). Although the rights of the producers within the Basin vis a vis one another have not been adjudicated, they nevertheless exist and have not been abrogated by the Act (§40-77). The rights consist of municipal appropriators' rights and may include overlying and riparian rights.

The Basin is managed by OCWD under the Act, which functions as a statutorily-imposed physical solution. The Act empowers OCWD to impose replenishment assessments and basin equity assessments on production and to require registration of water-producing facilities and the filing of certain reports; however, OCWD is expressly prohibited from limiting extraction unless a producer agrees (§ 40-2(6)(c)) and from impairing vested rights to the use of water (§ 40-77). Thus, producers may install and operate production facilities under the Act; OCWD approval is not required. OCWD is required to annually investigate the condition of the Basin, assess overdraft and accumulated overdraft, and determine the amount of water necessary for replenishment (§40-26). OCWD has studied the Basin replenishment needs and potential projects to address growth in demand until 2020. This is described in detail in the OCWD Master Plan Report, dated April, 1999.

(ii) Irvine Ranch Water District v. Orange County Water District, OCSC No. 795827. A portion of IRWD is outside the jurisdictional boundary of OCWD. IRWD is eligible to annex the Santa Ana River Watershed portion of this territory to OCWD, under OCWD's current annexation policy (Resolution No. 86-2-15, adopted on February 19, 1986 and reaffirmed on June 2, 1999), and anticipates doing so. However, this September 29, 1998, Superior Court ruling indicates that IRWD is entitled to deliver groundwater from the Basin to the IRWD service area irrespective of whether such area is also within OCWD.

***Dyer Road Wellfield (DRWF) / Deep Aquifer Treatment System (DATS)
(currently available)***

(iii) Agreement For Water Production and Transmission Facilities, dated March 18, 1981, as amended May 2, 1984, September 19, 1990 and November 3, 1999 (the "DRWF Agreement"). The DRWF Agreement, among IRWD, OCWD and Santa Ana, concerns the development of IRWD's Dyer Road Wellfield ("DRWF"), within the Basin. The DRWF consists of 16 wells pumping from the non-colored water zone of the Basin and 2 wells (with colored-water treatment facilities) pumping from the deep, colored-water zone of the Basin (the colored-water portion of the DRWF is sometimes referred to as the Deep Aquifer Treatment System or "DATS".) Under the DRWF Agreement, an "equivalent" basin production percentage (BPP) has been established for the DRWF, currently 28,000 AFY of non-colored water and 8,000 AFY of colored water, provided any amount of the latter 8,000 AFY not produced results in a matching reduction of the 28,000 AFY BPP. Although typically IRWD production from the DRWF does not materially exceed the equivalent BPP, the equivalent BPP is not an extraction limitation; it results in imposition of monetary assessments on the excess production. The DRWF Agreement also establishes monthly pumping amounts for the DRWF.

Irvine Subbasin / Irvine Desalter (currently available)

(iv) First Amended and Restated Agreement, dated March 11, 2002, restating May 5, 1988 agreement ("Irvine Subbasin Agreement"). TIC has historically pumped agricultural water from the Irvine Subbasin. (As in the rest of the Basin of which this subbasin is a part, the groundwater rights have not been adjudicated, and OCWD provides governance and management under the Act.)

The 1988 agreement between IRWD and TIC provided for the joint use and management of the Irvine Subbasin. The 1988 agreement further provided that the 13,000 annual yield of the Irvine Subbasin would be allocated 1,000 AFY to IRWD and 12,000 AFY to TIC. Under the restated Irvine Subbasin Agreement, the foregoing allocations have been superseded as a result of TIC's commencement of the building its Northern Sphere Area project, with the effect that the Subbasin production capability, wells and other facilities, and associated rights will be transferred from TIC to IRWD, and IRWD will assume the production from the Subbasin. In consideration of the transfer, IRWD is required to count the supplies attributable to the transferred Subbasin production in calculating available supplies for the Northern Sphere Area project and other TIC development and has agreed that they will not be counted toward non-TIC development.

A portion of the existing Subbasin water production facilities produce water which is of potable quality. IRWD plans to treat some of the water produced from the Subbasin for potable use, by means of the Desalter and other projects. Although, as noted above, the Subbasin has not been adjudicated and is managed by OCWD, TIC has reserved water rights from conveyances of its lands as development over the Subbasin has occurred, and under the Irvine Subbasin Agreement TIC will transfer its rights to IRWD.

(v) Second Amended and Restated Agreement Between Orange County Water District and Irvine Ranch Water District Regarding the Irvine Desalter Project, dated June 11, 2001, and other agreements referenced therein. This agreement provides for the extraction and treatment of subpotable groundwater from the Irvine Subbasin, a portion of the Basin. As is the case with the remainder of the Basin, IRWD's entitlement to extract this water is not adjudicated, but the use of the entitlement is governed by the OCWD Act. (See also, discussion of Irvine Subbasin in the preceding paragraph.) A portion of the product water will be delivered into the IRWD potable system, and the remainder will be delivered into the IRWD nonpotable system.

West Irvine Wells (under development)

(vi) IRWD is pursuing the installation of production facilities in the west Irvine portion of the Basin, located approximately between the 55 freeway and Peters Canyon Channel. This supply is considered to be under development; however, one well has been drilled (1992), a site for an additional well and treatment facility has been acquired by IRWD, and IRWD is in negotiation for the purchase of a third well site. The production facilities can be constructed and operated under the Act; no statutory or contractual approval is required to do so. See discussion of the Act under Potable Supply - Groundwater, paragraph (i), above.

•NONPOTABLE SUPPLY - RECLAIMED

Water Reclamation Plants (currently available)

Water Code Section 1210. IRWD supplies its own reclaimed water from wastewater collected by IRWD and delivered to IRWD's Michelson Water Reclamation Plant (MWRP) and Los Alisos Water Reclamation Plant (LAWRP).

MWRP currently has a permitted capacity of 18 million gallons per day (MGD) and LAWRP currently has a permitted capacity of 5.5 MGD. Water Code Section 1210 provides that the owner of a wastewater treatment plant operated for the purposes of treating wastes from a sanitary sewer system holds the exclusive right to the treated effluent as against anyone who has supplied the water discharged into the sewer system. IRWD's permits for the operation of MWRP and LAWRP allow only irrigation and other customer uses of reclaimed water, and do not permit stream discharge of reclaimed water; thus, no issue of downstream appropriation arises, and IRWD is entitled to deliver all of the effluent to meet contractual and customer demands.

Water Reclamation Plant Expansion (under development)

IRWD has prepared its Waste Water Management and Action Program Final Environmental Impact Report (November, 1979) to address impacts associated with its Wastewater Management and Action Program (WMAP). IRWD plans to increase its capacity on the existing plant sites to produce sufficient reclaimed water to meet the projected demand in the year 2025. (Initial capacity increases that are within existing permit authorizations and CEQA compliance are underway.) Additional reclamation capacity will augment local nonpotable supplies and improve reliability.

• **NONPOTABLE SUPPLY - IMPORTED⁵**

Baker Pipeline (currently available)

Santiago Aqueduct Commission Joint Powers Agreement, dated September 11, 1961, as amended December 20, 1974, January 13, 1978, November 1, 1978, September 1, 1981, October 22, 1986, and July 8, 1999 (the "SAC Agreement"); Agreement Between Irvine Ranch Water District and Carma-Whiting Joint Venture Relative to Proposed Annexation of Certain Property to Irvine Ranch Water District, dated May 26, 1981 (the "Whiting Annexation Agreement"). Service connections OC-13/13A, OC-33/33A. The imported untreated water pipeline initially known as the Santiago Aqueduct and now known as the Baker Pipeline was constructed under the SAC Agreement, a joint powers agreement. The Baker Pipeline is connected to MWD's Santiago Lateral. IRWD's capacity in the Baker Pipeline includes the capacity it subleases as successor to LAWD, as well as capacity rights IRWD acquired through the Whiting Annexation Agreement. (To finance the construction of AMP parallel untreated reaches which were incorporated into the Baker Pipeline, replacing original SAC untreated reaches that were made a part of the AMP potable system, it was provided that the MWDOC Water Facilities Corporation, and subsequently MWDOC, would have ownership, and the participants would be sublessees.) IRWD has 52.70 cfs in the first reach, 12.50 cfs in each of the second, third and fourth reaches and 7.51 cfs in the fifth reach of the Baker Pipeline. Water is subject to availability from MWD.

⁵ See Imported Supply - Additional Information, below, for information concerning the availability of the MWD supply.

•NONPOTABLE SUPPLY - NATIVE

Irvine Lake (currently available)

(i) Permit For Diversion and Use of Water (Permit No. 19306) issued pursuant to Application No. 27503; License For Diversion and Use of Water (License 2347) resulting from Application No. 4302 and Permit No. 3238; License For Diversion and Use of Water (License 2348) resulting from Application No. 9005 and Permit No. 5202. The foregoing permit and licenses, jointly held by IRWD (as successor to The Irvine Company (TIC) and Carpenter Irrigation District (CID)) and Serrano Water District (SWD), secure appropriative rights to the flows of Santiago Creek. Under Licenses 2347 and 2348, IRWD and SWD have the right to diversion by storage at Santiago Dam (Irvine Lake) and a submerged dam, of a total of 25,000 AFY. Under Permit No. 19306, IRWD and SWD have the right to diversion by storage of an additional 3,000 AFY by flashboards at Santiago Dam (Irvine Lake). (Rights under Permit No. 19306 may be junior to an OCWD permit to divert up to 35,000 AFY of Santiago Creek flows to spreading pits downstream of Santiago Dam.) The combined total of native water that may be diverted to storage under these licenses and permit is 28,000 AFY. A 1996 amendment to License Nos. 2347, 2348 and 2349 [replaced by Permit No. 19306 in 1984] limits the withdrawal of water from the Lake to 15,483 AFY under the licenses. This limitation specifically references the licenses and doesn't reference water stored pursuant to other legal entitlements. The use and allocation of the native water is governed by the agreements described in the next paragraph.

(ii) Agreement, dated February 6, 1928 ("1928 Agreement"); Agreement, dated May 15, 1956, as amended November 12, 1973 ("1956 Agreement"); Agreement, dated as of December 21, 1970 ("1970 Agreement"); Agreement Between Irvine Ranch Water District and The Irvine Company Relative to Irvine Lake and the Acquisition of Water Rights In and To Santiago Creek, As Well As Additional Storage Capacity in Irvine Lake, dated as of May 31, 1974 ("1974 Agreement"). The 1928 Agreement was entered into among SWD, CID and TIC, providing for the use and allocation of native water in Irvine Lake. Through the 1970 Agreement and the 1974 Agreement, IRWD acquired the interests of CID and TIC, leaving IRWD and SWD as the two co-owners. TIC retains certain reserved rights. The 1928 Agreement divides the stored native water by a formula which allocates to IRWD one-half of the first 1,000 AF, plus increments that generally yield three-fourths of the amount over 1,000 AF.⁶ The agreements also provide for evaporation and spill losses and carryover water remaining in the Lake at the annual allocation dates. Given the dependence of native water on rainfall, for purposes of this assessment only a small portion of IRWD's share of the 28,000 AFY of native water rights (4,000 AFY in normal years and 1,000 AFY in single and multiple-dry years) is shown in currently available supplies, based on averaging of historical data. However, IRWD's ability to supplement Irvine Lake storage with its imported untreated water supplies, described herein, offsets the uncertainty associated with the native water supply.

⁶ The 1956 Agreement provides for facilities to deliver MWD imported water into the Lake, and grants storage capacity for the imported water. By succession, IRWD owns 9,000 AFY of this 12,000 AFY imported water storage capacity. This storage capacity does not affect availability of the imported supply, which can be either stored or delivered for direct use by customers.

•NONPOTABLE SUPPLY - GROUNDWATER

Irvine Subbasin / Irvine Desalter (currently available)

(I) IRWD's entitlement to produce nonpotable water from the Irvine Subbasin is included within the Irvine Subbasin Agreement. See discussion of the Irvine Subbasin Agreement under Potable Supply - Groundwater, paragraph (iv), above.

(II) See discussion of the Irvine Desalter project under Potable Supply - Groundwater, paragraph (v), above. The Irvine Desalter project will produce nonpotable as well as potable water.

•IMPORTED SUPPLY - ADDITIONAL INFORMATION

As described above, the imported supply from MWD is contractually subject to availability. To assist local water providers in assessing the adequacy of local water supplies that are reliant in whole or in part on MWD's imported supply, MWD has provided information concerning the availability of the supplies to its entire service area. This report, entitled "Report on Metropolitan's Water Supplies" (March 25, 2003) ("MWD Report"), is consistent with MWD's Regional Urban Water Management Plan (December, 2000) ("RUWMP"). The MWD Report indicates that MWD's regional water demand projections used in the RUWMP are 6% to 16% percent higher than the aggregated projections of MWD's member agencies. As stated in the MWD Report, "this difference indicates that Metropolitan's supplies, developed in accordance with this water supply update, provide a level of "margin of safety" or flexibility to accommodate delays in local resource development or adjustments in development plans."

The MWD Report is intended to serve four primary purposes, described therein

"Address recent changes in demand and supply conditions as compared to Metropolitan's December 2000 Regional Urban Water Management Plan and February 11, 2002 *Report on Metropolitan's Supplies.*"

"Demonstrate Metropolitan's abilities to meet projected demands over the next 20 years and provide additional resource reserves as a "margin-of-safety" that mitigates against uncertainties in demand projections and risks in implementing supply programs."

"Demonstrate that Metropolitan has a blueprint for water supply reliability and is implementing a comprehensive plan to secure reliable water supplies in accordance with policy principles and objectives established by Metropolitan's Board of Directors."

"Provide a planning tool for local and retail agencies providing local water supplies."

The MWD Report finds "Metropolitan has and will continue to have the capability to develop supplies that are available at least ten years in advance of need and

ensure water supply reliability.” Furthermore, demand and supply comparisons “demonstrate that sufficient supplies can be reasonably relied upon to meet projected supplemental demands and that additional reserve supplies could provide a “margin of safety” to mitigate against uncertainties in demand projections and risks in fully implementing all supply programs under development.”

More particularly, MWD has documented sufficient *currently available* supplies to meet 100% of MWD’s member agencies’ supplemental water demands for 20 years under average-year conditions, for 15 years under multiple dry-year conditions (with 8-26% reserve capacity), and for 15 years under single dry-year conditions (with 8-25% reserve capacity). With the addition of *supplies under development*, MWD will be able to meet 100% of its agencies’ supplemental water needs under all supply and demand conditions through 2030 with 20-25% reserve capacity. Reference is made to the MWD Report for more detailed discussion. It is anticipated that MWD will revise its regional supply availability analysis annually to supplement its RUWMP in years when the RUWMP is not being updated.

IRWD is permitted by the statute to rely upon the water supply information provided by the wholesaler concerning a wholesale water supply source, for use in preparing its UWMPs. In turn, the Assessment Law provides for the use of UWMP information to support water supply assessments. In accordance with these provisions, IRWD is entitled to rely upon the conclusions of the MWD Report. IRWD has not been made aware of any significant changes that would adversely affect those conclusions. In a detailed May 14, 2003 report, San Diego County Water Authority (SDCWA) questioned several conclusions of the MWD Report. MWD has provided a reply dated July 17, 2003, containing a general response that SDCWA’s assertions are based on outdated water resource management strategies. MWD’s reply discusses several MWD supply capabilities which MWD states were overlooked by SDCWA, and is accompanied by MWD’s detailed responses to the specific criticisms.

MWD’s margin of safety in its demand projections and MWD’s reserve supplies, together with the fact that IRWD relies on MWD supplies as supplemental supplies that need not be used to the extent IRWD operates *currently available* and *under-development* local supplies, build a margin of safety into IRWD’s supply availability.

(2) Adopted capital outlay program to finance delivery of the water supplies.

All necessary delivery facilities currently exist for the use of the *currently available* and *under-development* supplies assessed herein, with the exception of west Irvine wells, MWRP expansion and IRWD sub-regional and developer-dedicated conveyance facilities necessary to complete the local distribution systems for the Project. IRWD’s turnout at each MWD connection and IRWD’s regional delivery facilities are sufficiently sized to deliver all of the supply to the subregional and local distribution systems.

With respect to west Irvine wells (PR No.19540) and the MWRP expansion (PR Nos. 202147 and 20276), IRWD has adopted its fiscal year 2004/05 capital

budget on June 14, 2004 (Resolution No. 2004-20), budgeting portions of the funds for such projects. (A copy is available from IRWD on request.) For these facilities, as well as unbuilt IRWD sub-regional conveyance facilities, the sources of funding are previously authorized general obligation bonds, revenue-supported certificates of participation and/or capital funds held by IRWD Improvement Districts. IRWD has maintained a successful program for the issuance of general obligation bonds and certificates of participation on favorable borrowing terms, and IRWD has received AA public bond ratings. IRWD has approximately \$500 million (water) and \$720 million (wastewater) of unissued, voter-approved bond authorization. Certificates of participation do not require voter approval. Proceeds of bonds and available capital funds are expected to be sufficient to fund all IRWD facilities for delivery of the supplies under development. Tract-level conveyance facilities are required to be donated to IRWD by the Applicant or its successor(s) at time of development.

(3) Federal, state and local permits for construction of delivery infrastructure.

Most IRWD delivery facilities are constructed in public right-of-way or future right-of-way. State statute confers on IRWD the right to construct works along, under or across any stream of water, watercourse, street, avenue, highway, railway, canal, ditch or flume (Water Code Section 35603). Although this right cannot be denied, local agencies may require encroachment permits when work is to be performed within a street. If easements are necessary for delivery infrastructure, IRWD requires the developer to provide them. The crossing of watercourses or areas with protected species requires federal and/or state permits as applicable.

(4) Regulatory approvals for conveyance or delivery of the supplies.

See response to preceding item (3). In addition, reclamation plant expansion will require approval of amendments to IRWD's permits issued by the Regional Water Quality Control Board.

3. Other users and contractholders (identified supply not previously used).

For each of the water supply sources identified by IRWD, if no water has been received from that source(s), IRWD is required to identify other public water systems or water service contractholders that receive a water supply from, or have existing water supply entitlements, water rights and water service contracts to, that source(s):

Water has been received from all listed sources. Water has not been produced from the Irvine Desalter, which has not been constructed, but other Irvine Subbasin water has been produced by IRWD. As described under Potable Supply - Groundwater, paragraph (iv), TIC also holds water rights and contractual entitlements to the Irvine Subbasin groundwater, but existing contract provides that those rights and entitlements will be transferred to IRWD. A small quantity of Subbasin water is used by Woodbridge Village Association for the purpose of supplying its North and South Lakes. There are no other public water systems or water service contractholders that receive a water supply from, or have existing water supply entitlements, water rights and water service contracts to, the Irvine Subbasin.

4. Information concerning groundwater included in the supply identified for the Project:

(a) Relevant information in the Urban Water Management Plan (UWMP):

See Irvine Ranch Water District 2000 UWMP, section III-3.

(b) Description of the groundwater basin(s) from which the Project will be supplied:

The Orange County Groundwater Basin ("Basin") is described at pages 3-1 through 3-14 of the OCWD Master Plan Report, dated April, 1999 ("MPR"). The rights of the producers within the Basin vis a vis one another have not been adjudicated. The Basin is managed by the Orange County Water District (OCWD) for the benefit of municipal, agricultural and private groundwater producers. OCWD is responsible for the protection of water rights to the Santa Ana River in Orange County as well as the management and replenishment of the Basin. Current production from the Basin is approximately 297,192 AFY.

The Department of Water Resources has not identified the Basin as overdrafted in its most current bulletin that characterizes the condition of the Basin, Bulletin 118 (2003). The efforts being undertaken by OCWD to eliminate long-term overdraft in the Basin are described in the OCWD MPR, including in particular, Chapters 4, 5, 6, 14 and 15 of the MPR. Although the water supply assessment statute (Water Code Section 10910(f)) refers to elimination of "long-term overdraft," overdraft includes conditions which may be managed for optimum basin storage, rather than eliminated. OCWD's Act defines annual groundwater overdraft to be the quantity by which production exceeds the natural replenishment of the Basin. Accumulated overdraft is defined in the OCWD Act to be the quantity of water needed in the groundwater basin forebay to prevent landward movement of seawater into the fresh groundwater body. However, seawater intrusion control facilities have been constructed by OCWD since the Act was written, and have been effective in preventing landward movement of seawater. These facilities allow greater utilization of the storage capacity of the Basin.

OCWD has invested over \$250 million in seawater intrusion control (injection barriers), recharge facilities, laboratories, and Basin monitoring to effectively manage the Basin. Consequently, although the Basin is defined to be in an "overdraft" condition, it is actually managed to allow utilization of up to 500,000 acre-feet of storage capacity of the basin during dry periods, acting as an underground reservoir and buffer against drought. OCWD also operates the basin to keep the target dewatered basin storage at 200,000 acre-feet as an appropriate accumulated overdraft. If the Basin is too full, artesian conditions can occur along the coastal area, causing rising water and water logging, an adverse condition. Since the formation of OCWD in 1933, OCWD has made substantial investment in facilities, Basin management and water rights protection, resulting in the elimination and prevention of adverse long-term "mining" overdraft conditions. OCWD continues to develop new replenishment supplies, recharge capacity and basin protection measures to meet projected production from the basin during normal rainfall and drought periods. (Source: 2002-2003 Engineer's Report on Groundwater Conditions, Water Supply and

Basin Utilization in the Orange County Water District; OCWD MPR, *supra*.)

OCWD's efforts include ongoing replenishment programs and planned capital improvements. It should be noted under OCWD's management of overdraft to maximize its use for annual production and recharge operations, overdraft varies over time as the Basin is managed to keep it in balance over the long term. The Basin is not operated on an annual safe-yield basis. (OCWD MPR, section 3.2)

(c) Description and analysis of the amount and location of groundwater pumped by IRWD from the Basin for the past five years:

The following table shows the amounts pumped, by groundwater source:

(In AFY)

Year (ending 6/30)	DRWF/DATS	Irvine Subbasin (IRWD)	Irvine Subbasin (TIC)	LAWD ⁷
2004	30,265	1,938	3,079	101
2003	24,040	2,132	4,234	598
2002	25,855	2,533	5,075	744
2001	20,377	1,687	3,967	543
2000	20,580	2,890	4,862	346

(d) Description and analysis of the amount and location of groundwater projected to be pumped by IRWD from the Basin:

IRWD has a developed groundwater supply of 35,200 AFY from the its Dyer Road Wellfield (including the Deep Aquifer Treatment System), in the main portion of the Basin.

Although TIC's production from the Subbasin has declined as its use of the Subbasin for agricultural water has diminished, OCWD's and other historical production records for the Subbasin show that production has been as high as 13,000 AFY. Under the Irvine Subbasin Agreement, all of the Subbasin production capability will be turned over by TIC to IRWD. Plans are also underway to expand IRWD's main Orange County Groundwater Basin supply, with wells in the West Irvine Wellfield (characterized as *under-development* supplies herein). (IRWD anticipates the development of additional production facilities within both the main Basin and the Irvine Subbasin. However, such additional facilities have not been included or relied upon in this assessment. Additional groundwater development will provide an additional margin of safety as well as reduce future water supply costs to IRWD.)

⁷ The water produced from IRWD's Los Alisos wells is not included in this assessment. IRWD is presently evaluating the future use of these wells.

The following table summarizes future IRWD groundwater production from currently available and under-development supplies.

(In AFY)

Year (ending 6/30)	DRWF ⁸	W Irvine ⁹	Subbasin ¹⁰	IDP (Potable)	IDP (Nonpotable)
2005	35,200	0	4,800	3,982	2,282
2010	35,200	12,700	4,800	3,982	2,282
2015	35,200	12,700	4,800	3,982	2,282
2020	35,200	12,700	4,800	3,982	2,282
2025	35,200	12,700	4,800	3,982	2,282

(e) If not included in the UWMP, analysis of the sufficiency of groundwater projected to be pumped by IRWD from the Basin to meet to meet the projected water demand of the Project:

See responses to 4(b) and 4(d).

The OCWD MPR examined future Basin conditions and capabilities, water supply and demand, and identified projects to meet increased replenishment needs of the basin. According to the OCWD MPR, production from the Basin can be maintained at 75% of the Basin producers' 2020 demand level, including demands from areas in IRWD and other producers to be annexed to OCWD.¹¹

Sufficient replenishment supplies are projected by the OCWD MPR to be available to OCWD to meet the increasing demand on the Basin. These supplies include capture of increasing Santa Ana River flows, purchases of replenishment water from MWD, and development of new local supplies. OCWD is moving forward with a number of replenishment supply projects, including the Groundwater Replenishment System project ("GWRS"). The OCWD MPR indicates that the GWRS will produce over 100,000 afy of new replenishment supply from recycled water.

Production of groundwater can exceed applicable basin production percentages on a short-term basis, providing additional reliability during dry years or

⁸ See Potable Supply - Groundwater, paragraph (iii), above. DRWF non-colored production above 28,000 AFY and colored water production above 8,000 AFY are subject to contractually-imposed assessments. In addition, seasonal production amounts apply.

⁹ Under development.

¹⁰ Subbasin potable water production (other than Irvine Desalter Project). Amounts shown are available as potable-quality production, without treatment.

¹¹ OCWD adopted a basin production percentage of 66% for 2004 and the basin production percentage could be further reduced. This is anticipated by IRWD to be a temporary measure employed by OCWD to encourage lower pumping levels as OCWD implements other measures to reduce the current accumulated overdraft in the Basin. This reduction is not expected to affect any of IRWD's currently available groundwater supplies listed in this assessment, which are subject to a contractually-set equivalent basin production percentage as described, or are exempt from the basin production percentage.

emergencies. Additional groundwater production is anticipated by OCWD in the Basin in dry years, as producers reduce their use of imported supplies, and the Basin is "mined" in anticipation of the eventual availability of replenishment water. (OCWD MPR, section 14.6.)

See also, Figures 1-8. IRWD assesses sufficiency of supplies on an aggregated basis, as neither groundwater nor other supply sources are allocated to particular projects or customers. Under the Irvine Subbasin Agreement, IRWD is contractually obligated to attribute the Subbasin supply only to TIC development projects for assessment purposes; however, the agreement does not allocate or assign rights in the Subbasin supply to any project.

5. **This Water Supply Assessment is being completed for a project included in a prior water supply assessment. Date of prior assessment: _____ . Check all of the following that apply:**

- Changes in the Project have substantially increased water demand.
- Changes in circumstances or conditions have substantially affected IRWD's ability to provide a sufficient water supply for the Project.
- Significant new information has become available which was not known and could not have been known at the date of the prior Water Supply Assessment.

6. References

Water Resources Master Plan, Irvine Ranch Water District, March, 2002 (supplemented January, 2004)

2000 Urban Water Management Plan, Irvine Ranch Water District/Los Alisos Water District, December, 2000

The Regional Urban Water Management Plan for the Metropolitan Water District of Southern California, December, 2000

Southern California's Integrated Resources Plan, Metropolitan Water District of Southern California, March, 1996

Report on Metropolitan's Water Supplies, Metropolitan Water District of Southern California, March 25, 2003

Master Plan Report, Orange County Water District, April, 1999

2002-2003 Engineer's Report on Groundwater Conditions, Water Supply and Basin Utilization in the Orange County Water District, Orange County Water District

Review of Report on Metropolitan's Water Supplies, San Diego County Water Authority Water Policy Committee board letter, May 14, 2003

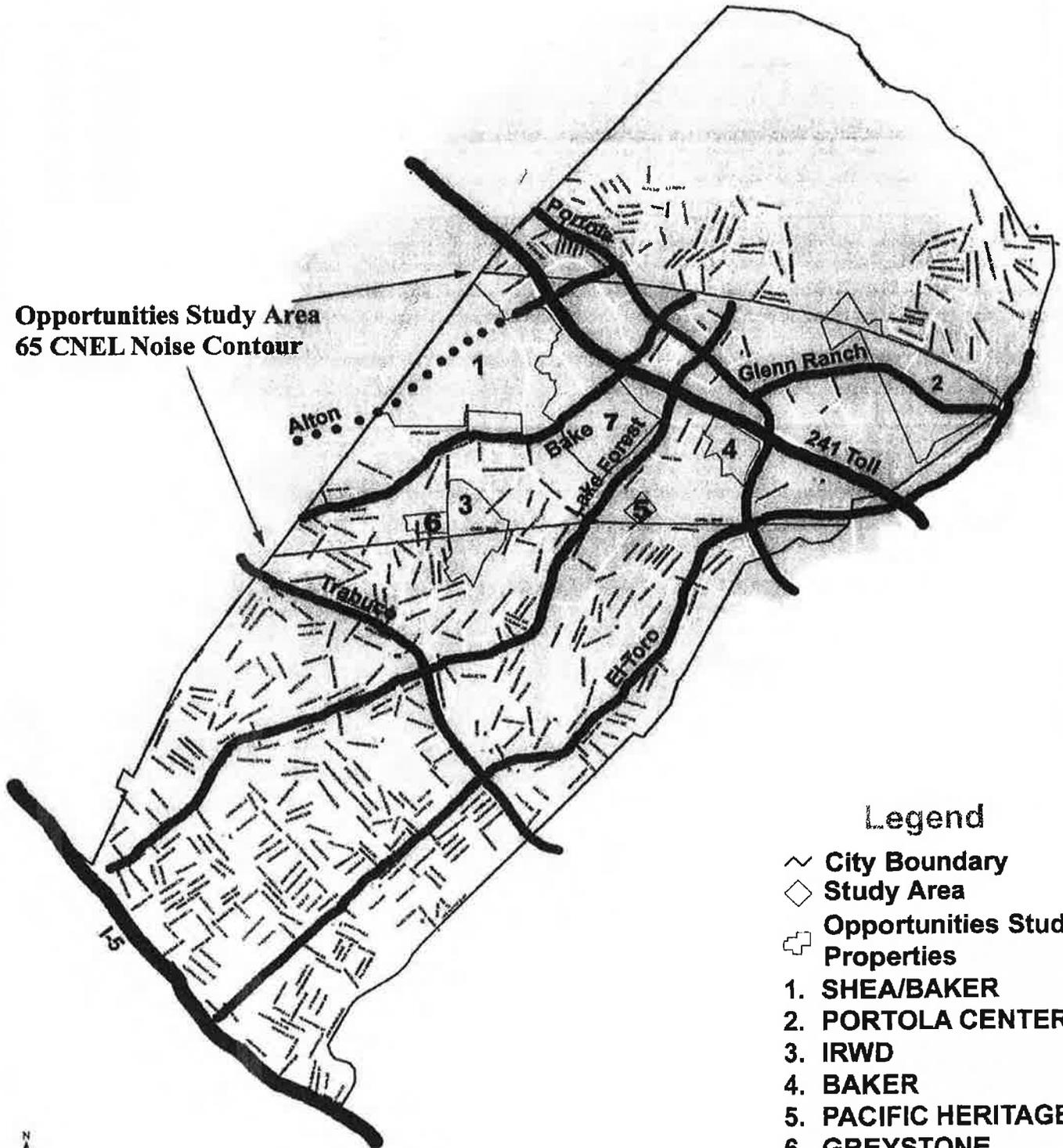
Response to San Diego County Water Authority Review of the "Report on Metropolitan's Water Supplies", Metropolitan Water District of Southern California letter, July 17, 2003

Exhibit A
Depiction of Project Area



Opportunities Study Properties

Opportunities Study Area
65 CNEL Noise Contour



Legend

- ~ City Boundary
- ◇ Study Area
- ⊕ Opportunities Study Properties
- 1. SHEA/BAKER
- 2. PORTOLA CENTER
- 3. IRWD
- 4. BAKER
- 5. PACIFIC HERITAGE
- 6. GREYSTONE
- 7. NAKASE

Exhibit B
Uses Included in Project



Mayor
Peter Herzog

Mayor Pro Tem
Helen Wilson

Council Members
Richard Dixon
Kathryn McCullough
Marcia Rudolph

City Manager
Robert C. Dunek

October 11, 2004

ENGINEERING AND PLANNING

OCT 13 2004

IRVINE RANCH
WATER DISTRICT

Irvine Ranch Water District
15600 Sand Canyon Avenue
P.O. Box 57000
Irvine, CA 92619-7000

Re: Request for Water Supply Availability Assessment (Water Code §10910 *et seq.*)

The City of Lake Forest hereby requests an assessment of water supply availability for the below-described project. The City has determined that the project is a "project" as defined in Water Code §10912, and has determined that an Environmental Impact Report is required for the project.

Proposed Project Information

Project Title: Opportunities Study

Location of project: The proposed project focuses on approximately 950 acres of vacant land located in the City of Lake Forest, Orange County, north and south of the Foothill Transportation Corridor and adjacent to the former MCAS El Toro. The project area is the area formerly encumbered by the 65 Community Noise Equivalent Level (CNEL) contours, which restricted the development of noise-sensitive land uses in the project area due to aircraft flight patterns at the former MCAS El Toro (see Figure 1 in the attached Project Description). There are thirteen vacant properties within the project area, ranging in size from four acres to 380 acres. Eleven properties are south of the Foothill Transportation Corridor and two are north of the Corridor. The majority of the properties are not contiguous. Eight properties are involved with the Opportunities Study, totaling approximately 950 acres.

- No Water Supply Assessment has been prepared for this project or area. This application requests a Water Supply Assessment, because this project meets the criteria for preparation of a Water Supply Assessment.
- Changes in the project have substantially increased water demand
- Changes in circumstances or conditions have substantially affected IRWD's ability to provide a sufficient water supply for the project
- Significant new information has become available which was not known and could not have been known at the date of the prior Water Supply Assessment



Type of Development:

- Residential: No. of dwelling units: 5,844
 Mixed Use - Shopping center or business, Commercial office, Industrial, manufacturing, processing or industrial park: Sq. ft. of floor space 648,720
 Other: _____

Please see the attached project description and absorption schedule for more detailed information on the project and development timing.

Total acreage of project: 950

Acreage devoted to landscape:

Greenbelt/Landscaped Slopes/Landscaped Medians 115 golf course 0 parks 96
Agriculture 0 other landscaped areas none

Number of schools Approx. 1 - 2 Number of public facilities Community Center (44,000 sq ft) and City Hall (44,000 sq ft)

Other factors or uses that would affect the quantity of water needed, such as peak flow requirements or potential uses to be added to the project to reduce or mitigate environmental impacts:

None

What is the current land use of the area subject to a land use change under the project?

The properties that are part of the Opportunities Study total more than 950 acres. The properties are vacant land; however, the majority of this land has been permitted for development of more than seven million square feet of industrial and commercial land uses

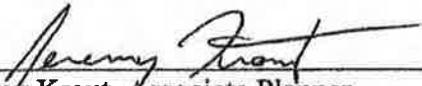
Is the project included in the existing General Plan? Yes; the properties are designated for commercial and office land uses.

The City acknowledges that IRWD's assessment will be based on the information hereby provided to IRWD concerning the project. If it is necessary for corrected or additional information to be submitted to enable IRWD to complete the assessment, the request will be considered incomplete until IRWD's receipt of the corrected or additional information. If the project, circumstances or conditions change or new information becomes available after the issuance of a Water Supply Assessment, the Water Supply Assessment may no longer be valid. The City will request a new Water Supply Assessment if it determines that one is required.

The City acknowledges that the Water Supply Assessment shall not constitute a "will-serve" or in any way entitle the project applicant to service or to any right, priority or allocation in any supply, capacity or facility, and that the issuance of the Water Supply Assessment shall not affect IRWD's obligation to provide service to its existing customers or any potential future customers including the project applicant. In order to receive service, the project applicant shall be required to file a completed Application(s) for Service and Agreement with the Irvine Ranch Water

District on IRWD's forms, together with all fees and charges, plans and specifications, bonds and conveyance of necessary easements, and meet all other requirement as specified therein.

CITY OF LAKE FOREST

By: 
Jeremy Krout, Associate Planner

REQUEST RECEIVED:

Date: 
Oct. 28, 2004
By: _____
Irvine Ranch Water District

REQUEST COMPLETE:

Date: 11/4/04
By: 
Irvine Ranch Water District

Attachments: Absorption Schedule
Project Description

September 9, 2013

Prepared by: K. Welch/M. Hoolihan

Submitted by: K. Burton/G. Heiertz

Approved by: Paul Cook

CONSENT CALENDAR

VERIFICATION OF SUFFICIENT WATER SUPPLIES FOR CITY OF IRVINE PLANNING AREA 5B (TENTATIVE TRACT MAP 17523)

SUMMARY:

In June 2013 staff received a request by the City of Irvine (City) to complete a Verification of Sufficient Water Supplies (WSV) for the Planning Area 5B proposed project within the City's Northern Sphere Area proposed development. Staff has completed the WSV for the Planning Area 5B and recommends the Board approve the document.

BACKGROUND:

The City's proposed Planning Area 5B project is located within the designation of the Northern Sphere Area development. On March 11, 2002, the Board approved a Water Supply Assessment (WSA) for the Northern Sphere Area as requested by the City in accordance with SB 610. The overall WSA was approved for 12,350 dwelling units and 7,316 thousand square feet of mixed use (commercial and industrial).

As required under SB 221, and as part of the tract map approval process for projects including 500 or more dwelling units, the City has requested a WSV for Tentative Tract Map 17523, Planning Area 5B. The proposed project has a total acreage of 297 consisting of 1,900 dwelling units and 39.3 acres of greenbelt and parks. The project is bound by Jeffrey Road, Irvine Blvd., Portola Parkway, and the existing Northwood development. This is the fourth WSV the City has requested for the Northern Sphere Area and is attached as Exhibit "A".

The WSV for the requested tract map is based upon the WSA containing IRWD's determination that a sufficient water supply is available. The completed WSV contains supplemental information to the WSA concerning actions on state water supplies since the WSA was approved. This information, together with the WSA completed by IRWD, reflects IRWD's confirmation that the project water demands, together with demands from any other developments that have previously received a WSV, will-serve or other approvals by IRWD, are, in the aggregate, within the demands identified by that WSA. In accordance with this procedure, this WSV is based on the respective WSA and information contained in the WSV. In addition to reliance on the WSA, the WSV law requires several elements not covered or required in WSAs. These elements are primarily covered in Sections 1(b)(ii), 1(b)(iii), and 1(b)(iv) of the "Detailed Verification" section of the attached WSV.

Estimates show approximately 599 acre-feet per year (AFY) of potable water demands and 162 AFY of non-potable demands are associated with the project. These demands were included in the WSA that was approved on March 11, 2002.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

This study is exempt from the California Environmental Quality Act (CEQA) as authorized under the California Code of Regulations, Title 14, Chapter 3, Section 15262 which provides exemption for planning studies.

COMMITTEE STATUS:

This item was reviewed by the Water Resources Policy and Communications Committee on September 4, 2013.

RECOMMENDATION:

THAT THE BOARD APPROVE THE VERIFICATION OF SUFFICIENT WATER SUPPLIES FOR PLANNING AREA 5B (TENTATIVE TRACT MAP 17523).

LIST OF EXHIBITS:

Exhibit "A" – Verification of Sufficient Water Supplies for Planning Area 5B (Tentative Tract Map 17523)

EXHIBIT "A"

**IRVINE RANCH WATER DISTRICT
VERIFICATION OF SUFFICIENT WATER SUPPLY
Government Code §66473.7**

To: *(Lead Agency)*
City of Irvine
P.O. Box 19575
Irvine, CA 92623-9575

(Applicant)
Irvine Community Development Company
550 Newport Center Drive
P.O. Box 6370
Newport Beach, CA 92658-6370

Project Information

Project Title: Vesting Tentative Tract Map 17523 (PA 5B) (see Exhibit A)
 Tentative Map Application Nos. 00561695-PTT Verification requested prior to tentative map application

Number of residential units in Project: 1,900
Non-residential uses in Project (type, no. of employees, sq. ft. of floor space, acreage): (see Exhibit B)
Acreage to be devoted to landscape (excluding individual residence yards): (see Exhibit B)

- The projected water demand for the Project was included in IRWD's most recently adopted urban water management plan.
- A water supply assessment that included the Project was adopted by IRWD on March 12, 2002. A copy is attached hereto and incorporated herein by this reference (see Exhibit C).

Verification of Availability of Sufficient Water Supply

On _____, 2013, the Board of Directors of the Irvine Ranch Water District (IRWD) approved the within Verification and made the following determination regarding the above-described Project:

- A sufficient water supply is available for the Project.
The total water supplies available to IRWD during normal, single-dry and multiple-dry years within a 20-year projection will meet the projected water demand of the Project in addition to the demand of existing and other planned future uses, including, but not limited to, agricultural and manufacturing uses.
- A sufficient water supply is not available for the Project.

The foregoing determination is based on the following Water Supply Verification Information and supporting information in the records of IRWD.

Signature *Date* *Title*

WATER SUPPLY VERIFICATION INFORMATION

Purpose of Verification

Irvine Ranch Water District ("IRWD") is the public water system that will supply water service (both potable and nonpotable) to the project identified on the cover page of this verification (the "Project"). As a public water system, IRWD is required by Section 66473.7 of the Government Code (the "Verification Law") to provide the City with a verification of the availability of a sufficient water supply for non-exempt subdivisions of more than 500 residential units in conjunction with (or prior to) the City's approval of a tentative map. The City has found the Project to include a subdivision that is subject to verification and not exempt under the Verification Law.

The Verification Law provides that a verification shall be supported by substantial evidence, which may include, but is not limited to, any of the following (i) IRWD's most recently adopted urban water management plan; (ii) a water supply assessment previously adopted for the project under Water Code 10910, *et seq.*; or (iii) other analytical information substantially similar to the assessment of service reliability required by Water Code Section 10635 to be included in the urban water management plan. The Verification Law also specifies the elements to be contained in a verification with respect to (i) supplies relied upon that are not currently available; (ii) reasonably foreseeable impacts of the subdivision on the availability of water resources for agricultural and industrial uses within IRWD's service area that are not currently receiving water; and (iii) rights to extract additional groundwater needed to supply the subdivision.

A verification does not entitle the Project to service or to any right, priority or allocation in any supply, capacity or facility, or affect IRWD's obligation to provide service to its existing customers or any potential future customers. In order to receive service, the Project applicant is required to file a completed Application(s) for Service and Agreement with the Irvine Ranch Water District on IRWD's forms, together with all fees and charges, plans and specifications, bonds and conveyance of necessary easements, and meet all other requirements as specified therein.

Methodology of Verification for Project With Prior Water Supply Assessment

As referenced on the cover page of this verification (the "Verification"), the Project was included within an assessment of water supply approved by IRWD. The Assessment contained IRWD's determination that a sufficient water supply is available for the Project. As described in the Assessment, IRWD does not allocate particular supplies to any project, but identifies total supplies for its service area. However, upon approval of each assessment containing a determination of a sufficient supply, IRWD attributes the demands identified by that assessment to IRWD's existing and committed demand. Thereafter, each verification approved by IRWD for a subdivision covered by that assessment is based on the assessment, and reflects IRWD's confirmation that the water demands of the subdivision, together with any other subdivisions or developments that have previously received verifications, will-serves or other approval by IRWD under the same assessment, are, in the aggregate, within the demand identified by that assessment. In accordance with that procedure, this Verification is based on the Assessment. The Assessment's determination of sufficiency extends through 2025, and is supplemented herein to include the full 20-year projection required in this Verification.

In addition, this Verification includes the elements required by the Verification Law that are not included within the required contents of assessments.

Supporting Documentation

As noted above, the principal supporting document for this Verification is the Assessment. Other documentation supports the Assessment and this Verification: IRWD prepares two planning documents to guide water supply decision-making. IRWD's principal planning document is IRWD's "Water Resources Master Plan" ("WRMP"). The WRMP is a comprehensive document compiling data and analyses that IRWD considers necessary for its planning needs. IRWD also prepares an Urban Water Management Plan ("UWMP"), a document required by statute. The UWMP is based on the WRMP, but contains defined elements as listed in the statute (Water Code Section 10631, *et seq.*), and as a result, is more limited than the WRMP in the treatment of supply and demand issues. (The UWMP is required to be updated in years ending with "five" and "zero," and IRWD's most recent update was adopted in June 2011.)

In addition to the Assessment, the most recent WRMP and the 2010 UWMP mentioned above, other supporting documentation referenced herein is found in Section 5 of this Verification. This includes the Metropolitan Water District of Southern California's Regional Urban Water Management Plan (RUWMP) detailing an evaluation by Metropolitan Water District of Southern California (MWD), the wholesaler of IRWD's imported water supplies, of the reliability of MWD's supplies. (2010 RUWMP adopted in November 2010.)

The Verification Law requires written proof of entitlement for "not currently available" (referred to herein as "under development") supplies. The Assessment includes such information for both currently available and under development supplies. Due to the number of contracts, statutes and other documents comprising IRWD's written proof of entitlement to its water supplies, in lieu of attachment of such items, they are identified by title and summarized in Section 2 of the Assessment and is supplemented herein. Copies of the summarized items have been provided to the City and can be obtained from IRWD.

Sufficiency Calculation Methodology

The methodology for IRWD's comparison of its demands and supplies is set forth in the Assessment, in the section entitled "Assessment Methodology" and subsections thereof entitled "water use factors; dry-year increases;" "planning horizon;" "assessment of demands;" "assessment of supplies;" and "comparison of demand and supply."

Summary of Results of Demand-Supply Comparisons

The Assessment contains Figures 1 through 8 comparing projected potable and nonpotable water supplies and demands which provide an overview of IRWD potable and nonpotable water supply capabilities through 2022. These Figures have been revised (pages 9 through 20) in order to reflect updated information on supplies, as well as updating the 20-year planning horizon through 2033. In addition, since the date of the approved Assessment for this project (March 2002), IRWD has recalibrated and updated demand projections based on water use and development phasing.

Recent Actions on Delta Pumping. The Sacramento/San Joaquin Delta (Delta) is a vulnerable component in both the State and Federal systems to convey water from northern

portions of California to areas south of the Delta. Issues associated with the Delta have generally been known for years; however, most recently, the continuing decline in the number of endangered Delta smelt resulted in the filing of litigation challenging permits for the operation of the Delta pumping facilities. On August 31, 2007, a Federal court ordered interim protective measures for the endangered Delta smelt, including operational limits on Delta pumping, which will have an effect on State Water Project (SWP) operations and supplies in 2008 and subsequent years. On June 4, 2009, a federal biological opinion imposed rules that will further restrict water diversions from the Delta to protect endangered salmon and other endangered fish species. At present, several proceedings concerning Delta operations are ongoing to evaluate options to address Delta smelt impacts and other environmental concerns. In addition to the regulatory and judicial proceedings to address immediate environmental concerns, the Delta Vision process and Bay-Delta Conservation Plan process are defining long-term solutions for the Delta (MWD 2010 IRP Update). Prior to the 2007 court decision, MWD's Board approved a Delta Action Plan in May 2007 that described short, mid and long-term conditions and the actions to mitigate potential supply shortages and to develop and implement long-term solutions. To comprehensively address the impacts of the SWP cutback on MWD's water supply development targets, MWD brought to its Board a strategy and work plan to update the long-term Integrated Resources Plan (IRP) in December 2007. As part of the IRP Update, MWD developed a region-wide collaborative process that included a broad-based stakeholder involvement. MWD held several stakeholder forums in 2008 and 2009 and the MWD Board adopted the 2010 IRP Update on October 12, 2010. In the 2010 IRP Update, MWD identified changes to the long-term plan and established direction to address the range of potential changes in water supply planning. The IRP also discusses dealing with uncertainties related to impacts of climate change (see additional discussion of this below) as well as actions to protect endangered fisheries. Based on MWD's Findings and Conclusions as stated in the MWD 2010 IRP Update, MWD's reliability goal that full-service demands at the retail level will be satisfied for all foreseeable hydrologic conditions remains unchanged in the 2010 IRP Update, and MWD will accomplish this through its core resources strategies. The 2010 IRP Update emphasizes an evolving approach and suite of actions to address the water supply challenges that are posed by uncertain weather patterns, regulatory and environmental restrictions, water quality impacts and changes in the state and the region. MWD's Adaptive Resource Management Strategy includes three components: Core Resources Strategy, Supply Buffer Implementation and Foundational Actions which together provides the basis for the 2010 IRP Update. The 2010 IRP Update expands the concept of developing a planning buffer from the 2004 IRP Update by implementing a supply buffer equal to 10 percent of the total retail demand. MWD will collaborate with the member agencies to implement this buffer through complying with Senate Bill 7 which calls for the state to reduce per capita water use 20 percent by the year 2020.

IRWD's Evaluation of Effect of Reduced MWD Supplies to IRWD: MWD states it is sufficiently reliable to meet full-service demands at the retail level for all foreseeable hydrologic conditions. For purposes of ensuring a conservative analysis, IRWD has compiled information from the prior "MWD IRP Implementation Report" (October 2007) and MWD's RUWMP (November 2005), to provide information in this assessment relative to how reduced SWP supplies could potentially affect IRWD's supplies from MWD.

Based on IRWD's evaluation of MWD's SWP supplies, IRWD estimates that the 22% used by MWD's October 2007 IRP Implementation Report as a potential reduction of MWD's SWP supplies conservatively translates to approximately 16% reduction in all of MWD's

imported supplies over the years 2015 through 2035.¹ For this purpose it is assumed that MWD's total supplies consist only of imported SWP and Colorado deliveries. As shown in MWD's RUWMP (Tables A.3-7), SWP deliveries on average over the 20-year period are 1,682,000 acre-feet and Colorado average supplies are 656,000 acre-feet. A 22% reduction of SWP supplies equates to 370,000 acre-feet which is approximately 16% of MWD's total imported supplies. Based on this estimate, this assessment projects a 16% reduction in MWD supplies available to IRWD for the years 2010 through 2033, using IRWD's connected capacity without any water supply allocation imposed by MWD. This reduction in MWD supplies is reflected in Figures 1, 2, 3, 5, 6, and 7.

As an alternative means of analyzing the 22% stated reduction, Figures 1a, 2a, and 3a show IRWD estimated supplies in all of the 5-year increments (average and single and multiple dry years) under a short-term MWD allocation scenario whereby MWD declares Shortage Stage 2 and a 10% cutback is applied to IRWD's actual usage rather than its connected capacity. In February 2009, MWD adopted a Water Supply Allocation Plan based on its declared level of shortage. In response to potential water shortages and a request by MWD to have water service providers within its service area adopt a water conservation ordinance, in February 2009, IRWD updated Section 15 of its Rules and Regulations – Water Conservation and Water Supply Shortage Program and also updated its Water Shortage Contingency Plan which is a supporting document for Section 15. Section 15 of the Rules and Regulations serves as IRWD's "conservation ordinance". As stated in IRWD's Water Shortage Contingency Plan, use of local supplies, storage and other supply augmentation measures can mitigate shortages, and are assumed to be in use to the maximum extent possible during declared shortage levels. Under shortage scenarios, IRWD may need to supplement supplies with production of groundwater, which can exceed the applicable basin production percentage on a short-term basis, providing additional reliability during dry years or emergencies.² In addition, IRWD has developed water banking projects in Kern County, California which be called upon for delivery of supplemental banked water to IRWD under a short-term MWD allocation.³ In addition, if needed resultant net shortage levels can be addressed by demand reduction programs as described in

¹ MWD's 2010 RUWMP cites to DWR's Water Allocation Analysis dated March 22, 2010, which incorporated the Delta smelt biological opinion's effect on SWP operations, export restrictions could reduce deliveries to MWD by 150 to 200 thousand acre-feet for 2010. DWR estimated that approximately 520,000 AF had been lost to the SWP for 2010 of which nearly 240,000 AF would have been available for MWD. This amount is equivalent to about 16% reduction in SWP supplies, a smaller percentage reduction than MWD's 2007 figure of 22% that was used by IRWD for purposes of this analysis.

² In these scenarios, it is anticipated that other water suppliers who produce water from the Orange County Basin will also experience cutbacks of imported supplies and will increase groundwater production and that Orange County Water District (OCWD) imported replenishment water may also be cutback. The OCWD's "2010-11 Engineer's Report on the groundwater conditions, water supply and basin utilization" references a report (OCWD Report on Evaluation of Orange County Groundwater Basin Storage and Operational Strategy) which recommends a basin management strategy that provides general guidelines for annual basin refill or storage decrease based on the level of accumulated overdraft. It states, "Although it is considered to be generally acceptable to allow the basin to decline to 500,000 AF overdraft for brief periods due to severe drought conditions and lack of supplemental water...an accumulated overdraft of 100,000 AF best represents an optimal basin management target. This optimal target level provides sufficient storage space to accommodate anticipated recharge from a single wet year while also providing water in storage for at least 2 or 3 consecutive years of drought." MWD replenishment water is a supplemental source of recharge water and OCWD estimates other main supply sources for recharge are available.

³ IRWD has developed water banking projects (Water Bank) in Kern County, California and has entered into a 30-year water banking partnership with Rosedale-Rio Bravo Water Storage District (RRB) to operate IRWD's Strand Ranch portion of the Water Bank. The Water Bank can improve IRWD's water supply reliability by capturing lower cost water available during wet hydrologic periods for use during dry periods. The Water Bank can enhance IRWD's ability to respond to drought conditions and potential water supply interruptions.

IRWD's Water Shortage Contingency Plan.

Listed below are Figures provided comparing projected potable water supplies and demands in all of the five year increments, under a temporary MWD allocation scenario:

- Figure 1a: Normal Year Supply and Demand (MWD Allocated) – Potable Water
- Figure 2a: Single Dry-Year Supply and Demand (MWD Allocated) – Potable Water
- Figure 3a: Multiple Dry-Year Supply and Demand (MWD Allocated) – Potable Water

It can be noted that IRWD's above approach is conservative, in that IRWD evaluates the effect of the 16% reduction through 2033 and shows the effect of current allocation scenarios in all of the five-year increments but MWD reports that it has made significant progress in other water resource categories such as transfers, groundwater storage and developing other local resources, and supplies will be available from these resources over the long-term.

Climate Change. The California Department of Water Resources ("DWR") released a report "Progress on Incorporating Climate Change into Management of California's Water Resources" (July 2006), considering the impacts of climate change on the State's water supply. DWR emphasizes that "the report represents an example of an impacts assessment based on four scenarios defining an expected range of potential climate change impacts." DWR's major goal is to extend the analysis for long-term water resource planning from "assessing impacts" to "assessing risk." The report presents directions for further work in incorporating climate change into the management of California's water resources. Emphasis is placed on associating probability estimates with potential climate change scenarios in order to provide policymakers with both ranges of impacts and the likelihoods associated with those impacts. DWR's report acknowledges "that all results presented in this report are preliminary, incorporate several assumptions, reflect a limited number of climate change scenarios, and do not address the likelihood of each scenario. Therefore, these results are not sufficient by themselves to make policy decisions."

In MWD's 2010 IRP Update, MWD recognizes there is a significant uncertainty in the impact of climate change on water supply and changes in weather patterns could significantly affect water supply reliability. MWD plans to hedge against supply and environmental uncertainties by implementing a supply buffer equivalent to 10 percent of total retail demand. This buffer will be implemented through meeting the SB7 water use efficiency goals, implementing aggressive adaptive actions, development of local supplies and transfers.

Per MWD's RUWMP, MWD continues to incorporate current climate change science into its planning efforts. As stated in MWD's RUWMP, the 2010 IRP Update supports the MWD Board adopted principles on climate change by: 1) Supporting reasonable, economically viable, and technologically feasible management strategies for reducing impacts on water supply and 2) Supporting flexible "no regret" solutions that provide water supply and quality benefits while increasing the ability to manage future climate change impacts, and 3) Evaluating staff recommendations regarding climate change and water resources against the California Environmental Quality Act to avoid adverse effects on the environment. Potential climate change impacts on state, regional and local water supplies and relevant information for the Orange County hydrologic basin and Santa Ana Watershed have not been sufficiently developed at this time to permit IRWD to assess and quantify the effect of any such impact on its conclusions in the Assessment.

Catastrophic Supply Interruption Planning. MWD has developed Emergency

Storage Requirements (2010 RUWMP) to safeguard the region from catastrophic loss of water supply. MWD has made substantial investments in emergency storage and MWD has based its planning on a 100% reduction in its supplies for a period of six months. The emergency plan outlines that under such a catastrophe, non-firm service deliveries would be suspended, and firm supplies would be restricted by a mandatory cutback of 25 percent from normal year demand deliveries. In addition, MWD discusses the long term Delta plan in its 2010 RUWMP (pages 3-18 to 3-21). IRWD has addressed supply interruption planning in its WRMP and UWMP.

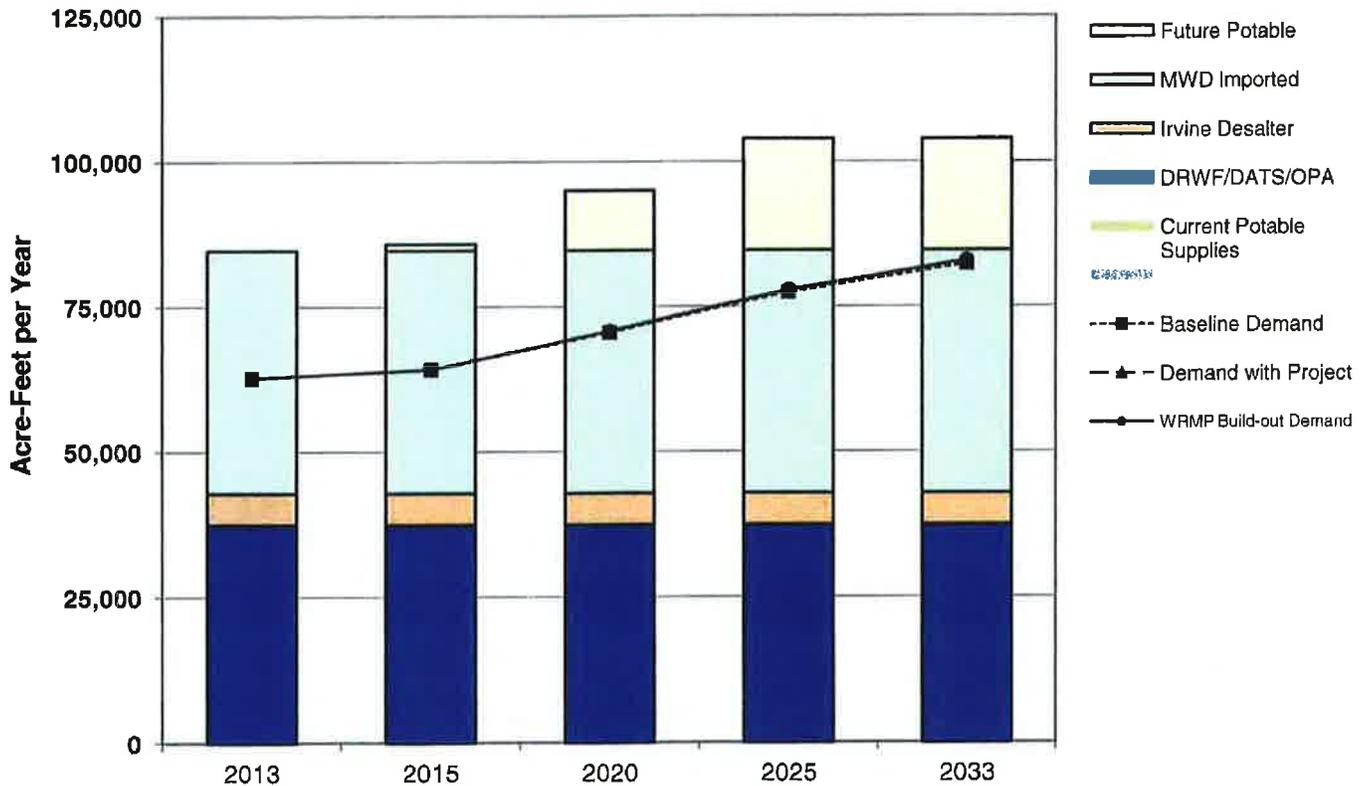
Detailed Verification

1. Determination of sufficiency of water supply

(a) Supply and demand comparison

Comparisons of IRWD's average annual and peak (maximum day) demands and supplies, under *baseline* (existing and committed demand, without the Project), *with-project* (baseline plus Project), and *full build-out* development projections, are shown in the following Figures 1-4 (potable water), Figures 5-8 (nonpotable water) and Figures 1a, 2a, and 3a (short term MWD allocation potable water). See also the Assessment, Section 1, incorporated herein by reference and "Recent Actions on Delta Pumping" above.

**Figure 1
IRWD Normal-Year Supply & Demand - Potable Water**

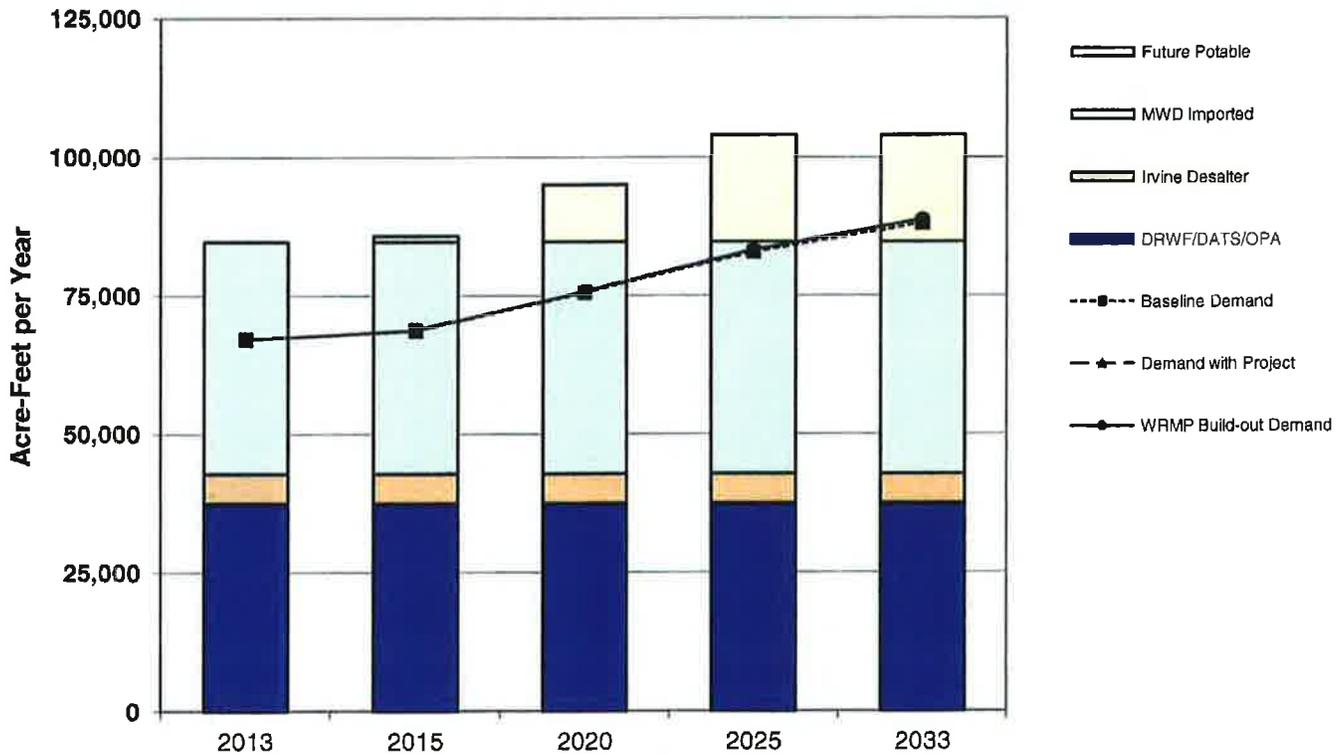


(in acre-feet per year)	2013	2015	2020	2025	2033
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	41,929	41,929	41,929	41,929	41,929
DRWF/DATS/OPA	37,533	37,533	37,533	37,533	37,533
Irvine Desalter	5,309	5,309	5,309	5,309	5,309
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Supplies Under Development					
Future Potable	-	1,118	10,328	19,211	19,211
Maximum Supply Capability	91,100	92,217	101,427	110,311	110,311
Demand					
Baseline Demand	62,720	64,182	70,613	77,493	82,390
Demand with Project	62,720	64,215	70,813	77,859	82,989
WRMP Build-out Demand	62,720	64,215	70,813	77,859	82,989
Reserve Supply with Project	28,380	28,002	30,615	32,452	27,322

Notes: By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

**Figure 2
IRWD Single Dry-Year Supply & Demand - Potable Water**

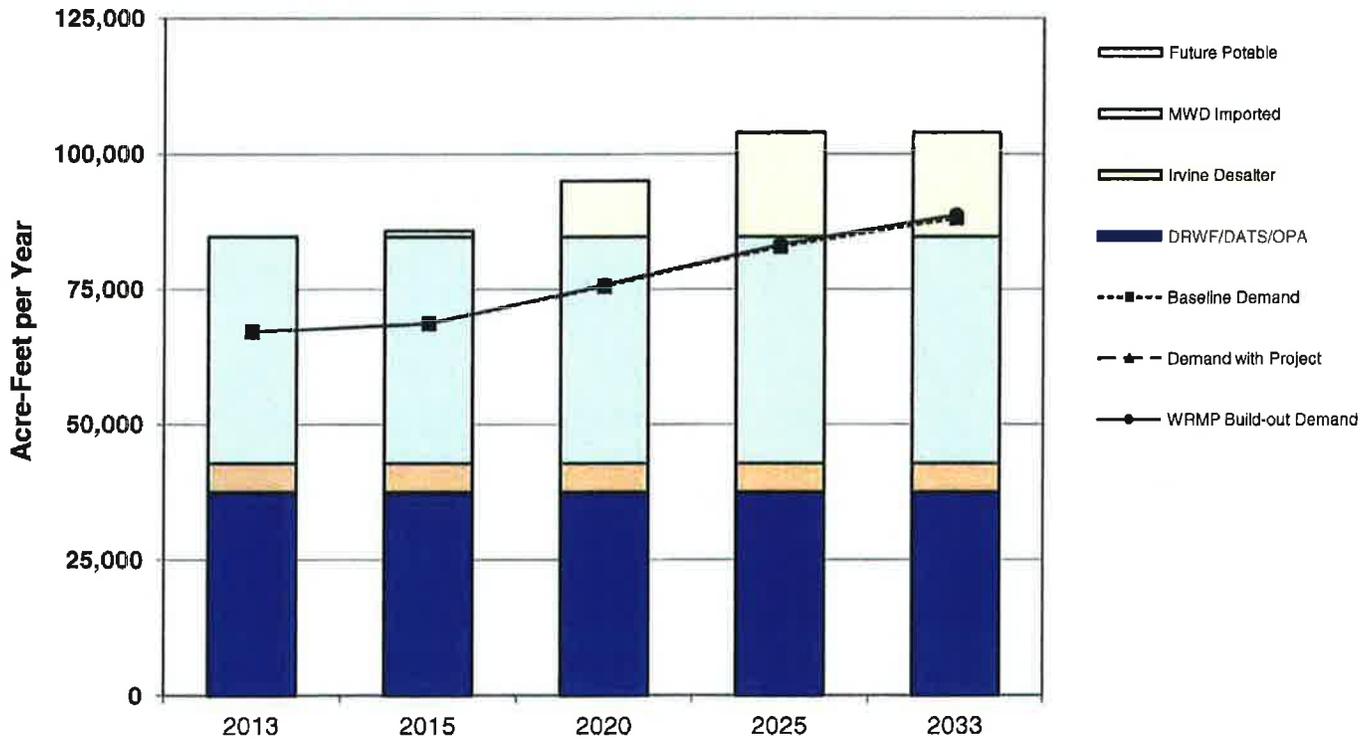


(in acre-feet per year)	2013	2015	2020	2025	2033
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	41,929	41,929	41,929	41,929	41,929
DRWF/DATS/OPA	37,533	37,533	37,533	37,533	37,533
Irvine Desalter	5,309	5,309	5,309	5,309	5,309
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Supplies Under Development					
Future Potable	-	1,118	10,328	19,211	19,211
Maximum Supply Capability	91,100	92,217	101,427	110,311	110,311
Baseline Demand	67,110	68,674	75,556	82,917	88,158
Demand with Project	67,110	68,710	75,769	83,309	88,798
WRMP Build-out Demand	67,110	68,710	75,769	83,309	88,798
Reserve Supply with Project	23,989	23,507	25,658	27,002	21,512

Notes: Supplies identical to Normal-Year based on Metropolitan's Regional Urban Water Management Plan (11/8/05) and usage of groundwater under drought conditions (OCWD Master Plan). Demands increased 7% from Normal-Year. By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

**Figure 3
IRWD Multiple Dry-Year Supply & Demand - Potable Water**

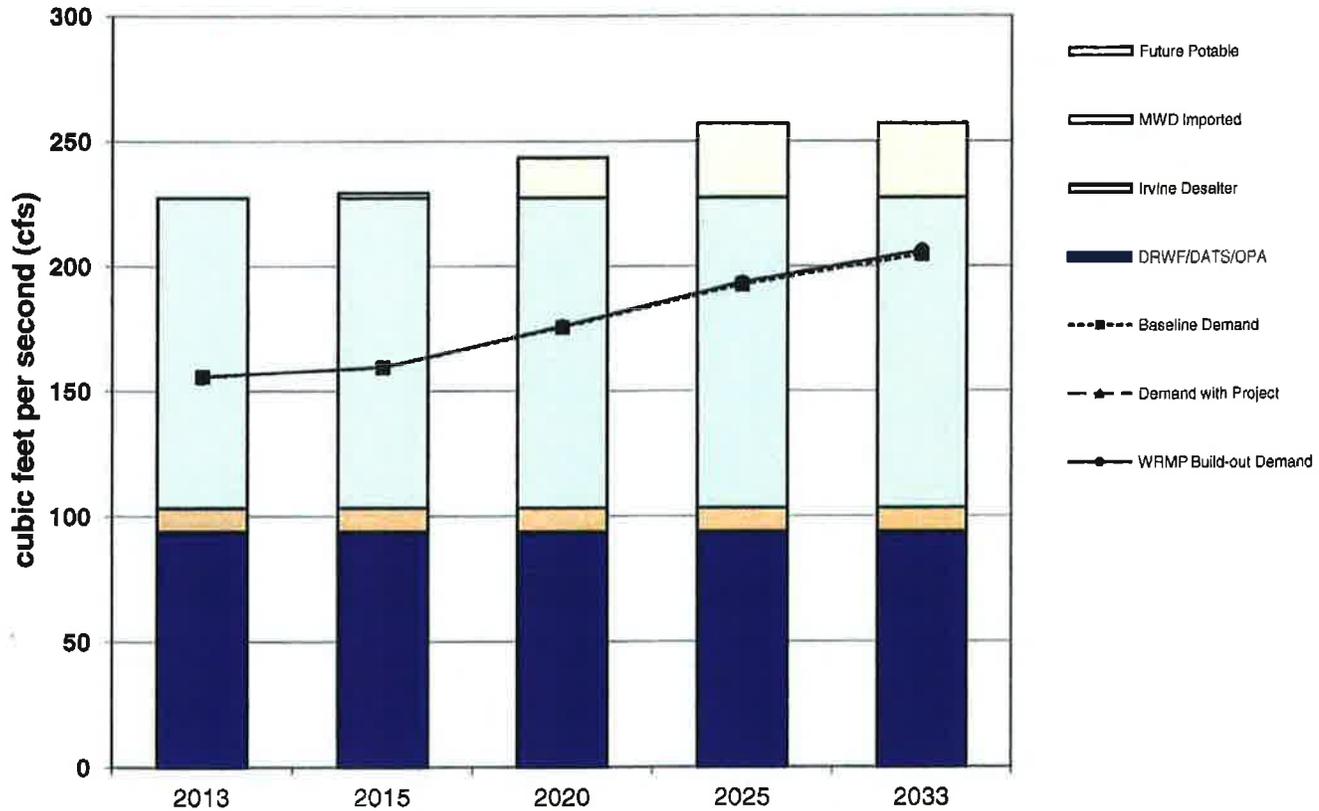


(in acre-feet per year)	2013	2015	2020	2025	2033
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	41,929	41,929	41,929	41,929	41,929
DRWF/DATS/OPA	37,533	37,533	37,533	37,533	37,533
Irvine Desalter	5,309	5,309	5,309	5,309	5,309
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Supplies Under Development					
Future Potable	-	1,118	10,328	19,211	19,211
Maximum Supply Capability	91,100	92,217	101,427	110,311	110,311
Baseline Demand	67,110	68,674	75,556	82,917	88,158
Demand with Project	67,110	68,710	75,769	83,309	88,798
WRMP Build-out Demand	67,110	68,710	75,769	83,309	88,798
Reserve Supply with Project	23,989	23,507	25,658	27,002	21,512

Notes: Supplies identical to Normal-Year based on Metropolitan's Regional Urban Water Management Plan (11/8/05) and usage of groundwater under drought conditions (OCWD Master Plan). Demands increased 7% from Normal-Year. By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

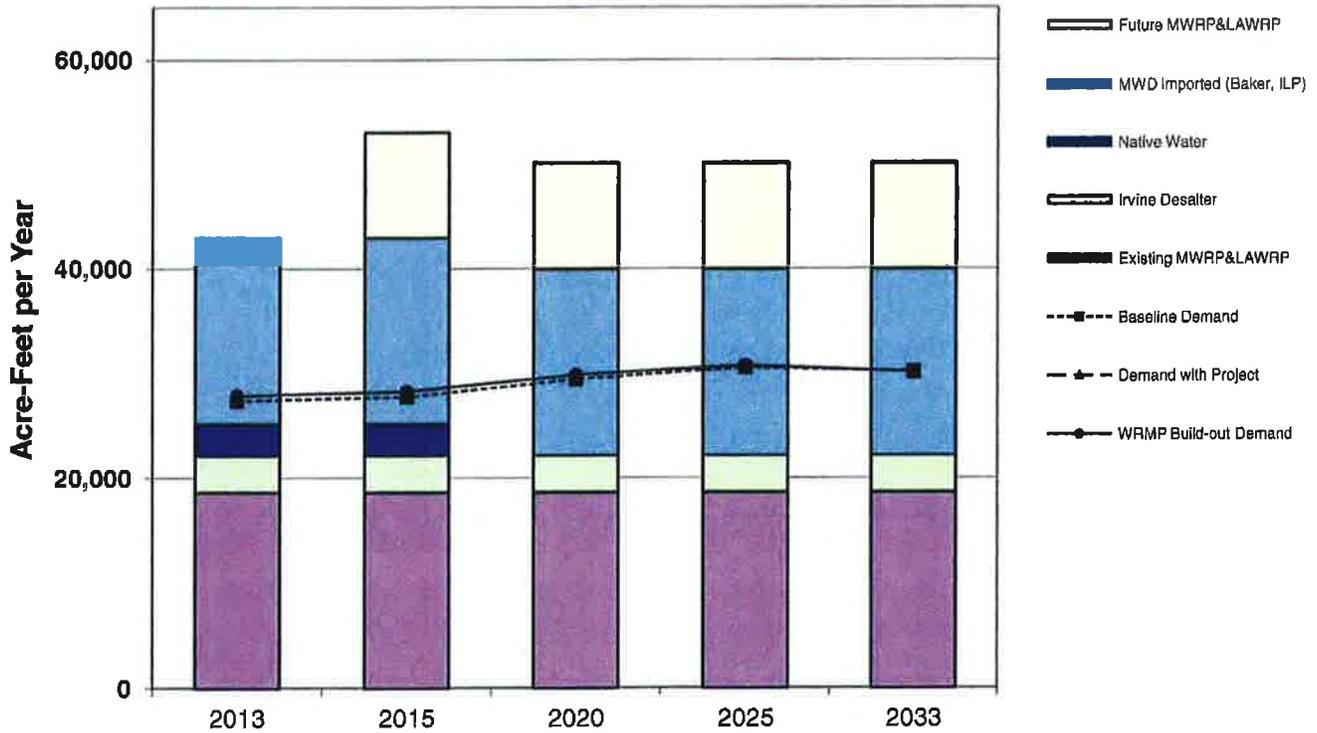
MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

**Figure 4
IRWD Maximum-Day Supply & Demand - Potable Water**



(in cfs)	2013	2015	2020	2025	2033
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	124.1	124.1	124.1	124.1	124.1
DRWF/DATS/OPA	93.9	93.9	93.9	93.9	93.9
Irvine Desalter	9.5	9.5	9.5	9.5	9.5
Wells 21 & 22	10.9	10.9	10.9	10.9	10.9
Supplies Under Development					
Future Potable	-	2.0	16.1	29.7	29.7
Maximum Supply Capability	238.4	240.4	254.5	268.1	268.1
Baseline Demand	155.9	159.6	175.6	192.7	204.8
Demand with Project	155.9	159.7	176.1	193.6	206.3
WRMP Build-out Demand	155.9	159.7	176.1	193.6	206.3
Reserve Supply with Project	82.5	80.7	78.4	74.5	61.8

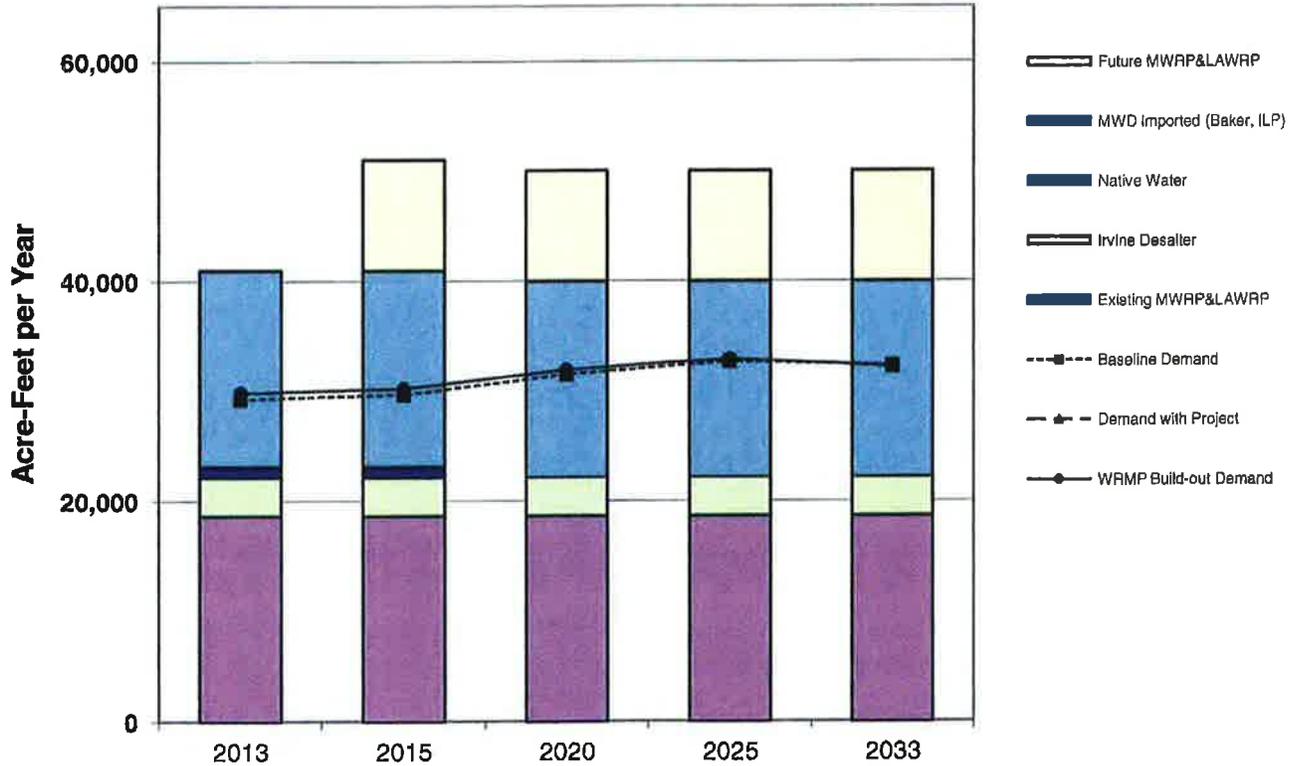
**Figure 5
IRWD Normal-Year Supply & Demand - Nonpotable Water**



(in acre-feet per year)	2013	2015	2020	2025	2033
Current Nonpotable Supplies					
Existing MWRP&LAWRP	18,657	18,657	18,657	18,657	18,657
MWD Imported (Baker, ILP)	17,826	17,826	17,826	17,826	17,826
Irvine Desalter	3,514	3,514	3,514	3,514	3,514
Native Water	3,000	3,000	-	-	-
Supplies Under Development					
Future MWRP&LAWRP	-	10,100	10,100	10,100	10,100
Maximum Supply Capability	42,997	53,097	50,097	50,097	50,097
Baseline Demand	27,390	27,768	29,459	30,553	30,233
Demand with Project	27,903	28,281	29,856	30,757	30,129
WRMP Build-out Demand	27,903	28,281	29,856	30,757	30,129
Reserve Supply with Project	15,094	24,816	20,241	19,340	19,967

Note: Downward trend reflects reduction in agricultural use over time.
 Native water will be treated to potable through the Baker Water Treatment Plant after 2016.
 MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

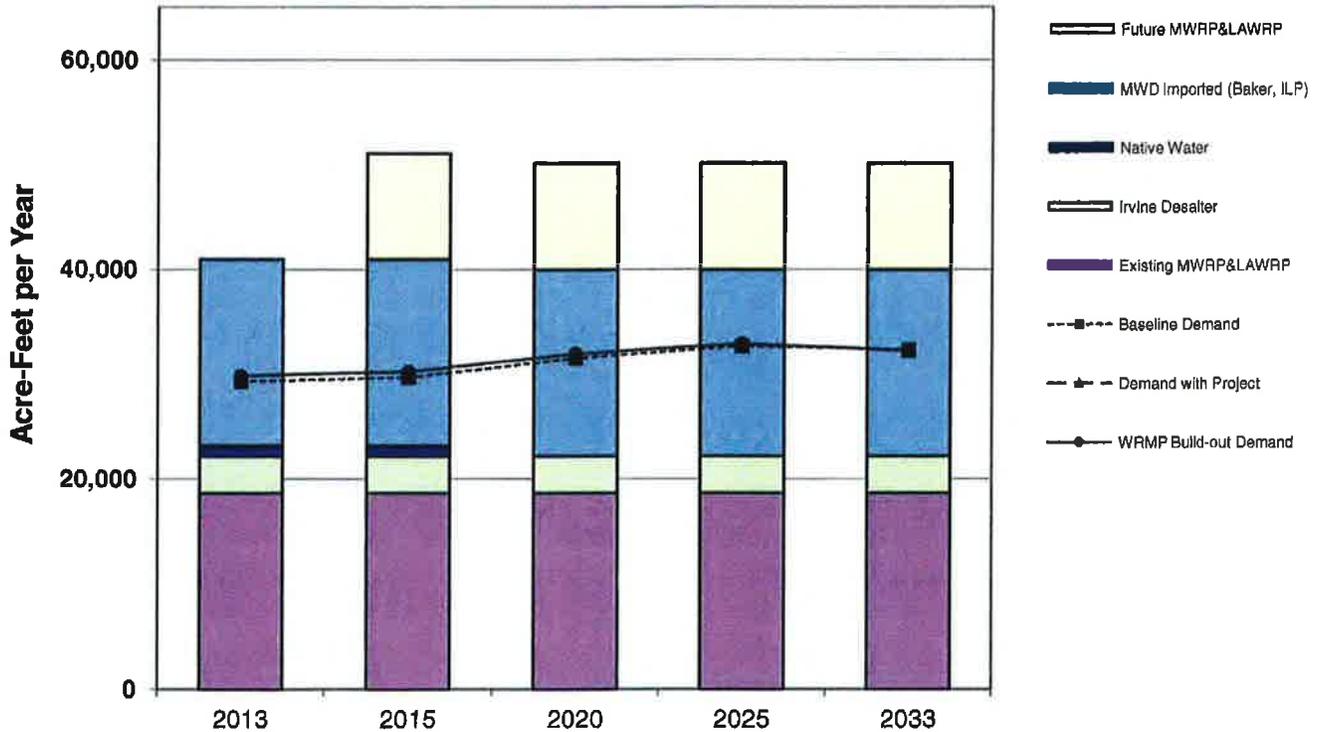
**Figure 6
IRWD Single Dry-Year Supply & Demand - Nonpotable Water**



(in acre-feet per year)	2013	2015	2020	2025	2033
Current Nonpotable Supplies					
Existing MWRP&LAWRP	18,657	18,657	18,657	18,657	18,657
MWD Imported (Baker, ILP)	17,826	17,826	17,826	17,826	17,826
Irvine Desalter	3,514	3,514	3,514	3,514	3,514
Native Water	1,000	1,000	-	-	-
Supplies Under Development					
Future MWRP&LAWRP	-	10,100	10,100	10,100	10,100
Maximum Supply Capability	40,997	51,097	50,097	50,097	50,097
Demand					
Baseline Demand	29,308	29,712	31,521	32,691	32,349
Demand with Project	29,856	30,261	31,946	32,910	32,239
WRMP Build-out Demand	29,856	30,261	31,946	32,910	32,239
Reserve Supply with Project	11,140	20,836	18,151	17,187	17,858

Note: Downward trend reflects reduction in agricultural use over time.
 Native water will be treated to potable through the Baker Water Treatment Plant after 2016.
 MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

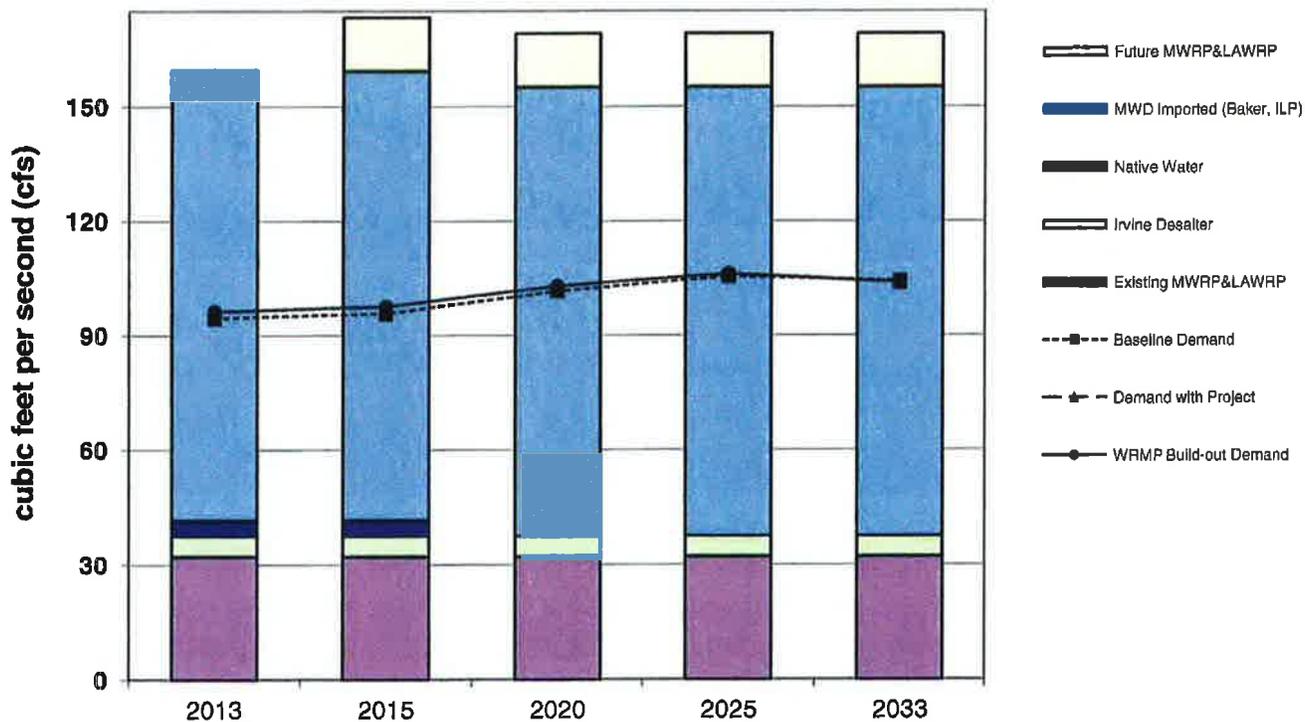
**Figure 7
IRWD Multiple Dry-Year Supply & Demand - Nonpotable Water**



(in acre-feet per year)	2013	2015	2020	2025	2033
Current Nonpotable Supplies					
Existing MWRP&LAWRP	18,657	18,657	18,657	18,657	18,657
MWD Imported (Baker, ILP)	17,826	17,826	17,826	17,826	17,826
Irvine Desalter	3,514	3,514	3,514	3,514	3,514
Native Water	1,000	1,000	-	-	-
Supplies Under Development					
Future MWRP&LAWRP	-	10,100	10,100	10,100	10,100
Maximum Supply Capability	40,997	51,097	50,097	50,097	50,097
Baseline Demand	29,308	29,712	31,521	32,691	32,349
Demand with Project	29,856	30,261	31,946	32,910	32,239
WRMP Build-out Demand	29,856	30,261	31,946	32,910	32,239
Reserve Supply with Project	11,140	20,836	18,151	17,187	17,858

Note: Downward trend reflects reduction in agricultural use over time.
 Native water will be treated to potable through the Baker Water Treatment Plant after 2016.
 MWD Imported Supplies are shown at 16% reduction off of average connected capacity.

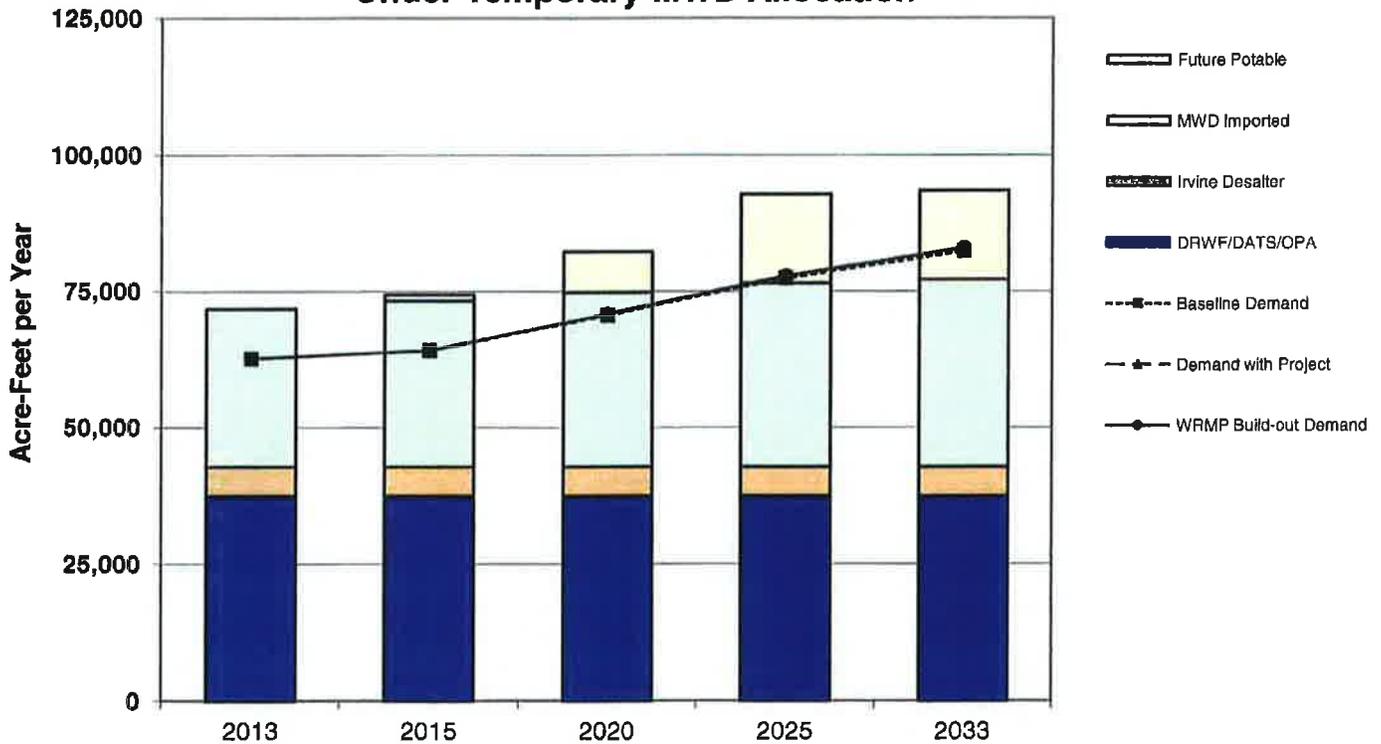
**Figure 8
IRWD Maximum-Dry Supply & Demand - Nonpotable Water**



(in cfs)	2013	2015	2020	2025	2033
Current Nonpotable Supplies					
Existing MWRP&LAWRP	32.2	32.2	32.2	32.2	32.2
MWD Imported (Baker, ILP)	117.7	117.7	117.7	117.7	117.7
Irvine Desalter	5.4	5.4	5.4	5.4	5.4
Native Water	4.2	4.2	-	-	-
Supplies Under Development					
Future MWRP&LAWRP	-	14.0	14.0	14.0	14.0
Maximum Supply Capability	159.5	173.4	169.2	169.2	169.2
Baseline Demand	94.6	95.9	101.7	105.5	104.4
Demand with Project	96.4	97.7	103.1	106.2	104.0
WRMP Build-out Demand	96.4	97.7	103.1	106.2	104.0
Reserve Supply with Project	63.1	75.8	66.1	63.0	65.2

Note: Downward trend reflects reduction in agricultural use over time.
Native water will be treated to potable through the Baker Water Treatment Plant after 2016.

**Figure 1a
IRWD Normal-Year Supply & Demand - Potable Water
Under Temporary MWD Allocation***

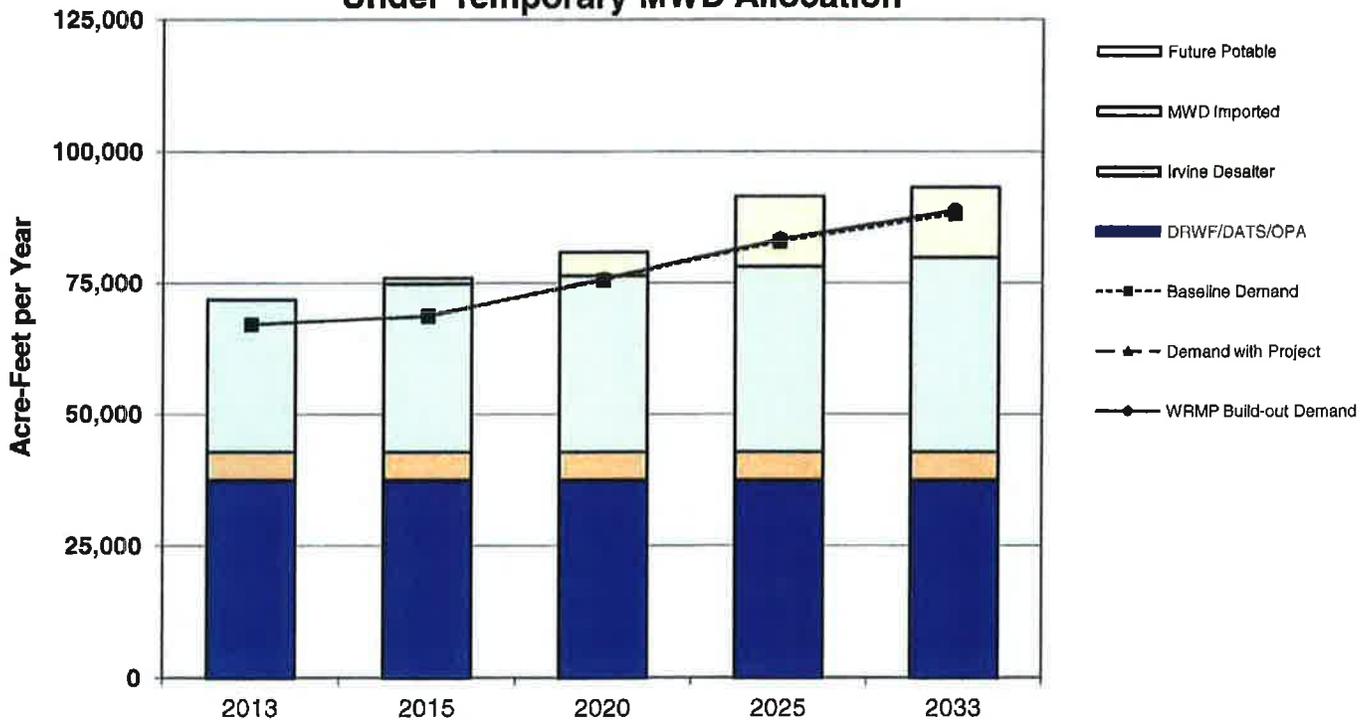


(in acre-feet per year)	2013	2015	2020	2025	2033
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	29,000	30,479	32,034	33,668	34,345
DRWF/DATS/OPA	37,533	37,533	37,533	37,533	37,533
Irvine Desalter	5,309	5,309	5,309	5,309	5,309
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Supplies Under Development					
Future Potable	-	1,118	7,469	16,352	16,352
Maximum Supply Capability	78,170	80,767	88,674	99,191	99,868
Baseline Demand	62,720	64,182	70,613	77,493	82,390
Demand with Project	62,720	64,215	70,813	77,859	82,989
WRMP Build-out Demand	62,720	64,215	70,813	77,859	82,989
Reserve Supply with Project	15,451	16,553	17,861	21,332	16,879

Notes: By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

*For illustration purposes, IRWD has shown MWD Imported Supplies as estimated under a short-term 10% allocation, Shortage Stage 2 in all of the 5-year increments. However, it is likely that such a scenario would only be temporary. Under a MWD Allocation, IRWD could supplement supplies with groundwater production which can exceed applicable basin percentages on a short-term basis or transfer water from IRWD's water bank. IRWD may also reduce demands by implementing shortage contingency measures as described in the UWMP. Under a MWD allocation, the Baker WTP supplies (under "Future Potable") will be limited to available native water only.

**Figure 2a
IRWD Single Dry-Year Supply & Demand - Potable Water
Under Temporary MWD Allocation***

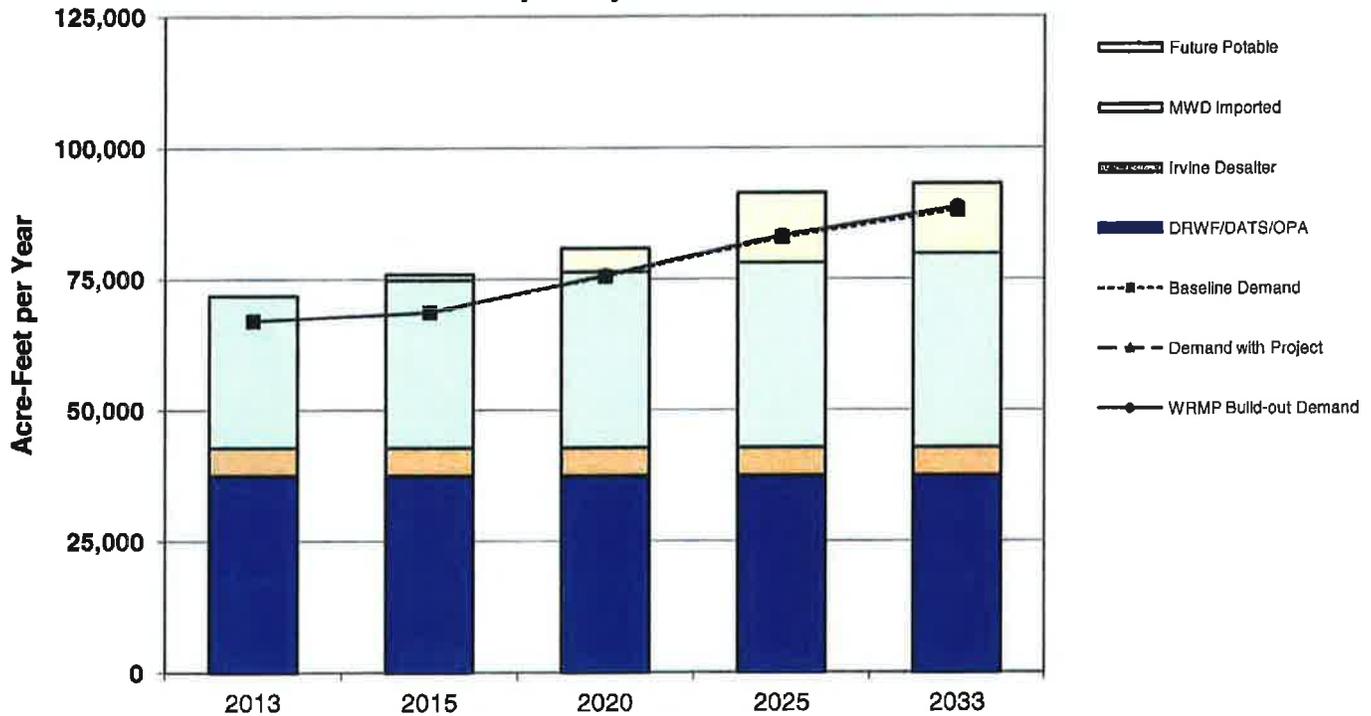


(in acre-feet per year)	2013	2015	2020	2025	2033
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	29,000	32,003	33,603	35,284	37,048
DRWF/DATS/OPA	37,533	37,533	37,533	37,533	37,533
Irvine Desalter	5,309	5,309	5,309	5,309	5,309
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Supplies Under Development					
Future Potable	-	1,118	4,469	13,352	13,352
Maximum Supply Capability	78,170	82,291	87,243	97,806	99,571
Baseline Demand	67,110	68,674	75,556	82,917	88,158
Demand with Project	67,110	68,710	75,769	83,309	88,798
WRMP Build-out Demand	67,110	68,710	75,769	83,309	88,798
Reserve Supply with Project	11,060	13,581	11,474	14,498	10,772

Notes: Supplies identical to Normal-Year based on Metropolitan's Regional Urban Water Management Plan and usage of groundwater under drought conditions (OCWD Master Plan). Demands increased 7% from Normal-Year. By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

*For illustration purposes, IRWD has shown MWD Imported Supplies as estimated under a short-term 10% allocation, Shortage Stage 2 in all of the 5-year increments. However, it is likely that such a scenario would only be temporary. Under a MWD Allocation, IRWD could supplement supplies with groundwater production which can exceed applicable basin percentages on a short-term basis or transfer water from IRWD's water bank. IRWD may also reduce demands by implementing shortage contingency measures as described in the UWMP. Under a MWD allocation, the Baker WTP supplies (under "Future Potable") will be limited to available native water only.

**Figure 3a
IRWD Multiple Dry-Year Supply & Demand - Potable Water
Under Temporary MWD Allocation***



(in acre-feet per year)	2013	2015	2020	2025	2033
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	29,000	32,003	33,603	35,284	37,048
DRWF/DATS/OPA	37,533	37,533	37,533	37,533	37,533
Irvine Desalter	5,309	5,309	5,309	5,309	5,309
Wells 21 & 22	6,329	6,329	6,329	6,329	6,329
Supplies Under Development					
Future Potable	-	1,118	4,469	13,352	13,352
Maximum Supply Capability	78,170	82,291	87,243	97,806	99,571
Baseline Demand	67,110	68,674	75,556	82,917	88,158
Demand with Project	67,110	68,710	75,769	83,309	88,798
WRMP Build-out Demand	67,110	68,710	75,769	83,309	88,798
Reserve Supply with Project	11,060	13,581	11,474	14,498	10,772

Notes: Supplies identical to Normal-Year based on Metropolitan's Regional Urban Water Management Plan and usage of groundwater under drought conditions (OCWD Master Plan). Demands increased 7% from Normal-Year. By agreement, IRWD is required to count the production from the Irvine Subbasin in calculating available supplies for TIC developments (see Potable Supply-Groundwater).

*For illustration purposes, IRWD has shown MWD Imported Supplies as estimated under a short-term 10% allocation, Shortage Stage 2 in all of the 5-year increments. However, it is likely that such a scenario would only be temporary. Under a MWD Allocation, IRWD could supplement supplies with groundwater production which can exceed applicable basin percentages on a short-term basis or transfer water from IRWD's water bank. IRWD may also reduce demands by implementing shortage contingency measures as described in the UWMP. Under a MWD allocation, the Baker WTP supplies (under "Future Potable") will be limited to available native water only.

2. Information concerning supplies

(a)(1) Existing sources of identified water supply for the proposed project: IRWD does not allocate particular supplies to any project, but identifies total supplies for its service area, as shown in the following table:

	Max Day (cfs)	Avg. Annual (AFY)	Annual by Category (AFY)
Current Supplies			
Potable - Imported			
East Orange County Feeder No. 2	41.4	16,652	1
Allen-McColloch Pipeline*	64.7	26,024	1
Orange County Feeder	18.0	7,240	1
			49,916
Potable - Groundwater			
Dyer Road Wellfield	80.0	28,000	2
OPA Well	1.4	914	
Deep Aquifer Treatment System-DATS	12.5	8,618	2
Wells 21 & 22	10.9	6,329	2
Irvine Desalter	9.5	5,309	3
			49,170
Total Potable Current Supplies	238.4		99,086
Nonpotable - Reclaimed Water			
MWRP (18 mgd)	23.9	17,340	4
LAWRP (5.5 mgd)	8.3	5,975	4
			23,315
Nonpotable - Imported			
Baker Aqueduct	52.7	12,221	5
Irvine Lake Pipeline	65.0	9,000	6
			21,221
Nonpotable - Groundwater			
Irvine Desalter-Nonpotable	5.4	3,514	7
			3,514
Nonpotable Native			
Irvine Lake	4.2	3,048	8
			3,048
Total Nonpotable Current Supplies	159.5		51,098
Total Combined Current Supplies	397.9		150,185
Supplies Under Development			
Potable Supplies			
Well 106	2.0	1,118	
Well 53	5.6	3,658	
Future OPA Wells	8.0	5,225	
Baker Water Treatment Plant	10.5	6,858	
Wells 51 & 52	3.6	2,351	
Total Potable Under Development Supplies	29.7	19,211	19,211
Nonpotable Supplies: MWRP&LAWRP Reclaimed			
	20.0	14,450	14,450
Total Under Development	49.7		33,661
Total Supplies			
Potable Supplies	268.1		118,297
Nonpotable Supplies	179.4		65,548
Total Supplies (Current and Under Development)	447.5		183,846

1 Based on converting maximum day capacity to average by dividing the capacity by a peaking factor of 1.8 (see Footnote 3, page 22).

2 Contract amount - See Potable Supply-Groundwater(iii).

3 Contract amount - See Potable Supply-Groundwater (iv) and (v). Maximum day well capacity is compatible with contract amount.

4 MWRP 18.0 mgd treatment capacity (17,400 AFY RW production) and LAWRP 5.5 mgd tertiary treatment capacity (5,975 AFY)

5 By 2020, Baker capacity will be allocated to Baker Water Treatment Plant (WTP) participants and IRWD will own 46.50 cfs in Baker Aqueduct after Baker WTP, of which 10.5 cfs will be for potable treatment. IRWD will have 35 cfs remaining capacity for non-potable uses. The nonpotable average use is based on converting maximum day capacity to average by dividing the capacity by a peaking factor of 2.5 (see Footnote 3, page 22).

6 Based on IRWD's proportion of Irvine Lake imported water storage; Actual ILP capacity would allow the use of additional imported water from MWD through the Santiago Lateral.

7 Contract amount - See Nonpotable Supply-Groundwater (i) and (ii). Maximum day well capacity (cfs) is compatible with contract amount.

8 Based on 70+ years historical average of Santiago Creek Inflow into Irvine Lake. By 2020, native water will be treated through Bater WTP.

9 Future estimated MWRP & LAWRP reclaimed water production.

*64.7 cfs is current assigned capacity; based on increased peak flow, IRWD can purchase 10 cfs more (see page 23 (b)(1)(iii))

(b) Factors considered in determining the sufficiency of the water supply:

(i) The availability of water supplies over a historical record of at least 20 years.

Source	1980	1985	1990	1995	2000	2005	2010
Potable – imported	29,510	43,320	44,401	28,397	36,777	19,306	19,306
Potable – groundwater	827	38	10,215	20,020	20,919	37,160	37,160
Nonpotable - reclaimed	9,196	12,399	11,589	10,518	14,630	15,296	15,296
Nonpotable - imported*	9,556	12,260	24,899	2,333	16,343	5,304	5,304
Nonpotable – groundwater	-	36	816	1,834	2,890	2,285	2,285
Nonpotable – native	11,909	3,587	2,778	5,980	4,949	7,251	7,251
Total	60,998	71,639	94,699	69,082	96,508	86,602	86,602

See also the Assessment, Section 1, incorporated herein by reference.

The following information is added:

On June 1, 2008, through annexation and merger, IRWD acquired the water system of the former Orange Park Acres Mutual Water company, including well [OPA Well]. The well is operated within the Orange County Groundwater Basin. (See Assessment, Section 2(b) – POTABLE SUPPLY – GROUNDWATER.)

(ii) The applicability of a water shortage contingency analysis prepared pursuant to Water Code Section 10632 that includes actions to be undertaken by IRWD in response to water supply shortages.

The supply and demand comparisons incorporated from the Assessment into this Verification (see 1(a)) do not reflect the implementation of water shortage emergency measures. In February 2009, IRWD updated Section 15 of its Rules and Regulations – Water Conservation and Water Supply Shortage Program and also updated its Water Shortage Contingency Plan, which is a supporting document for Section 15. Section 15 of the Rules and Regulations serves as IRWD’s “conservation ordinance”. As stated in IRWD’s Water Shortage Contingency Plan, use of local supplies, storage and other supply augmentation measures can mitigate shortages, and are assumed to be in use to the maximum extent possible during declared shortage levels. However, in order to be conservative, IRWD has not reduced its single-dry or multiple-dry year demand projections or increased its single-dry or multiple-dry year supply projections in the Assessment to account for any water savings that could be achieved by these measures.

(iii) Reduction by IRWD in water supply allocated to a specific water use sector, pursuant to a resolution, ordinance or contract uses.

The supply and demand comparisons incorporated from the Assessment into this Verification (see 1(a)) do not reflect any allocated reductions by IRWD. As noted under the preceding item (ii), IRWD’s water shortage contingency plan and Rules and Regulations provide for voluntary and mandatory water conservation measures that could be invoked in declared water shortage emergencies. These include reductions to certain water uses. However, in order to be conservative, IRWD has not reduced its single-dry or multiple-dry year demand projections or increased its single-dry or multiple-dry year supply projections in the Assessment to account for water savings that could be achieved by any allocated reductions.

With respect to items (ii) and (iii) above, it is noted that MWD has in effect a management plan for dealing with periodic surplus and shortage conditions, known as Metropolitan Report No. 1150, *Water Surplus and Drought Management Plan (RUWMP, II-15* and also in 2010 RUWMP pages 2-20 through 2-22). MWD's demand projections account for the effects of long-term conservation best management practices.

(iv) The amount of water that IRWD can reasonably rely on receiving from other water supply projects, such as conjunctive use, reclaimed water, water conservation, and water transfer, including programs identified under federal, state and local water initiatives such as CALFED and Colorado River tentative agreements, based on the inclusion of information with respect to such supplies in Section 2, below.

Local. IRWD directly relies (for a portion of its full build-out annual demand in single and multiple dry-year projections) on the following under development supplies (see 1(a), above): the Irvine Wells (see the Assessment, Section 2(b)(1)(vi) – “POTABLE SUPPLY – GROUNDWATER”). In addition to Orange County Water District (OCWD) reports listed in the Assessment Reference List, OCWD has also prepared a Long Term Facilities Plan (“LTFP”) which provides updated information and was received by the OCWD Board in July 2009. The LTFP Chapter 3 describes the efforts being undertaken by OCWD to eliminate long-term overdraft in the Basin. OCWD has an optimal basin management target of 100,000 acre-feet of accumulated overdraft which provides sufficient storage space to accommodate increased supplies from one wet year while also provides enough water in storage to offset decreased supplies during a two- to three year drought. (Source: “Evaluation of Orange County Groundwater Basin Storage and Operational Strategy”, February 2007 as referenced in *2010-11 Engineer's Report on Groundwater Conditions, Water Supply and Basin Utilization in the Orange County Water District*).

With the implementation of OCWD's preferred projects, the Basin yield in the year 2030 would be up to 500,000 AF. The amount that can be produced will be a function of which projects will be implemented by OCWD and how much increased recharge capacity is created by those projects, total demands by all producers, and the resulting Basin Production Percentage (“BPP”) that OCWD sets based on these factors.

IRWD's own reclaimed water expansion program is also shown as an under development supply. IRWD also has a currently available reclaimed water supply from its own existing reclamation program. The reclaimed water supplies are discussed in Section 2 below (see the Assessment, Section 1 – Figures 5, 6, 7 and 8 (supplies denominated “MWRP” and “LAWRP”), Section 2(a), and Section 2(b)(1) - “NONPOTABLE SUPPLY – RECLAIMED”), IRWD has prepared a Final Environmental Impact Report for the Michelson Water Reclamation Plant Phase 2 and 3 Capacity Expansion Project (February, 2006) and the expansion project is under construction. With this expansion, IRWD plans to increase its capacity on the existing MWRP site to produce sufficient reclaimed water to meet the projected demand in the year 2033. Additional reclamation capacity will augment local nonpotable supplies and improve reliability.

As noted in the Assessment, IRWD's demand projections reflect the effect of IRWD's water conservation pricing and other conservation practices; in particular, IRWD's water use factors used to derive its demand projections are based on average water use and incorporate the effect of IRWD's tiered-rate conservation pricing and its other long-term water conservation programs. System losses at a rate of approximately 5% are built into the water use factors. As discussed above, IRWD's supply and demand projections do not take into account water

savings that could be achieved by water shortage emergency measures.

Imported. MWD, the supplier of IRWD's imported supplies, relies upon several of the listed projects and programs. MWD supports and provides financial incentives to water reclamation, groundwater recovery, water conservation, ocean desalination and other local resource development programs. MWD calculates its demand forecast by first estimating total retail demand for the region and then factoring in impacts of conservation. Next, it derives projections of local supplies using data on current and expected local supply programs and Integrated Resource Planning (IRP) Local Resource Program Target. The difference between the resulting local demands is the expected regional demand on MWD. These estimates of demands on MWD were developed for a single dry year, multiple dry years and average years. (2010 *RUWMP*, pages 2-12 to 2-14)

MWD also relies upon the implementation of the CALFED Bay-Delta Program, as an under development supply, to attain an increase in its existing Bay-Delta deliveries. Other under development programs relied upon by MWD include: additional transfers and storage agreements such as ICS Exchange, Agreements with CVWD, Additional Palo Verde Irrigation District Transfers, Arizona Programs – CAP, Hayfield Groundwater Extraction Project, Mojave Groundwater Storage Program, North of Delta/In-Delta Transfers, San Bernardino Valley Water MWD Central Feeder, Shasta Return, and Semitropic Agricultural Water Reuse. (2010 *RUWMP*, Sections 3.1, 3.2, and 3.3) See also MWD's 2010 *RUWMP*, Appendix A.3 Justifications for Supply Projections with respect to MWD's current and under development supplies.

In addition to MWD's existing regional supply assessments, the water supply verification has considered MWD information concerning recent events. See the above "Recent Actions on Delta Pumping."

2. Required information concerning *under-development* supplies

The following information is added:

IRWD plans to construct the Baker Water Treatment Plan project (the Baker WTP) in partnership with El Toro Water District, Mouton-Niguel Water District, Santa Margarita Water District and Trabuco Canyon Water District. The Baker WTP will be supplied with untreated imported water from MWD and native Irvine Lake water supply. IRWD will own 10.5 cfs of treatment capacity rights in the Baker WTP.⁴ Initiation of the construction of the Baker WTP is anticipated in 2014.

(a) Written contracts or other proof of valid rights to the identified supplies

See the Assessment, Section 2(b)(1), incorporated herein by reference. See also MWD's 2010 *RUWMP*, Appendix A.3 Justifications for Supply Projections with respect to written contracts and other proof related to MWD's supplies.

⁴ The Baker WTP shall be supplied nonpotable imported water through the existing Baker Pipeline. IRWD's existing Baker Pipeline capacity (See Assessment, Section 2(b)(1) NONPOTABLE SUPPLY – IMPORTED) shall be apportioned to the Baker WTP participants based on Baker WTP capacity ownership, and IRWD shall retain 10.5 cfs of pipeline capacity through the Baker WTP for potable supply and shall retain 36 cfs in Reach 1U of the Baker Pipeline capacity for nonpotable supply.

(b) Adopted capital outlay program to finance delivery of the supplies

See the Assessment, Section 2(b)(2), incorporated herein by reference. With respect to future groundwater wells (PR Nos. 11405, 11473)) the MWRP Phase 2 expansion (PR. Nos. 20214 and 30214), and Baker WTP (PR No. 11218) IRWD adopted its fiscal year 2013-14 capital budget on June 10, 2013 (Resolution No. 2013-21), budgeting portions of the funds for such projects. IRWD has financed its expected 24% share of the costs of the Baker WTP from general obligation bonds. See also MWD's 2010 *RUWMP*, Appendix A.3 Justifications for Supply Projections with respect to capital outlay programs related to MWD's supplies.

(c) Federal, state and local permits to construct of delivery infrastructure

See the Assessment, Section 2(b)(3), incorporated herein by reference. See also MWD's 2010 *RUWMP*, Appendix A.3 Justifications for Supply Projections with respect to permits related to MWD's supplies.

(d) Regulatory approvals for conveyance or delivery of the supplies

See the Assessment, Section 2(b)(4), incorporated herein by reference. In addition, reclamation plant expansion will require approval of amendments to IRWD's permits issued by the Regional Water Quality Control Board. See also MWD's 2010 *RUWMP*, Appendix A.3 Justifications for Supply Projections with respect to regulatory approvals related to MWD's supplies.

3. Foreseeable impacts of the Project on the availability of water for agricultural and industrial uses in IRWD's service area not currently receiving water

Based on city planning and other information known to IRWD, there are no agricultural or industrial uses in IRWD's service area that are not within either existing and committed demand or future demand, both of which are included within the supply and demand comparison and determination of sufficiency (see 1(a)).

4. Information concerning the right to extract additional groundwater included in the supply identified for the Project:

Where the water supply for the Project includes groundwater, the verification is required to include an evaluation of the extent to which IRWD or the landowner has the right to extract the additional groundwater needed to supply the Project. See the Assessment, Section 2(b)(1), "POTABLE SUPPLY – GROUNDWATER" and "NONPOTABLE SUPPLY – GROUNDWATER," and Section 4, incorporated herein by reference.

5. References

Water Resources Master Plan, Irvine Ranch Water District, March, 2002 (supplemented January, 2004)

2010 Urban Water Management Plan, Irvine Ranch Water District, June, 2011

Section 15 of the Rules and Regulations – Water Conservation and Water Supply Shortage Program, Irvine Ranch Water District, February, 2009

Water Shortage Contingency Plan, Irvine Ranch Water District, February, 2009

2010 Integrated Resources Plan Update, Metropolitan Water District of Southern California, October, 2010

2010 Regional Urban Water Management Plan, Metropolitan Water District of Southern California, November, 2010

The Regional Urban Water Management Plan for the Metropolitan Water District of Southern California, Metropolitan Water District of Southern California, November, 2005

Integrated Water Resources Plan Update, Metropolitan Water District of Southern California, July, 2004

Proposed Framework for Metropolitan Water District's Delta Action Plan, Metropolitan Water District of Southern California, May 8, 2007

Board Information Report, Metropolitan Water District of Southern California, October 9, 2007

2007 IRP Implementation Report, Metropolitan Water District of Southern California, October, 2007

Master Plan Report, Orange County Water District, April, 1999

Groundwater Management Plan, Orange County Water District, March, 2004

Final Draft Long-Term Facilities Plan, Orange County Water District, January, 2006

Orange County Water District Report on Evaluation of Orange County Groundwater Basin Storage and Operational Strategy, February, 2007

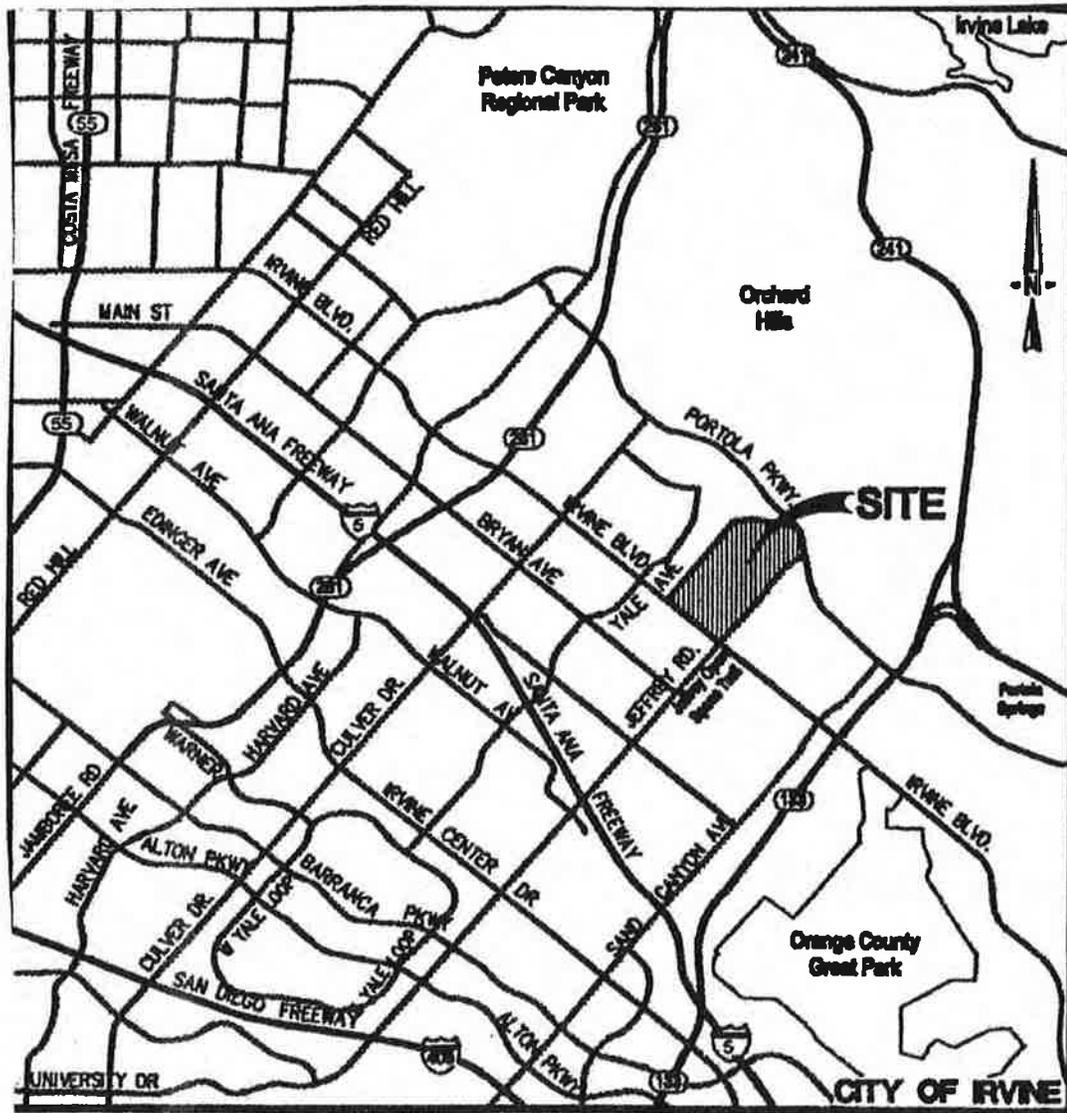
2010-11 Engineer's Report on Groundwater Conditions, Water Supply and Basin Utilization in the Orange County Water District, Orange County Water District, February 2012

Progress on Incorporating Climate Change into Management of California's Water Resources, California Department of Water Resources, July, 2006

Exhibit A

Depiction of Project Area

VESTING TENTATIVE TRACT MAP NO. 17523 PLANNING AREA 5B



VICINITY MAP
NTS

Exhibit B

Non-residential Uses Included in Project

May 28, 2012

Irvine Ranch Water District
15600 Sand Canyon Avenue
P.O. Box 57000
Irvine, CA 92619-7000

Re: Request for Verification of Sufficient Water Supplies (Government Code §66473.7(b)(1))

The City of Irvine hereby requests verification of the availability of a sufficient water supply for the below-described project. Under Government Code §66473.7(b)(1), written verification of the availability of a sufficient water supply is required in conjunction with or prior to the approval of any tentative map that includes a residential subdivision of more than 500 dwelling units, subject to certain exemptions.

The City has determined that the subject project (1) includes a subdivision meeting the criteria requiring verification of availability of sufficient water supply and (2) does not fall within one of the statutory exemptions for previously developed urban sites, sites surrounded by urban use, or low-income housing sites.

Proposed Project Information

Project Title: Vesting Tentative Tract Map 17523.

Location of project: City of Irvine: Planning Area 5B.

Planning Area(s): PA 5B.

Was the project included as part of a previously completed Water Supply Assessment (Water Code §10910)? yes no

If yes, date and project title of Water Supply Assessment March 12, 2002: WSA for PA Northern Sphere
GPA/ZC EIR (SCH#2001051010).

If no, state reason: CEQA documentation not requiring a Water Supply Assessment was completed prior to January 1, 2002 other: _____

Was a Water Supply Verification previously completed for the project? yes no

If yes, indicate reason for reverification: tract map expiration new Water Supply Assessment required due to project revisions, changed circumstances or new information

- Tentative Map Application No.* 00561695-PTT Tentative Tract No.* 17523
 Verification is being requested prior to tentative map application (Government Code §66473.7(1))
(Indicate next project approval sought: _____)

(*A copy of the tentative map application including the proposed subdivision was sent to IRWD on: _____ (Government Code §66455.3))

Type of development included in the project:

- Residential: No. of dwelling units: 1,900
- Shopping center or business: No. of employees _____ Sq. ft. of floor space _____
- Commercial office: No. of employees _____ Sq. ft. of floor space _____
- Hotel or motel: No. of rooms _____
- Industrial, manufacturing, processing or industrial park: No. of employees _____
No. of acres _____ Sq. ft. of floor space _____
- Mixed use (check and complete all above that apply)
- Other: _____

Total acreage of project: 297 AC

Acreage devoted to landscape:

Greenbelt 26.8 AC golf course 0 parks 12.5 AC
Agriculture 0 other landscaped areas _____

Other factors or uses that would affect the quantity of water needed, such as peak flow requirements:

None

Is the project included in the existing General Plan? YES If no, describe the existing General Plan Designation _____

The City acknowledges that IRWD's verification will be based on the information hereby provided to IRWD concerning the project. If it is necessary for corrected or additional information to be submitted to enable IRWD to complete the verification, the request will be considered incomplete until IRWD's receipt of the corrected or additional information. If the project changes or the tentative map approval expires after the issuance of a Water Supply Verification, the City will request a new Water Supply Verification if required. In the event of changes in the project, circumstances or conditions of the availability of new information, it will be necessary for the City to request a new Water Supply Assessment prior to completion of the new Water Supply Verification.

The City acknowledges that the Water Supply Verification shall not constitute a "will-serve" or in any way entitle the project applicant to service or to any right, priority or allocation in any supply, capacity or facility, and that the issuance of the Water Supply Verification shall not affect IRWD's obligation to provide service to its existing customers or any potential future customers including the project applicant. In order to receive service, the project applicant shall be required to file a completed Application(s) for Service and Agreement with the Irvine Ranch Water District on IRWD's forms, together with all fees and charges, plans and specifications, bonds and conveyance of necessary easements, and meet all other requirement as specified therein.

CITY OF IRVINE

By: Joel Beuding

REQUEST RECEIVED:

Date: June 5, 2013

By: Killie Water
Irvine Ranch Water District

REQUEST COMPLETE:

Date: June 11, 2013

By: Killie Water
Irvine Ranch Water District

Exhibit C
Water Supply Assessment

Water Supply Assessment Information

Purpose of Assessment

Irvine Ranch Water District ("IRWD") is the public water system that will supply water service (both potable and nonpotable) to the project. As the public water system, IRWD is required by Section 10910 *et seq.* of the Water Code to provide the City with an assessment of water supply availability ("assessment") for defined types of projects with large water demands. The project identified on the cover page of this Assessment has been found by the City to be a project requiring an assessment. The City is required to include this assessment in the environmental document for the project, and, based on the record, make a determination whether projected water supplies are sufficient for the project and existing and planned uses.

Beginning in 2002, Section 10910 contains new requirements for the information to be set forth in the assessment. The newly-amended statute also calls for the assessment to be submitted before the lead agency begins to prepare the environmental document required for a project. Although the draft environmental impact report (EIR) for this project was issued in December, 2001, IRWD and the Applicant have decided to submit this assessment to provide the City with the water supply information that would be provided in accordance with the 2002 requirements. To accommodate this assessment, prior to the close of the comment period on the City's draft EIR, IRWD requested a 30-day extension of time in order to submit this assessment and supporting documentation.

Supporting Documentation

IRWD prepares two planning documents to guide water supply decision-making. IRWD's principal planning document is IRWD's "Water Resources Master Plan" ("WRMP"). The WRMP is a comprehensive document compiling data and analyses that IRWD considers necessary for its planning needs. IRWD also prepares an Urban Water Management Plan ("UWMP"), a document required by statute. The UWMP is based on the WRMP, but contains defined elements as listed in the statute (Water Code Section 10631, *et seq.*), and as a result, is more limited than the WRMP in the treatment of supply and demand issues. Therefore, IRWD primarily relies on its WRMP. IRWD's latest WRMP was completed in 1999, and since that time, several significant changes in existing and proposed land uses within IRWD have occurred. IRWD has taken these changes, listed below, into consideration in revising the WRMP in March, 2002. (The UWMP is required to be updated in years ending with "five" and "zero," and IRWD's next update of that document is anticipated in 2005. With the changes described below, IRWD's projected year 2020 water demand will be approximately 9% lower than the projected demand shown in the 2000 UWMP.)

The land use changes incorporated in the 2002 WRMP (and reflected in this assessment) include the following:

- In 2001, IRWD consolidated with the neighboring Los Alisos Water District (LAWD), thereby adding the majority of the City of Lake Forest to IRWD's service area. IRWD has now integrated the supplies and demands of the two districts.

- In late 2001, The Irvine Company announced the planned dedication of a large area as permanent open space. The majority of this land is located in the northwestern portion of IRWD (City of Orange sphere of influence), with an additional area near Laguna Canyon Road. IRWD has made appropriate reductions in its demand calculations.

- Proposed development uses have replaced agricultural uses previously used to compute demand for portions of the project and adjacent areas in Spectrum 8.

- The alternative proposals for reuse of the MCAS-El Toro property have different water demands. To ensure that IRWD will be able to provide a sufficient water supply capacity irrespective of which reuse proposal is implemented, the 1999 WRMP assumed the highest water-demand generating land use plan for the property. This plan, the "Millennium Plan," is no longer being considered and has been replaced by a non-aviation "great park" alternative. The park proposal results in lower overall demand, but higher nonpotable demand (for irrigation) than the Millennium Plan. The water demand of the park proposal remains higher than that of the aviation land use plan, and thus provides the current basis of IRWD water supply planning.

- All other refinements of future land uses have been included in the 2002 WRMP, along with updated information on existing land uses.

The updated WRMP was received and filed by the IRWD Board of Directors on March 11, 2002. In addition to the 2002 WRMP and the 2000 UWMP mentioned above, other supporting documentation referenced herein is found in Section 6 of this assessment.

Due to the number of contracts, statutes and other documents comprising IRWD's written proof of entitlement to its water supplies, in lieu of attachment of such items, they are identified by title and summarized in Section 2(b) of this assessment (written contracts/proof of entitlement). Copies of the summarized items are available from IRWD on request.

Assessment Methodology

Water use factors; dry-year increases. IRWD employs water use factors to enable it to assign water demands to the various land use types and aggregate the demands. The water use factors are based on average water use and incorporate the effect of IRWD's tiered-rate conservation pricing and its other water conservation programs. The factors are derived from historical usage (billing data) and a detailed review of water use factors within the IRWD service areas conducted as a part of the WRMP. Water demands also reflect normal hydrologic conditions (precipitation). Lower levels of precipitation and higher temperatures will result in higher water demands, due primarily to the need for additional water for irrigation. To reflect this, base (normal) WRMP water demands have been increased 7% in the assessment during both "single-dry" and "multiple-dry" years. This is consistent with IRWD's 2000 UWMP and historical regional demand variation as documented in the Metropolitan Water District of Southern California's ("MWD's") Integrated Resources Plan (1996) (Volume 1, page 2-10).

Planning horizon. For consistency with IRWD's WRMP and the City's draft EIR for the project, the assessment reviews demands and supplies through the year 2025, which is

considered to represent build-out or "ultimate development". This exceeds the 20-year projection required by the statute (see Water Code Sections 10631 and 10910).

Assessment of demands. Water demands are reviewed in this assessment for three development projections (to 2025):

- Existing and committed demand (without the project) ("baseline"). This provides a baseline condition as of the date of this assessment, consisting of demands from existing land uses, plus land uses from developments that are already in progress and/or that hold water supply assessments, verifications or will-serve letters previously issued by IRWD.
- Existing and committed demand, plus the project ("with-project"). This projection adds the project water demands to the baseline demands.
- Full WRMP build-out ("full build-out"). In addition to the project, this projection adds potential demands for all presently undeveloped areas of IRWD based on current general plan information, modified by more specific information available to IRWD, as more fully described in Chapter 2 of the WRMP (see, e.g., discussion of MCAS-EI Toro, above).

Assessment of supplies. For comparison with demands, water supplies are classified as *currently available* or *under development*:

- *Currently available* supplies include those that are presently operational, and those that will be operational within the next several years. Supplies expected to be operational in the next several years are those having completed or substantially completed the environmental and regulatory review process, as well as having necessary contracts (if any) in place to move forward. These supplies are in various stages of planning, design, or construction.
- In general, supplies *under development* may necessitate the preparation and completion of environmental documents, regulatory approvals, and/or contracts prior to full construction and implementation.

IRWD is also evaluating the development of additional supplies that are not included in either *currently available* or *under-development* supplies for purposes of this assessment. As outlined in the WRMP, prudent water supply and financial planning dictates that development of supplies be phased over time consistent with the growth in demand.

Water supplies available to IRWD include several sources: groundwater pumped from the Orange County groundwater basin (including the Irvine Subbasin); captured local (native) surface water; reclaimed wastewater, and supplemental imported water supplied by MWD through the Municipal Water District of Orange County ("MWD OC"). The supply-demand comparisons in this assessment are broken down among the various sources, and are further separated into potable and nonpotable water sources.

Comparison of demand and supply. Comparisons of demand and supply are made in several different ways, based on the three demand projections noted above (baseline, with-project and full build-out):

- On a total *annual* quantity basis (stated in acre-feet per year (AFY)).
- On a *peak-flow* (maximum day) basis (stated in cubic feet per second (cfs)).
- Under three climate conditions: base (normal) conditions and single-dry and multiple-dry year conditions. (Note: These conditions are compared for *annual* demands and not for *peak-flow* demands. *Peak-flow* is a measure of a water delivery system's ability to meet the highest day's demand of the fluctuating demands that will be experienced in a year's time. Peak demands occur during the hot, dry season and as a result are not appreciably changed by dry-year conditions; dry-year conditions do affect *annual* demand by increasing the quantity of water needed to supplement normal wet-season precipitation.)

Summary of Results of Demand-Supply Comparisons

Listed below are Figures provided in this assessment, comparing projected potable and nonpotable water supplies and demands under the three development projections:

- Figure 1: Normal Year Supply and Demand – Potable Water
- Figure 2: Single Dry-Year Supply and Demand – Potable Water
- Figure 3: Multiple Dry-Year Supply and Demand – Potable Water
- Figure 4: Maximum-Day Supply and Demand – Potable Water
- Figure 5: Normal Year Supply and Demand – Nonpotable Water
- Figure 6: Single Dry-Year Supply and Demand – Nonpotable Water
- Figure 7: Multiple Dry-Year Supply and Demand – Nonpotable Water
- Figure 8: Maximum-Day Supply and Demand – Nonpotable Water

It can be observed in the Figures that IRWD's *supplies* remain essentially constant between normal, single-dry and multiple-dry years. This result is due to the fact that groundwater and MWD imported water account for all of IRWD's potable supply, and reclaimed water, groundwater and imported water comprise most of IRWD's nonpotable supply. Groundwater production typically remains constant or increases in cycles of dry years, even if overdraft of the basin temporarily increases, as groundwater producers reduce their demand on imported supplies to secure reliability. (See Section 4 herein.) As to imported water, MWD projects that through the continued implementation of MWD's supplies under development, it can meet 100 percent of its member agencies' supplemental water demands over the next 20 years, even in a repeat of the worst drought. (See Section 2(b)(1) "IMPORTED SUPPLY - ADDITIONAL INFORMATION," below, for a summary of information provided by MWD.) Reclaimed water production also remains constant, and is considered "drought-proof" as a result of the fact that sewage flows remain virtually unaffected by dry years. Only a small portion of IRWD's nonpotable supply, native water captured in Irvine Lake, is reduced in single-

dry and multiple-dry years. The foregoing factors also serve to explain why there is no difference in IRWD's supplies between single-dry and multiple-dry years.

A review of the Figures indicates the following:

- *Currently available* supplies of potable water are more than adequate to meet projected annual demands for both the *baseline* and *with-project* demand projections under normal and both dry-year conditions through the year 2025. (Figures 1 through 3.)
- Sufficient *currently available* potable supplies are also available to meet annual *full build-out* demands under normal conditions. (Figure 1.)
- Meeting both single- and multiple-dry-year annual demands for *full build-out* will require the completion of a small amount of the *under-development* supplies. (Figures 2 and 3.)
- Adequate *currently available* potable water supply capacity is available to meet *peak-flow* (maximum day) demands for all demand projections including full build-out. (Figure 4.)
- With respect to nonpotable water, *currently available* supplies are more than adequate to meet all demand projections including full build-out, under both annual and peak-flow (maximum day) conditions, in both normal and dry years. However, IRWD is proceeding with the implementation of *under-development* nonpotable supplies, as shown in the Figures, to improve local reliability during dry-year conditions. (Figures 5 through 8.)

The foregoing Figures provide an overview of IRWD potable and nonpotable water supply capabilities. More detailed information on the anticipated development and use of supplies, which incorporates source costs and reliability issues, is provided in the WRMP.

Margins of safety. The Figures and other information described in this assessment show that IRWD's assessment of supply availability contains several margins of safety or buffers:

- Significant quantities of "reserve" water supplies (excess of supplies over demands) will be available to serve as a buffer against inaccuracies in demand projections, future changes in land use, or alterations in supply availability.
- The potential exists for the treatment and conversion of some reserve nonpotable supplies to potable water.
- Conservative estimates of annual potable and nonpotable *imported* supplies have been made based on connected delivery capacity (by application of peaking factors as described below in Section 2, footnote 1); additional supplies are expected to be available from these sources, based on legal entitlements, historical uses and information provided by MWD.

- Information provided by MWD, as the imported water supplier, concerning the adequacy of its regional supplies, summarized herein, demonstrates MWD's inclusion of margins of safety and reserves in its regional supply assessments.

- Although groundwater supply amounts shown in this assessment assume production levels within applicable basin production percentages described herein, production of groundwater can exceed applicable basin production percentages on a short-term basis, providing additional reliability during dry years or emergencies.

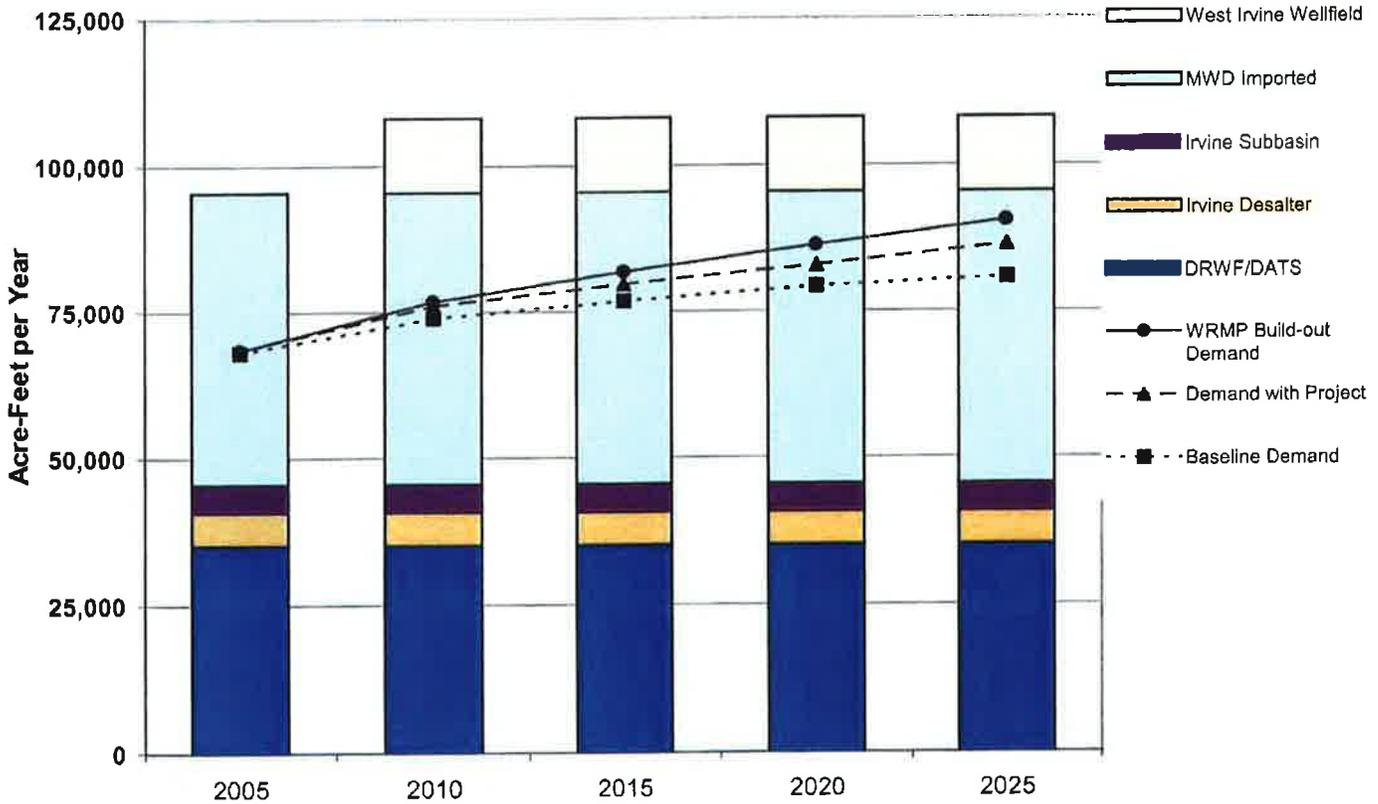
Detailed Assessment

1. Supply and demand comparison

Comparisons of IRWD's average annual and peak (maximum day) demands and supplies, under *baseline* (existing and committed demand, without the project), *with-project* (baseline plus project), and *full build-out* development projections, are shown in the following Figures 1 - 4 (potable water) and Figures 5 - 8 (nonpotable water):

Figure 1

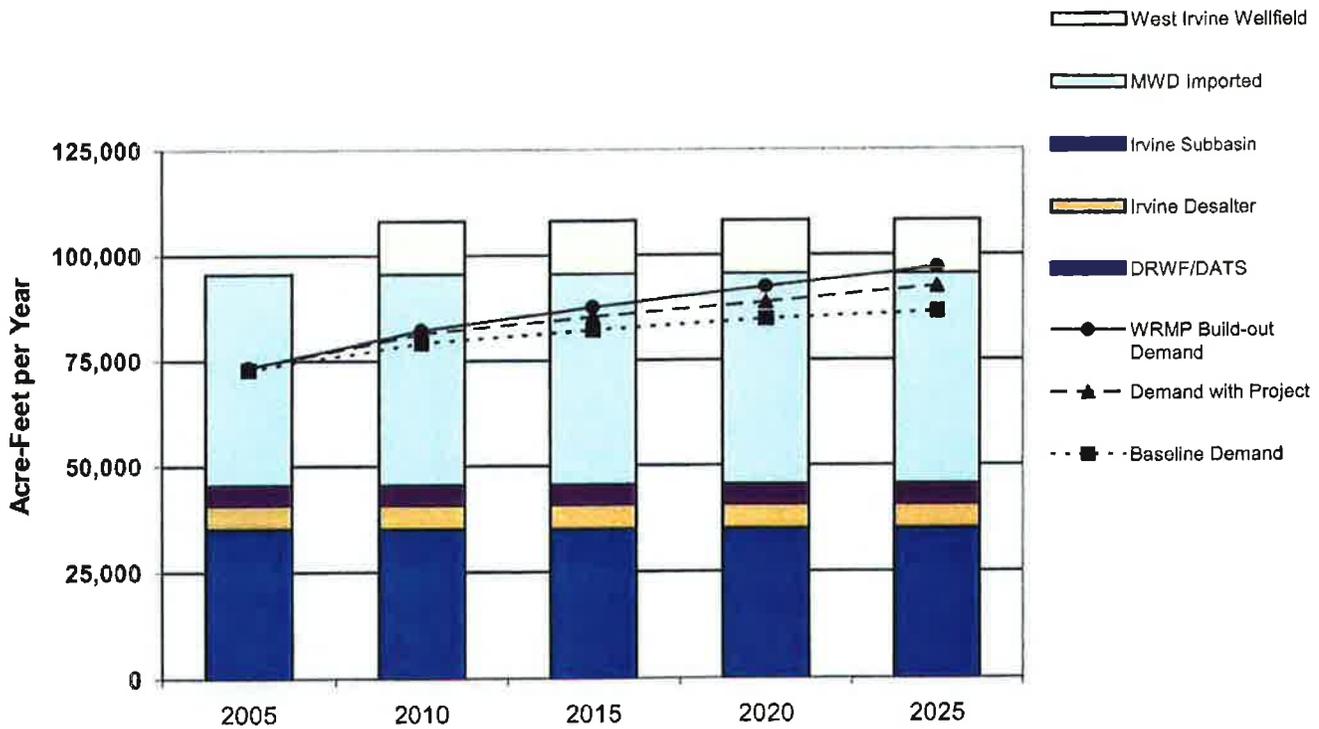
IRWD Normal-Year Supply & Demand - Potable Water



(in acre-feet per year)	2005	2010	2015	2020	2025
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	49,916	49,916	49,916	49,916	49,916
DRWF/DATS	35,200	35,200	35,200	35,200	35,200
Irvine Subbasin	4,800	4,800	4,800	4,800	4,800
Irvine Desalter	5,568	5,568	5,568	5,568	5,568
Supplies Under Development					
West Irvine Wellfield	-	12,700	12,700	12,700	12,700
Maximum Supply Capability	95,484	108,184	108,184	108,184	108,184
Baseline Demand	68,101	73,967	76,827	79,261	80,819
Demand with Project	68,512	76,115	79,748	82,956	86,479
WRMP Build-out Demand	68,512	76,860	81,866	86,374	90,596
Reserve Supply with Project	26,972	32,069	28,436	25,227	21,705

Figure 2

IRWD Single Dry-Year Supply & Demand - Potable Water

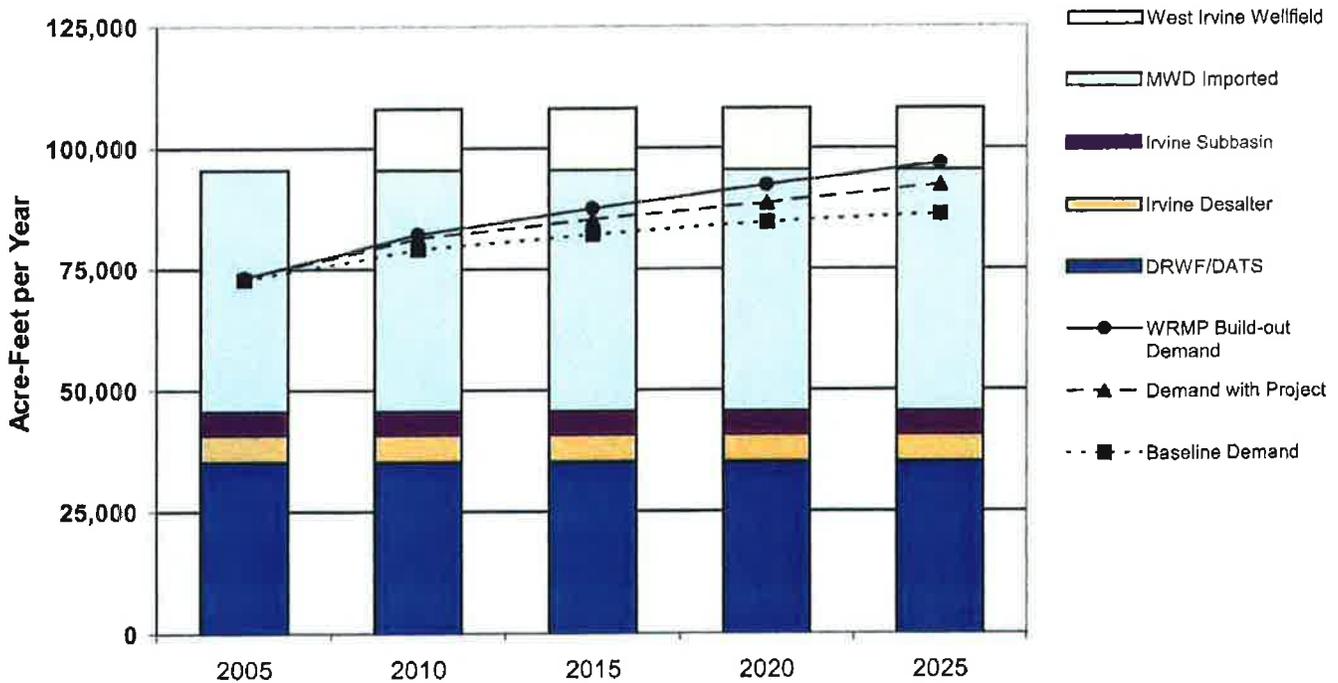


(in acre-feet per year)	2005	2010	2015	2020	2025
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF	49,916	49,916	49,916	49,916	49,916
DRWF/DATS	35,200	35,200	35,200	35,200	35,200
Irvine Subbasin	4,800	4,800	4,800	4,800	4,800
Irvine Desalter	5,568	5,568	5,568	5,568	5,568
Supplies Under Development					
West Irvine Wellfield	-	12,700	12,700	12,700	12,700
Maximum Supply Capability	95,484	108,184	108,184	108,184	108,184
Baseline Demand	72,868	79,145	82,205	84,809	86,476
Demand with Project	73,308	81,443	85,331	88,763	92,532
WRMP Build-out Demand	73,308	82,240	87,596	92,420	96,937
Reserve Supply with Project	22,176	26,741	22,853	19,420	15,652

Notes: Supplies identical to Normal-Year based on Report on Metropolitan's Water Supplies (2/11/02) and usage of groundwater under drought conditions (OCWD Master Plan). Demands increased 7% from Normal-Year.

Figure 3

IRWD Multiple Dry-Year Supply & Demand - Potable Water

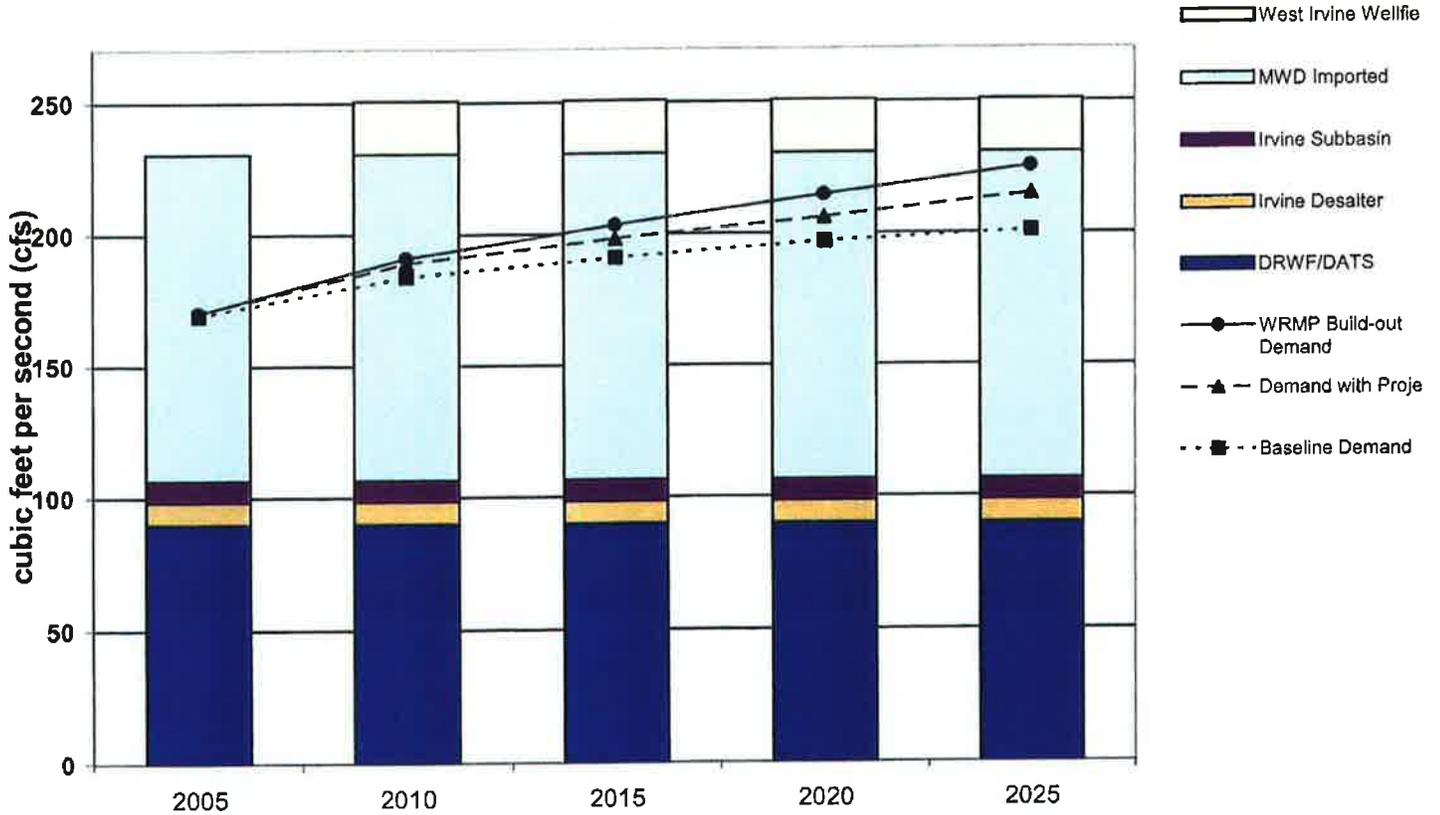


(in acre-feet per year)	2005	2010	2015	2020	2025
<u>Current Potable Supplies</u>					
MWD Imported (EOCF#2, AMP, OCF	49,916	49,916	49,916	49,916	49,916
DRWF/DATS	35,200	35,200	35,200	35,200	35,200
Irvine Subbasin	4,800	4,800	4,800	4,800	4,800
Irvine Desalter	5,568	5,568	5,568	5,568	5,568
<u>Supplies Under Development</u>					
West Irvine Wellfield	-	12,700	12,700	12,700	12,700
Maximum Supply Capability	95,484	108,184	108,184	108,184	108,184
Baseline Demand	72,868	79,145	82,205	84,809	86,476
Demand with Project	73,308	81,443	85,331	88,763	92,532
WRMP Build-out Demand	73,308	82,240	87,596	92,420	96,937
Reserve Supply with Project	22,176	26,741	22,853	19,420	15,652

Notes: Supplies identical to Normal-Year based on Report on Metropolitan's Water Supplies (2/11/02) and usage of groundwater under drought conditions (OCWD Master Plan). Demands increased 7% from Normal-Year.

Figure 4

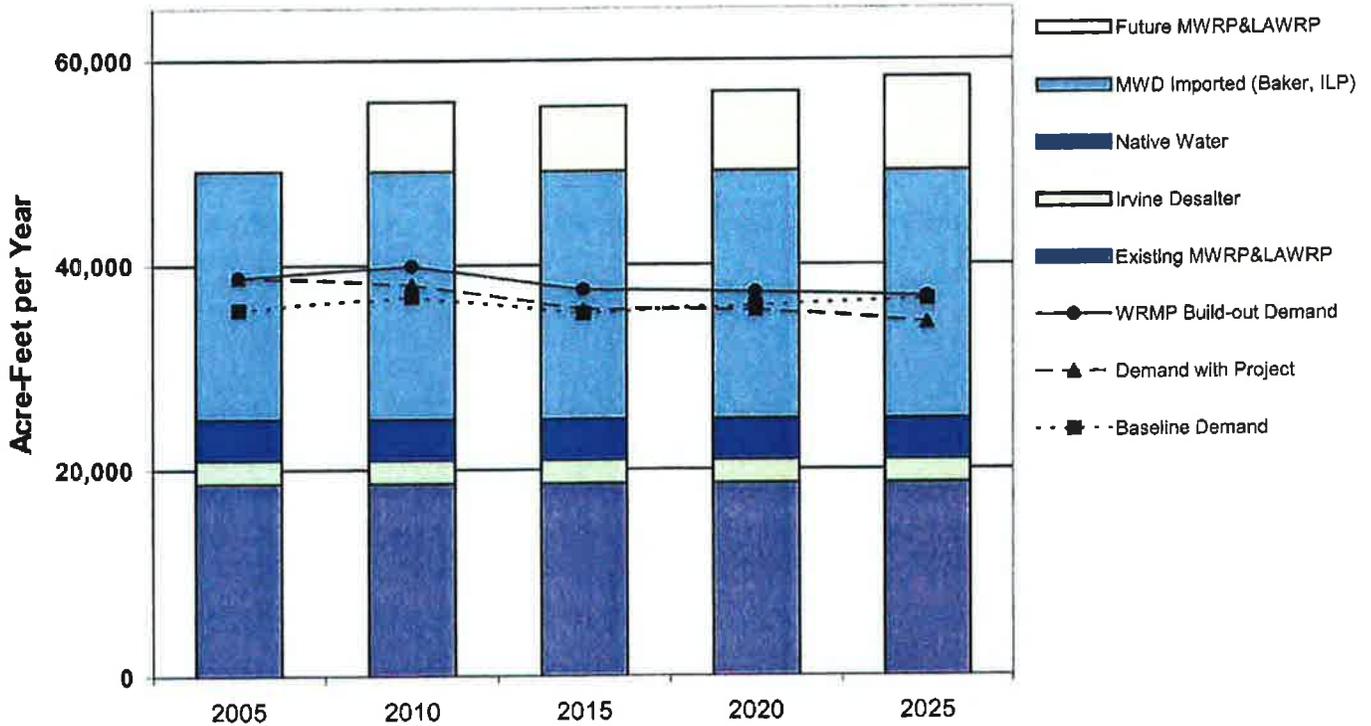
IRWD Maximum-Day Supply & Demand - Potable Water



(in cfs)	2005	2010	2015	2020	2025
Current Potable Supplies					
MWD Imported (EOCF#2, AMP, OCF)	124.1	124.1	124.1	124.1	124.1
DRWF/DATS	90.0	90.0	90.0	90.0	90.0
Irvine Subbasin	8.0	8.0	8.0	8.0	8.0
Irvine Desalter	8.5	8.5	8.5	8.5	8.5
Supplies Under Development					
West Irvine Wellfield	-	20.0	20.0	20.0	20.0
Maximum Supply Capability	230.6	250.6	250.6	250.6	250.6
Baseline Demand	169.3	183.9	191.0	197.1	200.9
Demand with Project	170.3	189.2	198.3	206.2	215.0
WRMP Build-out Demand	170.3	191.1	203.5	214.7	225.2
Reserve Supply with Project	60.3	61.4	52.3	44.4	35.6

Figure 5

IRWD Normal-Year Supply & Demand - Nonpotable Water

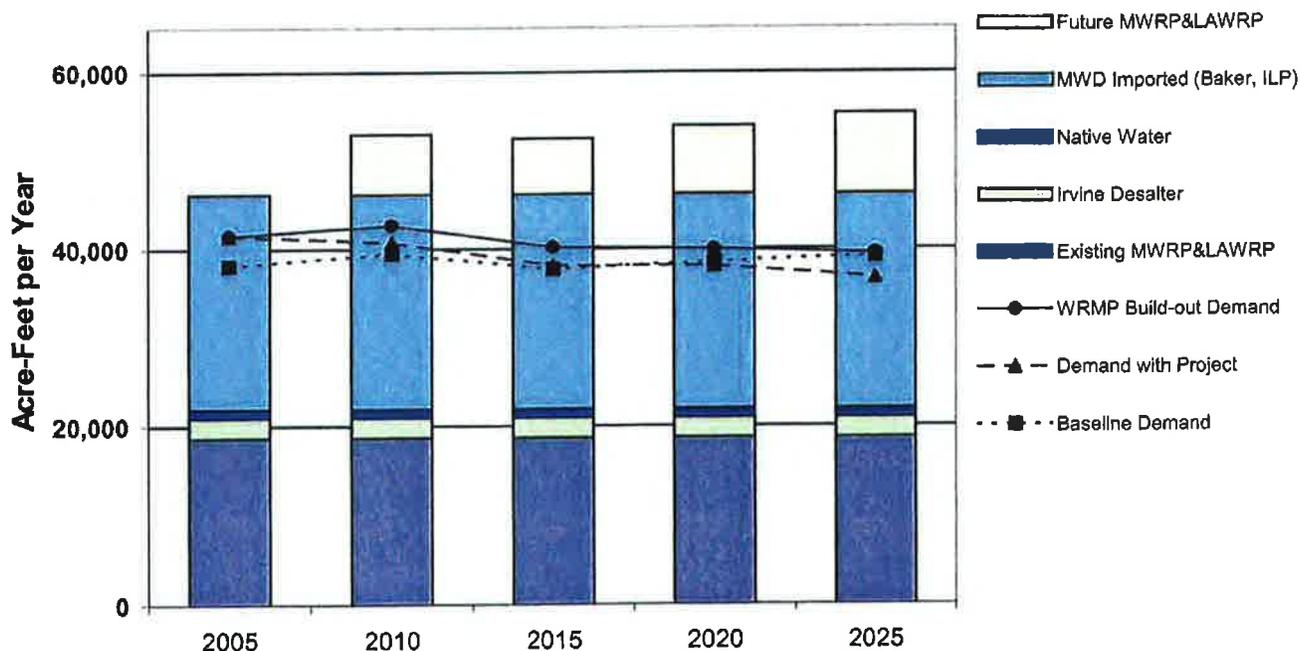


(in acre-feet per year)	2005	2010	2015	2020	2025
Current Nonpotable Supplies					
Existing MWRP&LAWRP	18,657	18,657	18,657	18,657	18,657
MWD Imported (Baker, ILP)	24,262	24,262	24,262	24,262	24,262
Irvine Desalter	2,282	2,282	2,282	2,282	2,282
Native Water	4,000	4,000	4,000	4,000	4,000
Supplies Under Development					
Future MWRP&LAWRP	-	6,794	6,311	7,687	9,107
Maximum Supply Capability	49,201	55,995	55,512	56,888	58,308
Baseline Demand	35,640	36,918	35,271	36,011	36,588
Demand with Project	38,825	38,129	35,657	35,573	34,346
WRMP Build-out Demand	38,825	39,924	37,581	37,345	36,898
Reserve Supply with Project	10,375	17,866	19,855	21,315	23,962

Notes: Demands "with project" are less than "baseline" demands in 2020 and 2025 due to proposed conversion of agricultural land to residential and nonresidential uses.

Figure 6

IRWD Single Dry-Year Supply & Demand - Nonpotable Water

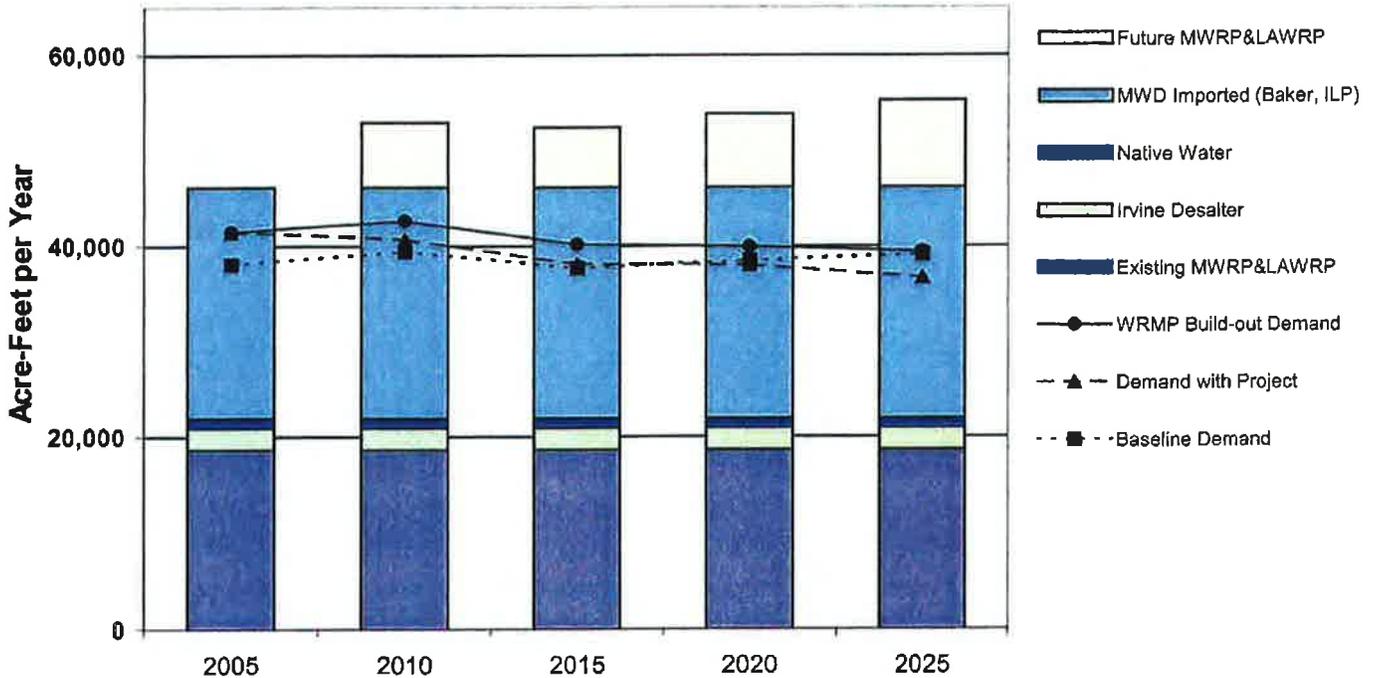


(in acre-feet per year)	2005	2010	2015	2020	2025
<u>Current Nonpotable Supplies</u>					
Existing MWRP&LAWRP	18,657	18,657	18,657	18,657	18,657
MWD Imported (Baker, ILP)	24,262	24,262	24,262	24,262	24,262
Irvine Desalter	2,282	2,282	2,282	2,282	2,282
Native Water	1,000	1,000	1,000	1,000	1,000
<u>Supplies Under Development</u>					
Future MWRP&LAWRP	-	6,794	6,311	7,687	9,107
Maximum Supply Capability	46,201	52,995	52,512	53,888	55,308
Baseline Demand	38,135	39,502	37,740	38,532	39,149
Demand with Project	41,543	40,798	38,153	38,063	36,751
WRMP Build-out Demand	41,543	42,718	40,212	39,959	39,481
Reserve Supply with Project	4,658	12,197	14,359	15,825	18,557

Notes: Demands "with project" are less than "baseline" demands in 2020 and 2025 due to proposed conversion of agricultural land to residential and nonresidential uses.

Figure 7

IRWD Multiple Dry-Year Supply & Demand - Nonpotable Water

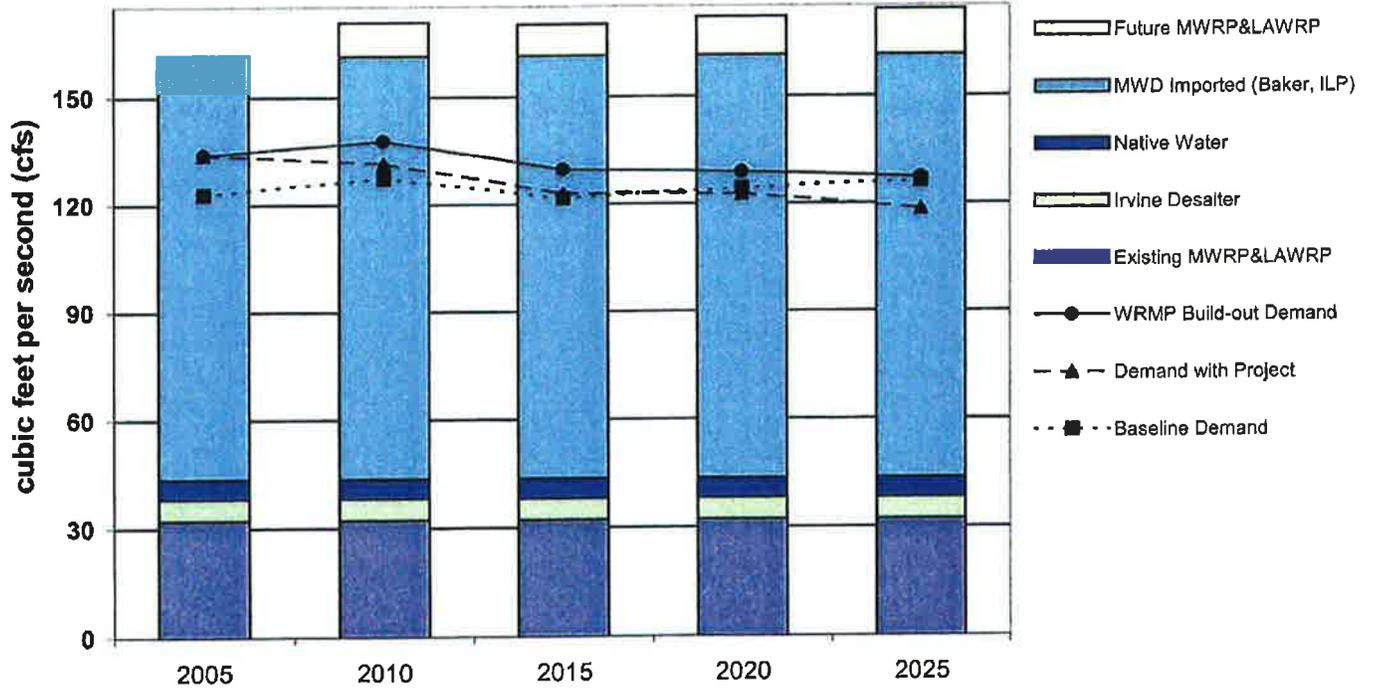


(in acre-feet per year)	2005	2010	2015	2020	2025
Current Nonpotable Supplies					
Existing MWRP&LAWRP	18,657	18,657	18,657	18,657	18,657
MWD Imported (Baker, ILP)	24,262	24,262	24,262	24,262	24,262
Irvine Desalter	2,282	2,282	2,282	2,282	2,282
Native Water	1,000	1,000	1,000	1,000	1,000
Supplies Under Development					
Future MWRP&LAWRP	-	6,794	6,311	7,687	9,107
Maximum Supply Capability	46,201	52,995	52,512	53,888	55,308
Baseline Demand	38,135	39,502	37,740	38,532	39,149
Demand with Project	41,543	40,798	38,153	38,063	36,751
WRMP Build-out Demand	41,543	42,718	40,212	39,959	39,481
Reserve Supply with Project	4,658	12,197	14,359	15,825	18,557

Notes: Demands "with project" are less than "baseline" demands in 2020 and 2025 due to proposed conversion of agricultural land to residential and nonresidential uses.

Figure 8

IRWD Maximum-Day Supply & Demand - Nonpotable Water



(in cfs)	2005	2010	2015	2020	2025
<u>Current Nonpotable Supplies</u>					
Existing MWRP&LAWRP	32.2	32.2	32.2	32.2	32.2
Irvine Desalter	6.0	6.0	6.0	6.0	6.0
Native Water	5.5	5.5	5.5	5.5	5.5
MWD Imported (Baker, ILP)	117.7	117.7	117.7	117.7	117.7
<u>Supplies Under Development</u>					
Future MWRP&LAWRP	-	9.4	8.7	10.6	12.6
Maximum Supply Capability	161.4	170.8	170.1	172.0	174.0
Baseline Demand	123.1	127.5	121.8	124.3	126.3
Demand with Project	134.1	131.7	123.1	122.8	118.6
WRMP Build-out Demand	134.1	137.9	129.8	129.0	127.4
Reserve Supply with Project	27.3	39.1	47.0	49.2	55.4

Notes: Demands "with project" are less than "baseline" demands in 2020 and 2025 due to proposed conversion of agricultural land to residential and nonresidential uses.

2. Information concerning supplies

(a)(1) Existing sources of identified water supply for the proposed project:

IRWD does not allocate particular supplies to any project, but identifies total supplies for its service area, as shown in the following table:

	Max Day (cfs)	Avg. Annual (AFY)	Annual by Category (AFY)
Current Supplies			
Potable - Imported			
East Orange County Feeder No. 2	41.4	16,652	1
Allen-McColloch Pipeline	64.7	26,024	1
Orange County Feeder	18.0	7,240	1
Potable - Groundwater			
Dyer Road Wellfield	80.0	28,000	2
Deep Aquifer Treatment System-DATS	10.0	7,200	2
Irvine Desalter	8.5	5,568	3
Irvine Subbasin	8.0	4,800	3
Total Potable Current Supplies	230.6		95,484
Nonpotable - Reclaimed Water			
MWRP (18 mgd)	23.9	17,340	4
LAWRP (5.5 mgd)	8.3	5,975	4
23,315			
Nonpotable - Imported			
Baker Aqueduct	52.7	15,262	5
Irvine Lake Pipeline	65.0	9,000	6
24,262			
Nonpotable - Groundwater			
Irvine Desalter-Nonpotable	6.0	2,282	7
2,282			
Nonpotable Native			
Irvine Lake	5.5	4,000	8
4,000			
Total Nonpotable Current Supplies	161.4		53,859
Total Combined Current Supplies	392.0		149,343
Supplies Under Development			
Potable Groundwater - West Irvine Wellfield	20.0	12,700	9
12,700			
Nonpotable Reclaimed - Future MWRP&LAWRP Reclaimed	20.0	14,450	10
14,450			
Total Supplies (Current and Under Development)			
Potable Supplies	250.6		108,184
Nonpotable Supplies	181.4		68,309
Total Supplies	432.0		176,493

1 Based on converting maximum day capacity to average by dividing the capacity by a peaking factor of 1.8 (see Footnote 1, page 18).

2 Contract amount - See Potable Supply-Groundwater(iii).

3 Contract amount - See Potable Supply-Groundwater (iv) and (v). Maximum day well capacity (cfs) is compatible with contract amount.

4 MWRP 18.0 mgd treatment capacity (17,400 AFY RW production) and LAWRP 5.5 mgd tertiary treatment capacity (5,975 AFY)

5 Based on converting maximum day capacity to average by dividing the capacity by a peaking factor of 2.5 (see Footnote 1, page 18).

6 Based on IRWD's proportion of Irvine Lake imported water storage; Actual ILP capacity would allow the use of additional imported water from MWD through the Santiago Lateral.

7 Contract amount - See Nonpotable Supply-Groundwater (i) and (ii). Maximum day well capacity (cfs) is compatible with contract amount.

8 Based on 69 years historical average of Santiago Creek Inflow into Irvine Lake.

9 Estimated combined capacity of wells.

10 Future estimated MWRP & LAWRP reclaimed water production.

(2) Quantities received in prior years from existing sources identified in (a)(1):

Source	1980	1985	1990	1995	2,000
Potable - imported	29,510	43,320	44,401	28,397	36,777
Potable - groundwater	827	38	10,215	20,020	20,919
Nonpotable - reclaimed	9,196	12,399	11,589	10,518	14,630
Nonpotable - imported*	9,556	12,260	24,899	2,333	16,343
Nonpotable - groundwater	-	36	816	1,834	2,890
Nonpotable - native	11,909	3,587	2,778	5,980	4,949
Total	60,998	71,639	94,699	69,082	96,508

*Includes water purchased for delivery to storage in Irvine Lake.

(Source: water purchase and production records.)

(b) Required information concerning currently available and under-development water supply entitlements, water rights and water service contracts:

(1) Written contracts or other proof of entitlement.^{1 2}

• **POTABLE SUPPLY - IMPORTED**³

Potable imported water service connections (currently available).

(i) Potable imported water is delivered to IRWD at various service connections to the imported water delivery system of The Metropolitan Water District of Southern California ("MWD"): service connections CM-01A and OC-7 (Orange County Feeder); CM-10, CM-12, OC-38, OC-39, OC-57, OC-58, OC-63 (East Orange County Feeder No. 2); and OC-68, OC-71, OC-72, OC-73/73A, OC-74, OC-75, OC-83, OC-84, OC-87 (Allen-McColloch Pipeline). IRWD's entitlements regarding service from the MWD delivery system facilities are described in the following paragraphs and summarized in the above Table ((2)(a)(1)). IRWD receives imported water service through Municipal Water District of Orange County ("MWDOC"), a member agency of MWD.

Allen-McColloch Pipeline ("AMP") - currently available.

(ii) Agreement For Sale and Purchase of Allen-McColloch Pipeline, dated as of July 1, 1994 (Metropolitan Water District Agreement No. 4623) ("AMP Sale Agreement"). Under the AMP Sale Agreement, MWD purchased the Allen-McColloch Pipeline (formerly known as the "Diemer Intertie") from MWDOC, the MWDOC Water Facilities Corporation and certain agencies, including IRWD and

¹ In some instances, the contractual and other legal entitlements referred to in the following descriptions are stated in terms of flow capacities, in cubic feet per second ("cfs"). In such instances, the cfs flows are converted to volumes of AFY for purposes of analyzing supply sufficiency in this assessment, by dividing the capacity by a peaking factor of 1.8 (potable) and 2.5 (nonpotable), consistent with maximum day peaking factors used in the WRMP. The resulting reduction in assumed available annual AFY volumes through the application of these factors recognizes that connected capacity is provided to meet peak demands, and that seasonal variation in demand and limitations in local storage prevent these capacities from being utilized at peak capacity on a year-round basis. However, the application of these factors produces an arbitrary and conservatively low estimate of annual AFY volumes from these connections; additional volumes of water are likely to be available from these sources.

² In the following discussion, contractual and other legal entitlements are characterized as either potable or nonpotable, according to the characterization of the source of supply. Some of the nonpotable supplies surplus to nonpotable demand could potentially be rendered potable by the addition of treatment facilities; however, IRWD has no current plans to do so.

³ See Imported Supply - Additional Information, below, for information concerning the availability of the MWD supply.

Los Alisos Water District ("LAWD"),⁴ identified as "Participants" therein. Section 5.02 of the AMP Sale Agreement obligates MWD to meet IRWD's and the other Participants' requests for deliveries and specified minimum hydraulic grade lines at each connection serving a Participant, subject to availability of water. MWD agrees to operate the AMP as any other MWD pipeline. MWD has the right to operate the AMP on a "utility basis," meaning that MWD need not observe capacity allocations of the Participants but may use available capacity to meet demand at any service connection.

The AMP Sale Agreement obligates MWD to monitor and project AMP demands and to construct specified pump facilities or make other provision for augmenting MWD's capacity along the AMP, at MWD's expense, should that be necessary to meet demands of all of the Participants (Section 5.08).

(iii) Agreement For Allocation of Proceeds of Sale of Allen-McColloch Pipeline, dated as of July 1, 1994 ("AMP Allocation Agreement"). This agreement, entered into concurrently with the AMP Sale Agreement, provided each Participant, including IRWD, with a capacity allocation in the AMP, for the purpose of allocating the sale proceeds among the Participants in accordance with their prior contractual capacities adjusted to conform to their respective future demands. IRWD's capacity under the AMP Allocation Agreement (including its capacity as legal successor agency to LAWD) is 64.69 cfs at IRWD's first four AMP connections, 49.69 cfs at IRWD's next five downstream AMP connections and 35.01 and 10.00 cfs, respectively at IRWD's remaining two downstream connections. The AMP Allocation Agreement further provides that if a Participant's peak flow exceeds its capacity, the Participant shall "purchase" additional capacity from the other Participants who are using less than their capacity, until such time as MWD augments the capacity of the AMP. The foregoing notwithstanding, as mentioned in the preceding paragraph, the allocated capacities do not alter MWD's obligation under the AMP Sale Agreement to meet all Participants' demands along the AMP, and to augment the capacity of the AMP if necessary. Accordingly, under these agreements, IRWD can legally increase its use of the AMP beyond the above-stated capacities, but would be required to reimburse other Participants a portion of the proceeds IRWD received from the sale of the AMP.

(iv) Improvement Subleases (or "FAP" Subleases) [MWDOC and LAWD; MWDOC and IRWD], dated August 1, 1989; 1996 Amended and Restated Allen-McColloch Pipeline Subleases [MWDOC and LAWD; MWDOC and IRWD], dated March 1, 1996. IRWD subleases its AMP capacity, including the capacity it acquired as successor to LAWD. To facilitate bond financing for the construction of the AMP, it was provided that the MWDOC Water Facilities Corporation, and subsequently MWDOC, would have ownership, and the Participants would be

⁴ IRWD has succeeded to LAWD's interests in the AMP and other LAWD water supply facilities and rights mentioned in this assessment, by virtue of the consolidation of IRWD and LAWD on December 31, 2000.

sublessees. As is the case with the AMP Sale Agreement, the subleases similarly provide that water is subject to availability.

East Orange County Feeder No. 2 ("EOCF#2") (currently available).

(v) Agreement For Joint Exercise of Powers For Construction, Operation and Maintenance of East Orange County Feeder No. 2, dated July 11, 1961, as amended on July 25, 1962 and April 26, 1965; Agreement Re Capacity Rights In Proposed Water Line, dated September 11, 1961 ("IRWD MWDOC Assignment Agreement"); Agreement Regarding Capacity Rights In the East Orange County Feeder No. 2, dated August 28, 2000 ("IRWD Coastal Assignment Agreement"). East Orange County Feeder No. 2 ("EOCF#2"), a feeder linking Orange County with MWD's feeder system, was constructed pursuant to a joint powers agreement among MWDOC (then called Orange County Municipal Water District), MWD, Coastal Municipal Water District ("Coastal"), Anaheim and Santa Ana. A portion of IRWD's territory is within MWDOC and the remainder is within the former Coastal (which has recently been consolidated with MWDOC). Under the IRWD MWDOC Assignment Agreement, MWDOC assigned 41 cfs of capacity to IRWD in the reaches of EOCF#2 upstream of the point known as Coastal Junction (reaches 1 through 3), and 27 cfs in reach 4, downstream of Coastal Junction. Delivery of water through EOCF#2 is subject to the rules and regulations of MWD and MWDOC, and is further subject to application and agreement of IRWD respecting turnouts. Similarly, under the IRWD Coastal Assignment Agreement, prior to Coastal's consolidation with MWDOC, Coastal assigned to IRWD 0.4 cfs of capacity in reaches 1 through 3 and 0.6 cfs in reach 4 of EOCF#2.

Orange County Feeder (currently available)

(vi) Agreement, dated March 13, 1956. This 1956 Agreement between MWDOC's predecessor district and the Santa Ana Heights Water Company ("SAHWC"), provides for delivery of MWD imported supply to the former SAHWC service area. SAHWC's interests were acquired on behalf of IRWD through a stock purchase and IRWD annexation of the SAHWC service area in 1997. The supply is delivered through a connection to MWD's Orange County Feeder designated as OC-7.

(vii) Agreement For Transfer of Interest In Pacific Coast Highway Water Transmission and Storage Facilities From The Irvine Company To the Irvine Ranch Water District, dated April 23, 1984; Joint Powers Agreement For the Construction, Operation and Maintenance of Sections 1a, 1b and 2 of the Coast Supply Line, dated June 9, 1989; Agreement, dated January 13, 1955 ("1955 Agreement"). The jointly constructed facility known as the Coast Supply Line ("CSL"), extending southward from a connection with MWD's Orange County Feeder at Fernleaf Street in Newport Beach, was originally constructed pursuant to a 1952 agreement among Laguna Beach County Water District ("LBCWD"), The Irvine Company (TIC) and South Coast County Water District. Portions

were later reconstructed. Under the above-referenced transfer agreement in 1984, IRWD succeeded to TIC's interests in the CSL. The CSL is presently operated under the above-referenced 1989 joint powers agreement, which reflects IRWD's ownership of 10 cfs of capacity. The 1989 agreement obligates LBCWD, as the managing agent and trustee for the CSL, to purchase water and deliver it into the CSL for IRWD. LBCWD purchases such supply, delivered by MWD to the Fernleaf connection, pursuant to the 1955 Agreement with Coastal (now MWDOC).

• **POTABLE SUPPLY - GROUNDWATER**

(i) Orange County Water District Act, Water Code App., Ch. 40 ("Act"). IRWD is an operator of groundwater-producing facilities in the Orange County Groundwater Basin (the "Basin"). Although the rights of the producers within the Basin vis a vis one another have not been adjudicated, they nevertheless exist and have not been abrogated by the Act (§40-77). The rights consist of municipal appropriators' rights and may include overlying and riparian rights. The Basin is managed by OCWD under the Act, which functions as a statutorily-imposed physical solution. The Act empowers OCWD to impose replenishment assessments and basin equity assessments on production and to require registration of water-producing facilities and the filing of certain reports; however, OCWD is expressly prohibited from limiting extraction unless a producer agrees (§ 40-2(6)(c)) and from impairing vested rights to the use of water (§ 40-77). Thus, producers may install and operate production facilities under the Act; OCWD approval is not required. OCWD is required to annually investigate the condition of the Basin, assess overdraft and accumulated overdraft, and determine the amount of water necessary for replenishment (§40-26). OCWD has studied the Basin replenishment needs and potential projects to address growth in demand until 2020. This is described in detail in the OCWD Master Plan Report, dated April, 1999.

(ii) *Irvine Ranch Water District v. Orange County Water District*, OCSC No. 795827. A portion of IRWD is outside the jurisdictional boundary of OCWD. IRWD is eligible to annex the Santa Ana River Watershed portion of this territory to OCWD, under OCWD's current annexation policy (Resolution No. 86-2-15, adopted on February 19, 1986 and reaffirmed on June 2, 1999), and anticipates doing so. However, this September 29, 1998, Superior Court ruling indicates that IRWD is entitled to deliver groundwater from the Basin to the IRWD service area irrespective of whether such area is also within OCWD.

***Dyer Road Wellfield (DRWF) / Deep Aquifer Treatment System (DATS)
(currently available)***

(iii) Agreement For Water Production and Transmission Facilities, dated March 18, 1981, as amended May 2, 1984, September 19, 1990 and November 3, 1999 (the "DRWF Agreement"). The DRWF Agreement, among IRWD, OCWD and Santa Ana, concerns the development of IRWD's Dyer Road Wellfield ("DRWF"),

within the Basin. The DRWF consists of 16 wells pumping from the non-colored water zone of the Basin and 2 wells (with colored-water treatment facilities) pumping from the deep colored-water zone of the Basin (the colored-water portion of the DRWF is sometimes referred to as the Deep Aquifer Treatment System or "DATS".) Under the DRWF Agreement, an "equivalent" basin production percentage (BPP) has been established for the DRWF, currently 28,000 AFY of non-colored water and 8,000 AFY of colored water, provided any amount of the latter 8,000 AFY not produced results in a matching reduction of the 28,000 AFY BPP. Although typically IRWD production from the DRWF does not materially exceed the equivalent BPP, the equivalent BPP is not an extraction limitation; it results in imposition of monetary assessments on the excess production. The DRWF Agreement also establishes monthly pumping amounts for the DRWF.

Irvine Subbasin / Irvine Desalter (currently available)

(iv) First Amended and Restated Agreement, dated March 11, 2002, restating May 5, 1988 agreement ("Irvine Subbasin Agreement"). TIC has historically pumped agricultural water from the Irvine Subbasin. (As in the rest of the Basin of which this subbasin is a part, the groundwater rights have not been adjudicated, and OCWD provides governance and management under the Act.) The 1988 agreement between IRWD and TIC provided for the joint use and management of the Irvine Subbasin. The 1988 agreement further provided that the 13,000 annual yield of the Irvine Subbasin would be allocated 1,000 AFY to IRWD and 12,000 AFY to TIC. The restated Irvine Subbasin Agreement will continue the foregoing allocations on a temporary basis, until TIC commences building the project assessed herein. At that time (but not later than January 1, 2006), the Subbasin production capability, wells and other facilities, and associated rights will be transferred from TIC to IRWD, and IRWD will assume the production from the Subbasin. Provision is made for an earlier transfer to the extent needed for IRWD to start operation of the Irvine Desalter Project (see following paragraph (v)). In consideration of the transfer, IRWD is required to count the supplies attributable to the transferred Subbasin production in calculating available supplies for the project and other TIC development, and has agreed that they will not be counted toward non-TIC development.

A portion of the existing Subbasin water production facilities produce water which is of potable quality. As necessary, IRWD plans to treat the water produced from the Subbasin for potable use, by means of the Desalter and other projects. Although, as noted above, the Subbasin has not been adjudicated and is managed by OCWD, TIC has reserved water rights from conveyances of its lands as development over the Subbasin has occurred, and under the Irvine Subbasin Agreement TIC will transfer its rights to IRWD.

(v) Second Amended and Restated Agreement Between Orange County Water District and Irvine Ranch Water District Regarding the Irvine Desalter Project, dated June 11, 2001, and other agreements referenced therein. This agreement

provides for the extraction and treatment of subpotable groundwater from the Irvine Subbasin, a portion of the Basin. As is the case with the remainder of the Basin, IRWD's entitlement to extract this water is not adjudicated, but the use of the entitlement is governed by the OCWD Act. (See also, discussion of Irvine Subbasin in the preceding paragraph.) A portion of the product water will be delivered into the IRWD potable system, and the remainder will be delivered into the IRWD nonpotable system.

West Irvine Wells (under development)

(vi) IRWD is pursuing the installation of production facilities in the west Irvine portion of the Basin, located approximately between the 55 freeway and Peters Canyon Channel. This supply is considered to be under development; however, one well has been drilled (1992), a site for an additional well and treatment facility has been acquired by IRWD, and IRWD is in negotiation for the purchase of a third well site. The production facilities can be constructed and operated under the Act; no statutory or contractual approval is required to do so. See discussion of the Act under Potable Supply - Groundwater, paragraph (i), above.

• **NONPOTABLE SUPPLY - RECLAIMED**

Water Reclamation Plants (currently available)

Water Code Section 1210. IRWD supplies its own reclaimed water from wastewater collected by IRWD and delivered to IRWD's Michelson Water Reclamation Plant (MWRP) and Los Alisos Water Reclamation Plant (LAWRP). MWRP currently has a permitted capacity of 18 million gallons per day (MGD) and LAWRP currently has a permitted capacity of 5.5 MGD. Water Code Section 1210 provides that the owner of a wastewater treatment plant operated for the purposes of treating wastes from a sanitary sewer system holds the exclusive right to the treated effluent as against anyone who has supplied the water discharged into the sewer system. IRWD's permits for the operation of MWRP and LAWRP allow only irrigation and other customer uses of reclaimed water, and do not permit stream discharge of reclaimed water; thus, no issue of downstream appropriation arises, and IRWD is entitled to deliver all of the effluent to meet contractual and customer demands.

Water Reclamation Plant Expansion (under development)

IRWD has prepared its Waste Water Management and Action Program Final Environmental Impact Report (November, 1979) to address impacts associated with its Wastewater Management and Action Program (WMAP). IRWD plans to increase its capacity on the existing plant sites to produce sufficient reclaimed water to meet the projected demand in the year 2025. Additional reclamation capacity will augment local nonpotable supplies and improve reliability.

• NONPOTABLE SUPPLY - IMPORTED⁵

Baker Pipeline (currently available)

Santiago Aqueduct Commission Joint Powers Agreement, dated April 13, 1961, as amended September 11, 1961, December 20, 1974, January 13, 1978, November 1, 1978, September 1, 1981, October 22, 1986, and July 8, 1999 (the "SAC Agreement"); Agreement Between Irvine Ranch Water District and Carma-Whiting Joint Venture Relative to Proposed Annexation of Certain Property to Irvine Ranch Water District, dated May 26, 1981 (the "Whiting Annexation Agreement"). Service connections OC-13/13A, OC-33/33A. The imported untreated water pipeline initially known as the Santiago Aqueduct and now known as the Baker Pipeline was constructed under the SAC Agreement, a joint powers agreement. The Baker Pipeline is connected to MWD's Santiago Lateral. IRWD's capacity in the Baker Pipeline includes the capacity it subleases as successor to LAWD, as well as capacity rights IRWD acquired through the Whiting Annexation Agreement. (To finance the construction of AMP parallel untreated reaches which were incorporated into the Baker Pipeline, replacing original SAC untreated reaches that were made a part of the AMP potable system, it was provided that the MWDOC Water Facilities Corporation, and subsequently MWDOC, would have ownership, and the participants would be sublessees.) IRWD has 52.70 cfs in the first reach, 12.50 cfs in each of the second, third and fourth reaches and 7.51 cfs in the fifth reach of the Baker Pipeline. Water is subject to availability from MWD.

• NONPOTABLE SUPPLY - NATIVE

Irvine Lake (currently available)

(i) Permit For Diversion and Use of Water (Permit No. 19306) issued pursuant to Application No. 27503; License For Diversion and Use of Water (License 2347) resulting from Application No. 4302 and Permit No. 3238; License For Diversion and Use of Water (License 2348) resulting from Application No. 90005 and Permit No. 5202. The foregoing permit and licenses, jointly held by IRWD (as successor to The Irvine Company (TIC) and Carpenter Irrigation District (CID)) and Serrano Water District (SWD), secure appropriative rights to the flows of Santiago Creek. Under Licenses 2347 and 2348, IRWD and SWD have the right to diversion by storage at Santiago Dam (Irvine Lake) and a submerged dam, of a total of 25,000 AFY. Under Permit No. 19306, IRWD and SWD have the right to diversion by storage of an additional 3,000 AFY by flashboards at Santiago Dam (Irvine Lake). Rights under Permit No. 19306 may be junior to an OCWD permit to divert up to 35,000 AFY of Santiago Creek flows to spreading pits downstream of Santiago Dam. The combined total of native water that may be

⁵ See Imported Supply - Additional Information, below, for information concerning the availability of the MWD supply.

diverted to storage under these licenses and permit is 28,000 AFY. The use and allocation of the native water is governed by the agreements described in the next paragraph.

(ii) Agreement, dated February 6, 1928 ("1928 Agreement"); Agreement, dated May 15, 1956, as amended November 12, 1973 ("1956 Agreement"); Agreement, dated as of December 21, 1970 ("1970 Agreement"); Agreement Between Irvine Ranch Water District and The Irvine Company Relative to Irvine Lake and the Acquisition of Water Rights In and To Santiago Creek, As Well As Additional Storage Capacity in Irvine Lake, dated as of May 31, 1974 ("1974 Agreement"). The 1928 Agreement was entered into among SWD, CID and TIC, providing for the use and allocation of native water in Irvine Lake. Through the 1970 Agreement and the 1974 Agreement, IRWD acquired the interests of CID and TIC, leaving IRWD and SWD as the two co-owners. TIC retains certain reserved rights. The 1928 Agreement divides the stored native water by a formula which allocates to IRWD one-half of the first 1,000 AF, plus increments that generally yield three-fourths of the amount over 1,000 AF.⁶ The agreements also provide for evaporation and spill losses and carryover water remaining in the Lake at the annual allocation dates. Given the dependence of native water on rainfall, for purposes of this assessment only a small portion of IRWD's share of the 28,000 AFY of native water rights is shown in currently available supplies, based on averaging of historical data. IRWD's ability to supplement Irvine Lake storage with imported untreated water offsets the uncertainty associated with the native water supply.

• NONPOTABLE SUPPLY - GROUNDWATER

Irvine Subbasin / Irvine Desalter (currently available)

(i) IRWD's entitlement to produce nonpotable water from the Irvine Subbasin is included within the Irvine Subbasin Agreement. See discussion of the Irvine Subbasin Agreement under Potable Supply - Groundwater, paragraph (iv), above.

(ii) See discussion of the Irvine Desalter Project under Potable Supply - Groundwater, paragraph (v), above. The Irvine Desalter Project will produce nonpotable as well as potable water.

⁶ The 1956 Agreement provides for facilities to deliver MWD imported water into the Lake, and grants storage capacity for the imported water. By succession, IRWD owns 9,000 AFY of this 12,000 AFY imported water storage capacity. This storage capacity does not affect availability of the imported supply, which can be either stored or delivered for direct use by customers.

• IMPORTED SUPPLY - ADDITIONAL INFORMATION

As described above, the imported supply from MWD is contractually subject to availability. To assist local water providers in assessing the adequacy of local water supplies that are reliant in whole or in part on MWD's imported supply, MWD has provided information concerning the availability of the supplies to its entire service area. This report, entitled "Report on Metropolitan's Water Supplies" (February 11, 2002) ("MWD Report"), is consistent with MWD's Regional Urban Water Management Plan (December, 2000) ("RUWMP"). The MWD Report indicates that MWD's regional water demand projections used in the RUWMP are 7% to 11% percent higher than the aggregated projections of MWD's member agencies. As stated in the MWD Report, "this difference indicates that Metropolitan's supplies developed in accordance with the RUWMP would provide a measure of "margin of safety" or flexibility to accommodate some delays in local resources development or adjustments in development plans."

The MWD Report is intended to serve two primary purposes, described therein:

"Demonstrate Metropolitan's ability to meet projected demands over the next 20 years and to provide additional resource reserves as a "margin-of-safety" that mitigates against uncertainties in demand projections and risks in implementing supply programs."

"Demonstrate that Metropolitan is implementing a comprehensive plan to secure reliable water supplies in accordance with policy principles and objectives established by Metropolitan's Board of Directors."

The MWD Report finds "that current practices allow Metropolitan to bring water supplies on-line at least ten years in advance of demand with a very high degree of reliability." Furthermore, demand and supply comparisons "demonstrate that there are sufficient supplies that can be reasonably relied upon to meet projected supplemental demands and that there are additional reserve supplies that could provide a "margin of safety" to mitigate against uncertainties in demand projections and risks in fully implementing all supply programs under development."

More particularly, MWD has documented sufficient *currently available* supplies to meet 100% of MWD's member agencies' supplemental water demands for 20 years under average-year conditions, for 15 years under multiple dry-year conditions (with 7-12% reserve capacity), and for 10 years under single dry-year conditions (with 7-24% reserve capacity). With the addition of *supplies under development*, MWD will be able to meet 100% of its agencies' supplemental water needs under all supply and demand conditions through 2030 with 15-20% reserve capacity. Reference is made to the MWD Report for more detailed discussion.

MWD's margin of safety in its demand projections and MWD's reserve supplies, together with the fact that IRWD relies on MWD supplies as supplemental supplies that need not be used to the extent IRWD operates currently available and under-development local supplies, build a margin of safety into IRWD's supply availability.

(2) Adopted capital outlay program to finance delivery of the water supplies.

All necessary delivery facilities currently exist for the use of the *currently available* and *under-development* supplies assessed herein, with the exception of west Irvine wells, MWRP expansion and IRWD sub-regional and developer-dedicated conveyance facilities necessary to complete the local distribution systems for the project. IRWD's turnout at each MWD connection and IRWD's regional delivery facilities are sufficiently sized to deliver all of the supply to the subregional and local distribution systems.

With respect to west Irvine wells (Project Nos. 15421 and 15427) and the MWRP expansion (Project No. 38820), IRWD has adopted its fiscal year 2001/02 capital budget on June 11, 2001 (Resolution No. 2001-21), budgeting funds for such projects. (A copy is available from IRWD on request.) For these facilities, as well as unbuilt IRWD sub-regional conveyance facilities, the source of funding is previously authorized general obligation bonds and/or capital funds held by IRWD Improvement Districts. Tract-level conveyance facilities are required to be donated to IRWD by the Applicant or its successor(s) at time of development. IRWD has maintained a successful program for the issuance of general obligation bonds on favorable borrowing terms. IRWD has approximately \$500 million (water) and \$720 million (wastewater) of unissued bond authorization. Proceeds of bonds and available capital funds are expected to be sufficient to fund all IRWD facilities for delivery of the supplies under development.

(3) Federal, state and local permits for construction of delivery infrastructure.

Most IRWD delivery facilities are constructed in public right-of-way or future right-of-way. State statute confers on IRWD the right to construct works along, under or across any stream of water, watercourse, street, avenue, highway, railway, canal, ditch or flume (Water Code Section 35603). Although this right cannot be denied, local agencies may require encroachment permits when work is to be performed within a street. If easements are necessary for delivery infrastructure, IRWD requires the developer to provide them. The crossing of watercourses or areas with protected species requires federal and/or state permits as applicable.

(4) Regulatory approvals for conveyance or delivery of the supplies.

See response to preceding item (3). In addition, the MWRP expansion will require approval of amendments to IRWD's permit issued by the Regional Water Quality Control Board.

3. Other users and contractholders (identified supply not previously used).

For each of the water supply sources identified by IRWD, if no water has been received from that source(s), IRWD is required to identify other public water systems or water service contractholders that receive a water supply from, or have existing water supply entitlements, water rights and water service contracts to, that source(s):

Water has been received from all listed sources. Water has not been produced from the Irvine Desalter, which has not been constructed, but other Irvine Subbasin water has been produced by IRWD. As described under Potable Supply - Groundwater, paragraph (iv), TIC also holds water rights and contractual entitlements to the Irvine Subbasin groundwater, but existing contract provides that those rights and entitlements will be transferred to IRWD at the commencement of the project. A small quantity of Subbasin water is used by Woodbridge Village Association for the purpose of supplying its North and South Lakes. There are no other public water systems or water service contractholders that receive a water supply from, or have existing water supply entitlements, water rights and water service contracts to, the Irvine Subbasin.

4. Information concerning groundwater included in the supply identified for the project:

(a) Relevant information in the Urban Water Management Plan (UWMP):

See Irvine Ranch Water District 2000 UWMP, section III-3.

(b) Description of the groundwater basin(s) from which the project will be supplied:

The Orange County Groundwater Basin ("Basin") is described at pages 3-1 through 3-14 of the OCWD Master Plan Report, dated April, 1999 ("MPR"). The rights of the producers within the Basin vis a vis one another have not been adjudicated. The Basin is managed by the Orange County Water District (OCWD) for the benefit of municipal, agricultural and private groundwater producers. OCWD is responsible for the protection of water rights to the Santa Ana River in Orange County as well as the management and replenishment of the Basin. Current production from the Basin is approximately 380,000 AFY.

The Department of Water Resources has identified the Basin as overdrafted in its most current bulletin that characterizes the condition of the Basin, Bulletin 118 (1975, 1980). (Bulletin 118 is currently being updated by the Department.) The efforts being undertaken by OCWD to eliminate long-term overdraft in the Basin are described in the OCWD MPR, including in particular, Chapters 4, 5, 6, 14 and 15 of the MPR. Although the water supply assessment statute (Water Code Section 10910(f)) refers to elimination of "long-term overdraft," overdraft includes conditions which may be managed for optimum basin storage, rather than eliminated. OCWD's Act defines annual groundwater overdraft to be the quantity

by which production exceeds the natural replenishment of the Basin. Accumulated overdraft is defined in the OCWD Act to be the quantity of water needed in the groundwater basin forebay to prevent landward movement of seawater into the fresh groundwater body. However, seawater intrusion control facilities have been constructed by OCWD since the Act was written, and have been effective in preventing landward movement of seawater. These facilities allow greater utilization of the storage capacity of the Basin.

OCWD has invested over \$250 million in seawater intrusion control (injection barriers), recharge facilities, laboratories, and Basin monitoring to effectively manage the Basin. Consequently, although the Basin is defined to be in an "overdraft" condition, it is actually managed to allow utilization of up to 500,000 acre-feet of storage capacity of the basin during dry periods, acting as an underground reservoir and buffer against drought. OCWD also operates the basin to keep the target dewatered basin storage at 200,000 acre-feet as an appropriate accumulated overdraft. If the Basin is too full, artesian conditions can occur along the coastal area, causing rising water and water logging, an adverse condition. Since the formation of OCWD in 1933, OCWD has made substantial investment in facilities, Basin management and water rights protection, resulting in the elimination and prevention of adverse long-term "mining" overdraft conditions. OCWD continues to develop new replenishment supplies, recharge capacity and basin protection measures to meet projected production from the basin during normal rainfall and drought periods. (Source: 1999-2000 Engineer's Report on Groundwater Conditions, Water Supply and Basin Utilization in the Orange County Water District; OCWD MPR, *supra*.)

OCWD's efforts include ongoing replenishment programs and planned capital improvements. It should be noted under OCWD's management of overdraft to maximize its use for annual production and recharge operations, overdraft varies over time as the Basin is managed to keep it in balance over the long term. The Basin is not operated on an annual safe-yield basis. (OCWD MPR, section 3.2)

(c) Description and analysis of the amount and location of groundwater pumped by IRWD from the Basin for the past five years:

The following table shows the amounts pumped, by groundwater source:

(In AFY)

Year (ending 6/30)	DRWF	Irvine Subbasin (IRWD)	Irvine Subbasin (TIC)	LAWD ⁷
2001	20,377	1,687	3,967	543
2000	20,580	2,890	4,862	346
1999	20,432	1,035	3,845	404
1998	20,149	1,622	4,172	89
1997	19,894	2,528	6,280	508

(d) Description and analysis of the amount and location of groundwater projected to be pumped by IRWD from the Basin:

IRWD has a developed groundwater supply of 35,200 AFY from the its Dyer Road Wellfield (including the Deep Aquifer Treatment System), in the main portion of the Basin.

Although, as the preceding table shows, TIC's production from the Subbasin has declined as its use of the Subbasin for agricultural water has diminished, OCWD's and other historical production records for the Subbasin show that production has been as high as 13,000 AFY. Under the Irvine Subbasin Agreement, all of the Subbasin production capability will be turned over by TIC to IRWD at the commencement of the project assessed herein, with earlier transfer if and as necessary for IRWD to operate its Irvine Desalter Project. Plans are also underway to expand IRWD's main Orange County Groundwater Basin supply, with wells in the West Irvine Wellfield (characterized as *under-development* supplies herein). (IRWD anticipates the development of additional production facilities within both the main Basin and the Irvine Subbasin. However, such additional facilities have not been included or relied upon in this assessment. Additional groundwater development will provide an additional margin of safety as well as reduce future water supply costs to IRWD.)

The following table summarizes future IRWD groundwater production from currently available and under-development supplies.

⁷ The water produced from IRWD's Los Alisos wells is not included in this assessment. IRWD is presently evaluating the future use of these wells.

(In AFY)

Year (ending)	DRWF ⁸	W Irvine ⁹	Subbasin ¹⁰	IDP (Potable)	IDP (Nonpotable)
2005	35,200	0	4,800	5,568	2,282
2010	35,200	12,700	4,800	5,568	2,282
2015	35,200	12,700	4,800	5,568	2,282
2020	35,200	12,700	4,800	5,568	2,282
2025	35,200	12,700	4,800	5,568	2,282

(e) If not included in the UWMP, analysis of the sufficiency of groundwater projected to be pumped by IRWD from the Basin to meet to meet the projected water demand of the project:

See responses to 4(b) and 4(d).

The OCWD MPR examined future Basin conditions and capabilities, water supply and demand, and identified projects to meet increased replenishment needs of the basin. According to the OCWD MPR, production from the Basin can be maintained at 75% of the Basin producers' 2020 demand level, including demands from areas in IRWD and other producers to be annexed to OCWD.

Sufficient replenishment supplies are projected by the OCWD MPR to be available to OCWD to meet the increasing demand on the Basin. These supplies include capture of increasing Santa Ana River flows, purchases of replenishment water from MWD, and development of new local supplies. OCWD is moving forward with a number of replenishment supply projects, including the Groundwater Replenishment System Project ("GWRS"). The OCWD MPR indicates that the GWRS will produce over 100,000 afy of new replenishment supply from recycled water.

Production of groundwater can exceed applicable basin production percentages on a short-term basis, providing additional reliability during dry years or emergencies. Additional groundwater production is anticipated by OCWD in the Basin in dry years, as producers reduce their use of imported supplies, and the

⁸ See Potable Supply - Groundwater, paragraph (iii), above. DRWF non-colored production above 28,000 AFY and colored water production above 8,000 AFY are subject to contractually-imposed assessments. In addition, seasonal production amounts apply.

⁹ Under development.

¹⁰ Subbasin potable water production (other than Irvine Desalter Project). Amounts shown are available as potable-quality production, without treatment.

Basin is "mined" in anticipation of the eventual availability of replenishment water. (OCWD MPR, section 14.6.)

See also, Figures 1-8. IRWD assesses sufficiency of supplies on an aggregated basis, as neither groundwater nor other supply sources are allocated to particular projects or customers. Under the Irvine Subbasin Agreement, IRWD is contractually obligated to attribute the Subbasin supply only to TIC development projects for assessment purposes; however, the agreement does not allocate or assign rights in the Subbasin supply to any project.

5. This Water Supply Assessment is being completed for a project included in a prior water supply assessment. Date of prior assessment: _____ . Check all of the following that apply:

- Changes in the project have substantially increased water demand.
- Changes in circumstances or conditions have substantially affected IRWD's ability to provide a sufficient water supply for the project.
- Significant new information has become available which was not known and could not have been known at the date of the prior Water Supply Assessment.

6. References

Water Resources Master Plan, Irvine Ranch Water District, March, 2002

2000 Urban Water Management Plan, Irvine Ranch Water District/Los Alisos Water District, December, 2000

The Regional Urban Water Management Plan for the Metropolitan Water District of Southern California, December, 2000

Southern California's Integrated Resources Plan, Metropolitan Water District of Southern California, March, 1996

Report on Metropolitan's Water Supplies, Metropolitan Water District of Southern California, February 11, 2002

Master Plan Report, Orange County Water District, April, 1999

1999-2000 Engineer's Report on Groundwater Conditions, Water Supply and Basin Utilization in the Orange County Water District, Orange County Water District

Exhibit A
Depiction of Project Area

A-65

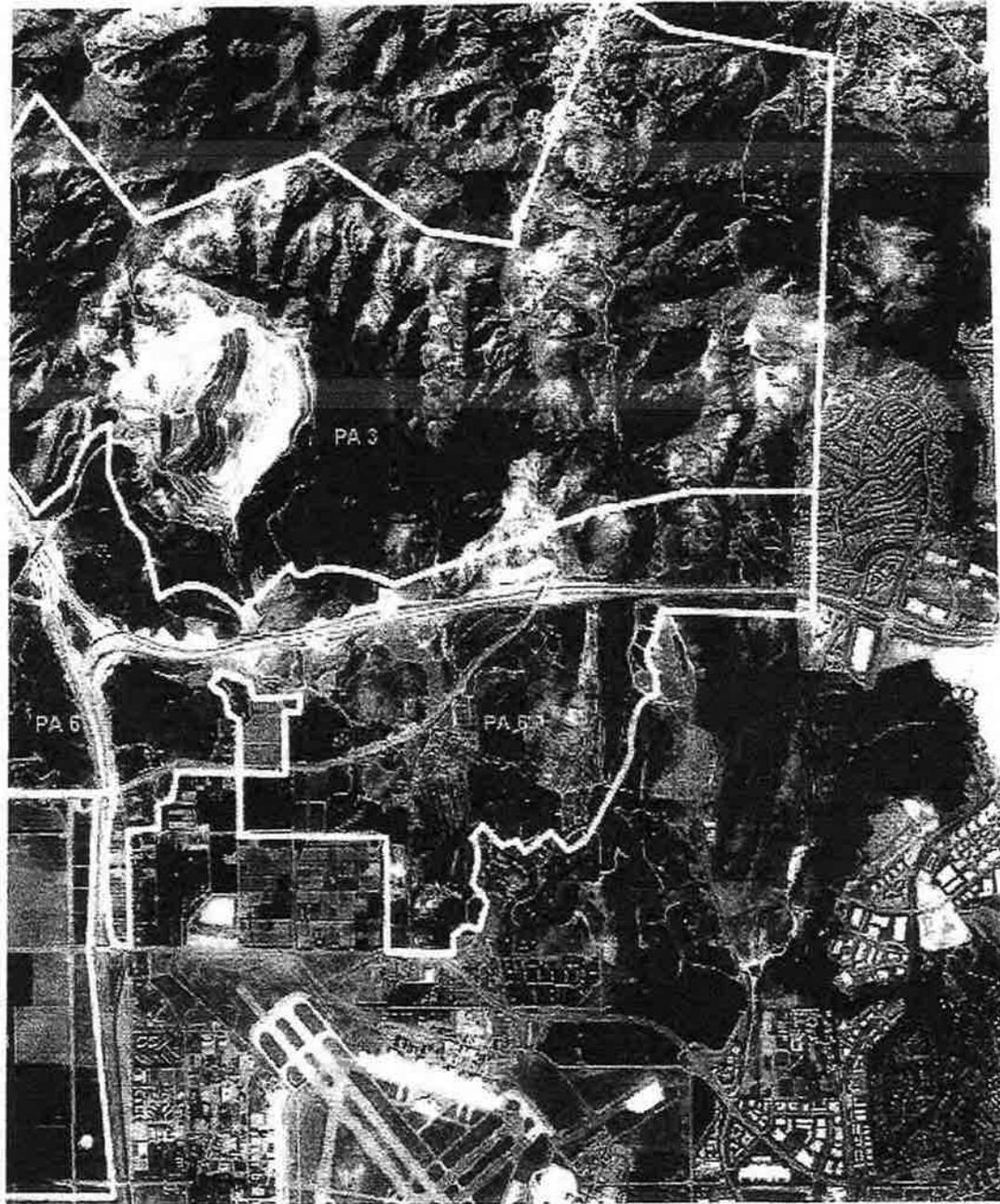


Exhibit 2-3
AERIAL PHOTOGRAPH

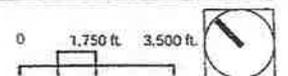


Exhibit B
Uses Included in Project

Table 2-3 Existing and Proposed Zoning					
Planning Area	Existing Zone Category	Proposed Zone Category	Implementation District	Acres	Maximum Development Intensity
3	1.3 Conservation Open Space Reserve 1.7 Landfill Overlay	1.4 Preservation	C, D, E, F	3,015	
		1.5 Recreation/Landfill Overlay		730	
Subtotal				3,745	
5B	1.1 Exclusive Agriculture	2.3I Medium Density Residential		319	1,900 dwelling units
6	1.2 Development Reserve 1.3 Conservation Open Space Reserve	1.4 Preservation	Q, R	852	
		1.5 Recreation		258	
		1.6 Water Bodies		25	
		2.3K Medium Density Residential		866	4,500 dwelling units
		3.1 Multi-Use		20	125,000 sq. ft.
		4.2 Community Commercial		20	175,000 sq. ft.
		5.5F Medical and Science		285	2,400,000 sq. ft.
		6.1 Institutional		3	
Subtotal				2,329	4,500 dwelling units 2,700,000 sq. ft.
8A	1.3 Conservation Open Space Reserve	2.3H Medium Density Residential		73	400 dwelling units
9	1.1 Exclusive Agriculture 1.3 Conservation Open Space Reserve	1.5 Recreation		72	
		2.3J Medium Density Residential		678	3,750 dwelling units
		2.4B Medium-High Density Residential		89	1,800 dwelling units
		3.1 Multi-Use		60	450,000 sq. ft.
		4.4 Commercial Recreation		51	
		5.5E Medical and Science		317	4,166,000 sq. ft.
		6.1 Institutional		10	
Subtotal				1,277	5,550 dwelling units 4,616,000 sq. ft.
TOTALS				7,743	12,350 units 7,316,000 s.f.